



**THE CENTER
FOR CORPORATE
CITIZENSHIP
AT BOSTON COLLEGE**

CORPORATE CITIZENSHIP is fast becoming an essential business competency. Many companies are coming to find that developing the economic assets and social and human capital of low-income communities pays dividends to the bottom line. In the short and long term, this kind of strategy develops untapped markets, new labor pools, effective suppliers, and new operating sites. Leading businesses find that integrating business and community development creates new pathways to achieve long-term sustainable success—a “win-win” proposition for the business and the community.

In this series we profile examples of this integrated approach across a range of industry sectors.

IN PRACTICE

A SERIES ABOUT INTEGRATING
BUSINESS AND COMMUNITY
DEVELOPMENT

TEAMING UP TO BRAND AND BOND: Timberland Partners with City Year, SOS, and SkillsUSA

Timberland strengthens its brand identity through partnerships that promote social justice and a service ethic worldwide.

In 1989, the nonprofit youth service corps City Year asked Timberland to donate 50 pairs of work boots for young adults serving their communities. That request sparked a relationship based on a shared vision of making a difference in the community, and set Timberland on a trajectory of a growing commitment to community service.

THE BUSINESS CHALLENGE

In the 1980s, Timberland was an entrepreneurial, high-growth company aspiring to grow into a larger-scale enterprise. Accomplishing that transition would require radical reform. Concurrently, but in a separate initiative, Timberland forged a strong partnership with City Year. “When we went into the communities we served,” notes Timberland CEO Jeffrey Swartz, “we saw our potential in a different context. We saw that serving the community was central to our identity—it was who we are, not just what we do.” Timberland was determined to grow as a values-centered company and provide consumers with value in its products’ utility, innovation, and quality and imbue the values of service and social justice throughout the organization.

By the mid-1990s, after creating a successful relationship with City Year, Timberland sought to further embed service into its corporate identity and products. But when the company faced a liquidity crisis in 1995, its bankers demanded that Timberland get out of the service business. Swartz’s response: “As long as I’m running the company, values are central to who we are.” Despite the fiscal difficulties, the company doubled the number of paid community service hours offered to employees. That, according to Swartz, is in part what saved Timberland.

THE SOLUTION

Timberland’s strength was rooted in its commitment to value, both commercial and societal. Based on that principle, Timberland aimed to inextricably join the

Timberland is a global leader in the design, engineering, and marketing of premium-quality footwear, apparel, and accessories for consumers who value the outdoors and their time in it. Timberland products are sold worldwide through leading department and specialty stores as well as Timberland retail stores. Timberland's dedication to making quality products is matched by the company's commitment to "doing well and doing good"—forging powerful partnerships among employees, consumers, and service partners to transform the communities in which they live and work. To learn more about Timberland, please visit www.timberland.com. For more information about Timberland's commitment to corporate social responsibility, including a searchable database of thousands of volunteer opportunities, please visit www.timberlandserve.com.

concepts of commerce and social justice in a number of different ways. For example, the company instituted closer oversight of the labor practices of its suppliers, especially those in developing countries; wrote a code of conduct for its contractors and licensees; and expanded its monitoring of those facilities by internal teams and independent nongovernmental organizations.

To further signal that the tenets that guide the company are not distinct from the products it offers, in 2001 Timberland moved its social enterprise department, which oversees community service and social justice initiatives, under the direction of the chief marketing officer. While joining social enterprise and marketing may carry a veneer of cause-related marketing, Timberland made the shift to ensure that social enterprise is part of the company's brand in a fundamental way. Social enterprise at Timberland is not an adjunct to brand building—it's central to it.

Internally, Timberland raised the bar for community service with policies and programs that bring employees worldwide into their communities. When Timberland sales associates convene for meetings, they don't bring their golf clubs. They bring rugged work clothes for community service programs built into the agenda.

Timberland extended that community service credo to its retail customers. The company involved retail buyers in service projects that transformed the community, concomitantly strengthening Timberland's relationships with those key accounts. Serving together is a powerful way to spark common vision, which translates back to the boardroom or office. In 2003, Timberland expanded its service program again, going directly into the marketplace to engage consumers in community service programs. "We humbly and respectfully ask people to give back to the community," says Carolyn Casey, Timberland's director of social enterprise. "We invite them to change the landscape or social fabric of where they live."

EXPANDING PARTNERSHIPS

The success of the partnership with City Year spurred Timberland to broaden its strategic partnerships to include other nonprofit organizations. Timberland's social enterprise department oversees the company's partnerships, facilitating communications and events. To achieve strategic cogency with its nonprofit partners, however, Timberland gave each strategic business unit the responsibility of developing its own social justice platform. The manager of each brand—such as women's shoes, outdoor performance, and men's apparel—works with the social enterprise department and the strategic nonprofit partner to develop programs to carry out that business unit's social justice platform.

Timberland's children's and women's divisions, for example, have forged a strong partnership with Share Our Strength, which fights hunger. Timberland's PRO brand, catering to consumers who work in construction, trades, and factories,

partners with SkillsUSA, which promotes excellence for students in vocational trades. Timberland's outdoor performance line, including hiking and trail running shoes, has aligned with the Student Conservation Association, which provides conservation services in national parks, forests, refuges, and urban areas. That partnership is active in Earth Day activities sponsored by Timberland's retail stores in the United States, Europe, and Asia. Timberland's other non-profit partners include Clean Air-Cool Planet, which helps fight global warming and find energy solutions, and the Harlem Children's Zone, a community-building initiative in New York City. International partners include Unis City in France, City Team in The Netherlands, and City Year Democracy Fellows in Johannesburg, South Africa.

For each partnership, Timberland has created innovative, customized engagement strategies. These partnerships have become integral to Timberland's market approach, helping the company meet two of what it calls its bold goals—to be a global values brand, and to be a reference company for a socially accountable business globally.

EXPANDING SERVICE

In 1996 Timberland sought to share its service ethic with its international distributors to consistently represent the company's brand and values. City Year organized a service day at a group home for troubled 12- to 17-year-old boys near Timberland's New Hampshire headquarters. More than 90 Timberland distributors, some Timberland staff, and a group from City Year worked for six hours at the home alongside its residents repairing, painting, and cleaning up the house and yard. That outpouring of care was a new experience for many of the boys, some of whom had been abused or neglected. "We'd asked the distributors to bring a small item from their countries, which they left in the group home," recalls Gordon Peterson, Timberland's vice president of operations. "By the end of the day, half the distributors had tears in their eyes. And for the boys in the residential home, that day was so powerful that they started attending our service events as part of their treatment regime."

Through such events, City Year taught Timberland that service is a vehicle to teach leadership as well as promote justice. Timberland's Social Enterprise director Casey describes service as "part science, which involves the technical work, and part art, where the heart and mind undergo transformation." Over their 15-year partnership, City Year has helped Timberland implement service days and lead team-building and mentoring programs, while Timberland invests \$1 million annually in City Year, including furnishing City Year's uniforms and housing City Year offices in the firm's corporate headquarters in New Hampshire and its retail store in Chicago.

As service became a Timberland hallmark, the company constructed a broader infrastructure for employees' community service. The Path of Service employee volunteer program, instituted in 1992, contains several components.

City Year is a national youth service corps that unites over 1,000 diverse 17- to 24-year-olds for a challenging year of leadership development, civic engagement, and full-time service. Corps members invest over 1 million hours of service to transform communities and build a stronger future. Timberland proudly serves as a National Leadership Sponsor; in addition, Timberland President and CEO Jeff Swartz served as chair of the National Board of Trustees for eight years.

Timberland employees are given 40 hours of paid time annually for community service—up from 16 hours when the program began. Some of those hours are devoted to company-organized projects such as Earth Day and Serv-A-Palooza. During Serv-A-Palooza, launched in 1998, Timberland closes its traditional work operations one day each year to bring together its employees, vendors, and community partners for community service projects worldwide. In 2001, Timberland created the service sabbatical, enabling up to four employees annually to spend three to six months working at nonprofits that support civic issues.

The hours employees commit to service promote not only internal branding but also employee retention. The ethic of teamwork quickly and powerfully de-emphasizes hierarchy while promoting involvement and creativity. Although the vision and passion for service unquestionably grew from Timberland's CEO, the service initiatives now emanate from all corners of the organization.

Employee engagement in service was the first of several concentric circles in Timberland's branding efforts. The next circle reached to Timberland's retail customers—though that sometimes meant blazing new trails. For instance, at the annual sales meeting of a major national account, the client asked a Timberland associate what entertainment Timberland would be providing, explaining that one large sneaker manufacturer was sponsoring a golf tournament and another was hosting a dinner cruise. The Timberland representative responded that Timberland would host a day of service. The client, laughing, asked, "Seriously, what event are you going to host?" Ultimately, the client's CEO, corporate team, and top store managers from across the country joined Timberland's CEO Jeff Swartz and company associates in community service. Surveyed after the week-long meeting, the client's team said the service day was the best part of the event. Timberland had conveyed its brand identity while helping a client become involved in its own community.

TIMBERLAND AND SHARE OUR STRENGTH

While Timberland successfully extended its reach, the company's business needs continued to expand, including a need to sharpen the focus on evolving product lines. Serving on the board of City Year, Timberland CEO Swartz met Bill Shore, founder and CEO of Share Our Strength (SOS), which fights hunger and poverty by mobilizing the culinary industry to organize events and teach cooking and nutrition to low-income families. While Share Our Strength, an organization that fights hunger and poverty, might not seem like a natural partner for a footwear and apparel company, Swartz was compelled by Shore's model of community service—to generate community wealth rather than redistribute it.

Swartz considered Share Our Strength's problem-solving, market-based strategy to be entrepreneurial and impressive. He recognized the potential for synergy between Share Our Strength, with its mission to equip people to make a difference in the world, and Timberland. Thus, in 1996 Timberland's second major nonprofit partnership was born. Timberland became a local sponsor for

SOS's Taste of the Nation events in Boston and New Hampshire, a signature food-sampling benefit that features top chefs and restaurateurs.

Meanwhile, Timberland was considering adding more mission-related messages to its products. At the time, the company was developing a children's leather crib bootie. Timberland decided that this new product line was the perfect vehicle for its message. Since crib booties are early footwear, the company chose to imbue the product with a mission to support children, deciding that a portion of the proceeds from every crib bootie sold would go to Share Our Strength to fight children's hunger. To help with marketing, Timberland provided kits to retailers who wished to add a local angle to the promotion. The kit contained Timberland's powerful graphics as well as guidelines and graphics that enabled retailers to highlight local food banks that SOS supports.

While Timberland had a strong heritage in the suburban market because many consumers wore Timberland products in their youth, the company was relatively new to the children's business. SOS was instrumental in introducing Timberland to young parents through media such as parenting magazines, where SOS conveyed a meaningful message about the company's values. To date, the sales of Timberland's booties have raised \$150,000 for SOS.

To keep the partnership running smoothly, Timberland's crib bootie marketing manager talks monthly with her liaison at SOS. They evaluate the impact of their efforts and address any challenges. SOS reviews the tools it can offer Timberland, such as upcoming meetings with various media; public relations efforts led by SOS cast a different tone and lend legitimacy to Timberland's programs. With the monthly discussions, the contract between the two organizations, and facilitation by Timberland's social enterprise director, the partnership has become institutionalized.

Other Timberland divisions work with SOS as well. When the women's casual business sought to weave social values into its line in a branding effort similar to that of the children's division, the group brainstormed with the Social Enterprise director about causes that would have particular resonance for women. They decided to leverage the company's existing partnership with SOS, but broadened the purpose to fighting hunger in families. The women's casual business partnered specifically with SOS's Operation Frontline, a program that offers a series of cooking and nutrition classes for low-income women and their families.

Despite the success of the relationship, however, it has posed some challenges. For Timberland, a soft retail environment forces a sharp look at how marketing dollars are spent. "That's when I pull out the list of how much SOS has done for us," says Helen Kellogg, former marketing director for the Timberland Kids category. "The return directly correlates with the effort both partners put into the relationship. It goes beyond corporate philanthropy. SOS works hard to make sure we get a return on our investment." At times, one partner nets greater returns than the other—booties may not be selling well, or SOS invests time-

Share Our Strength works toward ending hunger and poverty in the United States and around the world. By supporting food assistance, treating malnutrition and other consequences of hunger, and promoting economic independence among people in need, Share Our Strength meets immediate demands for food while investing in long-term solutions to hunger and poverty.

SkillsUSA is a national nonprofit that annually serves more than one-quarter of a million high school and college students—and their instructors—enrolled in training programs in technical, skilled, and service occupations, including health occupations. SkillsUSA has more than 13,000 chapters in 54 state and territorial associations. SkillsUSA provides quality education experiences for students in leadership, teamwork, citizenship and character development. It builds and reinforces self-confidence, work attitudes, and communications skills. It emphasizes total quality at work, high ethical standards, life-long education, pride in the dignity of work, and community service. The SkillsUSA association is a partnership between education and business and industry. More than 1,000 corporations, trade associations, and labor unions actively support SkillsUSA on a national level through financial aid, in-kind contributions, and involvement of their people in SkillsUSA activities. Many more work directly with state associations and local chapters.

consuming efforts on Timberland's behalf. Taking a long view can help offset the short-term imbalance.

Timberland's partnership with SOS is integrated throughout the company's business. For instance, Timberland takes its retail customers to restaurants in the SOS network. When Timberland sponsors corporate events, SOS chefs cater. In February 2003 at the World Shoe Association trade show in Las Vegas, Timberland sponsored The Taste of Timberland—an extension of SOS's Taste of the Nation—in which 15 SOS chefs catered a dinner for Timberland customers, reinforcing Timberland's commitment to community.

These events, known as Justice Dinners, are built into the annual contract between Timberland and SOS. The contract articulates events scheduled for the year, itemizes costs, and builds in Timberland's community wealth venture—its extra donation. The contract encompasses all the scheduled joint efforts, including crib booties, and lays out other planned projects, such as an editorial that the organizations' CEOs will co-author. A fee-for-service structure formalizes the relationship: SOS provides a service for Timberland, Timberland pays for that service and rewards SOS with incremental donations. Beyond financial donations to SOS, Timberland broadens SOS's brand awareness and credibility. It's a partnership based on mutual needs.

TIMBERLAND AND SKILLS USA

The target market for Timberland's PRO brand is very different from those of the women's and children's divisions. The company launched its PRO brand in 1999 to reconnect with Timberland's consumers in service, factory, and construction work. The brand grew well, and in fall 2002 the company introduced its first work apparel line. That made Timberland PRO the first truly integrated work brand at the retail level, unlike its competitors, which focus either on footwear or apparel.

Seeking to move outside of traditional marketing tactics, Timberland PRO's brand manager sought to align the brand with its target market in the realm of community service. In its search, Timberland PRO found SkillsUSA-VICA (SkillsUSA), an organization of more than 250,000 secondary and post-secondary students who have chosen careers in the vocational trades. SkillsUSA's mission is "to help its members become world-class workers and responsible American citizens." Timberland PRO saw a partnership with SkillsUSA as an opportunity to drive brand loyalty with younger consumers while helping communities.

SkillsUSA holds competitions at the local, state, and national level for students in a variety of fields. Timberland PRO's brand manager visited the championships in 2001, and his meeting with the director of SkillsUSA's partnerships laid the groundwork for Timberland PRO's involvement in the 2002 national championships. Timberland CEO Swartz presented the keynote address to the

12,000 students at the 2002 opening ceremonies, addressing the concepts of doing well and doing good. The speech sparked great enthusiasm for the planned Timberland service day during the championships, and more students signed up to work than could be used in the planned projects.

In 2003, Timberland PRO expanded its involvement into SkillsUSA's state level. At a New York women's shelter, construction students built shelves and cosmetology students provided makeovers. In Virginia, a group cleaned up the grounds of a camp for disadvantaged children. And in Oregon, Timberland PRO and SkillsUSA students spent a day working with Habitat for Humanity helping a young mother build a home. The Timberland PRO brand manager invests his time building relationships with SkillsUSA's state directors and participating in each service day, then teams with City Year to coordinate the logistics for each service event. City Year's involvement in turn prompts the students to consider initiating their careers with a year of service for City Year.

Working with its partners to promote social justice, Timberland has helped transform the communities it serves. Significantly, this work has also transformed Timberland as a company.

HUMILITY AND PERSISTENCE

Through its partnerships, Timberland has transformed itself along with the communities it serves. While the company is passionate about social justice—beginning with its visionary and charismatic CEO—it approaches these endeavors with humility. The company tells stories of people in local organizations who have inspired Timberland's ethic. "We're careful not to overcommercialize those messages," emphasizes Social Enterprise Director Casey. "We would never trade on these partnerships."

Timberland's partnerships operate on two-way streets. The partners base their arrangements not on writing a check but on mutual benefits for both the company and the nonprofit. Nonetheless, it's difficult to put a price tag on the richness and power derived from performing service. The process of transformation begins several months prior to the service day, when participants receive information that provides the context for their upcoming service experience. By the time they've put away their paintbrush, they haven't just painted a room, they've created a music room and opened up a child's imagination to the performing arts.

It's easy to wax poetic about service. It's tougher when one must answer to Wall Street. Swartz's response is all business: "As long as the results are what we expect, I support this notion independent of whether the cynics think it's a good idea. Someone has to go first—that's the job of the entrepreneur."

The IN PRACTICE series is supported by the Ford Foundation's Corporate Involvement Initiative. The series captures the process by which companies work to increase the economic assets and social and human capital of low-income communities and individuals. The Center focuses on companies that aim to accomplish this through regular business operations and investment of core business resources. By sharing both successes and challenges, these profiles offer practical insights that our members can use to influence their own efforts. These are stories of partnership, integration, communication and commitment.

THE CENTER FOR CORPORATE CITIZENSHIP at Boston College provides leadership in establishing corporate citizenship as a business essential, so that all companies act as economic and social assets to the communities they affect.

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