

Food For Thought

December 2007

## The Spirit of the Holidays: Scrooge or Santa?

Dear *LogiStyle* Colleague:

Food for Thought is our way of sharing interesting concepts on corporate leadership and management with others who might find it useful. The thoughts offered are intended to be controversial and thought provoking. They always follow our motto of helping develop logical leadership.

In the spirit of the Holidays we thought we would raise two seemingly unrelated questions about the appropriateness of corporations making charitable contributions and spending money on holiday greeting cards. Should corporations, both public and private, where management and ownership are separate and distinct, spend shareholders' money on charitable contributions to worthwhile causes? In the name of good corporate citizenry, should management make charitable contribution decisions based on their individual and personal favors and dispositions? For example, is it OK for the CEO to support his or her favorite cause, say the American Cancer Society – admittedly, a noble and reputable organization? How about the CEO supporting the local “Foundation for the Emancipation of Animals held in Captivity in Zoos,” a cause that might be more controversial than the cause for cancer?

The late Sir James Goldsmith – a controversial character in his own right – once said, “Don’t confuse doing business with doing good.” You do “business” to make money so that you can do “good.” A for-profit corporation’s purpose is to make money for its shareholders. Let the shareholders decide if and how to do “good” with that money. Hence, we posit that a corporation’s charitable contributions should be limited to those causes that further its business interests. Management makes a business decision on whether the charitable contribution is a worthwhile way to spend their marketing dollars to further the company’s products and image. Accordingly, it might be appropriate for Pfizer to contribute to the American Cancer Society, but more questionable for Nike to do so. Likewise, Nike might find it beneficial to contribute to the cause of disadvantaged inner-city kids as a way of promoting its image within a targeted constituency.

Charitable contributions by corporations should be purely a business decision for a business purpose.

Before we are characterized as Scrooge, let us move on to holiday greeting cards. What is the purpose of a corporation spending money on holiday greeting cards? Presumably, it is an opportunity to re-establish contacts with clients and business colleagues using the greeting card as a vehicle for that reminder. This probably makes good business sense. Many of us practice it. At LogiStyle, we have always sent out greeting cards at this time of the year. Even at a small company like ours we spend in excess of \$1000 on this practice. Just imagine how much large corporations must be spending. In fact, some companies decide to use the money instead for a charitable cause and simply communicate by email with their business colleagues that they have chosen to do so in lieu of sending holiday greeting cards. Have such companies achieved their business purpose of reconnecting with their business colleagues and reminding them of their association? At least a physical greeting card requires some handling and action. A passive email, on the other hand, significantly compromises the original intent though the money has gone to a good cause. Hasn't the company just made a charitable contribution without meeting its business purpose?

In keeping with our brand, we offer a provocative way of combining the two intents: reconnecting with colleagues and supporting a good cause. Imagine if all, most, many or even just a reasonable number of companies adopted the following approach. The company sends an email to its business colleagues inviting the recipient to make a personal charitable contribution to his or her favorite charitable cause upon which the company would make a matching contribution to that cause. This might cause the recipient to take notice of the email greeting card from the company and achieve the intended purpose of the greeting card.

At LogiStyle, we have decided to adopt this approach, with this Food for Thought mailing serving as our proxy for the greeting card. You are invited, as a recipient of this mailing, to make a charitable contribution to your favorite cause – subject to the requirements below – and we will match up to a \$100 of your contribution, limiting this offer to a total of \$1000 of matching contributions on a first come first served basis. The charitable organization must be a non-profit organization under IRS Section 501(c)(3) and cannot be a religious organization. (Our apologies to our non-US recipients.) You must send us an email by December 15<sup>th</sup> with the following information:

- The name of the charitable organization and their contact info
- Your name and the amount of your intended contribution
- A pledge that you will make the indicated contribution by the end of the calendar year. This offer cannot be applied to past contributions you have already made.
- A statement from you indicating that “LogiStyle is permitted to publish your name, the amount and recipient of your contribution in the next month’s Food for Thought mailing.”

We will make a matching contribution – limited to the constraints above – to your chosen cause and inform you immediately that we are doing so. We will also publish the names of the people that responded and received matching contributions in our next month's Food for Thought mailing.

Our hope is that with this provocative approach both our intended purposes will be served. You will be caused to pause and ponder, possibly take us up on it, maybe even bring the topic up at your holiday cocktail party. And, we will, together, contribute to some worthy causes. Please do respond to this offer. In any case, have a Happy Holiday and a prosperous New Year.

We have received many responses to our Food for Thought mailings, asking if you can freely share and forward these thoughts. Indeed you can. All we ask is that a clear attribution to LogiStyle and our contact information are included. For the interested reader, we have archived some of our recent Food for Thought mailings at our website, and can be viewed at [LogiStyle: Food for Thought Archive](#). As always, we welcome your comments. We hope your business is doing well. If we can be of any assistance please feel free to call – even, if just to chat.

Best Regards,

Balaji