

About CiYuan

BSR's three-year CiYuan (China Philanthropy Incubator) initiative builds innovative cross-sector partnerships to enhance the value of social investment in China. With guidance from international and Chinese leaders in the field, CiYuan improves the capacity of local foundations and NGOs to serve as durable and effective partners with business. Ultimately, CiYuan will integrate philanthropy with core business strategy, foster collaboration, and inspire innovation. Visit ciyuan.bsr.org for more information.

About BSR

BSR works with its global network of nearly 300 member companies to build a just and sustainable world. From its offices in Asia, Europe, and North and South America, BSR develops sustainable business strategies and solutions through consulting, research, and cross-sector collaboration. Visit www.bsr.org for more information about BSR's more than 20 years of leadership in sustainability.

About B&Q

B&Q plc is a British multinational do-it-yourself (DIY) home improvement retailing company. B&Q is the largest DIY retail chain in China and in the United Kingdom. B&Q is committed to increasing the quality of life of all people touched by its business. B&Q strives to mitigate the impacts of climate change from its operations by means of an integrated approach of monitoring and controlling energy consumption, publicizing environmental protection, and applying new technology.

About Friends of Nature

Friends of Nature is a nonprofit environmental organization dedicated to promoting public participation in environmental protection and supporting members and volunteers nationwide to recognize and respond to local environmental challenges.

B&Q and Friends of Nature—Engaging Consumers on Environmentally Friendly Home Improvement Solutions

April 2013

EXECUTIVE SUMMARY

This case study outlines the roles, challenges, and lessons learned from a partnership between B&Q and Friends of Nature (FoN), China's oldest nonprofit environmental organization, to increase consumer awareness of environmentally friendly and energy-saving home improvement solutions through direct and indirect engagement with B&Q customers.

B&Q, China's largest do-it-yourself (DIY) retail chain, and FoN conducted a series of trainings in Beijing using two approaches: 1) direct engagement with B&Q customers; and 2) indirect engagement through trainings provided to B&Q designers who influence customers of B&Q home improvement solutions. Over the course of five months, B&Q and FoN trained 120 customers at five B&Q stores in Beijing, and trained 60 B&Q designers and store managers to improve their knowledge about environmentally friendly home improvement solutions and strengthen their ability to explain and promote various aspects of green and energy-saving home and residential products to B&Q customers.

BSR used its experience and cross-sector network to identify this project opportunity and create a partnership between B&Q and FoN. BSR defined roles and responsibilities for each organization and developed a project plan and framework to monitor and evaluate project outcomes. BSR also facilitated communication between both partners and identified inputs and resources necessary to strengthen the partnership and achieve the goals of this pilot.

During the pilot, project participants found that:

- » Support from B&Q senior management and key departments drove the smooth implementation of the project.
- » Trainings enabled B&Q's customers to learn more about the company's pledge to promote environmental protection, and which B&Q products support this pledge.
- » B&Q's designers were able to expand their knowledge and understanding of the value added to environmentally friendly products, as well as their understanding of customer needs.
- » This pilot strengthened FoN's network within the home improvement industry and has led to further collaborations with B&Q. For example, B&Q has continued to work with FoN on Phase II of its Low-Carbon Families Project, which aims to build capacity of participated families to develop green and energy-saving home improvement plans.

This pilot also revealed several key lessons about the partnership:

- » Identifying complementary resources helps both parties maximize the benefits of the partnership.
- » Establishing an intra-organizational project team ensures continuous communication among all sides, as well as project continuity when primary contacts or key members of the project became temporarily unavailable.

- » Conducting a pre-pilot assessment of beneficiaries' needs is vital to ensuring the success of the project.

As a third-party facilitator, BSR also took away several key lessons:

- » Regular communication is crucial in ensuring the healthy development of the partnership.
- » A third party provides knowledge, expertise, and advice, as well as facilitation and guidance on project design, management, and implementation.
- » The lack of understanding of the values and principles of other organizations is often the root cause of why differing opinions exist between corporations and NGOs. A third-party facilitator can help both sides understand each other's organizational values, while helping both sides maintain their own organizational principles.

BACKGROUND

Growing global awareness about climate change is prompting individuals to make incremental changes in their lifestyles in order to reduce their personal emissions. Individuals in China are gradually adopting energy-saving measures and home improvements that make their homes more environmentally friendly.


B&Q is committed to increasing the quality of life of all people touched by its business. Through such measures as monitoring and controlling energy consumption, supporting environmental protection, and adopting energy-efficient technology, B&Q strives to mitigate the impacts of climate change from its operations. As an advocate for environmental protection, B&Q offers recyclable and environmentally friendly product choices to its customers.

BSR proposed the idea of training customers as a credible and measurable way to help B&Q build brand and environmental awareness, sell products, engage staff, and make a positive environmental impact. BSR also proposed that the training be done in partnership with a nonprofit and helped B&Q identify a suitable partner in China that would help B&Q meet its priorities. B&Q agreed to this proposal and planned a series of trainings in Beijing for both its customers and design team to achieve this.

FoN launched the Low-Carbon Families Project in 2011 and has trained families in energy-saving home improvement design solutions. Through the Low-Carbon Families Project, FoN was able to accumulate valuable training materials and experience conducting consumer training in this area.

In May 2012, with support from BSR, B&Q and FoN agreed to work together to conduct training in Beijing.

PARTNERS' ROLES AND RESOURCES

PARTNER	CONTRIBUTION TO THE PARTNERSHIP	STRATEGIC BENEFITS TO THE PARTNER
<p>RESOURCE PROVIDER: B&Q</p> 	<ul style="list-style-type: none"> • Provided funds to support training • Provided venues for training to customers and designers • Provided in-kind staff time to develop marketing materials to the equivalent of US\$50,192 (approximately 316,212 RMB) • Developed a media and publicity strategy and brought in media 	<ul style="list-style-type: none"> • Established a partnership with an NGO with a good reputation and a neutral position that can help improve B&Q's public commitment to environmental protection • Gained an understanding of customer needs and brought in more opportunities and space for environmentally friendly products • Gained an understanding of the

<p>TRAINING PROVIDER: FoN</p> 	<p>resources</p> <ul style="list-style-type: none"> • Brought training materials, experience, and best practice from the Low-Carbon Families Project • Provided professional skills and experience training customers in this area • Introduced contacts with local media 	<p>government's related policies and actions on this issue</p> <ul style="list-style-type: none"> • Helped customers understand B&Q's products • Expanded the knowledge of the value added to environmentally friendly products, as well as their understanding of customer needs in this area • Working with B&Q—the largest company specializing in home improvement solutions in China—helped FoN expand its influence in the home improvement industry • Gained access to management-level employees across B&Q's various departments, which provided FoN access to key departments of the home improvement industry • Strengthened FoN's overall connectivity with the home improvement industry
<p>FACILITATOR: BSR</p> 	<ul style="list-style-type: none"> • Invested the equivalent of US\$26,000 (approximately 168,000 RMB) in staff time to coordinate and support the pilot and partnership between B&Q and FoN • Provided its network of corporate partners and experience building local partnerships • Helped obtain support for the project from senior management at B&Q • Provided professional advice in project design, monitoring and evaluation, and training follow-up 	<ul style="list-style-type: none"> • Developed a corporate-NGO partnership in China • Demonstrated the business value of engaging consumers in environmental protection • Demonstrated the benefits to NGOs in partnering with companies, including using companies' retail outlets and customer relationships to expand the reach and influence of NGOs in advocating a particular issue

IMPLEMENTATION PROCESS

Gain Management Support and Initiate Partnership February-June 2012

In February 2012 after several inspiring meetings with environmental nonprofits, BSR developed a project concept to engage consumers in green and energy-saving home improvement solutions. BSR saw an opportunity to help companies such as B&Q build brand and environmental awareness, engage staff, and make a positive environmental impact in China. BSR recognized that a corporate-NGO partnership was one way to carry out such a project, and identified B&Q and FoN as two organizations that would be possible partners. As BSR had contacts at both the human resources and marketing departments at B&Q, we met with representatives from each department to ascertain their interest in participating in such a project and to understand any potential concerns or challenges. This process was valuable in testing the project concept and engaging both departments early on in the partnership development phase.

With FoN's interest and support in participating, BSR held a meeting with B&Q in Beijing to introduce the project concept to representatives from these key departments and to the retail and design managers, and bring together all the key participants in the project. In May, with B&Q's interest in participating in the project confirmed, BSR brought the partners together for their first meeting to discuss how the partnership would operate and the project would be implemented.

One month later, BSR held an official kick-off meeting that finalized the project's implementation plan and timetable, confirmed the project team members, defined each partner's roles and responsibilities, and established the methods and frequency of communication. BSR suggested the three partners meet monthly to check in and discuss the project's progress. During project implementation, the project team—comprising of a lead manager from BSR, B&Q's human resources manager, and FoN's lead trainer—spoke once or twice every week to prepare for training sessions and share feedback following the trainings.

Phase 2: Preparation July-August 2012

In July and August, FoN developed a customized training module and brochures, and members of B&Q's marketing team helped make final enhancements to the materials. B&Q also coordinated with managers from its five Beijing stores to recruit customers and designers to take part in the training.

Prior to the project kick-off, BSR suggested that B&Q and FoN conduct a needs assessment to get a base-level understanding of designers' and customers' awareness of green products. BSR helped develop a needs assessment plan and questionnaire with FoN. However, due to challenges posed by the number of stores involved in the training and B&Q staff capacity, FoN instead held a small workshop with store managers and members from the design team to understand their needs. While the project would have benefited from a more thorough pre-engagement training, the in-store workshop that FoN conducted served as a good alternative, helping B&Q convince its management to conduct future trainings in-store and request that designers participate in these trainings.

Phase 3: Training September-November 2012

From mid-August to early September, FoN conducted five customer trainings at five different B&Q store locations, reaching more than 120 customers. After each customer training, BSR, B&Q, and FoN held an on-site meeting to discuss what went well and what needed improvement. B&Q also communicated the progress and results of these customer trainings to its CSR and marketing colleagues based in Shanghai. Timely feedback and communication allowed all parties to make improvements to future trainings. Furthermore, stores used the experience and lessons of these trainings to increase their recruitment of customers for future trainings. In addition, stores improved their sales promotion of environmentally friendly products, which further strengthened the attractiveness of customer training and participation on this topic.

Over 60 designers and store management personnel received training on green and energy-saving home improvement solutions, theories, and best practices. Trainings included presentations and case analyses, as well as site visits to low-carbon housing models and Tsinghua University's Environment and Energy-Efficient Building. FoN also invited one household, which had previously participated in FoN's Low-Carbon Families Project, to share its energy-saving and environmentally friendly home improvement practices.

Phase 4: Evaluation September-November 2012

At the conclusion of these trainings, BSR conducted a project review with B&Q and FoN to evaluate the training content and approach, as well as to make suggestions to improve the training and ongoing partnership between B&Q, FoN, and BSR. BSR also helped the partners assess each organization's contribution to the partnership, their project impact, and key lessons learned.

PROGRAM RESULTS AND KEY LESSONS LEARNED

This pilot project trained B&Q's customers and designers in green and energy-saving home improvement solutions and interior decoration products. The partnership resulted in the following outcomes:

Training

- » More than 120 customers and 60 B&Q designers and store managers took part in the training program on environmentally friendly home renovation methods and green products.

Project Results

- » The partnership received support from B&Q's senior management and was implemented collaboratively between the marketing, human resources, design, and retail departments.
- » B&Q's Northern China General Manager supported the pilot and participated in one of the customer trainings. Store managers generally supported the trainings, helping to prepare training venues in stores and proactively designing ways to attract customer participation.
- » The partnership was a close fit for B&Q and FoN's organizational goals. B&Q wanted to learn more about its customers' interest and demand for green and environmentally friendly products, as well as learn more about the Beijing Government's policies and initiatives pertinent to energy saving and emissions reduction. FoN, through partnering with B&Q, was able to expand its network into the home improvement industry, thus increasing its industry influence.
- » The trainings enabled B&Q's customers to understand more about the company's pledge to promote environmental protection, and which B&Q products support this pledge. The trainings also enabled B&Q designers and customers to appreciate the relationship between a home's level of comfort and the quality of home improvement products, as well as the relationship between a home's improvement products and their energy use.
- » B&Q's designers expanded their knowledge and understanding of the value added to green products (e.g., less emissions, greater energy savings, etc.), as well as their understanding of customer needs.
- » To build on the collaboration established from this pilot, B&Q and FoN continued to partner in Phase II of FoN's Low-Carbon Families Project. FoN has also expanded its reach to new project partners, including 30 pilot families and the media.

KEY LESSONS LEARNED

BSR identified four lessons from this partnership:

1. **The identification of complementary resources helped both parties maximize the benefits of the partnership.** In this partnership, B&Q was able to use its marketing team to help organize a series of product promotion activities and attract customers to the training sessions. The marketing team was also able to use its contacts with the media to create a number of press releases on green products and environmentally friendly methods for home improvement.

FoN provided B&Q with up-to-date information about government policies¹ encouraging the general public to save energy and reduce emissions. FoN also helped B&Q understand the relationship between educating customers on green and energy-saving home improvement solutions and government policies. This became one of the key motivators that impelled B&Q to continue working with FoN through its Low-Carbon Families Project.

FoN also brought its media resources to the partnership to help the public become aware of the joint effort made by B&Q, FoN, and BSR in promoting environmental awareness and changing consumer behavior toward using green and energy-saving home improvements solutions.

- 2. Establishing an intra-organizational project team to ensure smooth communication and work continuity.** If B&Q or FoN had only one project team member assigned to the partnership, project progress would have been adversely affected due to conflicting commitments. Deploying additional members from each organization to the project team was essential for project continuity. This ensured that all project activities were executed and followed up in a timely fashion, and also reduced the partnership's reliance on any one individual.
- 3. Conducting a pre-pilot assessment of beneficiary needs was an important step in ensuring project success.** Understanding the knowledge level and expectations of customers and designers was critical in developing the training content and approach for this project, and in defining how project outcomes would be measured and evaluated.

While a pre-training assessment was conducted for a limited number of members of the design team, assessing the training needs of the majority of designers across different stores was time intensive, so less pre-training information was collected than was originally intended. An assessment of customer needs carried out in-store would have been helpful to understanding the gap between supply and demand for green products and environmentally friendly approaches to home improvement. Due to time constraints, no pre-training assessments were carried out for customers. Conducting post-training follow-up evaluations from customers was even more challenging.

- 4. When developing a project concept, it is important to describe how the concept connects to wider trends in the issue area.** B&Q recognized that it needed to better understand the wider environmental concerns of its customers and key stakeholders, and asked BSR to propose and present a project concept and long-term vision to B&Q on this topic. After achieving buy-in of this concept and vision, short-term implementation plans and next steps for rolling out training at more stores outside of Beijing were created. Engaging consumers on this topic through training was identified as the first short-term step.

LESSONS FOR THIRD-PARTY FACILITATORS OF CORPORATE-NGO PARTNERSHIPS

Third parties can play an important role in creating and guiding the development of partnerships. Based on BSR's experience facilitating this project, a third party should pay special attention to three factors influencing the success of corporate-NGO partnerships:

- 1. Support regular communication between partners.**

¹ "The State Council's Notice of '12th Five-Year' Comprehensive Energy Conservation Work Plan" and Premier Wen Jiaobao's Speech at National Teleconference on Energy Conservation and Pollution Reduction.

Regular communication is crucial for ensuring the healthy development of any partnership. When the project kicked off, BSR, B&Q, and FoN defined the method, frequency, and form of communication to ensure all parties were consistently updated on project progress. Once the project entered the training phase, all sides increased the frequency of meetings to 1-2 times per week and held additional meetings to discuss training preparation before each of the seven trainings. After each training session, the project team also held an on-site meeting to review training outcomes, as well as to share feedback and set out plans for project and training improvement.

Thus, third parties play an important role in coordinating timely and transparent communication throughout the partnership, establishing and clarifying expectations and roles, and promoting effective dialog.

2. **A third party not only plays an important role in facilitating partnerships, but can also use its knowledge and expertise to provide guidance on project design, management, and implementation.**

A third party can make recommendations to enhance the project's design, management, and implementation; ensure the project aligns with the goals of both partners; and keeps both partners focused on ensuring that the project's activities will achieve their stated aims and provide benefit to the project's primary beneficiaries. BSR encouraged both partners to conduct a needs-assessment survey to identify customers' and designers' baseline awareness of green products, and developed an evaluation framework to help FoN measure the effectiveness of the trainings.

3. **A third party can help ensure that both partners receive fair compensation and contribution to the partnership.**

Many organizations that provide financial support to nonprofits focus on funding programs but overlook the need to provide support for operating costs. Nonprofits also commonly find it difficult to negotiate fees with companies due to a power inequity between companies and nonprofits. In the early stages of the partnership between B&Q and FoN, BSR was able to act as an intermediary to facilitate discussion on the project budget, and to help ensure that the full costs of implementing the project would be adequately reflected.

4. **4. A lack of understanding of each partner's organizational values and principles can often be the root cause of misunderstandings in cross-sector partnerships.** A third-party facilitator can help both sides understand the other party's organizational values, while reminding them to maintain their own organizational principles. A third party can also check whether any changes or adjustments made during the project still fit within both organizations' values and principles, ensure equal relationships among partners, and take care to avoid any one organization compromising its core principles.