

## Harvard Business Review: Cisco is Shining Example of Strategic Philanthropy

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*Cisco has used its unique assets and expertise, along with its worldwide presence, to create a program that no other education institution, government agency, foundation, or corporate donor could have designed as well or expanded as rapidly.*

Michael Porter, Harvard Business School

Mark Kramer, Foundation Strategy Group

The Council of Foundations (a Washington-based nonprofit membership association of more than 2,100 grant-making foundations and corporations that promote responsible and effective philanthropy) reported that 78 percent of shareholders will reinvest when a company has a high Corporate Philanthropic Index. That is good news for Cisco since the recent Harvard Business Review (HBR) article, A Competitive Advantage of Corporate Philanthropy, found that we have "begun to demonstrate the unrealized potential of corporate philanthropy" with the Cisco Networking Academy Program.

The HBR article by Michael Porter, University Professor, Harvard Business School, and Mark Kramer, Managing Director, Foundation Strategy Group, focuses on the state of corporate philanthropy and asks the question, "Should corporations engage in philanthropy at all?" The authors argue that companies might be better off not engaging in philanthropy if it is done in an ad hoc way, such as a small amount of dollars being given to a charity or local cause, or is used just for public relations, advertising, or high profile sponsorships.

However, Michael and Mark believe that when the philanthropy is truly strategic and is tied to the companies' social and business objectives, there are greater benefits. They found that only a few companies actually engage in strategic philanthropy. Cisco is highlighted as a company that has truly maximized the value of philanthropy by focusing on both its economic and social objectives with the development of the Cisco Networking Academy Program.

Since the Networking Academy program is tightly linked to Cisco's own expertise in leveraging the Internet to increase productivity and improve business processes, the Academies improve their performance and delivery of education, leading the authors to conclude that we created "far more social and economic value than if we had merely contributed cash and equipment to a worthy cause."

They also note that the Cisco Networking Academy Program has created an even greater benefit by partnering with other companies, as well as education and government, which they call "signaling other funders." The Academy program, as Cisco's greatest strategic philanthropic investment, has enabled Cisco to "attract international recognition, generate pride and enthusiasm among employees, goodwill among our partners, and a reputation for leadership on Philanthropy."

To read the entire article, visit

[http://harvardbusinessonline.hbsp.harvard.edu/b02/en/common/item\\_detail.jhtml?id=R0212D](http://harvardbusinessonline.hbsp.harvard.edu/b02/en/common/item_detail.jhtml?id=R0212D). The cost is \$6.00 per copy.

To learn more about the Cisco Networking Academy Program, visit

<http://www.cisco.com/edu/academy>.