



THE PARTNERSHIPS

# RESOURCE CENTRE

The State of Partnerships Report

## 2010

How the world's  
leading corporations  
are building up a  
portfolio of cross  
sector partnerships

## Colofon

### The Partnerships Resource Centre

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## Aim

This report is the first systematic effort to describe and analyze the cross-sector partnership strategies of the world's biggest (multinational) corporations. It is intended as a reference tool, a zero measurement and a pilot study as well as a stimulus for further research.

## Highlights

- The partnering paradigm is definitively embraced by leading companies.
- Ninety-six percent of the largest firms in the world are actively involved in collaborations with non-market actors (e.g. cross-sector partnerships) and this represents an increasing trend.
- On average, firms have 18 cross-sector collaborations.
- The biggest companies give the most attention to partnering.
- More than two thirds of the companies are involved in multi-stakeholder initiatives and in tripartite collaborations. An even larger number (more than 80%) explicitly engage in profit-nonprofit and in private-public collaboration projects.
- The degree of internationalization affects the partnering strategy, but it plays a more limited role than the country of origin of a firm.
- The big linkers – those organizations that perform a central role in the networks of partnerships of firms – include four NGOs (Red Cross, WWF, Habitat and Feeding America), three governmental organizations (UEPA, European Commission, USAID) and three hybrid organizations (UNICEF, IUCN, WHO).
- The most popular form of engagement in partnerships is common projects/programs, strategic partnership and systematic dialogues.
- The environment is by far the most important issue which induces companies to engage in partnerships. Education is the second most important issue.
- Environmental issues dominate 41% of the research cooperation partnerships, 76% of the certification collaborations and 25% of all systematic dialogues.
- On average, companies are involved in 6.1 different types of issues. North American companies are more focused (5.1 issues), European companies are most diversified (7.0 issues on average), Asian companies are somewhere in between.
- Business-NGO (profit-nonprofit) relationships pay relatively more attention to human rights than business-government (private-public) collaborations.
- All types of collaboration have relatively little interest (yet) in developing regions.
- More than 50% of the partnerships that are implemented in Africa focus on health, education, and water/electricity provision. Only 4% focus on poverty and 2% on hunger.
- No company has formulated a coherent strategy towards cross-sector partnerships. The actual management of a partnership portfolio, therefore, still represents a 'black box'.
- Two-thirds of the top 100 firms choose a very diversified portfolio of collaboration types.
- The portfolio density for issues is the lowest for all firms, with almost three-quarters of the firms adopting a (very) diversified issue portfolio.

Corporations are increasingly searching for partnerships with organisations that are not part of their normal 'habitat'. In the past, corporations wishing to form strategic alliances with their (potential) competitors - often across borders - faced significant challenges. At present, every large company seems to have a portfolio of 'cross-sector partnerships'. Partnerships can give firms a number of strategic advantages, not only by improving their competitive position but also by improving their 'sustainable competitive advantage'. This term, originally dubbed by management guru Michael Porter, has a different meaning these days. A sustainable competitive advantage can only be created if corporations are able to move beyond their normal sphere of influence towards a sustainable future for societal stakeholders as well, in short: a sustainable-sustainable [S<sup>2</sup>] competitive advantage. In the past, stakeholder management was limited to direct stakeholders such as employees and financiers. Nowadays, it is becoming broader and broader, and includes secondary stakeholders as well. Involving these stakeholders is part of a trend to view non-profit organisations as allies instead of gadflies (Kolk et al., 2008). James Austin labels these alliances as the 'collaboration paradigm' of the 21st century, which are needed to solve 'increasingly complex challenges' that 'exceed the capabilities of any single sector' (Austin, 2000, Selksy and Parker, 2005, Warner and Sullivan, 2004). The corporate quotes in this report illustrate the growing recognition of this paradigm with firms. Companies consider alliances with a wide range of societal organisations, international bodies and multi-stakeholder initiatives helpful for their core activities and – even more importantly – for developing an innovative vision for the future. S<sup>2</sup> competitive advantage is a shared competitive advantage through smart partnerships with non-sector specific partners. But, when should a company engage and/or disengage in a partnership and with what kinds of partners? Does it make a difference whether one forms an alliance with a non-governmental organisation, a non-profit organisation or with a national, local, or international government? How should a portfolio of cross-sector partnerships be managed?

These are some of the questions that are addressed by the Partnership Resource Centre (PrC). This centre was founded early 2010 to facilitate research, exchange and learning about the increasingly important phenomenon of cross-sector partnerships. Firms, NGOs and governments – in varying alliances – are partnering to better address a number of complex or 'wicked' societal problems in general, and sustainable development in particular (Van Tulder, 2010). Firms do this not only to serve common goods, but increasingly also because it makes good business sense. However, knowledge on the actual (effective) management of partnerships is only slowly emerging. Case studies, prescriptive modelling and theorising prevail at the moment. It is hard to find good descriptions of major trends that can serve as a benchmark for assessing the magnitude of the phenomenon. The idea that (cross-sector) partnering represents a pervasive trend still remains an impression – sometimes only an idea or ideology. No overview of the magnitude of this phenomenon actually exists. Besides, and also nurtured by a lack of data, pundits have been highly critical of the trend. For some, partnering equates with the previous 'greenwash' or 'window dressing' motives of the CSR strategies of corporations, certainly when they were primarily organised around philanthropical activities and initiated by PR departments. Who guarantees that the companies that embrace partners are not, in fact, using the 'partnerships' with (naive)

NGOs to engage in business as usual? The discussion on the sincerity of the CSR strategies of big corporations, however, has moved from principle to practice. Studies on corporate responsibility reporting show a higher degree of commitment, which can be explained by the fact that once a company starts publishing about its sustainability strategy, it is difficult to retreat for obvious reputational reasons. These trends, are then further enhanced by the availability of increasingly stricter reporting standards such as the Global Reporting Initiative (GRI). Partnerships are one step further than reporting as a formalisation and institutionalisation of societal involvement of companies. Partnerships – when organised appropriately – move corporations from a firm-oriented CSR approach (Corporate Social Responsibility) towards a solution-oriented CSR approach (Corporate Societal Responsibility). But, even with the right intentions, partnerships are difficult to manage and are not always aligned with the right partner for the right problem. Partnership research is surrounded by methodological and theoretical problems and is therefore not readily available, nor able to help out in this area.

The aim of this report is first and foremost to fill the largest empirical gap at the moment: the factual description of the actual partnering strategies of leading actors in society. In this case, the perspective of the largest companies in the world is taken. An accompanying study explores the perspective of civil society organisations (NGOs). In a follow up project, the partnership strategies of national and international governments will be described. This report provides the first exploratory study of the cross-sector partnering strategies of a substantial sample of the world's largest non-financial firms. The sample consists of two sets of companies: in the first part around 250 firms will be covered for their general partnering strategy; the second and third part of this study provide a more detailed analysis of the partnering strategies of a sub-sample, the 100 largest non-financial firms in the world. In the past, many of these companies have been at the forefront of the CSR wave, but almost always in a stand-alone mode (or were analysed as such without reference to their partners). Many of these firms publicly acknowledge their commitment to sustainability which they also increasingly portray as a joint responsibility with societal actors.

Some of the leader firms, however, have already experienced that there are serious limits to go-it-alone strategies. Sometimes this happens because of a lack of institutions, sometimes because other partners were more knowledgeable about risky environments, sometimes because stakeholders were actively attacking the initiatives of frontrunner firms. In many cases, partnerships are a prerequisite for progress in sustainability, which in turn constitutes a precondition for the S<sup>2</sup> competitive advantages of firms. The question is, however, whether corporate and societal leaders are actually successful in implementing sophisticated partnering strategies. This study documents the partnering strategies of major firms. Public statements such as annual reports, sustainability reports and company websites are the prime source of information (see annex for an explanation of the chosen methodology). There are limits to this research strategy, and the present study cannot claim full validity. We have not adopted a strict definition of cross-sector partnerships. We are interested in the extent to which companies frame their external relationships in terms of 'partnerships' and what they mean by that. Where appropriate, the analysis will try to cover the content of the actual relationship and comment on whether it can be considered a partnership. The analysis will become progressively more concrete in part II and III.

Leading questions that are addressed in this study are:

- Is partnership (and related themes) an important topic for large firms?
- How many collaborative projects do firms publicly engage in?
- What kinds of partnerships are they involved in (e.g. profit-nonprofit, private-public, tripartite partnerships)?

- What collaboration arrangements prevail (e.g. sponsorship, research cooperation, strategic/ long-term collaboration)?
- What societal issues do firms address in their partnerships (e.g. poverty, hunger, environmental issues)?
- What is the geographical scope of most partnerships (Africa, Asia, Latin America, Europe)?
- Does home county, industry, or ownership structure affect partnership activities?
- Does the degree of internationalisation affect the number, type, form of engagement, issues addressed, or area of implementation of the firm's collaborative projects?
- What kind of partnership portfolios are developing?
- Can partnership approaches be classified in terms of business models?

This study has no other aim beyond description. The benchmark thus provided should give other studies a point of reference. First patterns are discerned and a number of correlations suggested.



**PART I:  
GENERAL TRENDS**





# The importance of partnerships

“ We will expand and strengthen relationships with trade associations, government agencies, nongovernmental organizations (NGOs), and other critical external stakeholders to help influence positive changes and incremental Sustainability improvements in the palm oil supply chain and industry. We will partner with third-party organizations to help confirm and validate our palm oil sourcing and use strategies. ”  
*Procter & Gamble, Designed to Matter – Sustainability Report 2009*

“ Partnerships are an important part of 3M’s sustainability strategy. 3M partners with a variety of organizations to help provide us with a diverse set of viewpoints on sustainability, a better understanding of the positions of our stakeholders, and a mechanism to learn from the successes and failures of our peers. ”  
*3M Company, Sustainability Report 2010*

“ The complex challenges of advancing global health care require extensive collaboration and partnership with a wide range of groups. ”  
*Abbott Laboratories, Redefining Responsibilities – Global Citizenship Report 2009*

“ At Alcoa, sustainability is defined as using our values to build financial success, environmental excellence, and social responsibility in partnership with all stakeholders in order to deliver net long-term benefits to our shareholders, employees, customers, suppliers, and the communities in which we operate. ”  
*Alcoa, Sustainability Highlights 2009*

“ We develop robust partnerships that focus on sustainable community development and empowerment to ensure our presence delivers lasting benefits and contributes to poverty alleviation. ”  
*BHP Billiton, Our Sustainability Framework 2010*

“ Demand for foodstuffs is growing and consumer behavior is changing: with innovative, sustainable solutions from sowing to the harvest and in partnership with farmers and other key players along the entire food chain, we are working toward the goal of high-quality food for all. ”  
*Bayer, Science for a better life – Sustainable Development Report 2009*

“ We consider a wide range of partnerships in art and culture to be important for sustainable development. The group is therefore involved in numerous projects and provides both financial and moral support. ”  
*ThyssenKrupp, Annual Report 2008/09*

“ Since 2007 we have taken a clear strategic direction in our Community Involvement by concentrating on specific focus areas. These support local programs that address energy needs, climate protection and education concerning energy and the environment. We aim for long-term cooperation with community projects and initiatives that respond to the interests and needs of our stakeholders. In this, financial help is only one part. The overall collaboration, in many cases in partnership form, is broader: We want to use our expertise as one of the world’s leading energy companies for the good of society. This will help us to make a contribution towards the solution of global challenges and sustainable development. ”  
*E.On, CR Report 2009*

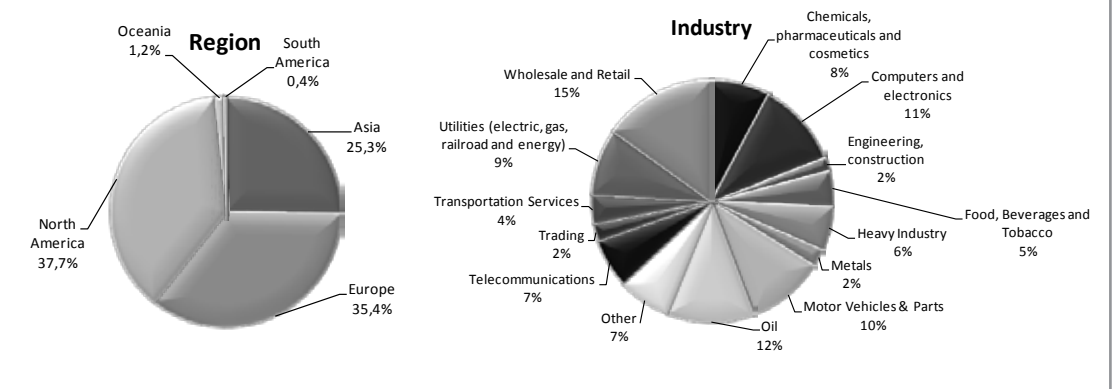
“ National and international bodies and initiatives are important partners for Deutsche Post DHL in our efforts to make a positive contribution to society. They can help us to learn from others, share experiences, and enhance – or even multiply – our own efforts in almost all areas of CR. ”  
*Deutsche Post DHL, Corporate Responsibility Report 2009/10 – Living Respectably*

“Partnerships with stakeholders: what’s next? We will continue to develop our relationships with our stakeholders and to build mutually beneficial solutions to some of the challenges in our supply chain. We know that by working with our stakeholders we can create better outcomes than if we worked on our own.”  
*British American Tobacco, Sustainability Report 2009*

# A representative sample and an equal spread

The basic sample of this study is composed of the 257 largest non-financial companies in the world. Combined they represented a turnover of more than USD 13 trillion in 2009. These firms are amongst the most international companies in the world (cf. UNCTAD/Erasmus University database). The spread over the three leading regions (Europe, North America and Asia) is relatively equally distributed, whereas the best represented industries are wholesale/retail, computers/electronics, motor vehicles & parts, utilities, chemicals and telecommunication (Box 1).

Box 1: General sample characteristics (257 firms)

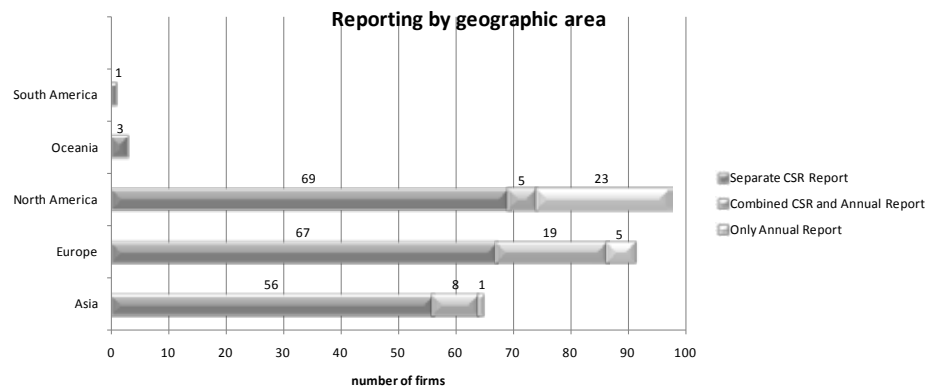
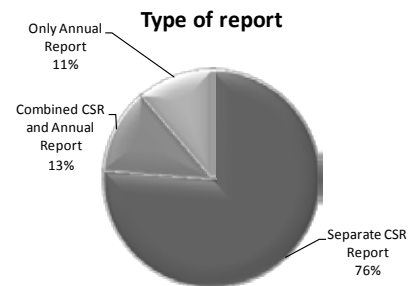


# Increased transparency in reporting

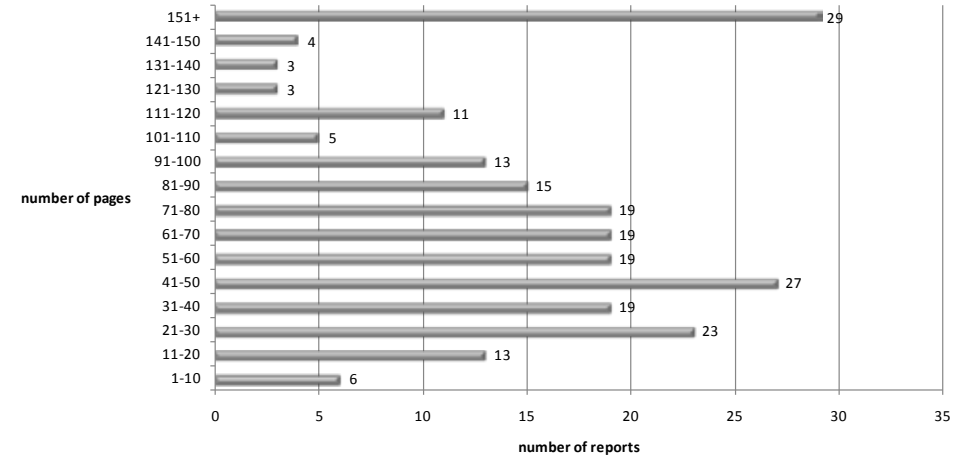
Sustainability reporting represents a solid source of information on the sustainability strategy of companies. A majority of the largest companies (89%) engage in substantial reporting on sustainability (Box 2). North America has the largest number of firms that do not report on sustainability.

The level of detail of the reports is quite substantial, which can be illustrated by the number of pages which is above ten, in all but six cases. More than 20% (55 out of 257) of the companies use more than 100 pages to document and explain their sustainability strategies. Moreover, firms are increasingly using international reporting guidelines to show their commitment to transparency. Around 55% of the firms in the sample adopt Global Reporting Initiative (GRI) guidelines. GRI is a global multi-stakeholder initiative (organised as a cross-sector partnership) that upgrades its guidelines every four to five years. Firms that adopt the latest GRI (G3) standard clearly demonstrate a commitment to undergo external verification of their sustainability efforts. GRI, however, also allows for higher or lower degrees of independent accreditation, so the reference to GRI does not automatically imply higher levels of sophistication.

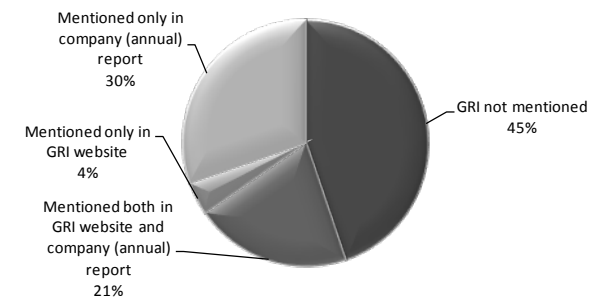
Box 2: Sustainable reporting characteristics (257 firms)



Number of pages per report  
(CSR reports and combined CSR/Annual reports)



Percentage of companies using GRI guidelines



# Partnership reporting takes off

An increasing number of firms is dedicating more space to partnerships in their reporting strategy. Three companies (Chevron, Nestle, Saint-Gobain) even frame their reports on the partnership message or on the idea of shared or collaborative efforts. With respect to attention spent on specific types of partnerships, 40% (99 out of 257) of the companies dedicate separate sections to their relationship with communities. This reiterates the trend of companies to search for a local 'license to operate' for which they need to develop close relationships with local communities around the world. This applies in particular to local communities in host countries which represent the largest 'stakeholder distance' for multinational enterprises. Interestingly, the trend towards greater community involvement implies that multinational corporations are at the core of two phenomena that are often presented as opposing trends: globalisation and localisation. The challenge for firms is not only to coordinate their dispersed activities internally, but also externally with groups of increasingly vocal stakeholders. In contrast, remarkably scant attention is given to the relationships with governments (3%) or NGOs (0.7%). (Box 3)

## Titles of reports related to partnerships

### Chevron, 2009

The Value of Partnership - Corporate Responsibility Report

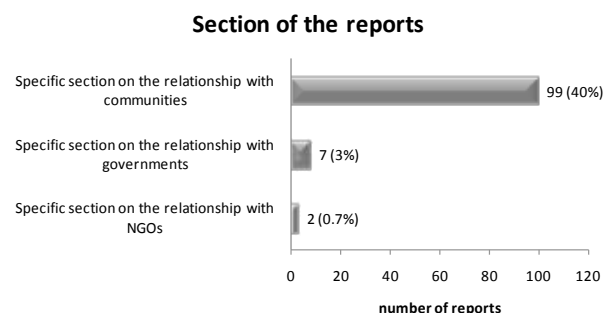
### Nestlé, 2009

Creating shared value report

### Saint-Gobain, 2009

Building our environment together - Saint-Gobain and sustainable development

Box 3: Partnership Reporting (257 firms)



Only non-American companies (ENI and Nippon Steel) report their relationships with non-profit or NGOs. Whether Nippon Steel's strategy of 'partnerships with external organisations and NGOs' really represents a cross-sector partnership in the normal sense of the word is open for debate. The community involvement of firms is more widely spread, also amongst home countries. Community oriented strategies mostly focus on making a positive contribution to communities through engagement. Some firms, such as Continental Airlines, Nippon Steel (again), make a specific reference to 'partnerships'. (Box 4)

Box 4: Examples of dedicated reporting sections (257 firms)

## NGOs

### ENI, 2009

The support to non-profit

### Nippon Steel, 2009

Partnerships with external organizations and NGOs

## Governments

### Enel, 2009

Political Contributions

### Exxon Mobil, 2009

Political involvement

### GlaxoSmithKline, 2009

Advocacy and government relations

### Intel, 2009

Political Accountability

### Time Warner, 2008

Ethics, Governance and Public Policy

## Community

### 3M, 2010

Community Involvement

### ABB, 2009

Working in the community

**AEON, 2010**  
In the community

**Ahold, 2009**  
Community engagement

**ArcelorMittal, 2009**  
Enriching our communities

**AT&T, 2009**  
Strengthening Communities

**Best Buy, 2010**  
Connecting with Communities

**Boeing, 2009**  
Lean in the community

**Chevron, 2009**  
Community Engagement

**China Mobile Communications, 2009**  
Support for the community

**ConocoPhillips, 2008**  
Positively Impact Our Communities

**Continental Airlines, 2010**  
A Great Community Partner

**FedEx, 2009**  
Community & Disaster Relief

**General Electric, 2009**  
Community Building

**IBM, 2009**  
Communities - Engagement, expertise and sustainable service

**J. Sainsbury, 2009**  
Making a positive difference to our community

**Johnson & Johnson, 2009**  
Community responsibility

**Kansai Electric Power, 2009**  
Proactive contributions to development of local communities

**Kroger, 2010**  
Community Engagement

**L.M. Ericsson, 2009**  
Caring for the communities

**Macy, 2010**  
Giving back to our communities

**Nippon Steel, 2009**  
Partnerships with local communities

**PepsiCo, 2008**  
Protecting natural resources in our communities

**Petrobras, 2008**  
Community Development

**Philips, 2009**  
Working in our Communities

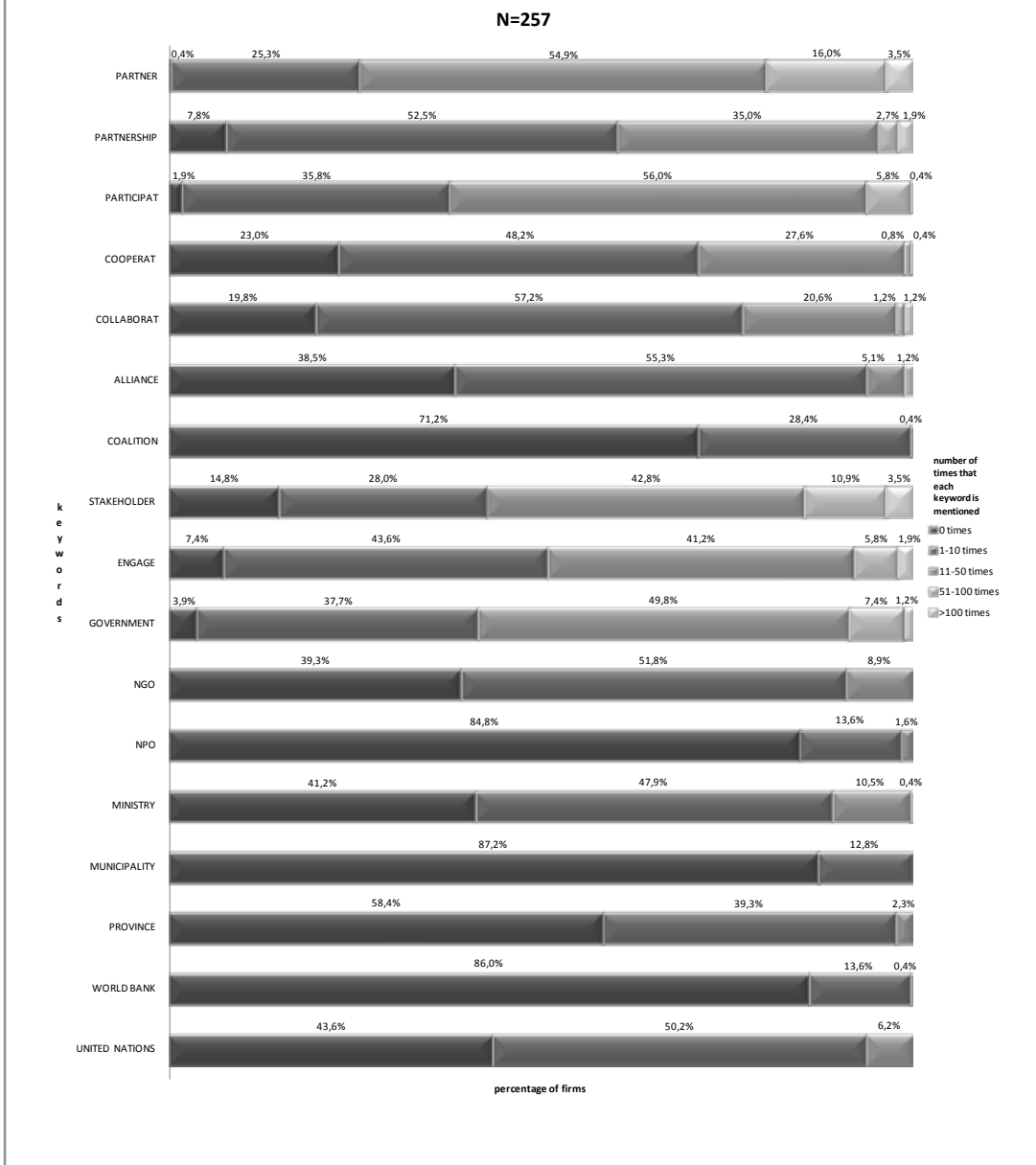
**Seven & I Holdings, 2009**  
Coexistence with Local Communities

**Target, 2009**  
Community giving - financial and product contributions, plus volunteer hours

**Toshiba, 2009**  
Responsibility toward local communities

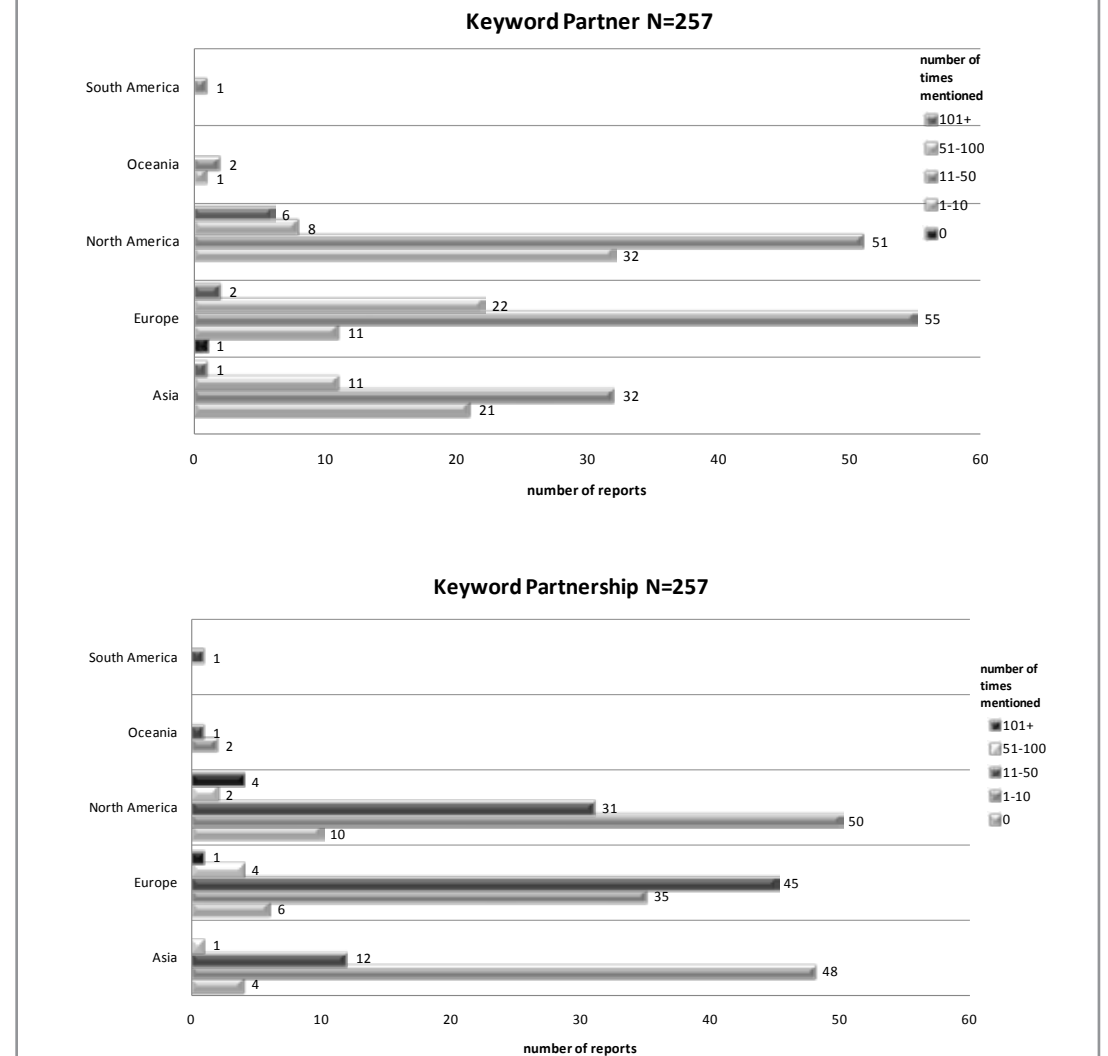
The fact that the 'partnering paradigm' is definitively embraced by companies can perhaps best be illustrated by the finding that all but one of the leading companies in the world mention the word 'partner' at least once in their reports. Almost 75% do this more than ten times, whereas around 20% refer to 'partner' 50 times or more. Only a very small number of the firms do not explicitly refer also to 'partnership', whereas even in this much more specific area around 40% refer to partnerships more than ten times. Comparable reference is made to related concepts such as participation, cooperation, collaboration and stakeholder engagement. Remarkably, firms do not like 'coalition' building, probably because of the political connotations of this concept. In terms of stakeholder engagement, we can see a clear preference for governments and NGOs, but much less for international organisations such as the World Bank. The United Nations, however, gained substantial partnering interest around the world due to its Global Compact Initiative which was set up in 1999 and is considered a modest form of partnering, because of its relatively flexible requirements. In some countries such as Brazil or the Netherlands the 'national chapters' of the Global Compact are however quite active in engaging firms and stakeholders in discussions on sustainability (Box 5).

Box 5: What kind of partner concept do firms embrace with what intensity? (257 firms)

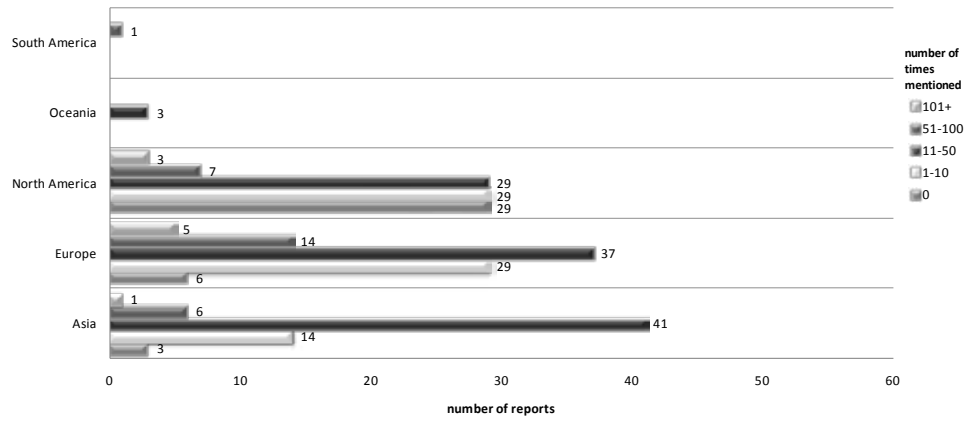


The extent to which the popularity of particular key concepts related to partnering can be based on culture or nationality, can be examined by considering national spread (Box 6). The only firm that does not refer to the keyword 'partner' is a European firm. North American companies represent extremes in this respect: they form the biggest group that is the least and the most enthusiastic about partners and partnerships. American litigation practice can explain these extremes (cf. Van Tulder with Van der Zwart, 2006). The relatively limited attention for 'stakeholders' with North American companies is still indicative for the influence of shareholder capitalism in the partnership praxis. European companies represent a moderate group with the largest 'in between' category. The European corporatist tradition has a moderating effect on explicit strategies (many of the relationships are institutionalised), but on average Europe still has the highest number of partnerships per company. Asian companies seem the most pragmatic in their approach to partnerships and partners. They are less negative towards partnerships and stakeholders, but are not very active in their strategies for stakeholder engagement.

Box 6: The nationality of concepts? (257 firms)



Keyword Stakeholder N=257





**PART II:  
TRENDS - TOP 100 FIRMS**

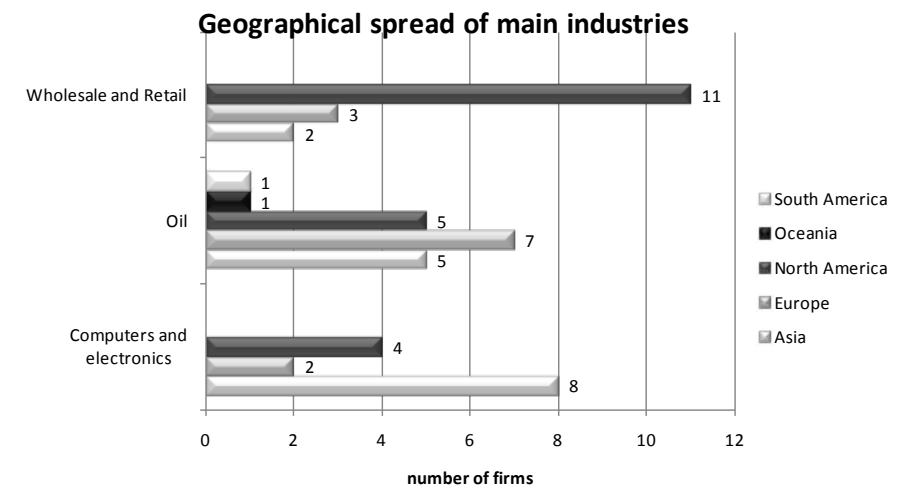
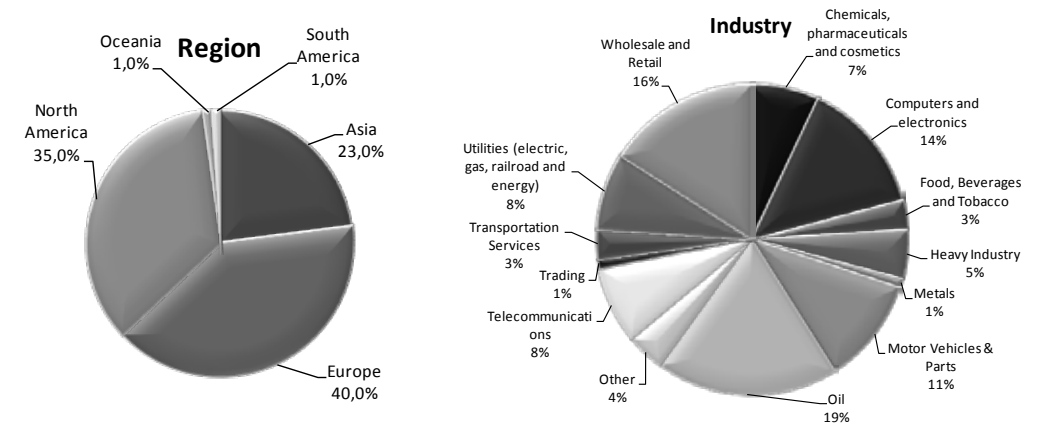


# Being big, being international

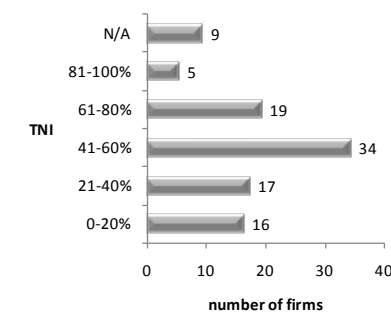
Zooming in on the largest 100 non-financial firms in the world (in 2009) allows for more detailed analyses. The smaller sample chosen for this study largely represents the same characteristics as the larger sample of Part I (Box 7) with European, American and Asian firms constituting approximately 40%, 35% and 23% of the sample respectively. The biggest sectors are again wholesale, computers, utilities, and motor vehicles. The only major difference is that the oil industry has a considerably stronger presence in the top 100 (representing almost 20%) than in the larger sample. Wholesale and retail, computer and electronics, and oil constitute around half of the sample. Within these categories, all regions are represented in the oil industry. North American firms are dominant in wholesale and retail whereas Asian firms dominate in computer and electronics.

Fifty-seven percent of the firms in this sample are also amongst the most international firms in the world (as measured by the top 100 TNCs UNCTAD/Erasmus University database). The average degree of internationalisation is measured by a weighted average of sales/assets/employment internationalisation – the 'TransNationality Index' (TNI). More than half of the corporations have more than 40% of all their activities abroad. These companies, in particular, face a large number of practical coordination problems regarding their internal portfolio of activities. These problems have become bigger due to the principle and practical coordination problems related to the external portfolio of relationships with stakeholder. For example, Shell acknowledges that it is managing relationships with hundreds of home as well as host stakeholders. On the one hand, this represents 'business-as-usual' since the firm is embedded in more than one hundred countries. Stakeholder management becomes part of normal relationship and risk management across borders. On the other hand, however, these stakeholders represent potential partners for S<sup>2</sup> competitive advantages. This poses a different managerial challenge and firms are confronted with questions such as: should we try to form partnerships with local, national or with international organisations; with governmental or with non-governmental organisations; why would we engage in partnerships and what type of engagement do we want for what type of issue? The overall question on how firms have created an increasingly complex portfolio of partnerships (and how to manage this) will be addressed in Part III.

Box 7: Sample characteristics of Top 100 companies



Internationalization (TNI)





Because of their focal position in society, large firms are the first to be confronted with a growing number of pervasive societal issues for which they are partly held responsible – whether deserved or not – and consequently have to find sustainable [S<sup>2</sup>] answers. There is a current and a future dimension to this issue challenge.

In a survey, European CEOs of the largest 200 companies provided the following ranking of current issues that were of major concern to them (Table 1).

Table 1 Issue Urgency Ranking (0 = not urgent; 5 = very urgent)

Issue urgency	Mean
1. Global Warming	4.4
2. Transparency of business practice	3.8
3. Ecological diversity	3.7
4. Fair trade and fare procurement	3.5
5. Corruption prevention	3.5
6. Labor rights	3.4
7. Health and safety	3.4
8. Education	3.2
9. Income equality and fair wages	3.1
10. Poverty	3.0

Source: Kaptein et al., 2007

At least seven out of ten of the most urgent issues are devilishly ‘wicked’. Global warming, ecological diversity, education and poverty are, for instance, issues of which many parties in society are considered ‘issue owner’ and which require coalitions of cooperating parties. The more formalized and future-oriented form of such coalitions are cross-sector partnerships. Part II of this study therefore also examines the degree to which the top 100 firms in the world take action and which issues they address. The issues of transparency, corruption prevention and, to a lesser degree, fair wages can be interpreted as prime responsibilities of firms themselves. Intra-sector partnerships seem the more appropriate course of action if corporate leaders decide to address the issue collaboratively.

## And requiring collaborative action tomorrow

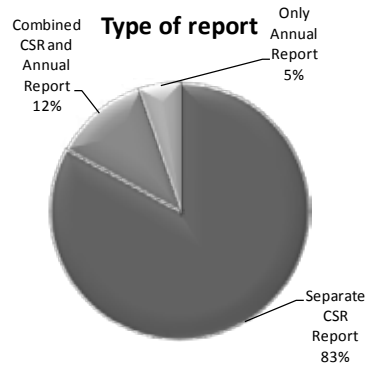
Due to their wickedness, many of these problems already create current issues which will - if left unresolved - lead to more wicked future problems. Foresight study techniques (Rijken and Van Tulder, 2011) can help in creating an action repertoire for today. The more coherent a vision or a story is, the easier it becomes to engage in sophisticated action today. An interesting example of a relatively coherent vision is provided by the World Business Council for Sustainable Development (WBCSD). In its “Vision 2050” the WBCSD addresses questions linked to sustainability like: What would a vision of a sustainable future look like? What are the pathways and solutions for achieving sustainability? What changes are needed? What are the risks to achieving this “sustainable” future? What are the dilemmas we must address to move forward? What are robust actions, policies and investments needed to move rapidly onto a sustainable pathway? And finally: what is the role of business? The WBCSD portrays future problems of society (and business) as follows: “We have what is needed to live well, within the limits of the planet: the scientific knowledge, proven and emerging technologies, financial assets and instant communications. Nevertheless, today our societies are on a dangerously unsustainable track. The story is one of growth in populations and consumption (in most countries) compounded by inertia stemming from inadequate governance and policy responses necessary to manage this growth. The result is degradation of the environment and societies.”(WBCSD, 2010) Already in 2002, at the advent of the WSSD (World Summit on Sustainable Development), the WBCSD was one of the first business coalitions to initiate a number of multi-stakeholder processes which reinforced the ‘partnering’ paradigm that was embraced by the UN by adding an eight Millennium Development Goal: partnering for development.

The future starts now, especially for public corporations (the top 100) that have to closely consider the fluctuations in market capitalization (stock prices). Awareness of the wickedness of specific problems and therefore the sense of urgency to address them with appropriate action or the realisation of the opportunities they provide varies per sector, culture and nation. This part of the report will therefore focus on the attention given by firms on general issues of sustainability (as measured by reporting qualities), the specific attention to partnering, leading to specific patterns in revealed motives, types of collaboration, forms of engagement, the nature of issues addressed, and the area of implementation of partnerships.

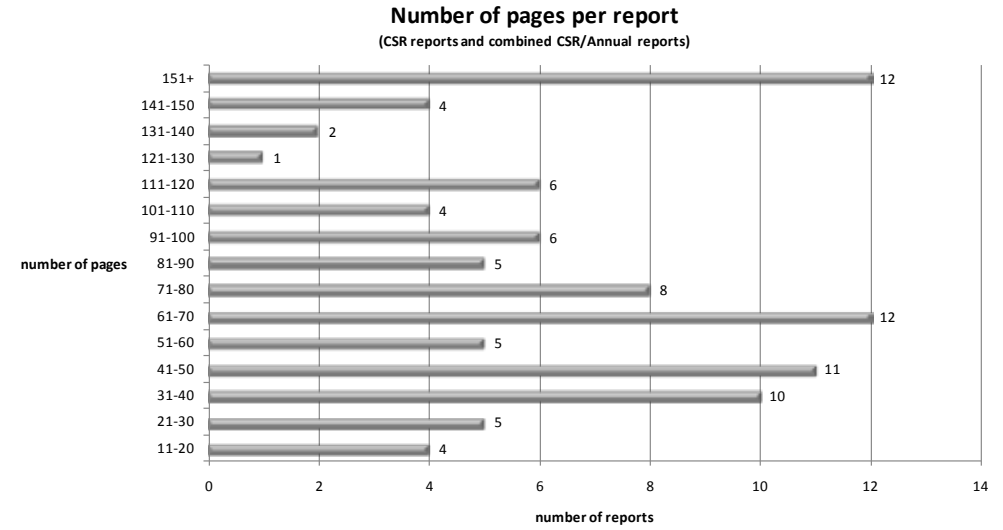
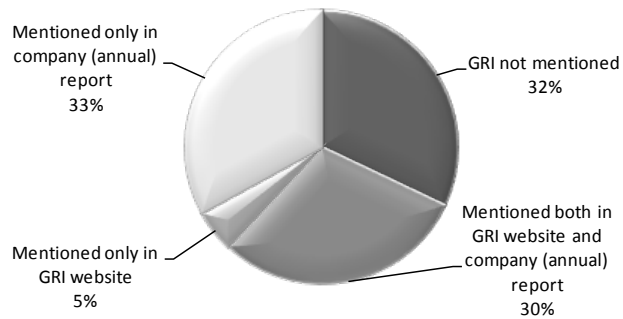
# Transparency in reporting

Being big, often involves being 'focal' (i.e. very much in the public eye). This pressures firms towards greater transparency and greater adherence to international reporting standards such as GRI. The general pattern for the sample of 257 firms (Part I) is largely reproduced in this more specific sample (Box 8), but at a higher level of intensity. The number of firms that do not pay special attention to sustainability and that do not adhere to the GRI standards is substantially lower compared to the smaller firms in the sample. This reiterates the size effect that is found in other studies as well. The threshold of strategic attention moves upward, which can be seen by the lack of zero scores on the number of pages spent on CSR. On average, the number of pages spent on CSR is also higher, whereas the specialised sections in the report dedicated to the relationship with specific societal actors largely follows the same pattern as for the bigger sample. The relative attention for specific stakeholder relationships (and thus for partnerships) does not seem to be influenced by size.

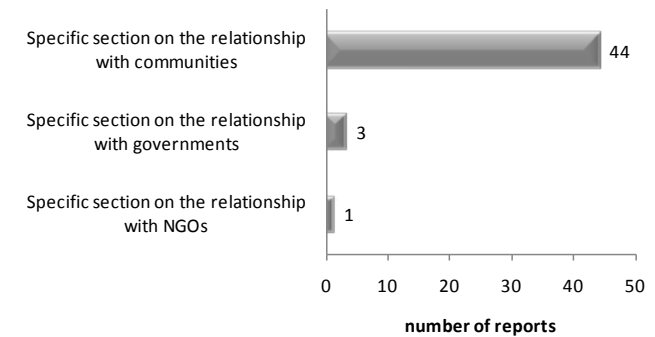
Box 8: Reporting on sustainability and partnerships (top 100 firms)



Percentage of companies using GRI guidelines



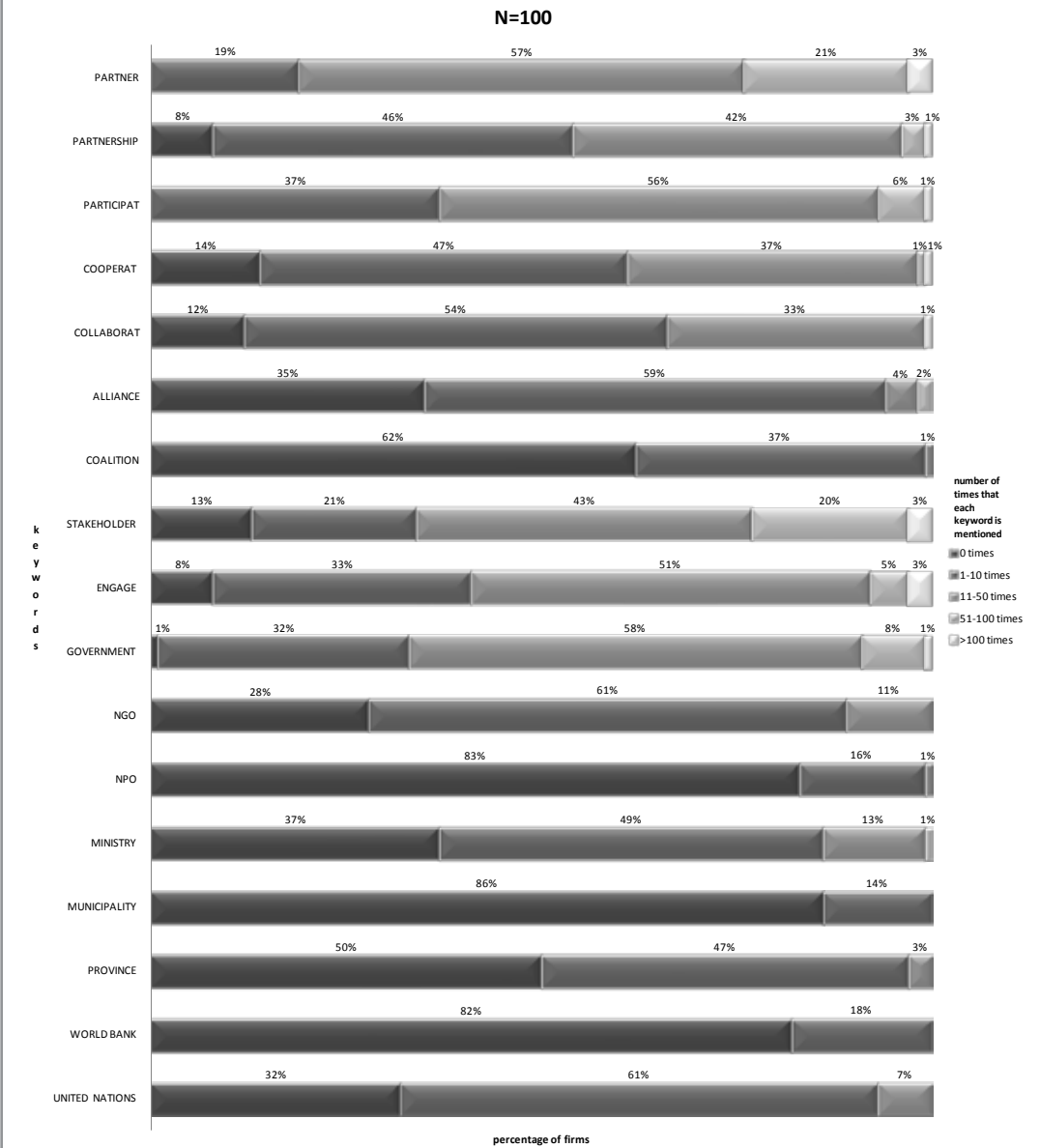
Section of the reports



# Attention for partnering

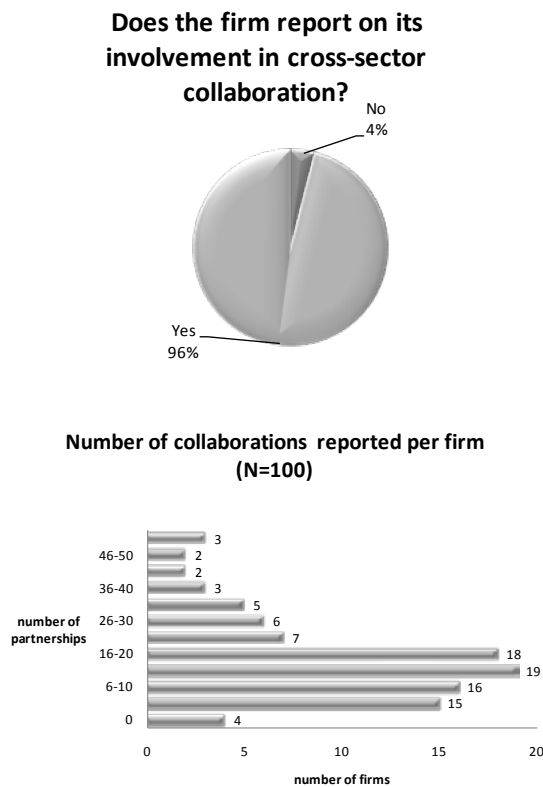
Being focal also implies greater attention to partnering (Box 9). When compared to the bigger sample, the top 100 companies spend more words on partners and partnerships, although this does not noticeably result in greater adherence to concepts like participation, cooperation or collaboration. The attention for stakeholder engagement, however, is slightly bigger, but with a comparable emphasis on specific stakeholders as is the case with the smaller companies. The only noticeable exception is the United Nations. Whereas only 32% of the largest companies do not refer to the UN, this is substantially higher for the smaller companies (almost 51% in the 101-257 sample). The UN has clearly struck a chord of cooperation with the biggest and most focal firms in the world.

Box 9: General attention for partnerships (top 100 firms)



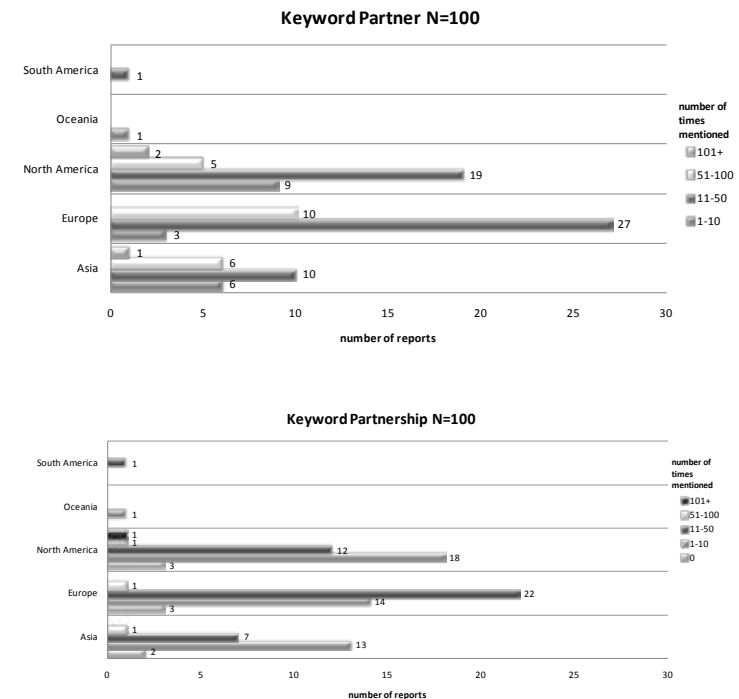
Ninety-six percent of the largest firms in the world explicitly mention their involvement in cross-sector collaboration (Box 10). A cursory search in earlier reports of the same companies shows a clearly increasing trend. The total number of cross-sector collaboration projects mentioned by the top 100 firms amounts to 1,753, which therefore represents an average of almost 18 collaborations per company. Thirty-five percent of the firms score below 11 cross-sector collaborations but 21% have more than 25 cross-sector collaborations.

Box 10: Specific attention for cross-sector collaborations (top 100 firms)

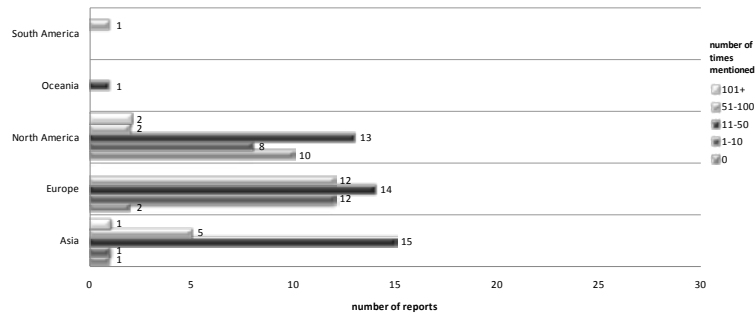


Geographically, the distribution of attention shows comparable patterns as in the larger sample (Box 11). The more receptive attitude towards stakeholders moves even further in the case of the largest European companies. South American firms follow the average level of attention for cross-sector partnerships. Asian firms represent a comparable pattern (but more spread between 1 and 40 partnerships), but no companies dare to refrain from partnering. American companies are skewed towards lower numbers of partnerships than the average, although their spread is large (zero as well as more than 50 partnerships can be found). The majority of the firms that have no partnerships is American (Box 12), are relatively home-based (low TNI) and are related to wholesale or oil. The firm with the highest number of partnerships of the whole sample is an American firm (Ford Motor) and is also one of the most international firms with a long history of CSR strategies and international stakeholder engagement. On average, European firms score the highest number of cross-sector partnerships, which is also closely related (and perhaps triggered) by a high degree of internationalisation. The European firms with the highest number of cross-sector partnerships are Italian firms from the oil and utilities sector. This finding grants further research.

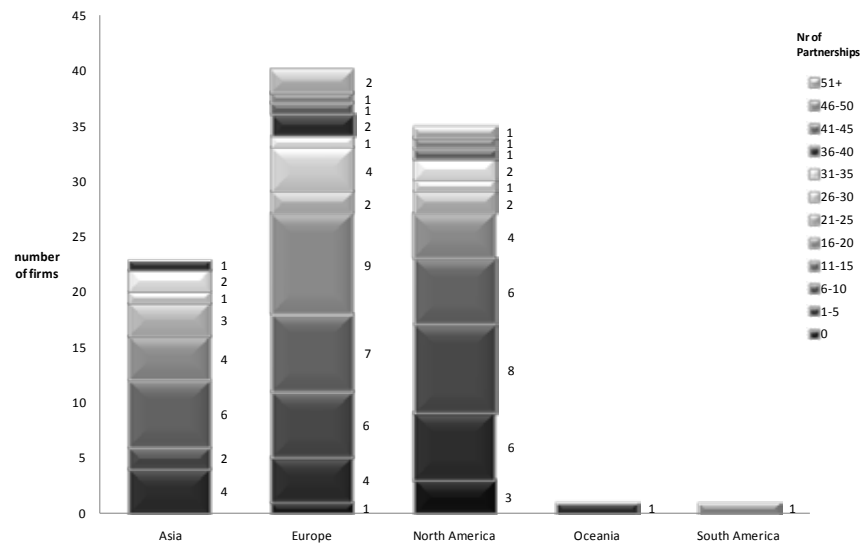
Box 11: Geographic segmentation of collaborations (top 100 firms)



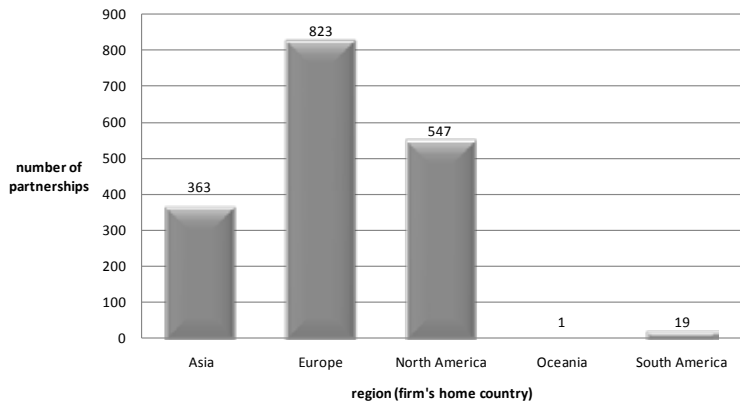
Keyword Stakeholder N=100



Number of partnerships reported per firm by geographic area (home country)



Number of partnerships by geographic area (home country)



Box 12: Leaders and refrainers of cross-sector partnerships

**Firms that do not report on any cross-sector collaboration**

Firm	Home country	Industry	TNI	Report
AmerisourceBergen	United States	Wholesale and Retail	N/A	Summary Annual Report, 2009
Peugeot	France	Motor Vehicles & Parts	21-40%	Annual Report, 2009
Valero Energy	United States	Oil	0-20%	Form 10K
Walgreen	United States	Wholesale and Retail	0-20%	Annual Report 2009 - inspiring a healthy life in your communities

**Firms that report on more than 50 collaborations**

Firm	Home country	Industry	TNI	Report	#cross/sector collaboration
Enel	Italy	Utilities (electric, gas, railroad and energy)	40-60%	Sustainability Report, 2009	69
ENI	Italy	Oil	40-60%	Sustainability Report, 2009	75
Ford Motor	United States	Motor Vehicles & Parts	40-60%	Sustainability Report, 2009/2010	83

# Types of collaboration

“Unilever extended its partnership with the UN World Food Programme (WFP) for a further year in 2009 to improve the health and nutrition of school children in developing countries. The partnership contributed E2.6 million to WFP through events such as World Food Day and End Hunger: Walk the World as well as 11 cause-related campaigns by brands such as Rama and Blue Band. As a result, WFP delivered nearly 17 million meals to 80,000 school children in seven countries”. (p. 15) *Unilever, Sustainable Development Overview 2009 - Creating a better future every day*

“In 2009, with an investment of 420 thousand dollars, the Bhit Rural Support Program (BRSP) continued; it is a rural development program based on community involvement in promotional actions for local development. The BRSP, implemented in cooperation with the local NGOs Thardeep International, includes integrated rural activities, such as supplies for orchards and fruit gardens, activities supporting farming, professional training and microcredit projects for the start of small businesses, and creating infrastructures that can improve the local communities’ living conditions. Drinking water was supplied to 23 villages, thus improving the living conditions of women in this area”. *ENI, Sustainability Report 2009*

“The integrity of ADM’s supply chain is vitally important to our 27,000 employees, which is why we work both independently and in partnership with organizations such as the Roundtable on Sustainable Palm Oil (RSPO) and Business for Social Responsibility to provide our customers with palm oil sourced from crops that are responsibly cultivated and harvested.”

*Archer Daniels Midland, Corporate Responsibility Overview 2009*

“In the USA and Canada, ArcelorMittal is part of the Sustain Our Great Lakes programme which is coordinated by the U.S. National Fish & Wildlife Foundation. It is also supported by federal partners including the U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration and the U.S. Forest Service. This innovative, public-private collaboration is in its third year and is designed to create on-the-ground impact across the Great Lakes basin. Representing 20% of the world’s fresh water, the Great Lakes are a critical natural resource which many North American communities are dependent on. Ensuring that this vital resource is protected is important for our communities and our Company”. *Arcelor Mittal, Our progress towards Safe Sustainable Steel 2009*

“Stop & Shop and Giant-Landover partner with health and wellness-related groups including the YMCA (an organization promoting a healthy spirit, mind and body), the U.S. Department of Agriculture (USDA) as a My Pyramid Corporate Partner, and other government and non-profit agencies. Stop & Shop and Giant-Landover also raised \$5.25 million (€3.66 million) for pediatric cancer research with the support of customers in 2009. See the related case study for more information”. *Ahold, Corporate Responsibility Report 2009*

“GDF SUEZ has formed numerous ties with the academic world, supporting innovative industries connected to the sustainable development body of knowledge, nourishing its businesses through outside expertise or, conversely, to impart its expert knowledge to students. In 2009, it signed partnership agreements with several major establishments or institutions: • the University Foundation Fondaterra, which aims to be a major center for interdisciplinary excellence in the field of sustainable development of territories; • l’Université Versailles - Saint-Quentin-en-Yvelines, with two masters programs: sustainable development and eco-neighborhoods and Generating eco innovation” (p. 109) *GDF Suez, Activities and Sustainable Development Report 2009*

“Every year, Carrefour brings together its main stakeholders and, for more than ten years, has formed partnerships with NGOs which help the Group advance its projects more effectively. The Group works with the International Federation for Human Rights (FIDH) to monitor working conditions in plants producing Carrefour products in sensitive countries. The WWF supports Carrefour buyers on a daily basis to help develop the Group’s supply policy for wood, fish resources and palm oil. Our European social partners are kept regularly informed and consulted on the Group’s Sustainable Development approach, through the CICE (European Consultation and Information Committee).” *Carrefour, 2009 Annual Activity and Sustainability Report*

“Boeing joined the industry government partnership, Climate Leaders, in 2008, committing to reduce the company’s environmental impact by completing a company-wide greenhouse gas emissions inventory, establishing reduction targets and +reporting progress to the EPA on an annual basis”. (p. 47) *Boeing, Corporate Citizenship Report 2009*

The quotes illustrate the extreme diversity of partnerships: a rural development programme, a supply chain policy, a university programme, promotion of healthy minds, and direct reduction of environmental impact. This poses major classification problems for research in partnerships. This report uses a very modest and descriptive approach. We largely follow the classification used by the companies themselves, and consider the depth and breadth of the actual partnerships. Furthermore, we identify the key partners as well as the multi-stakeholder initiatives around the world that are perceived as the most important measured by the number of firms that mention these partners in their company reporting.

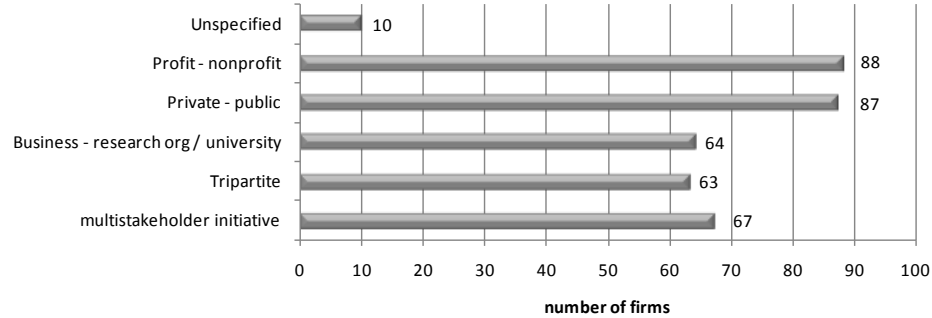
## Sector patterns on both sides

On average, top 100 companies are involved in 3.8 different types of collaboration out of the six possible types of collaboration (profit-nonprofit, private-public, business-research organisations/universities, tripartite, multistakeholder initiative, or unspecified). North American companies are more specialised (with an average of 3.34 different types of collaboration per company) European company engage, on average, in 4.25 different types of collaboration, whereas Asian companies are somewhere in between (3.73 on average).

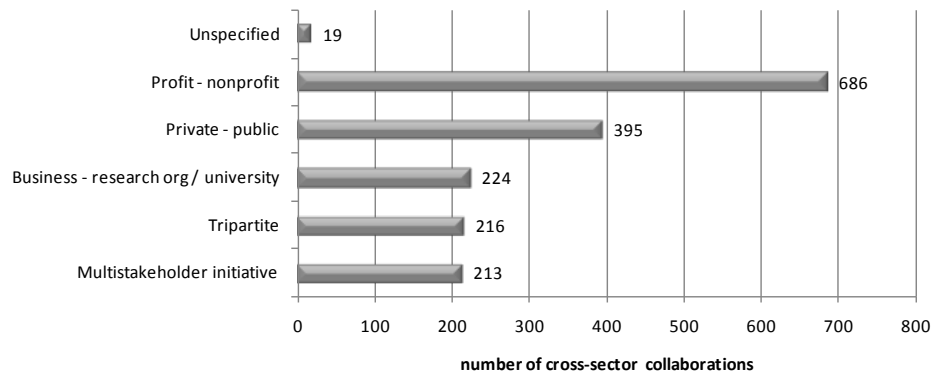
More than two-thirds of the companies in the sample are involved in multi-stakeholder initiatives; collaboration with NGOs (profit-nonprofit) and with governments (private-public) take place in almost equal intensity, involving more than 85% of the companies (Box 13). In relative terms – as a percentage of all 1,753 partnership projects – collaboration with explicitly mentioned NGOs prevails over that with governments. This is probably because there are more NGOs than governments. Two-thirds of the companies explicitly seek collaboration projects with universities and research organizations, which might be explained by the fact that most of the large firms have significant R&D activities for which they normally work together with external research institutes. This finding might suggest, however, that a large number of firms (the other third) do not consider their relationship with universities as an equally collaborative, but rather as a purchasing, customer or otherwise unequal supply-demand relationship. Here one would expect some industry specific patterns. For the wholesale sector, this is indeed the case: wholesale/retail firms are more inclined to cooperate in projects with NGOs and governments rather than with universities.

Box 13: Types of cross sector collaborations (top 100 firms)

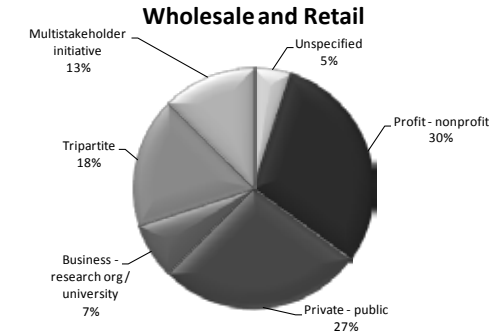
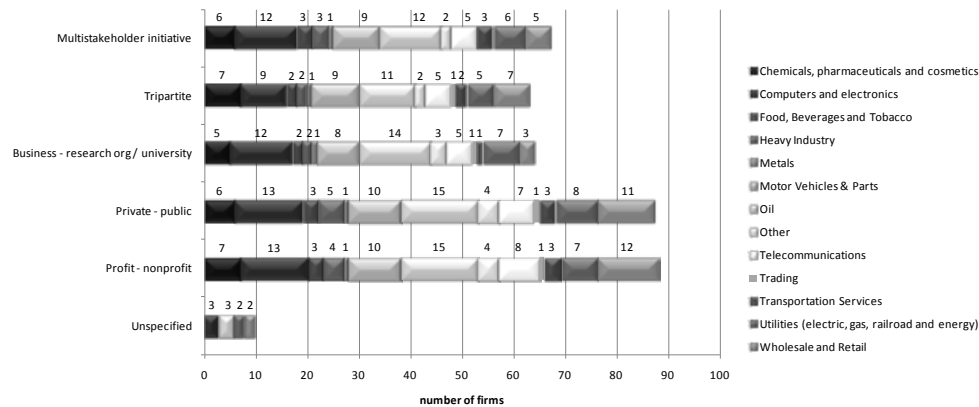
### Total number of firms that engage in this type of collaboration



### Type of collaboration of the 1,753 collaborations...



### Total number of firms that engage in this type of collaboration, by sector



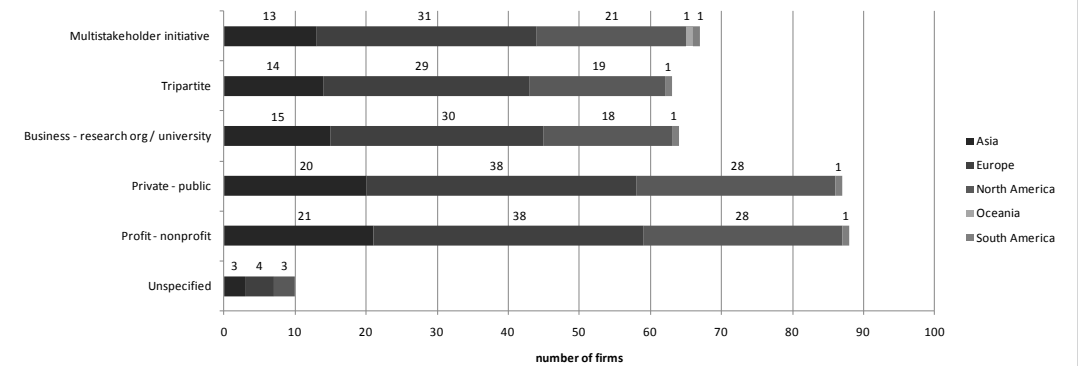
## Specific geographic patterns

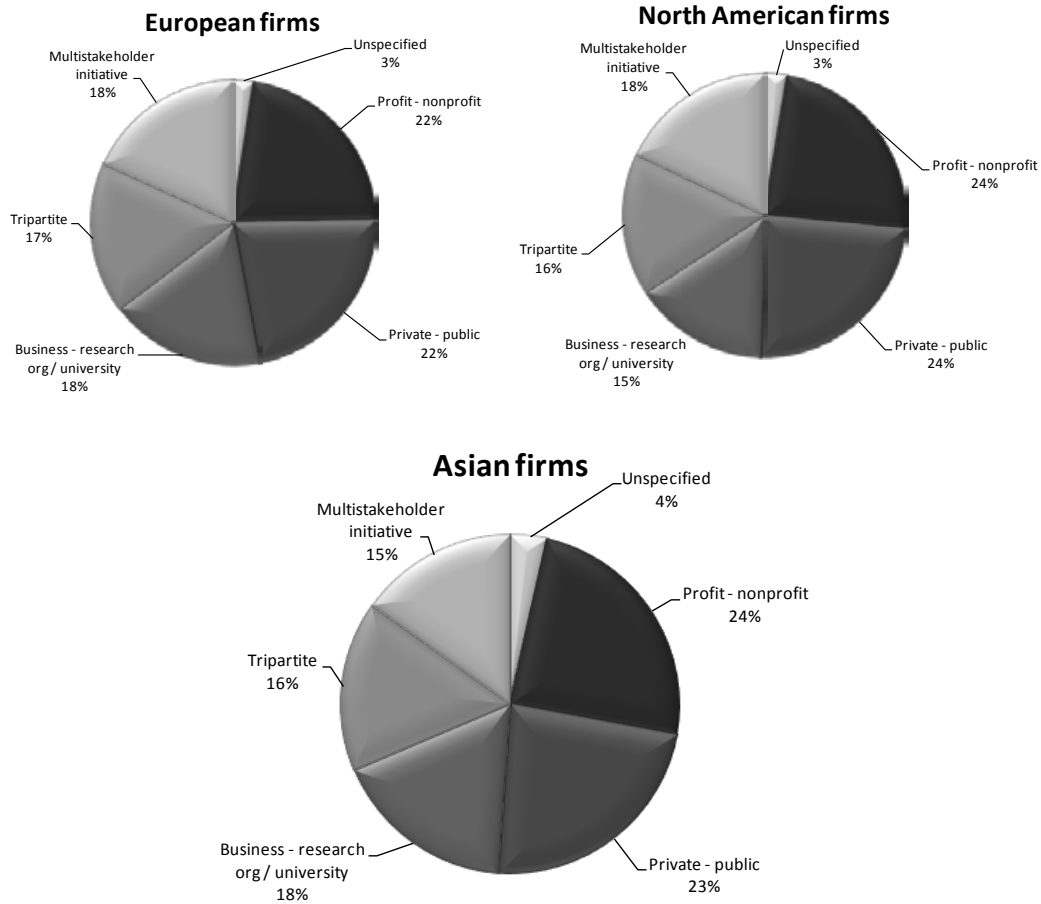
North American firms are least interested in partnerships with research organizations and universities. Asian firms put slightly less attention to multi-stakeholder initiatives than their European and North American competitors. European firms spend relatively limited explicit attention on collaborations (Box 14).

The degree of internationalisation plays another and closely related role. As expected, the least international firms are also the least interested in multi-stakeholder initiatives, probably due to the international scope that most initiatives have. At the same time, the least international firms are slightly more interested in collaboration with (their national) government (public organisations) than with NGOs (nonprofit organisations). Due to the prevalence of bilateral relationships, these companies also are much less interested in multi-stakeholder initiatives.

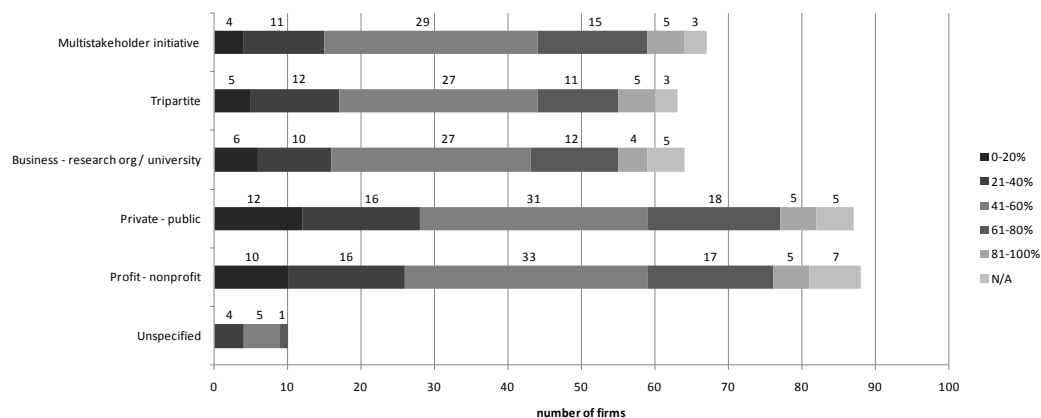
Box 14: The geographical side to partnership projects (top 100 firms)

### Total number of firms that engage in this type of collaboration, by region





Total number of firms that engage in this type of collaboration, by TNI



## Challenges in classifying the involvement of firms with communities

The different modes of firm engagement with communities (included as profit-nonprofit collaborations) poses a particular classification challenge in this research project. In corporate reports, not all quotes clearly reveal whether the community involved in a certain project is a beneficiary, an active partner or part of a dialogue with other stakeholders. The role of a community in the partnership is often not elaborated sufficiently. Out of the 157 projects in which communities are involved, we could identify the community as a genuine ‘partner’ in 38% of the cases; a ‘beneficiary’ in 41% of the cases, and primarily involved in dialogues in 8% of the cases. Only in 13% of the cases the involvement of the community remained unclear –even after closer scrutiny.

### Exemplary quotes:

#### Community as a partner

“In Nigeria, several Memorandums of Understanding were signed with the local communities, particularly regarding infrastructural activities such as the construction of schools and medical facilities, supply of hospital equipment, construction of energy facilities and infrastructure, as well as civil works, such as roads and water systems”. – ENI (Sustainability Report, 2009)

#### Community as a beneficiary

“In April 2008, Wal-Mart China made a RMB 100,000 (\$14,000 USD) donation to Gaocang Township in Yuxi City, Yunnan Province to support the construction of water storage reservoirs for the local community, helping to address problems associated with drought and lack of clean water”. - Wal-Mart (Global Sustainability Report, 2009)

#### Community involved in dialogue

“In 2009 we continued our talks with the Guarani communities of Itika Guasu, in Bolivia, who live in the Margarita field, since no agreement had been reached with this community”. - Repsol YPF (Corporate Responsibility Report, 2009)

## Key players and key platforms

A number of non-market partners can be considered key in the international ‘partnering space’ of leading companies. The two most central actors are the World Wildlife Fund for Nature (WWF) and the International Red Cross (ICRC). This mirrors their own active partnering policies towards companies, but is also due to the fact that most companies consider these two international NGOs to be relatively moderate and constructive. Both aim at the provision and preservation of common goods and have the highest possible legitimacy. This makes it interesting for companies to align with these organizations from a reputational point of view. On the other hand, the same mechanism might make these very partnerships nothing more than a PR exercise. The high position of a number of UN organizations, such as UNICEF and WHO is also significant and comparable to the two leading NGOs. Both organisations are financially rather weakly supported by their member countries, which forces them to search for additional funding. Both engage in popular common themes (e.g. children and health).

The resulting top ten ‘big linkers’ include four NGOs (WWF, ICRC, Habitat and Feeding America), three hybrid organizations that are funded by government and non-governmental organisations (UNICEF, IUCN, WHO) and three purely governmental organizations (UEPA, European Commission,



USAID). A wide variety of firms have allied with these organizations. The international NGOs are much less discriminate. The international partnering space is also composed of a number of platforms or arenas in which the most active players meet. This research project identified twelve MSI (multi-stakeholder initiatives) that are perceived as important. The leading platforms, from the perspective of the largest companies in the world, are those that are organized around sustainable commodity chains. There are two other areas of international attention: governance (global compact, EITI, PACI) and ecology (GGFR, Climate Leaders).

## Key partners - Top-10 most named partners

Partner	Number of firms	Name of Firms
	18	China Mobile Communications Kroger BP Carrefour ENI France Télécom Johnson & Johnson Moller (A.P.)-Mearsk Nestlé Nokia Panasonic Saint-Gobain Sony Telefónica Unilever Wal-Mart Stores Deutsche Post Roche Group
	17	CVS Caremark Lowe's Target United Parcel Service Nestlé Johnson & Johnson China Mobile Communications Dell Samsung Electronics Best Buy Enel France Télécom Procter & Gamble Repsol YPF Tesco ArcelorMittal Deutsche Post
	15	Ford Motor Kroger Boeing Sony Target ArcelorMittal Deutsche Post Lowe's Marathon Oil United parcel Service CoconoPhilips United Technologies AT&T Samsung Electronics Best Buy

Partner	Number of firms	Name of Firms
	10	AEON Deutsche Post Enel France Télékom Johnson & Johnson Pfizer Procter & Gamble Roche Group Sony Unilever
	10	PTT Électricité De France Nokia E.On ENI Nestlé Unilever Veolia Environnement Royal Dutch Shell Suez
	8	Chevron Nissan Motor Samsung Electronics Fiat Dow Chemical Lowe's ArcelorMittal China Mobile Communications
	8	Volkswagen Carrefour Nestlé BASF Renault Saint-Gobain EADS Enel
	7	ENI Nestlé France Télécom Pfizer Novartis Roche Group Total
	6	Wal-Mart Stores Chevron Procter & Gamble Pfizer Nokia Johnson & Johnson
	5	Wal-Mart Stores Nestlé Kroger Target CVS Caremark

## Key multi-stakeholder initiatives

Most named multi-stakeholder initiatives



## Challenges in identifying firm participation in multi-stakeholder initiatives

Several firms choose not to publicly mention their engagement in certain multi-stakeholder initiatives in either their annual reports or their CSR reports. A cross-check of both the firms' reports and the websites of the twelve most popular multi-stakeholder initiatives reveals for instance that in general more firms from our sample are mentioned on the website of the initiatives than the other way around - with the notable exception of the Global Reporting. In a considerably lower number of cases do firms mention certain initiatives in their reports, whilst they are not explicitly named on the initiatives' website. The reasons behind this discrepancies are varied: [1] reference for publicity or legitimacy reasons that can work both ways; [2] sometimes firms keep their membership silent for reputational reasons (EITI for instance); [3] but the reasons can also be more operational in nature: slowly operating PR departments or not upgraded websites, or [4] badly managed partnership portfolios that lack internal support. These differences are a potentially interesting area for further research: they can become a benchmark for adequate partnership portfolio management - i.e. that the published initiatives indeed represent the actual initiatives.

Multi-stakeholder initiative firm	Number of top-100 firms that refer to the initiative in their own report	Number of top-100 firms that are listed in the website of the initiative	Overlap: Both in website of the initiative and report
Global Reporting Initiative	63	35	30
Global Compact	54	59	49
WBCSD	33	41	25
EITI	12	14	10
Global E-Sustainability Initiative	9	9	7
Climate Leaders	7	15	6
Global Gas Flaring Reduction	5	10	5
Global Road Safety Partnership	5	8	4
Roundtable on Sustainable Palm Oil	5	11	5
Better Sugar Cane Initiative	3	3	3
Roundtable on Responsible Soy	2	6	2
Roundtable on Sustainable Biofuels	2	4	2

# Forms of engagement

"In 2008, Johnson & Johnson formed a three-year partnership with the World Wildlife Fund (WWF) and United States Agency for International Development (USAID) to address health, population and environmental needs in remote communities. The effort is part of USAID's Global Development Alliance, an initiative that brings together resources, funding and creative ideas from corporations and other organizations to provide aid to underdeveloped regions in developed countries".  
*Johnson & Johnson, Worldwide Contributions Program 2009*

"As part of our CR strategy, we establish a strategic partnership with the United Nations in the areas of disaster management and health. Together with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and the United Nations Development Programme (UNDP), we set up a global network of Disaster Response Teams (DRTs) and begin other joint disaster management activities. We also support UNICEF in its efforts to reduce child mortality. This year also sees the first DRT deployments: After Hurricane Katrina hit the Gulf Coast of the USA (pictured), and in the aftermath of the massive earthquake that struck northern Pakistan and northern India."  
*Deutsche Post DHL, Corporate Responsibility Report 2009/10 - Living Responsibility*

"In Yunnan, we launched "Giving Warm Hearts", a program that provides financial aid and winter clothes and bedding for people in need. We also cooperated with the Yunnan Red Cross to launch an SMS donation platform so mobile phone users could make donations more conveniently."  
*China Mobile Communications, CSR report 2009*

"The Árvore da Vida (Tree of Life) programme was launched in 2004 to promote the cultural growth and socio-economic development of Jardim Teresópolis, the district adjacent to Fiat's manufacturing plant, where about 40,000 people live (nearly 10% of the population of Betim), often in difficult socio-economic conditions. [...] The project was planned in collaboration with ASVI and CDM, non-governmental organisations that helped Fiat to study the needs of the area, develop an implementation strategy and which monitor the results and any developments of the project each month. Árvore da Vida aims to create the conditions for profound social change, encouraging all local men and women to become active protagonists in, and ambassadors for, the process of change. Compared with 2004, school attendance has improved from 78% to 92%, while there has been a 15% fall in the incidence of violent crime in Betim, with murders falling by 26.4% and thefts by 46% (source: Fundação João Pinheiro and the Military Police of Minas Gerais). In terms of vocational education, significant results were achieved in 2009: 113 young people began courses in electro-mechanical and electronics through the Capacitação Profissional (empowerment for work) programme that has been running in Betim since 2006 and in São Paulo since 2008. Of the 104 young people who have received a diploma to date, 88% have already found employment. In 2009, courses were also launched in Brasília, Recife and Curitiba".  
*Fiat, 2009 Sustainability Report - Economic, Environmental and Social Responsibility*

"Along with partner funding, Chevron's subsidiary independently funds a program outside the pipeline corridor, through contributions to Pact, a U.S.-based nongovernmental organization that has been providing health, microfinance and other programs in Myanmar for 10 years."  
*Chevron, The Value of Partnership - 2009 Corporate Responsibility Report*

"Many of the projects that we undertake in research cooperations are publicly funded. We are currently involved in approximately 80 such projects, which are co-financed by national and international organizations, including the European Union and the U.S. Department of Energy. One example is the "Organic Electronics Forum" cluster of excellence, supported by the German Federal Ministry of Education and Research, through which BASF and partners are involved in the further development of organic electronics. [...] The "Organic Electronics Forum" cluster of excellence is a collaborative network of companies, research institutes and universities which is sponsored by the German Federal Ministry for Education and Research".  
*BASF, Economic, environmental and social performance 2009*

"The ongoing support Dow has provided to Habitat for Humanity demonstrates the Dow commitment to the Human Element. Dow was the first corporate sponsor of Habitat for Humanity – almost 27 years ago. Over that period we have donated more than \$32 million in cash and gift-in-kind products and participated in 18 straight Jimmy and Rosalynn Carter Work Projects. Through this partnership, Dow has helped meet the basic human need for decent, affordable houses for families in need in more than 20 countries. We have also participated in all of Habitat's disaster response programs including the tsunami relief and Hurricane Katrina relief."  
*Dow Chemical, The Dow Sustainability Report 2009*

"In 2008, we committed to eliminate wood that comes from unwanted sources from our supply chain by July 2013. In order to do this, we partnered with the World Wildlife Fund's Global Forest and Trade Network (GFTN)".  
*Wal-Mart, 2009 Global Sustainability Report - Now more than ever.*

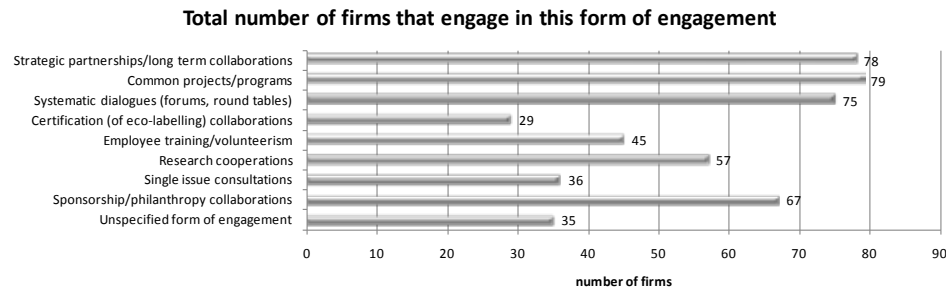
Partnering can include a wide variety of forms of engagement (Box 15), such as long term relationships, common projects/ programs, (strategic/systematic) dialogues, certification, training, research cooperation, issue consultation, sponsorship. This particular sequence of engagement forms also represents a more or less declining scale of partnership sophistication. A long term collaboration project is a deeper form of mutual engagement than a sponsoring relationship. One can even question whether the latter can indeed be considered a true partnership. However, firms present it in this way, so we follow their own reasoning. The same problem appears when assessing 'long term' partnerships, is this three years (cf. Johnson and Johnson), five years (Walmart), 27 years (Dow Chemical) or undetermined (Deutsche Post)?

## A diverse package

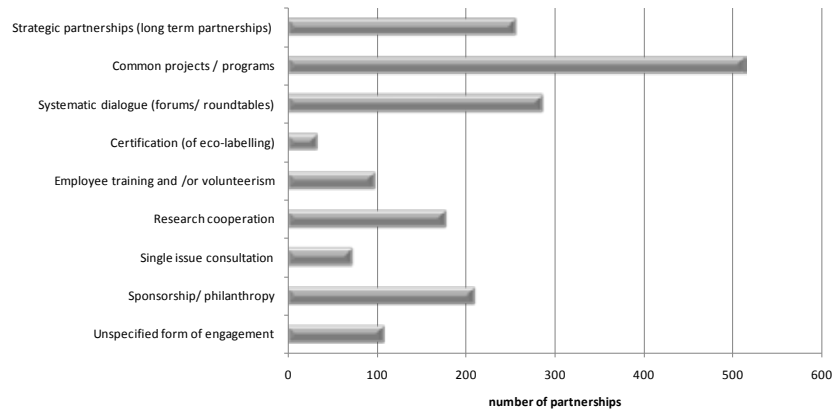
Firms are involved in various engagement forms. On average, top 100 companies are involved in 5 different forms of engagement (out of the 9 forms of engagement specified in report) (cf. Kourula and Halme, 2008). For North American companies, the average is 4.68, for Asian companies it is 4.86, while European companies on average get involved in 5.42 different forms of engagement.

The most popular among the top 100 firms are common projects or programs, strategic partnerships, and systematic dialogues. The number of projects is least dominated towards certification schemes. The latter finding implies that large firms are either not interested in certification schemes with external parties, or do not consider these to a partnership. Research into certification schemes, shows that especially established (i.e. leader/dominant) firms are least interested in externally accredited labeling but prefer to engage in their own schemes in order not to jeopardize their dominant market position (because certification schemes always involve the sharing of standards and benchmarks).

Box 15: General forms of engagement (top 100 firms)



Form of engagement of the 1,753 cross-sector collaborations

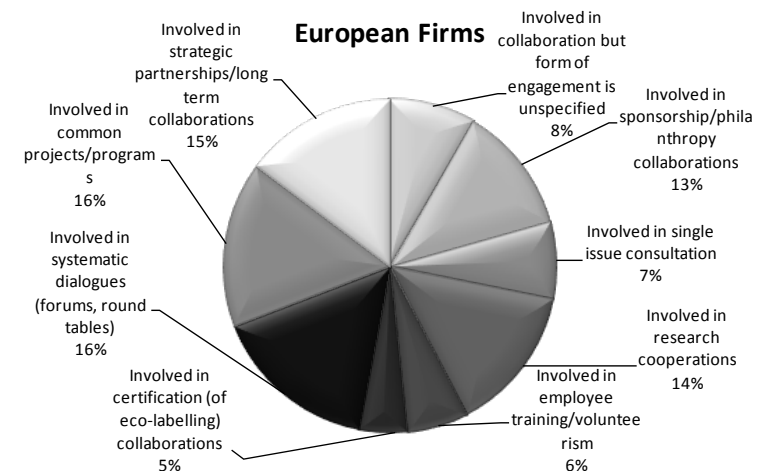
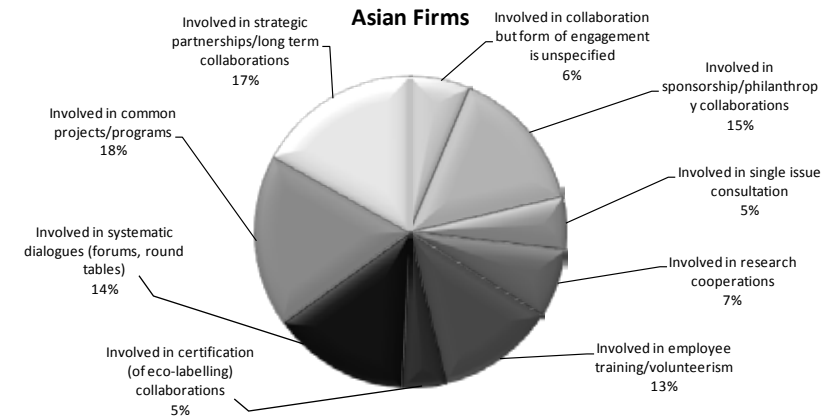
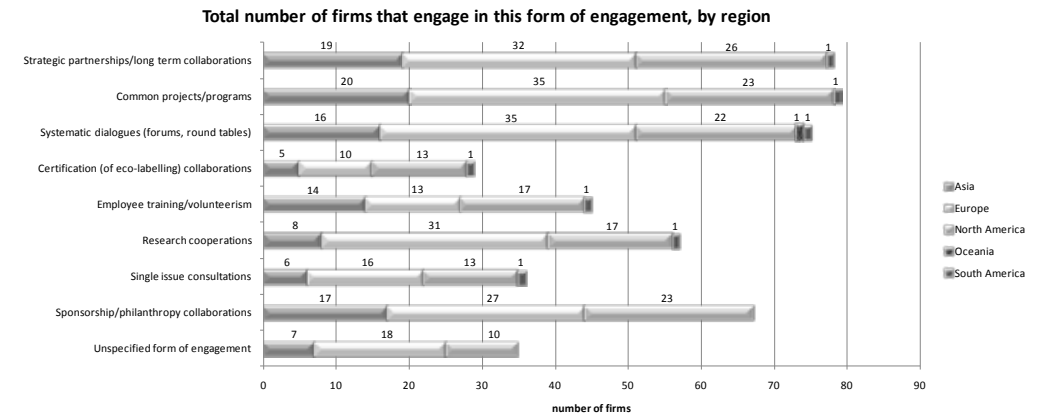


## Unspecific patterns

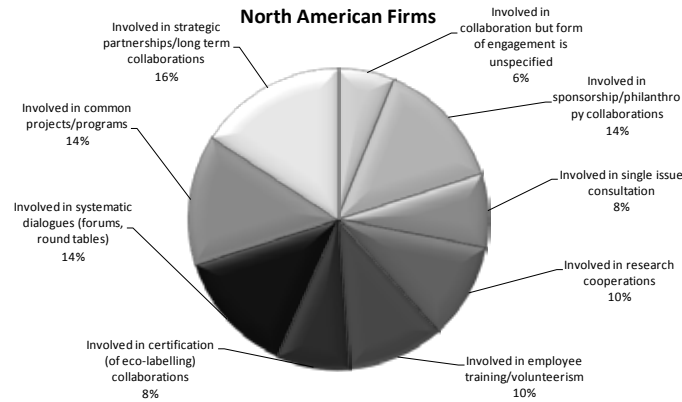
There is a comparable distribution in terms of regional spread (Box 16). Asian firms prefer longer term relationships with partners through strategic partnerships and common projects. Relatively speaking, Asian firms collaborate more on training and volunteerism than their European competitors. All in all, European, Asian, and North American firms reveal comparable forms of engagement.

The degree of internationalization (TNI) again only plays a minor role at the lower ends of the spectrum: there is a slight underrepresentation of the least international corporations in almost all forms of partnerships, but specifically in research cooperation, single issue consultation, and employee training/volunteerism. The interest for certification partnerships is not only very low, but TNI data show that the most international companies are even less interested, which again supports the previous conclusion (Box 16).

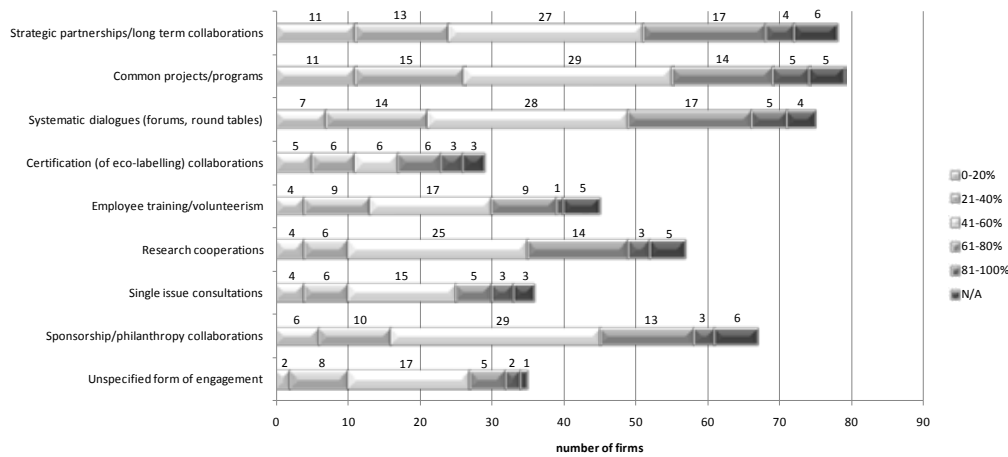
Box 16: Specific forms of engagement (top 100 firms)



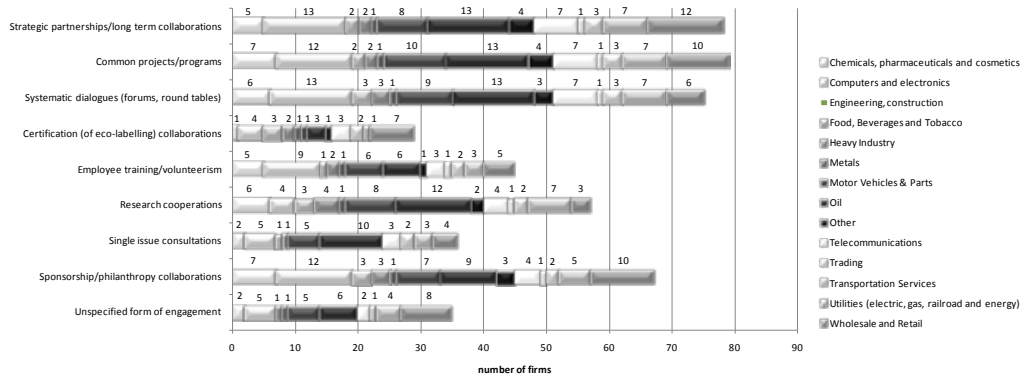
# Types of issues addressed



Total number of firms that engage in this form of engagement, by TNI



Total number of firms that engage in this form of engagement, by sector



"A partnership with the Association of Business Women of Kazakhstan and local government agencies began in 2009 to address high rates of unemployment and poverty among women in Astana and the Almaty area. The program focuses on training women in food preparation, home repair and child care. More than 440 women participated. Eighty percent found employment, and 10 percent started their own businesses. The project coincided with a government-initiated program, Road Map, to increase professional development and support employment and self-employment." *Chevron, The Value of Partnership - 2009 Corporate Responsibility Report*

"This is exemplified on the one hand by joint projects, such as the BMW composition prize "musica viva" (in partnership with Bayerischer Rundfunk), the public-private partnership "Spiel-motor" with the City of Munich or the Berlin National Gallery's prize for young art. On the other hand, the company supports projects that put it right at the heart of where vehicle technology, design and contemporary art meet – such as the BMW Art Car Collection (comprising sixteen cars so far) or the joint initiative with street art artist Robin Rhode to mark the debut of the BMW Z4 Roadster. The BMW Group focuses in particular on cultural events which make high art accessible to a wide audience. The "Festival de México" in Mexico City or "Opera for all" in Munich and Berlin are good examples of this." *BMW, Sustainable value report 2008*

"Teamed with two non-profit organizations in South Africa to provide shelter, food and a family environment for orphans and vulnerable children affected by HIV/AIDS. Dow is assisting with operational costs and the schooling". *Dow Chemical, The Dow Sustainability Report 2009*

"GE worked in partnership with governments across the world, including the United States and European Union, to improve incentive programs for renewable energy". *General Electric, Citizenship report- renewing responsibilities 2009*

"This year we introduced Dell Youth Connect, our signature program for digital inclusion that promotes education in math, science, literacy and technology skills for young people (up to age 17) in emerging countries. With an initial focus in India, we partnered with non-governmental organizations to develop programs for tomorrow's connected generation, teaching them how to use technology, providing access to the right technology resources, and encouraging students from all backgrounds to reach their full potential through technology. In its first year, Dell YouthConnect has contributed more than \$2.7 million in financial and in-kind donations. However, it's not just about the financial donation; this partnership has a deeper connection. The Dell Giving Team is highly engaged with its nonprofit partners to ensure that we continue to meet the ongoing needs of the receiving organizations — for example, by providing green technology to help sustain their technology needs. With the success in India, we're ready to begin similar programs in Brazil, Mexico and China. Building relationships with community partners and actively supporting our neighbors is a major priority. As a corporate citizen, we also support many U.S. programs through the Dell Foundation". *Dell, Inspire & Innovate 2009*

"In December 2007, ConocoPhillips joined the World Bank's Global Gas Flaring Reduction Partnership, a group committed to minimizing the practice of flaring gas associated with oil production". *Conoco-Phillips,*

"AT&T Pioneers and employees partnered with Share Our Strength on two company-wide food drives, holding drives in 148 cities and collecting 75 tons of food and more than \$27,000 in donations to help fight childhood hunger." *At&T, Connecting for a Sustainable Future 2009*

"In March 2009, we launched a new partnership with the National Community Action Foundation (NCAF). Exxon-Mobil's \$5 million grant is the largest-ever private contribution to community organizations that work with the U.S. Department of Energy's Weatherization Assistance Program. Through the grant, ExxonMobil and NCAF are advancing the shared goals of protecting the environment, promoting energy efficiency, and expanding career opportunities". *ExxonMobil, 2009 Corporate Citizenship Report - Addressing the Sustainability Challenge*

"Repsol YPF supports transparency and is opposed to any kind of corruption. The company has been a member of the Extractive Industries Transparency Initiative (EITI) since it was set up in 2003. This is a global initiative that we feel is better placed to successfully increase transparency through respect for contracts and laws. Repsol YPF has provided financial backing to the secretariat of the EITI ever since it was established, and participates in its publicity initiatives. EITI brings together governments, international organisations, public and private companies, investors and social agents, working together in a multilateral and voluntary way". *Repsol YPF, Corporate Responsibility Report 2009*

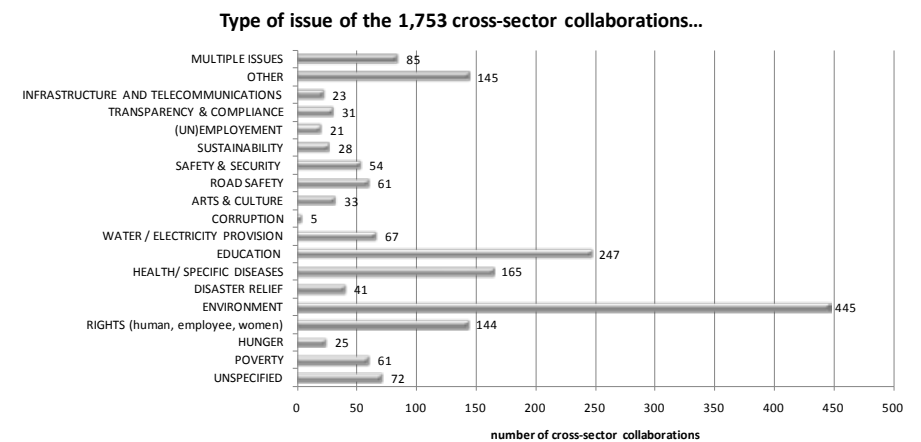
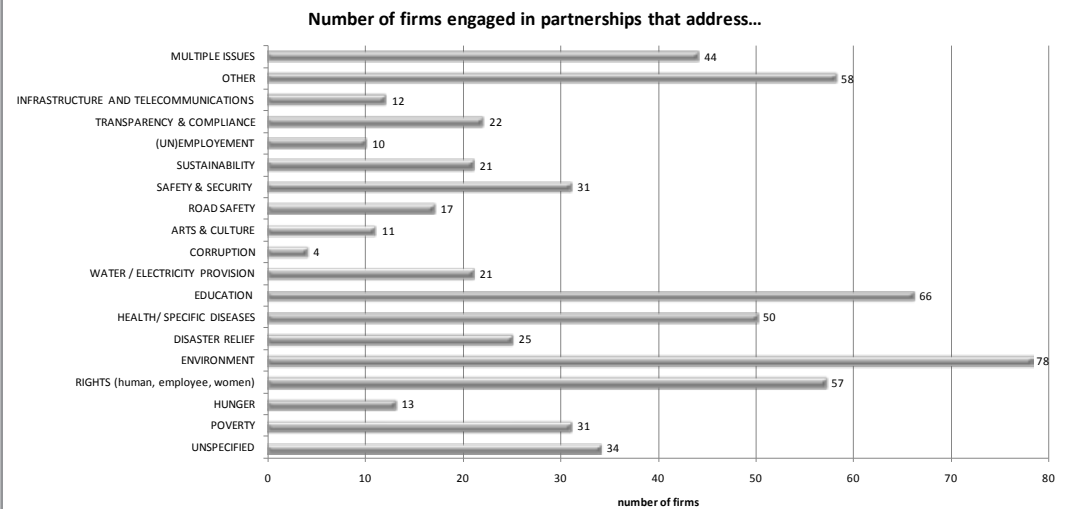
The variety of forms of engagement is dwarfed by the diversity in issues that are addressed through cross-sector collaborations. They include unemployment, women's rights, digital inclusion and water provision, and road safety. There seems to be a cross-sector collaboration for every conceivable issue. On average, top 100 companies are involved in 6.1 different types of issues. North American companies are more focused (5.1 issues), European companies are most diversified (7.0 issues on average), Asian companies are somewhere in between with 6 issues on average addressed.

The introduction to this paper identified ten key issues of concern to the CEOs of the largest European companies. If we compare these findings to the actual attention to these issues by partnerships around the world (Box 17), a number of conclusions can be drawn:

- The environment is by far the most important issue which induces companies to form cross-sector collaborations (global warming and ecological diversity are ranked 1 and 3 respectively on the issue urgency ranking in Table 1).
- The second most important issue for cross-sector collaborations is education (ranked 8).
- The third and fourth most important issues are health and safety (ranked 7) and human rights (ranked 6 as labour rights)
- Important issues for the CEOs that also relate to primary responsibilities such as transparency/compliance and corruption (ranked 2 and 5 respectively ) are not a prominent reason to engage in collaborations.
- Poverty and unemployment receive relatively limited interest, which is also the case in the issue urgency ranking (ranked 10). In terms of the number of firms that actually mention poverty as an issue of collaboration, however, poverty increases in relevance.
- The issue of income (in)equality is missing as separate category.

Other issues that have been mentioned as relatively important include safety and security, road safety, water provision and sustainability issues related to commodities in particular.

Box 17: General issue orientation (top 100 firms)



## Specific patterns

Many issues receive comparable attention across borders (Box 18). The attention for poverty is an equally important trigger for partnering in Europe, North America and Asia. The same applies for hunger but at a lower level of attention. It is interesting to note that both these areas have been identified as prime issues for the international community – which classified them as MDG 1, the prime development goals. The partnership networks initiated by corporations follow a different logic which could partly explain the limited engagement of international governmental organizations in corporate networks. The relatively large interest of European firms for partnerships focused on human rights issues is noticeable, whereas particularly Asian firms show a great

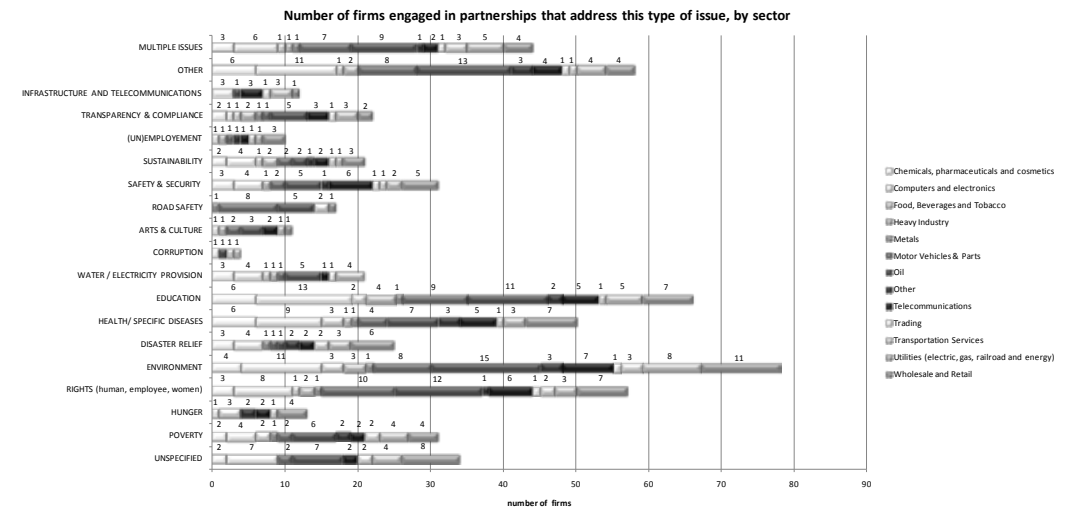
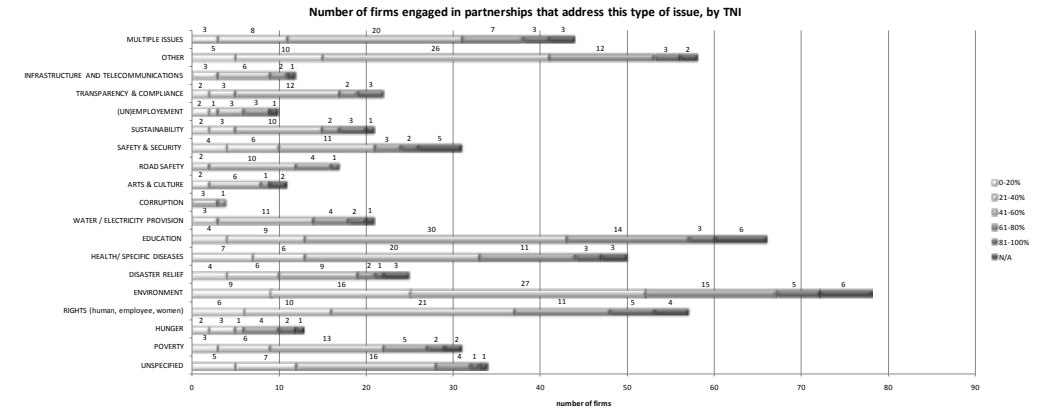
propensity toward partnering in the environmental area. The limited (even negligible) attention for transparency and corruption among Asian companies is noticeable as well. The interest in partnerships for disaster relief among Asian and American firms – and the lack of interest of European firms – is partly explained by the greater willingness of European governments to engage in disaster relief, and the bigger impact of the welfare state on the strategies of companies. New partnerships in these areas have already been established or are not considered necessary.

The degree of internationalization is a relatively strong predictor of issue engagement through partnerships in areas like safety, water and infrastructure. The most international firms focus on a wide number of issues and form partnerships to address these. These firms are also well represented in the ‘multiple issues’ category - but pay specific attention to education, health, environment and human rights.

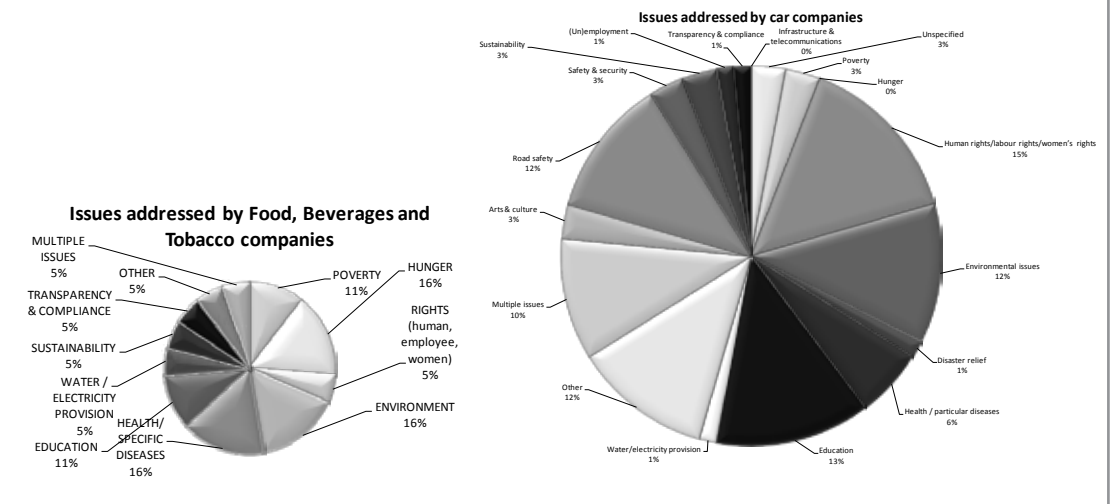
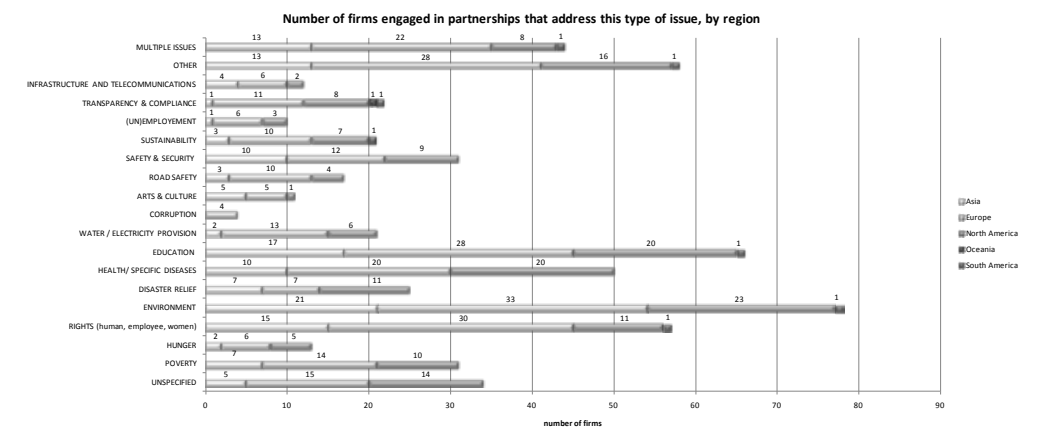
The following industry effects are interesting:

- The retail sector is not interested in partnerships related to corruption and water provision.
- The utilities sector is not interested in hunger and road safety partnerships.
- Transportation services has no affinity with water (which can be expected) or with infrastructure (with is surprising), arts & culture and transparency.
- The computers and electronics sector is most interested in partnerships that address education and has a relatively large share in partnerships that address telecommunications. The sector shows no overt interest in the issue of corruption.
- Oil is overrepresented in poverty, human rights, environment and education, and underrepresented in hunger, disaster relief, and infrastructure.
- Car companies do not value partnerships that address hunger and infrastructure & telecommunications, but very much into human rights and education.
- All food companies are considerably involved in forming partnerships that address hunger, but are overrepresented in health and education.
- Chemical companies have no interest in partnerships related to hunger and unemployment, but are overrepresented in health and education.

The causes and effects of these findings have to be further checked for each industry. The findings can imply a lack of interest for the issue or a lack of interest for a cross-sector partnership in this area but probably both.



Box 18: Specific issue orientation (top 100 firms)



# Implementation areas

"[...] public-private partnership for management of the bus system of the city of Bogotá, Colombia, with the design and management of Bus Rapid Transit (BRT) that is organized so as to provide service to and from the poorest neighborhoods, decrease transit time and significantly reduce pollution and the risk of accidents." *Veolia Environment, CSR Performance Digest 2009*

"In South Africa, Renault was a founding partner in the NGO Valued Citizens Initiative in 2001. Deployed in state multiracial, multiethnic and multilingual schools, the program aims to develop a sense of responsible citizenship in children, encourage them to be open to the world, and build their confidence and self-esteem. To date, almost 1,575 primary and high schools in urban and rural areas have taken part in this program, a total of 423,000 pupils and 3,500 teachers in the provinces of Gauteng, Free State, Kwazulu Natal and Limpopo". *Renault, Annual Report 2009 - promoting sustainable mobility for all*

"Shell also signed a co-operative agreement with The Nature Conservancy, which developed for us a marine conservation action plan for the Beaufort and Chukchi seas off Alaska". *Shell, Sustainability report 2009*

"Development program in East Timor: With the objective of improving health and standard of living in 6 villages of the Bobonaro and Covalima district, in 2009 Eni continued the rural development integrated program started in 2008 aimed at involving the population and the local NGOs in participative and inclusive development processes, also through training and educational activities. Courses on management issues and 107 health education courses were held, and nutrition education courses were started, which currently involve 221 participants; 39 volunteers were trained, and educational material on malaria, hygiene and nutrition is currently being achieved". *ENI, Sustainability Report 2009*

"The Nokia Education Delivery is a software set-up that allows high-quality education materials to be delivered to schools over mobile networks. This system expanded in 2009, due to the growth of mobile networks across the world. Following the success of the project in the Philippines, where it has improved access to materials for one million children, we donated software licenses to build a similar project in Tanzania. Led by the Tanzanian Ministry of Education and Vocational Training, the project has already reached tens of thousands of children. It succeeds largely due to the unique partnership structure, drawing on the strengths of organizations like the Pearson Foundation, Vodacom, USAID and the International Youth Foundation". *NOKIA, Sustainability report 2009*

"As a member of the Global Compact, our responsibility does not end with adherence to minimum standards. We strive to continuously improve working conditions at our companies and to support internationally recognized labor and social standards within our sphere of influence. For example, we are involved in a project in Pakistan, together with the national employers' association EFP and the ILO, to promote equal rights for women in the workplace. The project aims to increase the involvement of women in decision-making processes in companies. In 2009, as part of leadership training, we worked with our partners to train over 400 female managers in all of Pakistan's larger cities". *BASF, Economic, environmental and social performance 2009*

"Nissan Europe S.A.S. (France) supported a sustainable development program in Nicaragua administered by its NGO partner, CARE France. In 2009 a group of 40 Nissan employees participated in La Grande Classique, a race from Paris to Versailles, to raise money to help 1,120 farming families living along the Coco River in northern Nicaragua. Nissan employees collected €1,210 through internal fund raising, to which Nissan provided a matching gift, amounting to a total donation of €2,420. Nicaragua has suffered great destruction in recent years due to a series of large-scale hurricanes and other disasters. Nissan intends to continue cooperating with reconstruction support efforts around the world". *Nissan, Sustainability Report 2010*

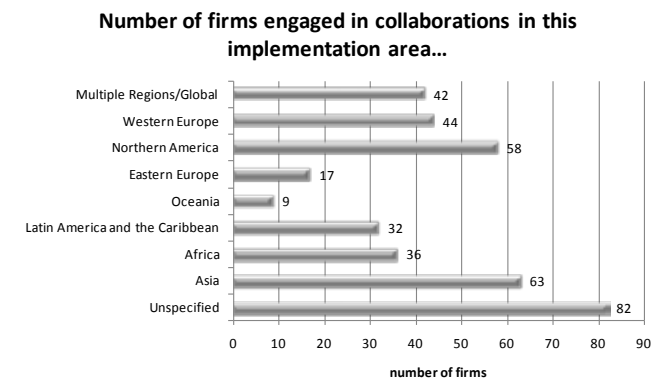
"Supporting Russian education. Cooperation continued in 2009 with I.M. Gubkin Russian State University of Oil and Gas, St. Petersburg Higher School of Management, and a number of environmental organizations". *Gazprom, Environmental Report 2009*

"In April of 2009, LGE signed an agreement with the UN World Food Programme (WFP) to help the neediest people in Africa achieve self-sufficiency. As part of this agreement, we founded LG Hope School in Kenya and LG Hope Village in Ethiopia". *LG Electronics, Sustainability = Innovation 2009*

The top 100 non-financial firms come from three major regions in the world, but the issues for which the partnerships are organized often involve other regions. On average, top 100 companies are involved in collaboration projects in 3.83 different implementation areas. For North American companies, the average is 3.5 different implementation areas by company. Asian companies on average are slightly more focussed (3.3), whereas European companies have the greatest degree of dispersion (on average, in 4.50 different implementation areas).

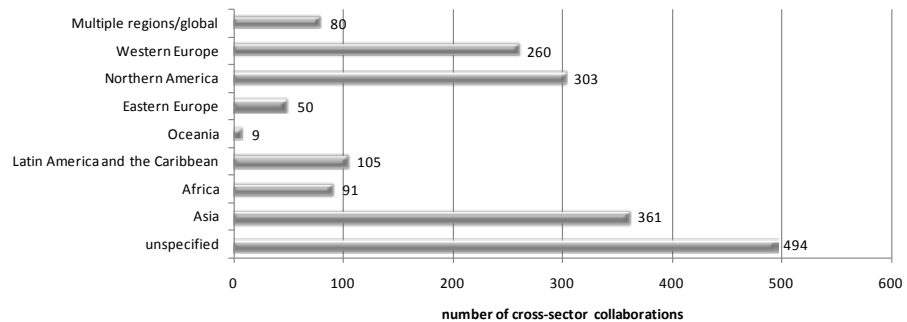
In case of disaster relief, the targeted region – or implementation area – can be completely unrelated to the actual markets and locations in which the company is active. However, companies increasingly try to link their partnership strategy to their core capabilities, and therefore also to their core markets. Or do cross-sector partnerships reveal another logic? The majority of the partnership projects lack well defined implementation areas (Box 19). This could be because the company reports, on which we base this research, do not always specifically mention the implementation area. However, in longer term strategic partnership or a strategic stakeholder dialogue, the implementation area can indeed remain unspecified. For topics such as global warming, a geographical specification is not necessary either. When specified, the implementation area is often remarkably close to the home market: North America, Western Europe (rather than Eastern Europe) and Asia are the main focus of the partnerships. The link between home and host country is even clearer when the firms' origins are taken into account. Asian firms focus on Asia, European firms mainly on Western Europe, American firms on North America. Partnerships for Africa are dominated by European firms, whereas Asian firms are underrepresented. The relative distribution of partnerships over the various home markets in Latin America is more or less balanced. The degree of internationalization (TNI) plays much less of a role than the country of origin. Still, Africa in particular, benefits from the partnership orientation of the most international companies. When considering the role of a firm's sector, it becomes evident that the wholesale and retail sector mainly implement partnerships in the North American region. In contrast, the oil sector occupies a large share of the partnerships in Asia.

Box 19: Implementation areas (top 100 firms)

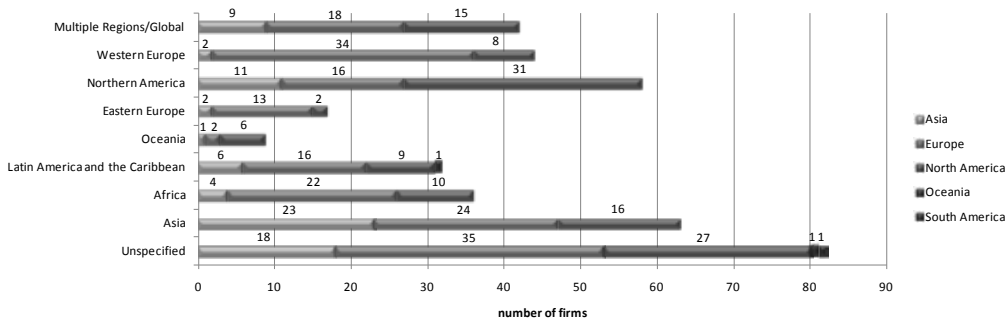




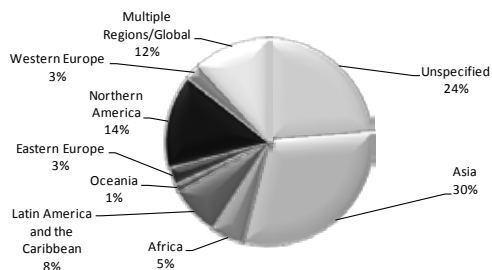
### Implementation area of the 1,753 cross-sector collaborations...



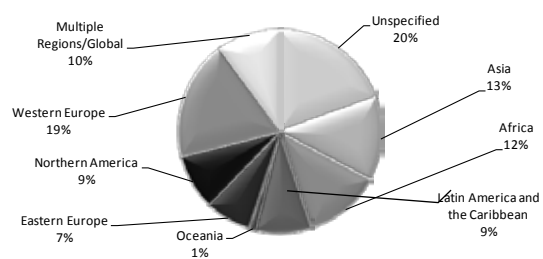
### Number of firms engaged in collaborations in this implementation area, by region



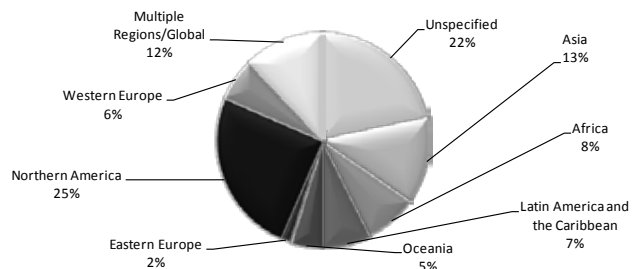
### Implementation area of Asian firms



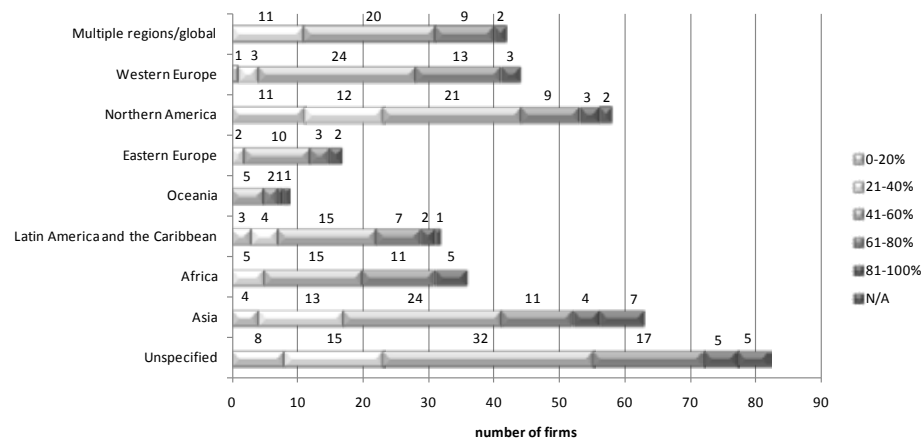
### Implementation area of European firms



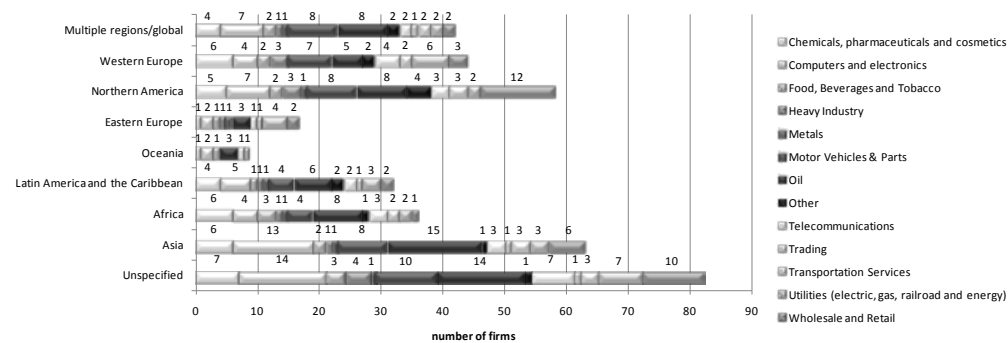
### Implementation area of North American firms



### Number of firms engaged in collaborations in this implementation area, by TNI



### Number of firms engaged in collaborations in this implementation area, by sector



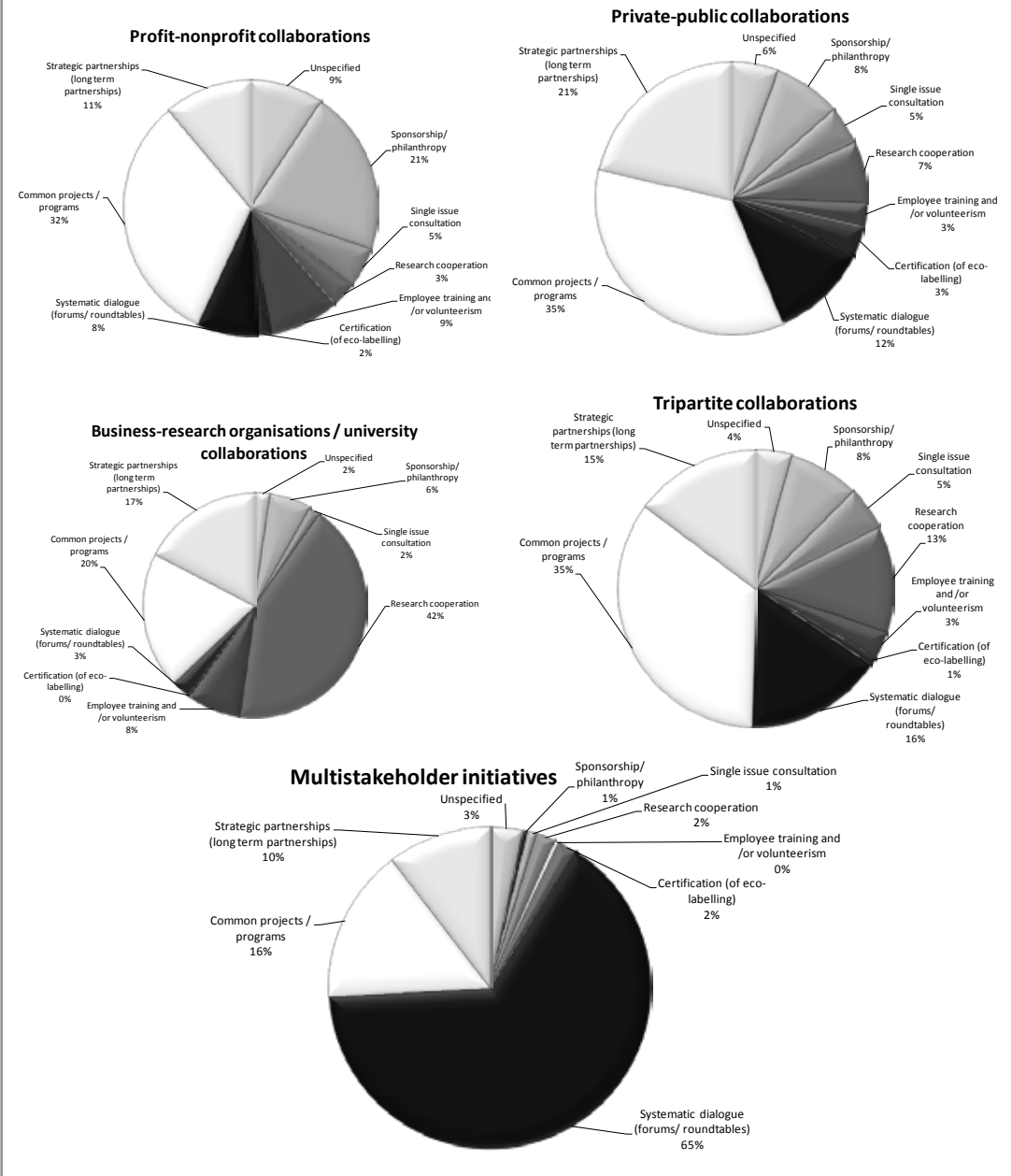
What general connections are established by the partnership strategies of firms that are not contingent upon specific firm characteristics? Is the choice for specific types of collaboration and the choice for specific issues in particular connected to other characteristics of partnerships? This section departs from the partnership level of analysis (N=1,753) and firstly considers whether specific connections exist between the type of collaboration (bipartite/tripartite/profit/non-profit) and three different dimensions: the forms of engagement (how) the type of issue (what) and the area of implementation (where). Secondly, we consider whether there is a connection between issue selection and forms of engagement (what/how) and areas of implementation (what/where). Are specific forms of engagement related to the choice of specific issues, and what issues in particular are addressed for what specific areas of implementation?

## HOW?

Types of collaboration and forms of engagement are closely related in some areas (Box 20). In practice, firms seem to favour a number of combinations when choosing for or against particular forms of engagement.

- More than 50% of the profit-nonprofit collaborations engage in common projects/programs (32%) or sponsorship/philanthropy (21%). Only 11% of the profit-nonprofit collaborations are explicitly strategic (long-term) partnerships.
- Private-public collaborations are, most often, either common projects/programs (35%) or strategic (longterm) partnerships (21%).
- As expected, the majority of business-research organisations/university collaborations choose general research cooperation (42%) as their form of engagement. More interesting is that partnership projects with research organisations increasingly adopt a common project or a strategic collaboration form which involves a more interdependent position of both parties.
- Systematic dialogues (forums/roundtables) prevail in multi-stakeholder initiatives (65%). None of the other types of collaboration can be identified as such.
- Sponsorship/philanthropy relations are primarily chosen for profit-non-profit collaboration programmes.

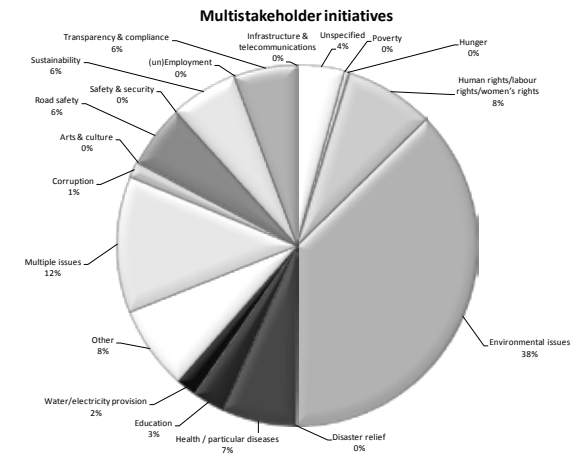
Box 20: Connecting type of collaboration and form of engagement



## WHAT?

Types of collaboration are more loosely linked to types of issue than to forms of engagement (Box 21). This either implies that some issues are so diverse that no particular type of collaboration can be considered most suited, or that firms have not yet found the optimal partnership approach towards these issues. A few remarkable collaboration patterns can be observed:

- Fifty-eight percent of the profit-nonprofit collaborations address education (17%), environment (16%), health (13%), and human rights (12%).
- Private-public partnerships focus mostly on environmental issues (37%). All other issues receive considerably less attention.
- The environment is the leading theme for almost all types of collaboration is (except profit-non-profit partnerships).
- Only 7% of the profit-nonprofit collaborations address poverty, although – relatively speaking – no other type of partnership gives the issue a higher priority. As expected, the business-research relationship is strongly related to education.
- A remarkable finding is that business-NGO (profit-nonprofit) relationships pay relatively more attention to human rights than business-government (private-public) collaborations.

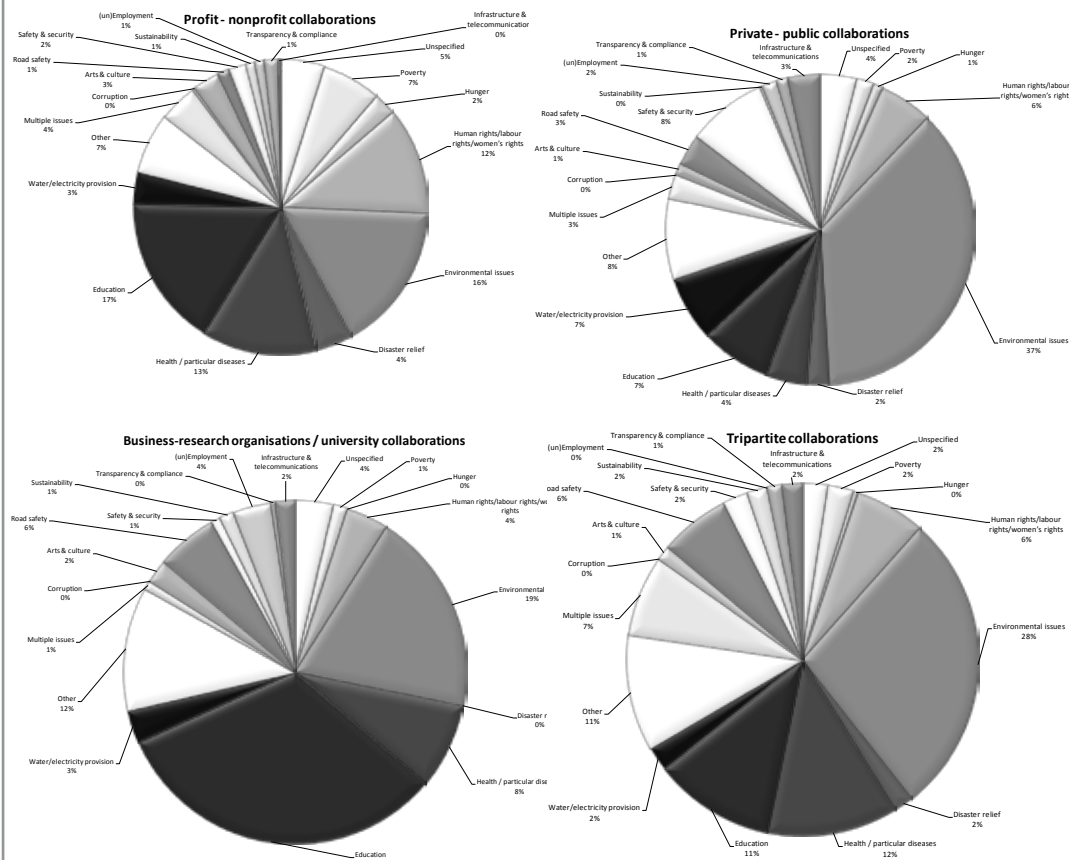


## WHERE?

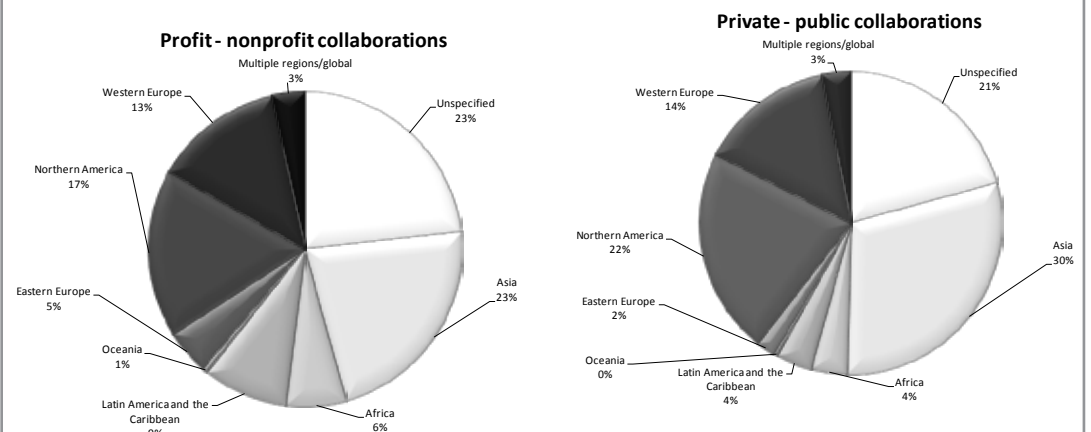
We find that many firms do not specify the implementation area of their collaboration (Box 22). This could clearly be improved which would also enhance the transparency of a firm's reports and its portfolio management strategies. This lack of specification is particularly noticeable among multi-stakeholder initiatives, and is probably because many strive to be globally applicable. The following general connections exist:

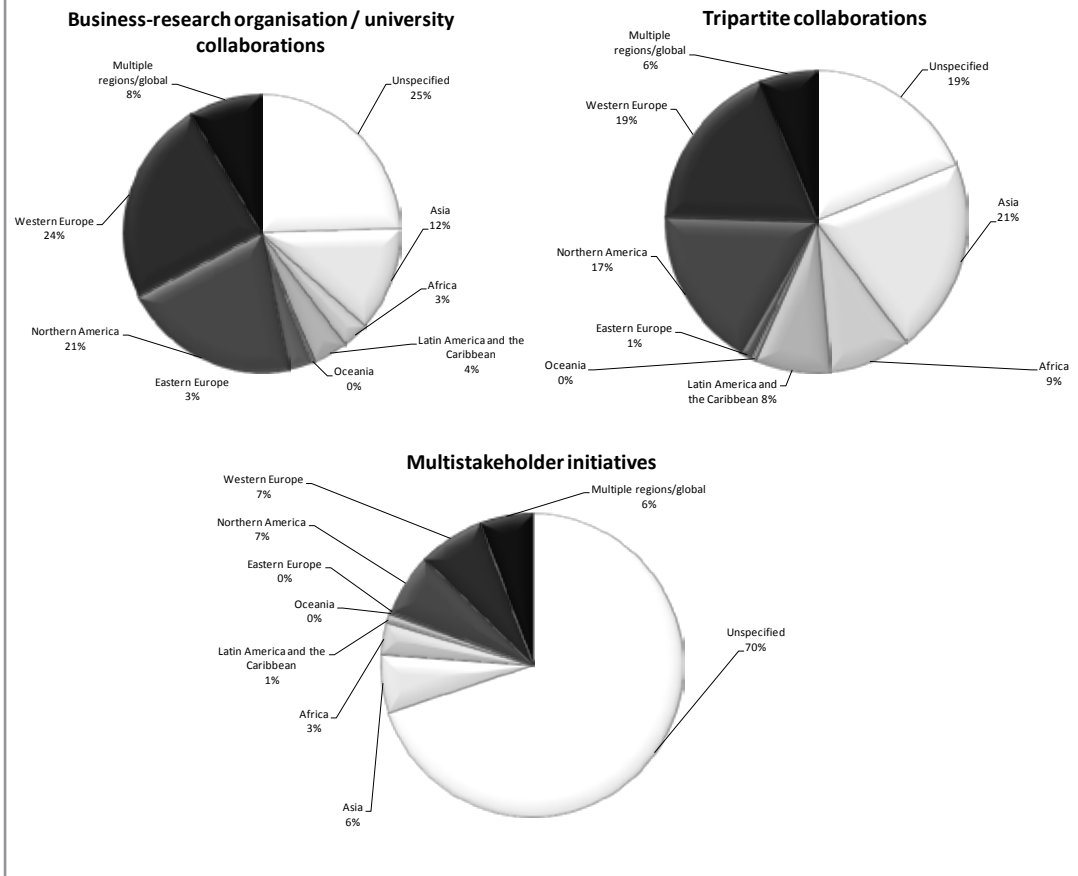
- Most cross-sector partnerships of the world's largest firms focus on developed regions.
- All types of collaboration have relatively little interest in developing regions.
- Profit-non profit partnerships target Asia, and business-research organisation partnerships favour Western Europe. There is slightly more diversification in Northern America.
- The majority of specified business-research organisations/university collaborations takes place in developed countries – either Western Europe, Northern America or East-Asia.

Box 21: Connecting type of collaboration and type of issue addressed

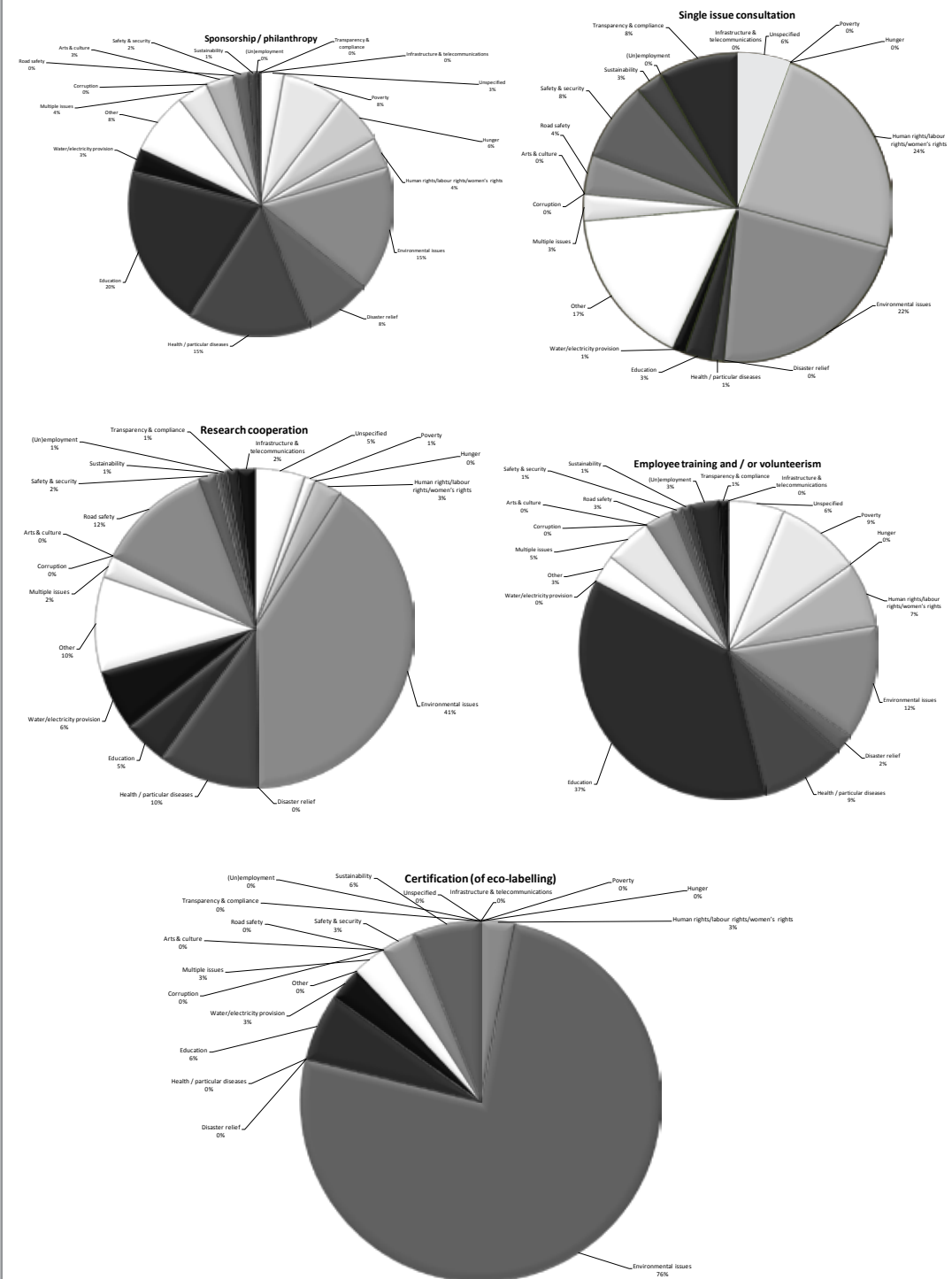


Box 22: Connecting type of collaboration and area of implementation





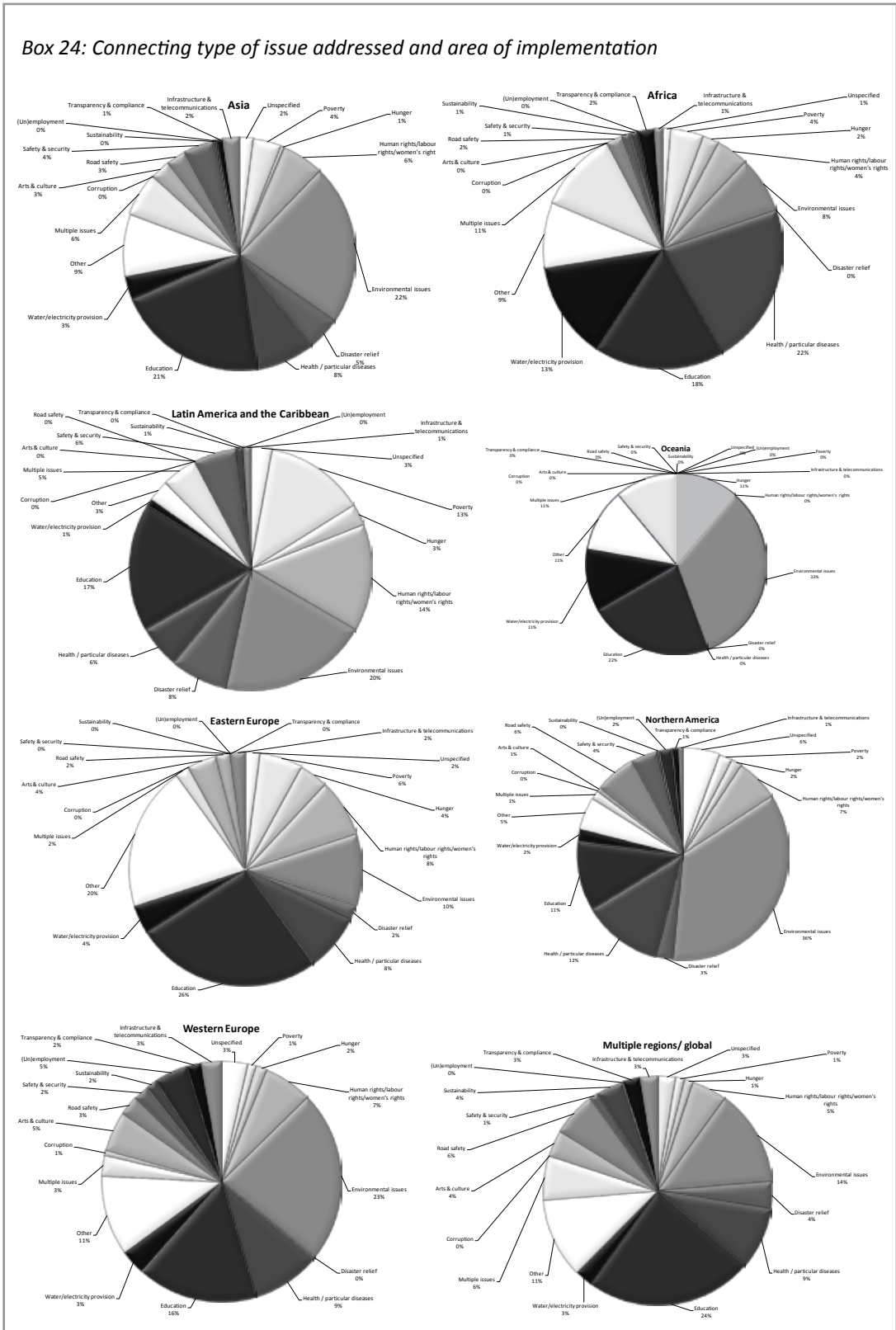
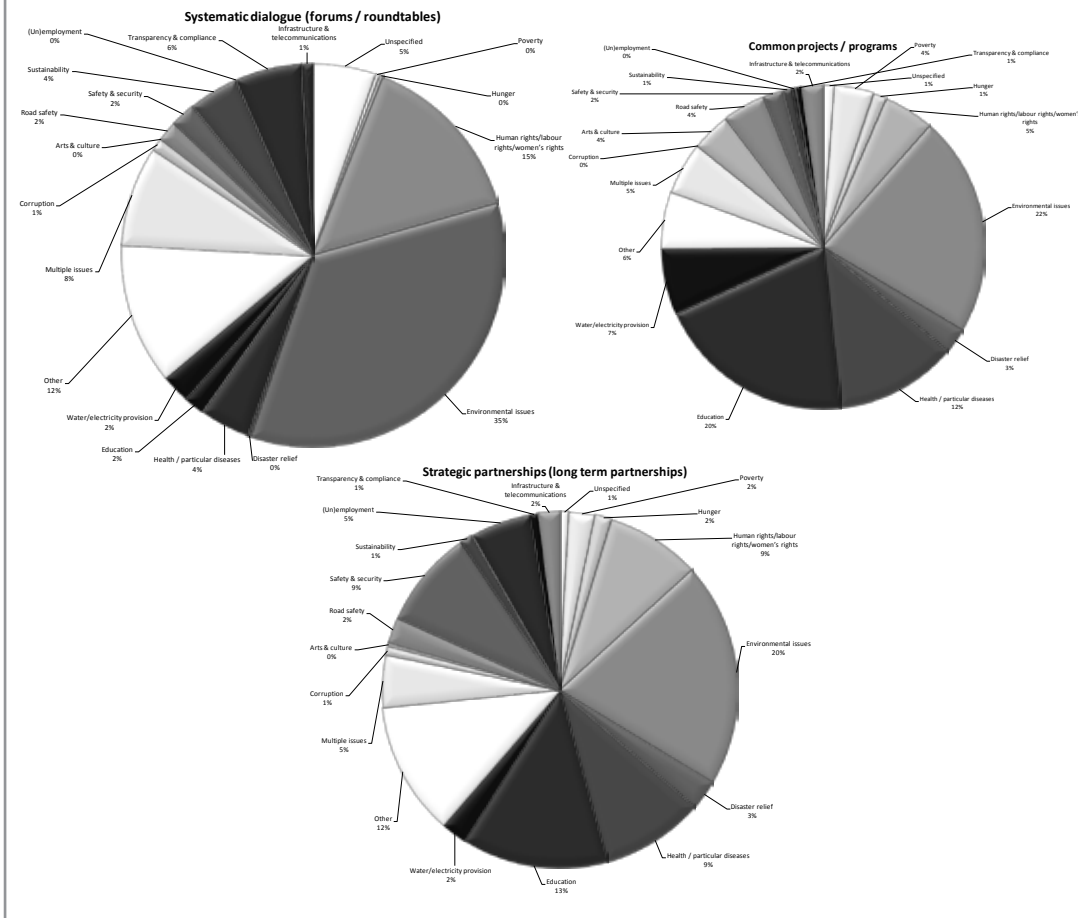
Box 23: Connecting type of issue addressed and form of engagement



## WHAT/HOW?

Forms of engagement are very clearly connected to specific types of issues in a number of cases (Box 23):

- Environmental issues dominate 41% of the research cooperation partnerships, 76% of the certification collaborations and 35% of all systematic dialogues.
- Human (and related) rights are addressed especially through single issue consultation and systematic dialogues.
- Education is clearly linked to common projects, sponsorship, but in particular to employee training and volunteering activities.
- Sponsorship/philanthropic collaborations focus on education (20%), health (15%) and environment (15%).
- There are a remarkable number of issues for which specific forms of engagement have not been tried by firms. Important examples include systematic dialogues for unemployment, poverty and hunger and corruption in almost all forms of partnership engagement.



## WHAT/WHERE?

It seems logical that some issues are closely related to the area of implementation (Box 24). A rational choice for a particular partnership focus would be to connect the most wicked problems of the region to joint projects with firms. The pattern that is revealed by the 100 largest firms, represents a particular issue shortlist that might not necessarily be aligned to the most important issues of a region. Take for instance the following findings:

- More than 50% of the partnerships that are implemented in Africa focus on health, education, and water/electricity provision. Only 4% focus on poverty and 2% on hunger, whereas these two issues are particularly dominant in Africa. Does this imply that firms do not expect to be able to contribute to these issues?
- Latin America & the Caribbean has the highest percentage of partnerships that focus on poverty (13% of the partnerships implemented).
- Disaster relief partnerships are linked to Asia and Latin America, but not to Africa, which is an indication of another mechanism in partnerships: what gets the public attention gets support. The often creeping disasters in Africa related to hunger and poverty have clearly lost in terms of attention to the issues of earth/quakes and tsunamis.
- In most other regions, education and the environment are the most important issues as revealed by leading firms. Interestingly, a specific priority in North-America for health partnerships reveals the big problems related to the health system in the United States in particular.





**PART III:  
PORTFOLIOS**

The final part of this report provides first compiled impressions on the actual portfolio of cross-sector partnerships of the world's 100 largest companies. Companies do not release comprehensive statements on the way they manage their whole portfolio of partnerships. But all firms do have a portfolio of partnerships, although they are perhaps only recently becoming aware of the need to actually manage this portfolio. The development of many cross-sector partnerships tend to be ad-hoc, uncoordinated and decentralised, which raises serious but very basic questions. What pattern of partnerships has emerged, with whom and why? How should success be measured? What is the impact of this portfolio on the performance of the firm? In other organisational areas, the need for portfolio management is already well acknowledged and has been studied as such. Whereas smaller firms can focus on niches and single markets, big multinational enterprises face a host of portfolio management challenges. These include establishing effective product/market combinations, combining high tech and low tech activities, engaging in various financial risk categories, doing business in a good mix of geographic markets, and creating appropriate firm-firm alliances. The challenge is to optimize these portfolios and relate them to the prime aims and core competencies of the corporation.

Portfolio management is a well established discipline in management research, but not (yet) in cross-sector partnerships. The area that comes closest is that of intra-sector strategic (firm-firm) alliances. The dynamics, logic and performance of strategic alliances between firms have been a topic of research for the last thirty years. But the actual management of alliance portfolios at the consolidated level of individual firms has not been addressed until relatively recently, mostly due to methodological and theoretical complexities. Many, very basic questions therefore remain unresolved. In a professional development workshop on managing alliance portfolios at the 2010 Academic of Management Meeting, the following basic questions for further research were listed:

- Why do firms build alliance portfolios?
- How do they make specific choices?
- How do alliance portfolios evolve?
- How can alliance diversity be measured?
- How can an alliance portfolio be governed?
- What capabilities are needed to have a successful alliance portfolio?
- What is the relationship between the actual portfolio and the firm's performance?

## The leading question is what defines an optimal/effective alliance portfolio?

Unfortunately, even research on intra-sector partnerships is in its start-up phase, notwithstanding its obvious relevance. Managing strategic firm-firm alliances is an extremely challenging and difficult task to many companies. According to several studies, between 40% and 70% of all alliances fail to achieve their objectives (cf. Lavie, 2009). As a result, alliance termination rates are over 50% (Lunnan & Haugland, 2008), and in many cases terminations have resulted in shareholder

value destruction for the companies involved (Kale, Dyer, & Singh, 2002). Firms have engaged in an increasing number of alliances due to growing competition, rapid technological change, and discontinuities within most industries. This (potentially) allows them to have better access to resources, enter new markets or arenas more easily, and to minimize their risk (Kale & Singh, 2009). Managing individual strategic alliances is already challenging, but successfully dealing with the diverging needs of all the strategic alliances it is engaged in is an even greater challenge. The increasing number of strategic alliances managed by one firm adds considerable complexity to the issue. Lavie (2009) explains that managing the bundle of strategic alliances poses increasing challenges for managers, regardless of whether a company establishes a dedicated alliance function or delegates partnering decisions to alliance managers.

Firm-firm alliances are comparable to cross-sector partnerships for at least four reasons: (1) the alliance partners want to keep their independence, (2) they work on shared goals, (3) they search for complementarities in their resources and/or skills, (4) in the actual project, they have to deal with important practical (dependency and power) questions that are different from their 'normal' way of organising in order to make the partnership effective. The first and third reason in particular distinguish inter-firm alliances from Mergers & Acquisitions (M&As). The general problems that firm-firm alliances face are exacerbated in cross-sector partnerships. For instance, cross-sector alliances involve actors from different spheres in society that clearly 'speak a different language' – often combined with different organisational cultures. Firms, NGOs, government organisations, universities, international organisations, and local communities have different goals, objectives and identities. Whereas firms might share a 'profit' goal, alliance partners from different sectors by definition have different goals. However, firms can also have very diverse goals (even if they operate in the same industry), whereas some societal groups increasingly resemble corporations.

Too simplistic comparisons between intra-sector alliances and cross-sector partnerships are not warranted: cross-sector collaborations present unique challenges. Managers who view cross-sector relationships as a completely new type of collaboration may not see how to leverage their firms' existing expertise in alliance-building. Alternatively, treating these alliances the same as typical business alliances can doom them from the start" (Rondinelli and London, 2003: 62). "Managers seeking to successfully create alliances with NPO's, especially those that focus on the corporation's internal operations, must rely on strategic criteria that can both effectively utilize the firm's existing competencies in intra-sector (business-business) alliances and develop the new skills needed to make cross-sector (business-NPO) alliances succeed" (Rondinelli and London, 2003: 63).

A holistic approach is needed to manage the whole portfolio (cf. Paris & Casher, 2003). This includes the following activities: [1] partner selection based on portfolio fit, leveraging knowledge across partners, and managing alliances as a set of competences (Duysters et al., 1999); [2] performance measurement on the individual alliance, alliance portfolio, and alliance strategy level (Bamford & Ernst, 2002; Hoffmann, 2005; Parise & Casher, 2003); [3] exploiting synergies and avoiding conflict across the entire portfolio (Hoffmann, 2005; Parise & Casher, 2003); [4] as well as developing and implementing the portfolio strategy, monitoring and coordinating the portfolio, and establishing an alliance management system (Hoffmann, 2007). Synergies in alliance portfolios include knowledge transfer across alliances (Powell et al., 1996), economies of scale and scope (Doz & Hamel, 1998), and the development and institutionalization of firm-level alliance capability (Kale et al., 2002). In the literature this holistic and synergy-oriented approach is also known as the *alliance portfolio effect*, which makes the overall value created by an alliance portfolio greater or smaller than the sum of the values created by each individual alliance in the portfolio.



There are three general portfolio characteristics that are particularly relevant— next to a host of other characteristics related to the quality of the partner, the fit with the own organisational goals and the actual management of the portfolio, which will not be covered in this report:

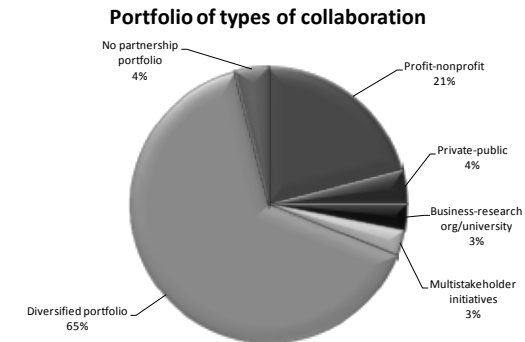
- **Portfolio size:** The literature on firm-firm alliance portfolios argues that engaging into simultaneous alliances with different partners can help firms accelerate their learning on how to design and manage alliances (Anand and Khanna, 2000), as well as provide them with a broader range of resources (Ahuja, 2000; Gulati, 2007). The size of a portfolio is not considered a sufficient determinant of performance. Factors such as portfolio breadth, efficiency, and alliance partner quality are also important factors (cf. Wassmer, 2010). Being connected to high-quality alliance partners, for instance, is said to enhance the reputation of a focal firm (Stuart, 2000). In addition, the literature says that a small set of alliances with diverse partners may yield more diverse resources, information, and capabilities for less cost than a large set of alliances with similar partners (Baum et al., 2000). This line of argument could apply to cross-sector partnerships in particular, but has not been researched.
- **Portfolio density.** In the firm-firm alliance literature, the density of the ties in the partnership relates to the quest for an optimal alliance portfolio. An optimal portfolio contains a balance between both ‘cohesive’ and ‘sparse’ collaboration patterns (Padula, 2008) or between weak and strong ties. For instance, cohesive and sparse alliances have been shown to play complementary roles in supporting firm innovation, each adding to the value of the other. Firms combining both cohesive and sparse relationships in their alliance portfolio show higher rates of innovation than those which employ either pattern of collaborative agreement alone. It was found that the relationship between tie strength in firms’ alliance portfolios and firm performance is contingent on the density of ties in the alliance portfolio as well as the investments in exploration and exploitation required by the external environment (Rowley et al. 2000). A first impression of the density of the cross-sector partnership portfolios as built up by the world’s largest firms can be elaborated along the four dimensions that were distinguished earlier: [1] partner density (more dense=more bilateral collaborations with one single type of actor), [2] organizational density (more dense=more aimed at one form of engagement), [3] issue density (more dense=aimed at related issues), and [4] geographic density (more dense=more concentrated on one geographic area of activity that is related to the own activities).
- **Portfolio diversity.** In the inter-firm alliance literature, characterising the diversity of partners has been primarily related to their resources and technological capabilities as well as to their country of origin. For instance, it was found that a small set of alliances with diverse partners may yield more diverse resources, information, and capabilities for less cost than a large set of alliances with similar partners. (Baum et al., 2000). In international business research Goerzen and Beamish (2005) found a negative relationship between the international diversity of a firm’s alliance portfolio and economic performance. The diversity of the partnership portfolio of firms can be researched by considering the degrees of specialization/diversification of the portfolio for each of the above four dimensions (type, engagement, issue, region).

## Mixed portfolio size

The size of the cross-sector collaboration portfolio of large corporations ranges from zero (4 cases) to more than 51 (in three cases, see section 2). On average, the size of collaboration portfolios of large corporations is 18. But these 18 collaborations often represent a ‘mixed bag’ as regards performance, orientation and choice of partners. Further research is needed.

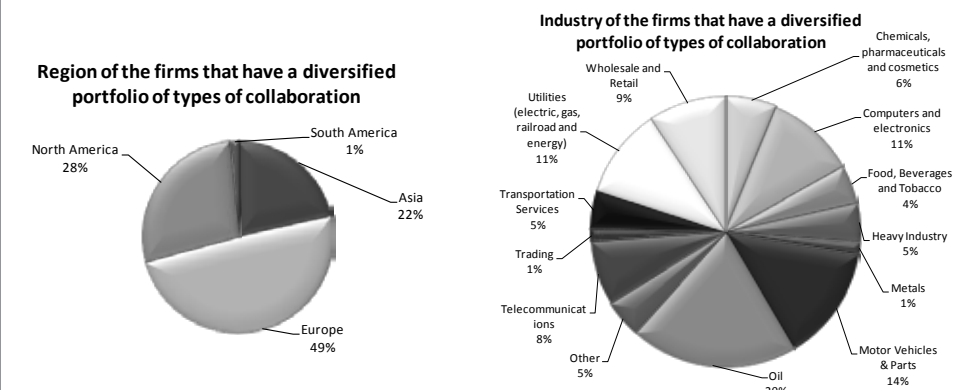
## Low Partner Density

The portfolio density of collaboration types is relatively low. Two-thirds of the top 100 firms chose a very diversified portfolio of collaboration types. They do not show a particular preference for either public, private, profit or non-profit actors. It is more likely that these diversified portfolios are the result of tactical (ad-hoc) choice, rather than a strategic choice for diversity. A specific subset of the sample (21%) is slightly more focused with more than 50% of their partnerships on profit-nonprofit relationships (partnerships with NGOs or communities, or both). No firm in the sample has a partnership portfolio specialised on tripartite partnerships alone. The prevalence of bilateral partnerships helps to increase the relative density of the partnership portfolio, while allowing the corporation to have more control over the actual partnership process.

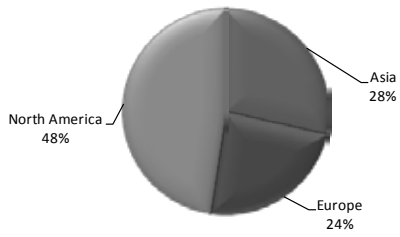


Zooming in on the question whether specific types of portfolios prevail in either regions or sectors, creates the following patterns (Box 25): European firms tend to favour a diversified portfolio of collaborations more than American companies, whereas the share of Asian firms in diversified portfolios neatly represents their overall numbers in the sample. The oil industry comprises many firms that choose a diversified portfolio of collaboration partners. Forty-eight percent of the firms that have a portfolio focused on profit-nonprofit relationships are North American (which is substantially above their relative share in the sample). Wholesale and retail have bilateral portfolios towards non-profit actors. For these particular industries, the partner density is relatively high.

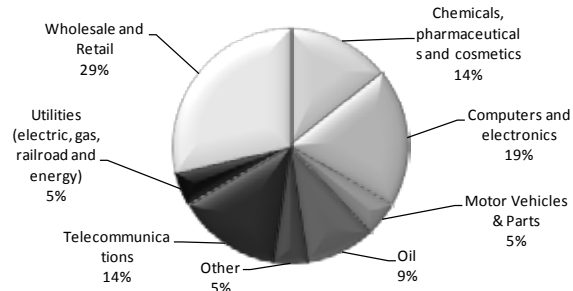
Box 25: selected portfolio types



**Region of the firms that have a portfolio specialised on profit-nonprofit relationships**

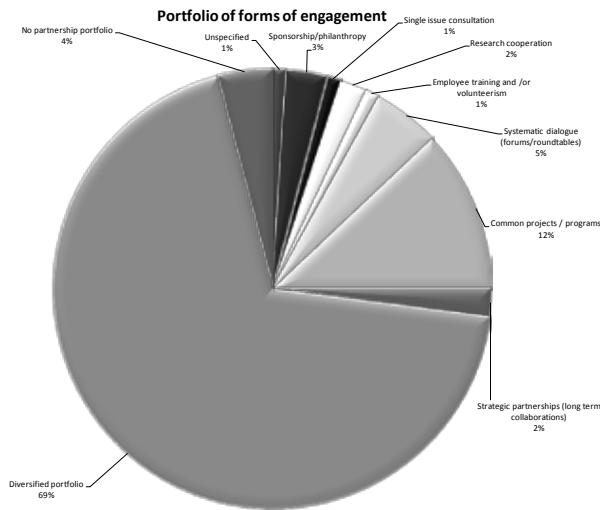


**Industry of the firms that have a portfolio specialised on profit-nonprofit relationships**



## Lower organizational density

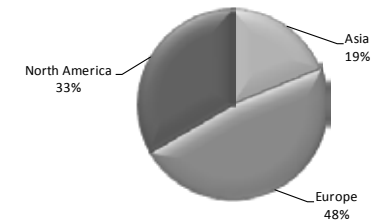
The density of partnership portfolios in terms of engagement forms is comparatively low as with partner portfolios. Sixty-nine percent of the top 100 firms combine quite different forms of partnership engagement. Part II showed that different forms of engagement are related to the collaboration partner or the issue to be addressed. One quarter (26%) of the companies, however, have a more dense organisational engagement orientation. The preference for either common projects/programs (12%) or systematic dialogues (5%) prevails.



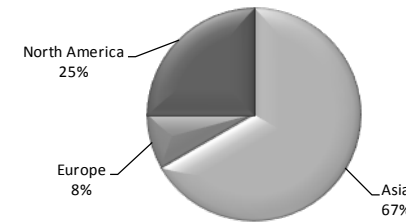
Almost half of the firms that have a diversified portfolio are European (Box 26). Asian firms show a slightly lower than expected preference for diversified portfolios. Types of collaboration and forms of engagement are often closely related for European firms in particular (see section 2). The portfolio density for common projects/programs is quite high with 67% of Asian firms. Apparently there is a cultural tendency towards involvement in this type of engagement. When considering the region of the firms that have a portfolio focused on systematic dialogues, European firms represent 40%, North American 20%, and Asian firms are completely lacking.

*Box 26: selected engagement portfolios*

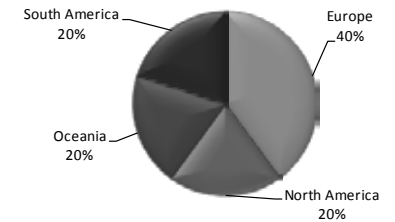
**Region of the firms that have a portfolio with diversified forms of engagement**



**Region of the firms that have a portfolio specialised on common projects / programmes**

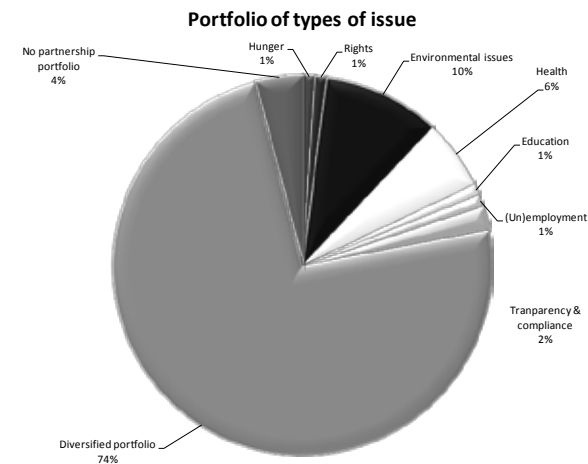


**Region of the firms that have a portfolio specialised on systematic dialogues (forums / roundtables)**



## Lowest issue density

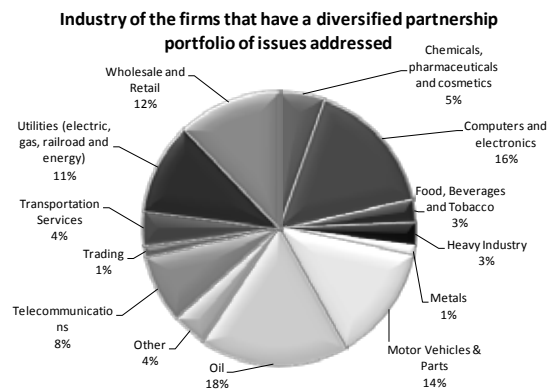
The portfolio density for issues is the lowest for all firms, with almost three-quarters of the firms adopting a (very) diversified issue portfolio. This can imply two things: either most firms have no clear strategy (yet) for the issues they would like to address through cross-sector partnerships, or the largest firms are so big and are confronted with many diverse issues that strategically speaking, it would be unsophisticated to make a specific choice. In both cases, however, the picture looks rather scattered.



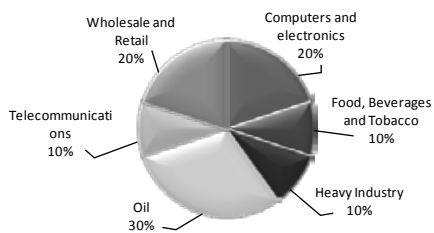
Nevertheless, it can be considered more remarkable that 22% of the firms do focus their partnership portfolio management on one specific issue. This can imply two things: either their partnership strategy is very sophisticated and focussed, or it is only in its start-up phase and focuses on the 'low hanging fruit', which can either be the most important issue or the one in which cross-sector partnerships are easiest to establish. In both cases, a focussed issue strategy reveals a higher level of strategic thinking than a less focussed strategy. The issues that receive most focussed attention in the partnership portfolio management of firms are environment and health. Ten percent of the firms focus more than 50% of their collaborations on environmental issues. Thirty percent of these firms are in the oil industry. An obvious explanation for this relatively large number relates to the high environmental impact of their day-to-day business practices. Oil firms might seek a way to compensate this effect through partnerships. The oil industry has the highest percentage of firms that focus their partnerships on environmental issues, but also the highest that have a diversified portfolio approach. Dealing with one major issue might push towards a broader portfolio of issues as well.

Firms addressing health in their portfolio of partnerships have a particular sector density (Box 27): half of the group originates from the chemicals, pharmaceuticals and cosmetics sectors. These companies focus their partnership portfolio on their core business and their prime responsibilities (as in particular in the case of pharmaceutical companies).

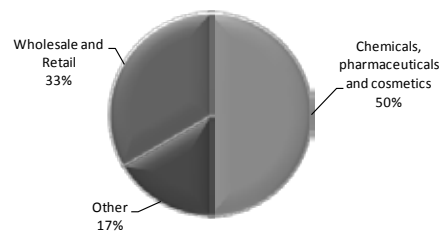
Box 27: selected issue portfolios



Industry of the firms that have a partnership portfolio specialised on environmental issues



Industry of the firms that have a partnership portfolio specialised on health



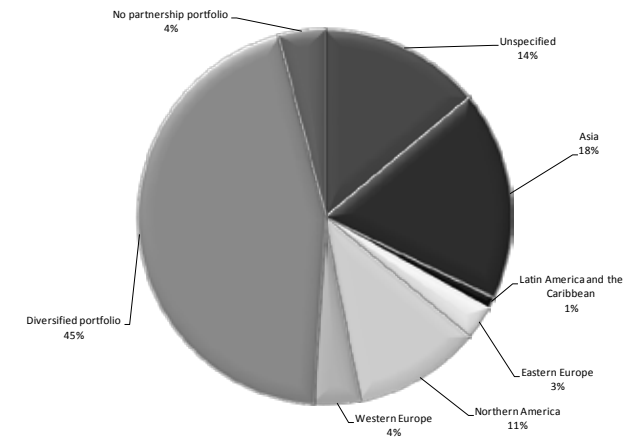
## But average geographical density

The portfolio density for geographical area is the highest. Less than half of the largest firms in the world operate a diversified portfolio of implementation areas. When leaving out the firms with no partnership, 51 firms do focus most of their partnerships on a specific area of implementation. Asia (18%) and Northern America (11%) have the largest share in this respect. No firm has chosen Africa as a particular focus for the partnerships portfolio, even though this is the continent that faces the biggest sustainable development challenges.

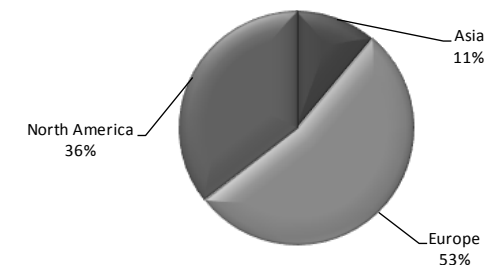
There is a particular home bias when firms choose the geographical area for their activities (Box 28). Asian firms focus more on Asia, and North America firms prefer North America as their main implementation area. More than half of the firms that have a diversified geographical portfolio are European. This is a particularly interesting since the 100 largest firms in the world also are amongst the most international firms. Firms still choose to implement their partnerships in the vicinity of their home country, regardless of their degree of internationalization.

Box 28: selected geographical portfolios

Portfolio of areas of implementation



Region of the firms with a diversified portfolio of implementation areas



Distinct patterns can be observed in these four groups as regards size and internationalisation. The smallest firms (with average sales of 68 billion annually) constitute the most inactive group with the lowest degree of internationalization (75% below 40% TNI), whereas a consistent diversified portfolio – combined with a higher internationalization degree - was adopted by the biggest firms (with average sales of around 98 billion US\$ and a TNI above 41% for 80 percent of the group). European companies are overrepresented in the latter group. The mixed Portfolio group also represents a mixed bag in terms of relative size (in between inactive and consistent specialized) and internationalization (in between consistent specialized and diversified).

Although a holistic approach towards alliances might be favoured in the literature, this research suggests that none of the world's leading firms has yet developed such an approach. Parsimony prevails. This might be best illustrated by the impossibility to find any official statements on something that could be characterised as a sophisticated, integrated and/or holistic cross-sector partnership portfolio approach for the company as a whole.

Four types of portfolio strategies have actually emerged with these companies:

- a. Inactive firms that have no official partnership strategy at all (N=4) or do not report on this.
- b. Firms that have a consistent specialized portfolio approach: a focused orientation along all four categories (N=5).
- c. Firms that have a consistent diversified portfolio approach: a diversified orientation along all four categories (N=28).
- d. Firms that have a mixed portfolio approach: a combination of a consistent portfolio approach for some categories while diversified for others (N=63).

Firms with a consistent approach will find it easier to evaluate and monitor the effectiveness of their partnership portfolio. This, however, does not imply that a consistent approach is always better than a mixed approach. Firms have a consistent portfolio in case more than 50% of their partnerships have the same focus, for each category separately. For instance, a firm that focuses seven out of its total of ten partnerships on environmental issues, is considered to have a consistent issue portfolio approach. This does not necessarily mean that the firm has adopted an overall consistent partnership portfolio approach. This depends on whether they also have consistent strategies for the other (three) categories. Not having a consistent partnership portfolio for the type of issue addressed, does not mean that the firm does not have an issue focus in general. A firm might have a very specific focus on environmental issues in its core activities and strategy as a whole, but prefers to do it alone instead of engaging in partnerships (for that specific issue).

Only four firms have no official partnership strategy (or do not publish about it). Five firms adopted a consistent specialised portfolio along all four categories (type of collaboration, form of engagement, issue addressed, and area of implementation). Only one of these firms has a portfolio larger than one partnership. In total, 28 firms developed consistently diversified portfolios. They abstained from any type of specialisation in the four density categories. The majority of the firms (63) chose to be 'dense' in one category, but not in all four combined.

# Consistently specialised portfolio approaches

A handful of large American and Asian firms have developed a consistent and specialised partnership portfolio approach, but primarily because they have the lowest possible partnerships (one). One explanation for this phenomenon is their relatively low degree of internationalization (as measured by the TNI). The argumentation in favour of this type of partnership is not really very well developed. The only firm that has implemented a dense and consistent partnership portfolio strategy with a relatively large number of partners is German ThyssenKrupp (see company partnership portfolio profile) which also has a very high degree of internationalisation. ThyssenKrupp has built upon a German tradition of close partnerships with universities and training institutes. Their partnership strategy concentrates on Human Resource Management. They have developed a relatively sophisticated strategy [‘promoting excellence’] in which they partner with major universities around the world, and give away scholarships (sponsoring) and offer apprenticeship places in Germany. This is embedded in a vision of promoting dialogue between education, research and industry.

Firm	Home country	Industry	TNI	Report	Number of projects
Costco Wholesale	United States	Wholesale and Retail	0%-20%	Corporate Sustainability Report, 2009	1
Lockheed Martin	United States	Heavy Industry	0%-20%	Annual Report, 2009	1
Nippon T&T	Japan	Telecommunications	low	Corporate Social Responsibility Report, 2009	1
Sinopec	China	Oil	low	Sustainable Development Report, 2009	1

## PARTNERSHIP PORTFOLIO PROFILE THYSSENKRUPP

<b>Firm</b>	ThyssenKrupp	
<b>Home country</b>	Germany	
<b>Industry</b>	Heavy Industry	
<b>TNI</b>	61%-80%	
<b>Report</b>	Annual Report, 2008-2009	
<b>Number of projects</b>	15	
<b>Types of partner</b>	Mostly research organisations/universities	
<b>Types of collaboration</b>	Mostly business – research organisation/university	
<b>Forms of engagement</b>	Mostly strategic partnerships	
<b>Issues addressed</b>	Mostly (un)employment	
<b>Areas of implementation</b>	Mostly Western Europe	
<b>Key partners</b>	European Works Council Technical University of Aachen/Berlin/Bochum/Dortmund/ Dresden/Freiberg/Hamburg-Harburg Lehmbruck Museum University of Munster Philharmonic orchestras in Essen and Duisburg	

# Consistently diversified portfolio approaches = core stakeholder oriented


Twenty-eight firms - around one quarter of the largest firms - have adopted a consistently diversified portfolio approach along all four partnering categories. We selected five typical cases of this category from different regions in the world: ArcelorMittal, Sony, Chevron, Hyundai and Carrefour. The company partnership portfolio profiles below illustrate these cases. These five are involved in a relatively large number of projects and have a high degree of internationalisation. Earlier, it was suggested that a diversified portfolio of partnerships might hint at a lack of strategic planning. These examples, however, show the contrary. Most of these firms have embedded their alliances strategies with a relatively coherent – albeit still very rudimentary – approach to partnerships. Their approach is primarily aimed at their core stakeholders from which their partnership strategy follows suit. This approach also includes a first analysis of where these core stakeholders are in the world (often distinguishing between various regions in the world and specifying countries), what kind of issues they focus on and consequently how to form partnerships with these stakeholders. Here, we see the first contours of a ‘holistic’ approach towards partnership portfolio management. A few quotes from these five companies can perhaps illustrate the narrative or framing that they use to explain their partnership portfolio approach:


- **Arcelor Mittal (Report 2009: Our progress towards Safe Sustainable Steel):** “Many of our operations across the world are involved in projects to help protect or limit the impact to the local environment. For example, in Liberia we are conducting some groundbreaking research. [...] The team worked with a number of nongovernmental organisation partners from Liberia and other neighbouring countries, to develop shared plans for the sustainable management of the forest. Working together in this way has also helped the government agencies to focus their efforts, and make conservation a priority”. (p.31) “The focus in developed countries is very different”(p.21)
- **Sony (CSR Report 2009):** “Sony strives to contribute to the realization of a sustainable society. [...] It is important to maintain a global perspective and to work in partnership with Sony’s various stakeholders.”(p.2); “In addition to Sony innovation, cultivating renewable energy and other such new elements of social infrastructure, developing technologies and creating mechanisms for reducing environmental impact require collaboration with other companies, NGOs and nonprofit organizations (NPOs), universities and research organizations. It is also crucial that everyone at Sony, from front-line production personnel to top management, is actively involved in this endeavor, and that we encourage such efforts by promoting environmental education and training”. (p.92).
- **Chevron (The Value of Partnership 2009 Corporate Responsibility Report):** “Corporate responsibility at Chevron means demonstrating the vision and values of The Chevron Way throughout our corporation, throughout our operations, and throughout our partnerships.”(p. 2) “Our ability to build mutually beneficial long-term relationships is enhanced by investments that simultaneously provide lasting community benefits and direct business value. This approach involves working cooperatively with host governments, communities and civil society, nongovernmental organizations, and aid agencies to assess and understand socioeconomic conditions”. (p. 24)

- **Carrefour (2009 Annual Activity and Sustainability Report):** “Every year, Carrefour brings together its main stakeholders and, for more than ten years, has formed partnerships with NGOs which help the Group advance its projects more effectively. The Group works with the International Federation for Human Rights (FIDH) to monitor working conditions in plants producing Carrefour products in sensitive countries. The WWF supports Carrefour buyers on a daily basis to help develop the Group’s supply policy for wood, fish resources and palm oil. Our European social partners are kept regularly informed and consulted on the Group’s Sustainable Development approach, through the CICE (European Consultation and Information Committee)” (p.59)
- **Hyundai (The road to sustainability- sustainability report 2009):** “HMC recognizes shareholders, investors, customers, employees/labor union, and suppliers/distributors as core stakeholders who have a direct impact on our business activities. We also fully comply with various laws and regulations and consider the government that legislates and enforces such laws as important stakeholders. Furthermore, we work with global/regional communities to fulfill our role as a responsible corporate citizen.”(p. 230)


PARTNERSHIP PORTFOLIO PROFILE ARCELORMITTAL	
<b>Firm</b> <b>Home country</b> <b>Industry</b> <b>TNI</b> <b>Report</b> <b>Number of projects</b> <b>Types of partner</b> <b>Types of collaboration</b> <b>Forms of engagement</b> <b>Issues addressed</b> <b>Areas of implementation</b>  <b>Key partners</b>	ArcelorMittal Luxemburg/India Metals 81%-100% Our Progress Towards Safe Sustainable Steel, 2009 25 NGOs, governments and communities Mainly profit-nonprofit collaborations Mainly common projects/programs Environment, health and education Northern America, Eastern Europe, Latin America & the Caribbean, Asia, Africa  Argentinean Ministry of Labour and the Metallurgic Trade Union Challenger Learning Centre of Northwest Indiana, USA Department of Education of South Africa US Environmental Protection Agency and the Department of Energy Habitat for Humanity Indian Ministry of Environment and Forests, and the Centre for Environment Education Brazilian National Service for Industrial Learning President of the Community Forum for Safety Red Cross in Mexico Red Cross in the USA the local Lions Club in Couva 9Trinidad and Tobago local centre for children with special needs, Galati, Romania Trade Union and local communities U.S. National Fish & Wildlife Foundation, the U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration; the U.S. Forest Service World Business Council for Sustainable Development Extractive Industries Transparency Initiative Others




PARTNERSHIP PORTFOLIO PROFILE SONY	
<b>Firm</b> <b>Home country</b> <b>Industry</b> <b>TNI</b> <b>Report</b> <b>Number of projects</b> <b>Types of partner</b> <b>Types of collaboration</b> <b>Forms of engagement</b> <b>Issues addressed</b> <b>Areas of implementation</b> <b>Key partners</b>	Sony Japan Computers and electronics 41%-60% CSR Report, 2009 28 NGOs, governments and other firms Profit-nonprofit collaborations and private-public collaborations Common projects, systematic dialogues Mostly environmental issues Asia, Northern America, and unspecified Akita Prefecture City of Kitakyushu Day service center for adults with learning difficulties EICC EPA ESCP-EAP European School of Management Japan Braille Library Japan's ministry of environment and forestry agency Jiang Chuan Road elementary school Landcare Australia Limited provincial governments of British Columbia, Alberta, Nova Scotia, Ontario and Saskatchewan Shanghai south middle school Solar Bear fund Stanford University State of New Jersey Town of Otsu UN UNICEF WWF Others 

PARTNERSHIP PORTFOLIO PROFILE CHEVRON	
<b>Firm</b> <b>Home country</b> <b>Industry</b> <b>TNI</b> <b>Report</b>  <b>Number of projects</b> <b>Types of partner</b> <b>Types of collaboration</b>	Chevron United States Oil 41%-60% The Value of Partnership, Corporate responsibility report 2009 48 NGOs and governments profit-nonprofit collaborations, tripartite collaborations, business-research organisation/university collaborations and private-public collaborations 

<b>Forms of engagement</b>  <b>Issues addressed</b>  <b>Areas of implementation</b> <b>Key partners</b>	Common projects, strategic partnerships, research cooperation, employee volunteerism Education, environmental issues, health, transparency & compliance Asia, Africa, Northern America American Chemical Society Association of Business Women of Kazakhstan Bernardino Pediatric Hospital in Luanda, Angola U.S. National Renewable Energy Laboratory Georgia Institute of Technology University of California at Davis; Texas A&M University Colorado Center for Biorefining and Biofuels CDA Collaborative Learning Projects Egbema-Gbaramatu Central Development Committee Eurasia Foundation of Central Asia Fisheries Department of Malaysia Global Fund to Fight AIDS, Tuberculosis and Malaria Habitat for Humanity Vietnam Hathay Bunano Lagos Business School Marcellin Foundation Education and Employment Alliance Ministry of Education's Office of the Commission for Basic Education in Thailand Pact (US NGO) Program for Appropriate Technology in Health residents from Anaktuvuk Pass other villages on Alaska's North Slope Stanford University, Texas A&M University, Louisiana State University, University of Texas, Colorado School of Mines, University of California at Davis, and Massachusetts Institute of Technology Stellenbosch University, The Cape Peninsula University of Technology and the University of Cape Town The Jakarta Post Newspaper in Education Institute Turkmen nationals U.S. Department of Energy United Nations Special Representative of the Secretary- General on business and human rights, the Institute for Human Rights and Business, The Fund for Peace, the Danish Institute on Human Rights University of Texas at Austin's USAID VP Secretariat; the U.S. Department of State West Basin Municipal Water District Western Cape Department of Social Development Heavenly Promise community leaders Western Regional Air Partnership (WRAP) California Air Resources Board Wildlife Conservation Society WRAP; Western Climate Initiative World Bank (Global Gas Flaring Reduction Initiative) Global Road Safety Partnership Extractive Industries Transparency Initiative (EITI) Others
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PARTNERSHIP PORTFOLIO PROFILE CARREFOUR	
<b>Firm</b>	Carrefour 
<b>Home country</b>	France
<b>Industry</b>	Wholesale and retail
<b>TNI</b>	41%-60%
<b>Report</b>	Annual Activity and Sustainability Report, 2009
<b>Number of projects</b>	6
<b>Types of partner</b>	NGOs and governments
<b>Types of collaboration</b>	Profit-nonprofit collaborations and private-public collaborations
<b>Forms of engagement</b>	Mostly single issue consultations
<b>Issues addressed</b>	Mostly environmental issues
<b>Areas of implementation</b>	Western Europe, Asia, and unspecified
<b>Key partners</b>	Bina Arta association European Commission International Federation for Human Rights (FIDH) Thai Ministry of Labour United Nations WWF

PARTNERSHIP PORTFOLIO PROFILE HYUNDAI	
<b>Firm</b>	Hyundai 
<b>Home country</b>	Korea (South)
<b>Industry</b>	Motor vehicles & parts
<b>TNI</b>	21%-40%
<b>Report</b>	The Road to Sustainability – Sustainability Report 2009
<b>Number of projects</b>	10
<b>Types of partner</b>	Governments, NGOs and other firms
<b>Types of collaboration</b>	Private-public collaborations, tripartite collaborations and profit-nonprofit collaborations
<b>Forms of engagement</b>	Common projects, and strategic partnerships
<b>Issues addressed</b>	Environmental issues, multiple issues
<b>Areas of implementation</b>	Asia and unspecified
<b>Key partners</b>	Business Institute for Sustainable Development (BISD), China's central government, Inner regional government Dana-Farber Cancer Institute Federation of International Football Association (FIFA); European Football Association (UEFA) HMC Labor Union The Supply Chain Eco=Partnership: Ministry of Knowledge economy US dept. of Energy Demonstration Project Communities Regional NPOs Others


The majority of corporations have adopted a mixed approach to partnerships: sometimes specific, sometimes unfocused, but diverse. In many cases this illustrates their rather ambiguous attitude towards cross-sector partnerships. The number of partnerships they form, as a consequence, is generally below average. But the stature of the alliance partners is often rather high, making the partnership very relevant for the general strategy of the company (and risky if it fails). Relatively straightforward patterns emerge for the issues addressed and the areas of implementation. As regards the types of collaboration and the forms of engagement, firms have engaged in a wide variety of initiatives, which makes learning more difficult. Mixed partnership portfolios seem to be heavily influenced by the core business and a very selected group of prime stakeholders of the company, which makes them perhaps less ad-hoc as sometimes suggested. The following quotes of four representative firms from this category (see profiles) might illustrate this. The corporate narratives are either very concrete (core business oriented), related to one particular type of stakeholder (patients, employees), but overall remain relatively vague as regards the portfolio dimension of these choices:

- **Conoco Philips** (2008 Sustainable Development Review - Sustainable Strategy, Global Opportunities) “[...] we are taking positions on vital issues and engaging in public dialogue. For example, we believe that climate change is one of the most challenging energy related issues of our time. In 2007, ConocoPhillips joined the U.S. Climate Action Partnership, a group of diverse businesses and environmental nongovernmental organizations that has called for prompt enactment of national legislation to slow, stop and then reverse the growth of greenhouse gas (GHG) emissions. We were the first U.S.- based integrated energy company to call for a mandatory national framework to address GHG emissions.” (p. 5)
- **Fujitsu** (Sustainability Report 2009) “we are striving to cultivate the leaders who will support the Group in the future. [...] Furthermore, we are enhancing the presence of the Fujitsu Group through active collaboration with universities and other external educational institutions, hosting international students at the Japan-America Institute of Management Science (JAIMS) and other initiatives”. (p.35)
- **Novartis** (Novartis Group Annual Report 2009 – Corporate Citizenship) “Continue to embed patient advocates as partners in advising on drug development and launch plans. Further collaborate on projects with major international patient groups to help raise awareness on burden of disease and patient needs. Continue involvement of Novartis in civil society debate on critical topics with relevant stakeholders”. (p.13) “For almost a decade, Novartis has helped transform treatment of malaria through a partnership with the World Health Organization (WHO), providing the pioneering medicine Coartem at no profit for public sector use by countries in sub-Saharan Africa.” (p. 10)
- **Medco** (Annual Report 2009 – making medicine smarter) “Where appropriate, we work with the patient and the patient’s physician to implement the prescribed plan of care.”(p.19) “Our business model requires collaboration with retail pharmacies, physicians, the Centers for Medicare & Medicaid Services (“CMS”) for Medicare, pharmaceutical manufacturers and, particularly in Specialty Pharmacy, collaboration with state Medicaid agencies, and other third-party payors




such as health insurers. Our programs and services help control the cost and enhance the quality of prescription drug benefits. We accomplish this by providing pharmacy benefit management (“PBM”) services through our national networks of retail pharmacies and our own mail-order pharmacies, as well as through Accredo Health Group, which we believe is the nation’s largest specialty pharmacy based on revenues.” (p.54)

PARTNERSHIP PORTFOLIO PROFILE CONOCOPHILLIPS	
<b>Firm</b> <b>Home country</b> <b>Industry</b> <b>TNI</b> <b>Report</b>  <b>Number of projects</b> <b>Types of partner</b> <b>Types of collaboration</b> <b>Forms of engagement</b> <b>Issues addressed</b> <b>Areas of implementation</b> <b>Key partners</b>	ConocoPhillips United States  Oil 41%-60% Sustainable Development Review 2008 - Sustainable Strategy, Global Opportunities 9 Governments, NGOs and other firms Profit-nonprofit and tripartite collaborations Mostly systematic dialogues Mostly environmental issues Mostly Northern America Colorado Center for Biorefining and Biofuels, a research center of the Colorado Renewable Energy Collaboratory International Petroleum Industry Environmental Conservation Association U.S. Customs and Border Protection (Customs-Trade Partnership Against Terrorism) U.S. Environmental Protection Agency’s (EPA) World Bank (Global Gas Flaring Reduction Partnership) US Climate Action Partnership Local communities, Aboriginal communities

PARTNERSHIP PORTFOLIO PROFILE FUJITSU	
<b>Firm</b> <b>Home country</b> <b>Industry</b> <b>TNI</b> <b>Report</b> <b>Number of projects</b> <b>Types of partner</b>  <b>Types of collaboration</b>	Fujitsu Japan  Computers and electronics 21%-40% Sustainability report, 2009 12 NGOs, governments, research organisations/universities and other firms Profit-nonprofit collaborations, private-public collaborations, research organisations/universities, tripartite collaborations and multi-

<b>Forms of engagement</b> <b>Issues addressed</b> <b>Areas of implementation</b> <b>Key partners</b>	stakeholder initiatives Systematic dialogues and common projects/programs Mostly environmental issues Mostly Asia Indonesian Institute of Science’s Research Center for Biotechnology, International Telecommunication Union Telecommunication Standardization Sector (ITU-T) Japan Institute of Logistics Systems, the Japan Federation of Freight Industries, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, with the help of Japan Federation of Economic Organizations Japan-America Institute of Management Science Kawasaki City’s Hiram Junior High School Kawasaki Frontale professional soccer team Mathematical Olympiad Foundation of Japan and the Japanese Committee for the International Olympiad in Informatics Sabah State Forestry Development Authority and the Japan International Forestry Promotion and Cooperation Center United Nations World Food Program Others
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PARTNERSHIP PORTFOLIO PROFILE NOVARTIS	
<b>Firm</b> <b>Home country</b> <b>Industry</b> <b>TNI</b> <b>Report</b>  <b>Number of projects</b> <b>Types of partner</b> <b>Types of collaboration</b> <b>Forms of engagement</b>  <b>Issues addressed</b> <b>Areas of implementation</b> <b>Key partners</b>	 Novartis Switzerland Chemicals, pharmaceuticals and cosmetics 61%-80% NOVARTIS GROUP ANNUAL REPORT 2009 - Corporate Citizenship 7 Mostly NGOs Mostly profit-nonprofit Sponsorships, research cooperations and systematic dialogues Mostly health Mostly unspecified Grand Challenge 11 Institute for One World Health Morhan, National Association of Municipal Health Secretariats WHO

## Conclusion: a practitioner's research agenda

PARTNERSHIP PORTFOLIO PROFILE MEDCO HEALTH SOLUTIONS	
<b>Firm</b>	Medco Health Solutions
<b>Home country</b>	United States
<b>Industry</b>	Other
<b>TNI</b>	0%-20%
<b>Report</b>	Annual report 2009 - making medicine smarter
<b>Number of projects</b>	7
<b>Types of partner</b>	Governments, research organisations/universities
<b>Types of collaboration</b>	Private-public collaborations and business-research organisation/university collaborations
<b>Forms of engagement</b>	Mostly research cooperation
<b>Issues addressed</b>	Mostly health
<b>Areas of implementation</b>	Mostly Northern America
<b>Key partners</b>	American Medical Association Centers for Medicare & Medicaid Services ("CMS") and state Medicaid agencies FDA Government of Sweden Harvard University Indiana University School of Medicine Mayo Clinic



The effective management of an (optimal) portfolio of cross-sector partnerships largely remains unknown territory for scholars and practitioners alike. The intra-sector (firm-firm) alliance literature identified three general topics in partnership portfolio management as a future research agenda (Wassmer, 2010) that a fortiori also apply to cross-sector partnerships: emergence, configuration and management.

**[1] Partnership portfolio emergence:** why and how do organizations build partnership portfolios? For cross-sector partnerships companies search for partners in particular because of shared societal problems (issues), complementary competencies and the like. This process has been largely bottom-up, opportunity driven and based on ad-hoc considerations. A major boost to partnering has been provided by (inter)governmental organizations like the UN that asked for partnerships instead of subsidy relationships (Van Tulder, 2010). Why partnership portfolios are build is relatively clear, why they are sometimes not build [even when there is ample reasons to do so] is less clear, how they are build is mostly unclear.

**[2] Partnership portfolio configuration:** which configurations choices do organizations make? This report documented a variety of portfolio sizes with many different partners, and a variety of relational characteristics that have been changing over time. The portfolio of actual partnerships is rather fragmented and seems to lack an overall strategy. How to define and operationalise an optimal partnership portfolio configuration is not yet dealt with neither by management scholars nor by practitioners. This study identified a number of exemplary companies that developed a more or less coherent configuration of cross-sector partnerships. These companies bring together a relatively high number of partnerships in relatively dense portfolios in terms of actors, organisations, issues and geography. But even for these firms, it is difficult to draw any lessons from their actual experience or identify a clear strategy that can also be linked to their core competencies.

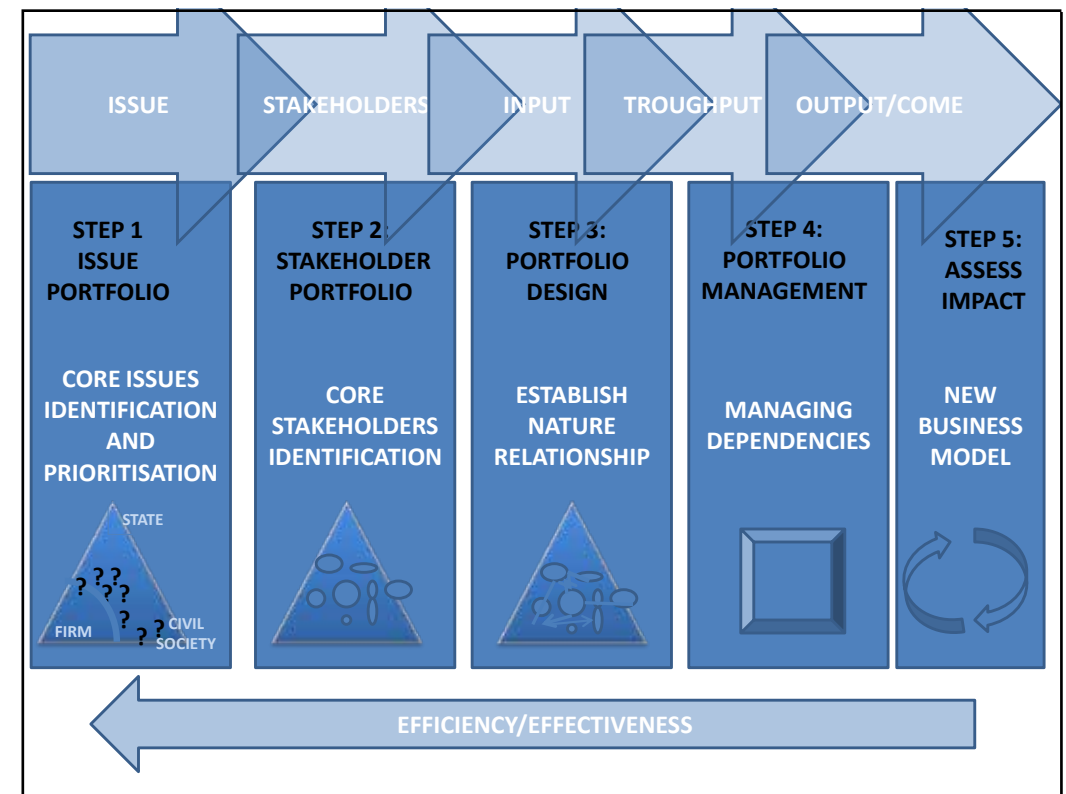
**[3] Partnership portfolio management:** how do organizations manage their partnership portfolio? The fragmented nature of partnership portfolios also affects the way in which organizations manage their partnerships, both in terms of capabilities and management approaches and tools. In the background study for this report, we found a scattered landscape of management tools, unclear capabilities which largely were applied in individual partnership projects. Accumulation and sharing of knowledge within the own organization proves very difficult, not in the least because different functional departments have been involved. Monitoring and evaluation tools are not yet very sophisticated and hardly ever linked to the problem or issue at hand; practical tools are still being developed.

Effective (cross-sector) partnership portfolio management represents a search for a balanced portfolio of partners, types of partnerships, and issue engagement. This in order to establish a sustainable sustainable ( $S^2$ ) competitive advantage (see introduction). Managers are thereby faced with five optimization challenges:

- **Optimal issues portfolio:** firms and societies are faced with a number of wicked issues for which they cannot develop adequate solutions independently of each other. It is a major challenge for firms to prioritize the issues for which they can be held primary responsible, for which they have shared responsibility, and for which they do not have any responsibility but which nevertheless might create interesting opportunities to them. For each type of issue, different types of partnerships need to be developed. How many issues can a company deal with at the same time? Can partnerships increase the number of issues – through shared responsibilities – or should firms focus on a small number of partnerships for specific issues?
- **Optimal stakeholder portfolio:** for specific issues, different constellations of stakeholders are relevant. A profit-nonprofit partnership (between a firm and an NGO) can temporarily fill the void that is created by a non-functioning government, but it can also give the wrong incentive for governments. The correct balance between primary and secondary stakeholders in cross-sector partnerships depends on the nature of the problem (the issue) and the right portfolio of partners. Have primary stakeholders been identified correctly, and have they been involved in the partnership? In case they have not been involved, what will this mean for the continuity of the partnership and its effectiveness? There should be a balance between involving local and global stakeholders. Stakeholders bring in complementary interests, skills, motives; the challenge is to define what kind of complementarity is needed for a specific issue and whether a good and realistic balance between the actors can be achieved.
- **Optimal configuration of partnering forms:** the combination of issues and stakeholders define the theoretically optimal partnership portfolio configuration. But in practice, optimization depends on the nature of the resulting relations: the portfolio size, the governance characteristics, the dependencies and changes over time. A completely rational portfolio can become unmanageable due to its sheer size or because of the complexities in dealing with so many different interests and parties. There should be balance between the various partnering types, also in order to facilitate learning and accumulation of knowledge. In practice, forms often get mixed up and linked to the wrong type of partner and issue. For instance, in case sponsoring or subsidies are used as a means for systematic stakeholder dialogue, the effectiveness of the effort can be extremely limited. The form chosen for a partnership defines the dependencies involved in the effort. Making sure that the form fits the problem, is a daunting task for partnerships.
- **Optimal portfolio management:** multinational enterprises are faced with many issues and many stakeholders around the world. Partnerships not only require specific capabilities and tools, but also specific mindsets and leadership characteristics. One of the biggest challenges of the actual management of partnerships is to define entry and exit conditions. In case exit conditions have not been dealt with in the formation phase of the partnership, the dynamics of the partnership will change, particularly when conflicts appear or roles change over time. The effective management of a partnership portfolio requires a very specific portfolio of management tools and skills.
- **Optimal monitoring and evaluation portfolio:** because so many partnerships have developed at bottom-up and ad-hoc, the inclination to ex-post ‘rationalise’ or ‘legitimize’ partnership projects is big. It proves also difficult to assess the exact impact of partnership projects, certainly when they deal with complex problems (which is almost by definition the case in cross-sector partnerships). Many of the evaluation and monitoring protocols that have been developed in the past were primarily interested in assessing whether the partnership functioned well internally, but not necessarily whether it contributed to an effective solution to the problem/issue. In order to be effective, cross-sector partnerships need to adopt a variety of tools, in support of single, double, and even triple-loop learning processes. This distinction is borrowed from Steve Wadell: in single-loop learning involves known simple problems with straightforward

solutions; double-loop learning involves complex puzzles for which solutions are feasible (provided the financial means are available); single-loop learning is required in case the problem is still unclear and many possible approaches are possible. A partnership with triple-loop learning cycles requires considerable flexibility as regards the problem definition. Finding the right balance and the right timing between these instruments is a necessary condition for making partnership portfolios work. The best test for an effective partnership portfolio is not whether the partnership has contributed to solving the issue – because most of the issues are long-term – but whether the partnership has contributed to the formulation and implementation of a new and more sophisticated inclusive business models. An inclusive business model integrates the interests of the firm and of society in a sustainable and profitable manner.

FIGURE 1 -Steps in Effective Partnership Portfolio Management



Further details of tools, analysis models and case studies for effective portfolio management will be released on the website of the Partnerships Resource Centre:

([www.partnershipsresourcecentre.org](http://www.partnershipsresourcecentre.org))

**NEXT EXIT**

**PARTNERSHIP**



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## Appendix 1: Methodological notes

The methodology used for researching the partnership activities of the firms comprises three steps: (1) sample selection, (2) data sources, (3) data collection process.

The first sample chosen is based on the top 300 firms in the 2006 Fortune Global 500, excluding financial firms. Out of these 300 firms, FIRM-level data was collected for 257 firms, and PARTNERSHIP-level data was collected for the top 100 firms based on their 2009 sales figures (see appendix 2 for the complete sample list). The construction of this database is an ongoing process. More firms will be added in the next phase of data collection to cover more regions and sectors (e.g. financials).

The data sources used for comparative data collection have been the publicly available sources provided by the firm, mainly CSR reports. The latest version of the reports were used. For most firms the latest available report was their 2009 CSR report. If the firm did not have a CSR report (or combined CSR/annual report), the annual report was used. Other sources were used for a few specific variables. For example, the TNI data were collected from the SCOPE database, and sales data from the Fortune Global database. More information on each specific variable and details on data collection can be obtained from the PrC.

Prior to data collection, a pre-testing phase took place in which three researchers used different research strategies to compare and select the optimal data collection method. The first researcher used keywords to locate possible cross-sector partnerships reported in the CSR or annual report of a sample firm. The second researcher read the entire report, and a third researcher used a combination of both keywords and quick scanning of the entire report. The same firm report was analysed using these three approaches. This was followed by a brainstorm session to compare and discuss the results. After clarification (and when needed modification) of the variables that resulted in different results, a new firm report was analysed by the same three researchers. After this second round, no major differences were found in the data collected by the three researchers. Since no substantial differences were found in the different methodologies, the keyword strategy was adopted. Five main keywords were selected to search for 'partnership' level data: "partner\*", "collaborat\*", "cooperat\*", "participat\*", "work with". These keywords were selected based on pre-tests with a much larger selection of keywords (partner, partnership, collaborat, cooperat, participat, coalition, alliance, stakeholder, engage, government, ngo, npo, ministry, municipality, province, World Bank and United nations). We experienced that the five chosen keywords covered most partnerships. Regular brainstorm sessions were held throughout the process. After data collection, the results (totals) for each variable and category of each of the researchers, were compared to guarantee consistency. After the entire data collection, a 4<sup>th</sup> researcher analysed the results of 10 firms (out of 100) to check for consistency and to confirm the reliability of the data. No major problems were encountered.

## Appendix 2: Sample

Total sample: N=257; top 100 firms based on 2009 sales are marked in gray.

Rank (based on Fortune 2006 list, excluding financials)	Firm Name	Home country	Industry
1	Exxon Mobil	UNITED STATES	Oil
2	Wal-Mart Stores	UNITED STATES	Wholesale and Retail
3	Royal Dutch Shell	UNITED KINGDOM / NETHERLANDS	Oil
4	BP	UNITED KINGDOM	Oil
6	Chevron	UNITED STATES	Oil
7	Daimler	GERMANY	Motor Vehicles & Parts
8	Toyota Motor	JAPAN	Motor Vehicles & Parts
9	Ford Motor	UNITED STATES	Motor Vehicles & Parts
10	ConocoPhillips	UNITED STATES	Oil
11	General Electric	UNITED STATES	Computers and electronics
12	Total	FRANCE	Oil
13	Volkswagen	GERMANY	Motor Vehicles & Parts
14	Siemens	GERMANY	Computers and electronics
15	Sinopec	CHINA	Oil
16	Nippon T&T	JAPAN	Telecommunications
17	Carrefour	FRANCE	Wholesale and Retail
18	ENI	ITALY	Oil
19	IBM	UNITED STATES	Computers and electronics
20	McKesson	UNITED STATES	Wholesale and Retail
21	Honda Motor	JAPAN	Motor Vehicles & Parts
23	Hewlett-Packard	UNITED STATES	Computers and electronics
25	Hitachi	JAPAN	Computers and electronics

26	PetroChina (China National Petroleum)	CHINA	Oil
28	Nissan Motor	JAPAN	Motor Vehicles & Parts
29	Home Depot	UNITED STATES	Wholesale and Retail
30	Valero Energy	UNITED STATES	Oil
31	Samsung Electronics	KOREA (SOUTH)	Computers and electronics
32	Panasonic	JAPAN	Computers and electronics
33	Verizon Communications	UNITED STATES	Telecommunications
34	Cardinal Health	UNITED STATES	Wholesale and Retail
35	Nestlé	SWITZERLAND	Food, Beverages and Tobacco
36	Deutsche Telekom	GERMANY	Telecommunications
37	Metro	GERMANY	Wholesale and Retail
38	Tesco	UNITED KINGDOM	Wholesale and Retail
39	Peugeot	FRANCE	Motor Vehicles & Parts
41	Altria Group	UNITED STATES	Food, Beverages and Tobacco
42	E.On	GERMANY	Utilities (electric, gas, railroad and energy)
43	Sony	JAPAN	Computers and electronics
44	Vodafone	UNITED KINGDOM	Telecommunications
45	Électricité De France	FRANCE	Utilities (electric, gas, railroad and energy)
46	Statoil	NORWAY	Oil
47	France Télécom	FRANCE	Telecommunications
48	LG Electronics	KOREA (SOUTH)	Computers and electronics
49	Kroger	UNITED STATES	Wholesale and Retail
50	Deutsche Post	GERMANY	Transportation Services
51	Marathon Oil	UNITED STATES	Oil
52	BMW	GERMANY	Motor Vehicles & Parts
53	Fiat	ITALY	Motor Vehicles & Parts
54	Hyundai Motor	KOREA (SOUTH)	Motor Vehicles & Parts
55	Procter & Gamble	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
56	Ahold	NETHERLANDS	Wholesale and Retail

57	Repsol YPF	SPAIN	Oil
58	Petrobras	BRAZIL	Oil
59	Toshiba	JAPAN	Computers and electronics
60	Dell	UNITED STATES	Computers and electronics
61	ThyssenKrupp	GERMANY	Heavy Industry
62	Boeing	UNITED STATES	Heavy Industry
63	AmerisourceBergen	UNITED STATES	Wholesale and Retail
64	BASF	GERMANY	Chemicals, pharmaceuticals and cosmetics
65	Costco Wholesale	UNITED STATES	Wholesale and Retail
66	Suez	FRANCE	Utilities (electric, gas, railroad and energy)
67	Target	UNITED STATES	Wholesale and Retail
69	Renault	FRANCE	Motor Vehicles & Parts
70	Pfizer	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
71	Gazprom	RUSSIAN FEDERATION	Utilities (electric, gas, railroad and energy)
72	Johnson & Johnson	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
73	RWE	GERMANY	Utilities (electric, gas, railroad and energy)
74	Unilever	UNITED KINGDOM / NETHERLANDS	Food, Beverages and Tobacco
75	Sears Holdings	UNITED STATES	Wholesale and Retail
76	Telefónica	SPAIN	Telecommunications
77	SK Holding	KOREA (SOUTH)	Oil
78	Tokyo Electric Power	JAPAN	Utilities (electric, gas, railroad and energy)
79	Dow Chemical	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
80	Lukoil	RUSSIAN FEDERATION	Oil
83	AT&T	UNITED STATES	Telecommunications
84	Time Warner	UNITED STATES	Other
85	Saint-Gobain	FRANCE	Other
86	Lowe's	UNITED STATES	Wholesale and Retail
87	United Technologies	UNITED STATES	Heavy Industry
88	Mitsubishi	JAPAN	Trading

89	NEC	JAPAN	Computers and electronics
90	United Parcel Service	UNITED STATES	Transportation Services
91	EADS	NETHERLANDS	Heavy Industry
92	Nokia	FINLAND	Computers and electronics
93	Enel	ITALY	Heavy Industry
94	Fujitsu	JAPAN	Computers and electronics
95	Walgreen	UNITED STATES	Wholesale and Retail
97	Tyco International	UNITED STATES	Computers and electronics
98	ArcelorMittal	LUXEMBOURG	Metals
100	Microsoft	UNITED STATES	Other
101	Telecom Italia	ITALY	Telecommunications
102	AEON	JAPAN	Wholesale and Retail
103	GlaxoSmithKline	UNITED KINGDOM	Chemicals, pharmaceuticals and cosmetics
104	Intel	UNITED STATES	Computers and electronics
105	Philips	NETHERLANDS	Computers and electronics
106	Safeway	UNITED STATES	Wholesale and Retail
107	Medco Health Solutions	UNITED STATES	Other
108	Lockheed Martin	UNITED STATES	Heavy Industry
110	Motorola	UNITED STATES	Computers and electronics
111	Indian Oil	INDIA	Oil
112	Mitsui	JAPAN	Trading
113	Caterpillar	UNITED STATES	Heavy Industry
114	Archer Daniels Midland	UNITED STATES	Food, Beverages and Tobacco
115	Sanofi-Aventis	FRANCE	Chemicals, pharmaceuticals and cosmetics
116	Moller (A.P.)-Maersk	DENMARK	Transportation Services
117	BT	UNITED KINGDOM	Telecommunications
118	Bayer	GERMANY	Chemicals, pharmaceuticals and cosmetics
119	Seven & I Holdings	JAPAN	Wholesale and Retail
120	Sprint Nextel	UNITED STATES	Telecommunications

121	Nippon Steel	JAPAN	Metals
122	Canon	JAPAN	Computers and electronics
123	CVS Caremark	UNITED STATES	Other
124	PepsiCo	UNITED STATES	Food, Beverages and Tobacco
125	Novartis	SWITZERLAND	Chemicals, pharmaceuticals and cosmetics
126	Volvo	SWEDEN	Motor Vehicles & Parts
128	Walt Disney	UNITED STATES	Other
130	Veolia Environnement	FRANCE	Utilities (electric, gas, railroad and energy)
131	Plains All Amer. Pipeline	UNITED STATES	Utilities (electric, gas, railroad and energy)
132	Sunoco	UNITED STATES	Oil
134	Best Buy	UNITED STATES	Wholesale and Retail
135	Northrop Grumman	UNITED STATES	Heavy Industry
136	Bouygues	FRANCE	Engineering, construction
137	Sysco	UNITED STATES	Wholesale and Retail
138	BHP Billiton	AUSTRALIA	Oil
139	Anglo American	UNITED KINGDOM	Oil
140	FedEx	UNITED STATES	Transportation Services
142	Honeywell Intl.	UNITED STATES	Heavy Industry
143	Ingram Micro	UNITED STATES	Wholesale and Retail
144	China Mobile Communications	CHINA	Telecommunications
145	J. Sainsbury	UNITED KINGDOM	Wholesale and Retail
146	Roche Group	SWITZERLAND	Chemicals, pharmaceuticals and cosmetics
147	DuPont	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
148	Hon Hai Precision Industry	TAIWAN	Computers and electronics
149	Denso	JAPAN	Motor Vehicles & Parts
151	Johnson Controls	UNITED STATES	Motor Vehicles & Parts
155	Marubeni	JAPAN	Trading
157	JFE Holdings	JAPAN	Metals
159	KDDI	JAPAN	Telecommunications
160	Norsk Hydro	NORWAY	Metals



161	Vinci	FRANCE	Engineering, construction
162	Alcoa	UNITED STATES	Metals
163	Air France-KLM Group	FRANCE	Transportation Services
165	Tyson Foods	UNITED STATES	Food, Beverages and Tobacco
166	George Weston	CANADA	Wholesale and Retail
167	International Paper	UNITED STATES	Other
168	Mazda Motor	JAPAN	Motor Vehicles & Parts
169	POSCO	KOREA (SOUTH)	Metals
170	Idemitsu Kosan	JAPAN	Oil
171	Centrica	UNITED KINGDOM	Utilities (electric, gas, railroad and energy)
172	Vivendi	FRANCE	Telecommunications
173	Korea Electric Power	KOREA (SOUTH)	Utilities (electric, gas, railroad and energy)
174	Cisco Systems	UNITED STATES	Computers and electronics
175	Sharp	JAPAN	Computers and electronics
176	Mitsubishi Heavy Industries	JAPAN	Heavy Industry
178	Bridgestone	JAPAN	Motor Vehicles & Parts
179	Bunge	UNITED STATES	Food, Beverages and Tobacco
180	Ladbroke's	UNITED KINGDOM	Other
181	Suzuki Motor	JAPAN	Motor Vehicles & Parts
182	Woolworths	AUSTRALIA	Wholesale and Retail
184	AstraZeneca	UNITED KINGDOM	Chemicals, pharmaceuticals and cosmetics
185	News Corp.	UNITED STATES	Other
187	Fujifilm Holdings	JAPAN	Computers and electronics
188	Hutchison Whampoa	HONG KONG	Wholesale and Retail
189	Compass Group	UNITED KINGDOM	Wholesale and Retail
190	TUI	GERMANY	
191	Macy's Inc	UNITED STATES	Wholesale and Retail
192	Hess	UNITED STATES	Oil
193	Delhaize Group	BELGIUM	Wholesale and Retail
194	PTT	THAILAND	Oil

196	Coca-Cola	UNITED STATES	Food, Beverages and Tobacco
197	Weyerhaeuser	UNITED STATES	Other
198	East Japan Railway	JAPAN	Utilities (electric, gas, railroad and energy)
199	Magna International	CANADA	Motor Vehicles & Parts
200	Sumitomo	JAPAN	Trading
201	Kansai Electric Power	JAPAN	Utilities (electric, gas, railroad and energy)
202	Adecco	SWITZERLAND	Other
203	China Telecommunications	CHINA	Telecommunications
204	Endesa	SPAIN	Utilities (electric, gas, railroad and energy)
205	ABB	SWITZERLAND	Heavy Industry
206	Lufthansa Group	GERMANY	Transportation Services
207	Abbott Laboratories	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
208	Comcast	UNITED STATES	Telecommunications
209	Bertelsmann	GERMANY	Other
210	PPR	FRANCE	Wholesale and Retail
211	Merck	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
212	William Morrison Supermarkets	UNITED KINGDOM	Wholesale and Retail
213	Deere	UNITED STATES	Heavy Industry
214	Raytheon	UNITED STATES	Heavy Industry
216	General Dynamics	UNITED STATES	Heavy Industry
217	Mitsubishi Chemical Holdings	JAPAN	Chemicals, pharmaceuticals and cosmetics
218	Sanyo Electric	JAPAN	Computers and electronics
219	3M	UNITED STATES	Other
220	Sinochem Group	CHINA	Trading
222	Halliburton	UNITED STATES	Engineering, construction
223	SABIC	SAUDI ARABIA	Chemicals, pharmaceuticals and cosmetics
224	Wolseley	UNITED KINGDOM	Wholesale and Retail
225	Publix Super Markets	UNITED STATES	Wholesale and Retail
226	Rio Tinto Group	UNITED KINGDOM	Oil

227	AMR	UNITED STATES	Transportation Services
230	Tech Data	UNITED STATES	Wholesale and Retail
233	McDonald's	UNITED STATES	Wholesale and Retail
234	L.M. Ericsson	SWEDEN	Computers and electronics
235	BAE Systems	UNITED KINGDOM	Heavy Industry
236	Bristol-Myers Squibb	UNITED STATES	Chemicals, pharmaceuticals and cosmetics
238	Supervalu	UNITED STATES	Wholesale and Retail
239	Lafarge	FRANCE	Other
240	Sara Lee	UNITED STATES	
241	Goodyear Tire & Rubber	UNITED STATES	Motor Vehicles & Parts
242	Itochu	JAPAN	Trading
243	William Hill	UNITED KINGDOM	Other
245	AutoNation	UNITED STATES	Wholesale and Retail
247	OMV Group	AUSTRIA	Oil
248	Michelin	FRANCE	Motor Vehicles & Parts
249	Cosmo Oil	JAPAN	Oil
250	Chubu Electric Power	JAPAN	Utilities (electric, gas, railroad and energy)
251	J.C. Penney	UNITED STATES	Wholesale and Retail
252	Duke Energy	UNITED STATES	Utilities (electric, gas, railroad and energy)
254	Reliance Industries	INDIA	Oil
256	Aisin Seiki	JAPAN	Motor Vehicles & Parts
257	Mitsubishi Motors	JAPAN	Motor Vehicles & Parts
258	Coca-Cola Enterprises	UNITED STATES	Food, Beverages and Tobacco
261	Gasunie	NETHERLANDS	Utilities (electric, gas, railroad and energy)
262	MAN Group	UNITED KINGDOM	Motor Vehicles & Parts
263	Scottish & Southern Energy	UNITED KINGDOM	Utilities (electric, gas, railroad and energy)
264	Christian Dior	FRANCE	Chemicals, pharmaceuticals and cosmetics
265	Koç Holding	TURKEY	Motor Vehicles & Parts
266	L'Oréal	FRANCE	Chemicals, pharmaceuticals and cosmetics
267	Dominion Resources	UNITED STATES	Utilities (electric, gas, railroad and energy)

268	CRH	IRELAND	Other
270	Japan Tobacco	JAPAN	Food, Beverages and Tobacco
271	Sumitomo Electric Industries	JAPAN	Computers and electronics
273	Bharat Petroleum	INDIA	Oil
274	UAL	UNITED STATES	Transportation Services
275	Constellation Energy	UNITED STATES	Utilities (electric, gas, railroad and energy)
276	Electrolux	SWEDEN	Computers and electronics
277	Emerson Electric	UNITED STATES	Computers and electronics
278	Vattenfall	SWEDEN	Utilities (electric, gas, railroad and energy)
279	Rite Aid	UNITED STATES	Wholesale and Retail
280	Continental Airlines	UNITED STATES	Motor Vehicles & Parts
281	Hindustan Petroleum	INDIA	Oil
282	Accenture	UNITED STATES	Other
283	Lear	UNITED STATES	Motor Vehicles & Parts
284	Hanwha	KOREA (SOUTH)	Chemicals, pharmaceuticals and cosmetics
285	Telstra	AUSTRALIA	Telecommunications
286	Nippon Yusen	JAPAN	Transportation Services
288	Visteon	UNITED STATES	Motor Vehicles & Parts
289	TNT	NETHERLANDS	Transportation Services
290	Medipal Holdings	JAPAN	Wholesale and Retail
291	Hochtief	GERMANY	Engineering, construction
292	British American Tobacco	UNITED KINGDOM	Food, Beverages and Tobacco
293	Ricoh	JAPAN	Computers and electronics
294	Alstom	FRANCE	Heavy Industry
295	National Grid	UNITED KINGDOM	Utilities (electric, gas, railroad and energy)
296	CFE	BELGIUM	Utilities (electric, gas, railroad and energy)
297	EnCana	CANADA	Oil
298	KT	KOREA (SOUTH)	Telecommunications
300	Skanska	SWEDEN	Engineering, construction





