

# how companies can support their regions through collaborative community development

This report presents a **new model of community relations: collaborative community development**. It draws on two Chilean case studies: Calama Plus and Creo Antofagasta. Each case is a long-term effort currently unfolding, and already offering important lessons for community relations professionals, public affairs managers, and CEOs.

For additional details, including full case studies, see the [full report](#).

Collaborative community development has three main characteristics:

- collaborative governance, which engages diverse stakeholders in project definition, development, and management;
- many companies, including competitors, working together; and
- a long-term focus on a territory, rather than short-term focus on individual stakeholders.

This approach allows companies to **build long term relationships with the community by creating shared value and sustainable development in a territory**. The approach results in a **favourable atmosphere for business**, because a more sustainable and developed area attracts investment and human capital. Companies become **better positioned** by being more tightly linked to the area's future. The collaborative effort results in **shared responsibility** for achieving the desired outcome and provides **synergies**.

## Who Should Use this Approach

Collaborative community development is particularly appropriate for companies that:

- have high social and environmental impacts
- operate in communities with significant development needs, whether urban or rural
- share the territory with other companies, especially if they also have social and environmental impacts, causing cumulative impacts

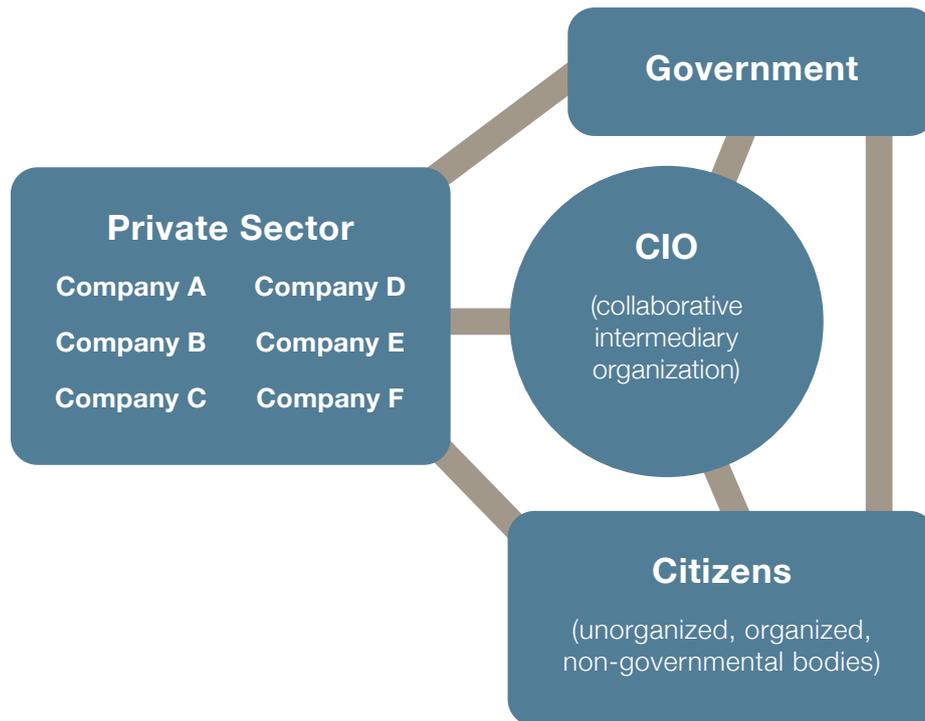
# understanding collaborative community development

In collaborative community development, companies work with government and citizens to define, develop, and jointly implement long-term benefits for a territory as a whole.

Central to this approach are:

- **High-level governance** that establishes how decisions will be taken and by whom. The governing body acts as a board. It is usually composed of representatives from government, the private sector, and the community.
- **A collaborative intermediary organization (CIO)**. The CIO is a team that provides day-to-day management of the collaborative initiative and project portfolio. The CIO executes governance directives, coordinates across different actors, leads initiative design, manages projects, and supports citizen participation.

**FIGURE 1: THE COLLABORATIVE INTERMEDIARY ORGANIZATION'S COORDINATION ROLE**



Collaborative community development differs from other forms of corporate community relations along key dimensions; Table 1 describes these differences.

**TABLE 1: HOW COLLABORATIVE COMMUNITY DEVELOPMENT DIFFERS FROM TRADITIONAL COMMUNITY RELATIONS**

DIMENSION	TRADITIONAL COMMUNITY RELATIONS	COLLABORATIVE COMMUNITY DEVELOPMENT
<b>Company coordination</b>	Each company design its own community relations plan. After the design process, companies may interact with government to implement those plans if necessary.	Many companies participate with the government in the design and implementation of a coordinated portfolio of projects for the same territory.
<b>Company interaction with community and resulting bond</b>	The company has a transactional interaction with the community: "I give you something; you accept me." This approach creates an instrumental, fleeting bond.	Companies establish a constructive, massive, and repeated collaborative interaction, creating a strong, lasting bond with communities.
<b>Time horizon</b>	The company invests in short-term projects, usually one year in length, consistent with company's annual planning cycle. Such short-term investments have limited impact.	Companies invest in projects that require long-term investment and have sustainable impacts. Companies care about not only project design and implementation but also how to manage the benefits post-implementation.
<b>Relationship focus</b>	Companies have relationships with individual stakeholders, based on a business risk analysis. The company establishes a community relations plan focusing on each stakeholder's different needs.	The core relationship is between multiple companies and the territory. Needs are identified through analysis of the whole system and an agreed-on future vision of the territory. The aim is to create collective benefits that are shared by all stakeholders.

# implementing collaborative community development

Collaborative community development isn't easy. A company enters a long, complex process in which it develops agreements with the government, citizens, and other companies in order to create projects with a large scope. Here are eight core steps for implementing this approach.



## Step 1 – Viability assessment:

Here, the company taking leadership assesses whether enough companies are interested in collaborative community development in the territory to form a consortium, and whether the local government is willing to be involved.



## Step 2 – Business and government engagement:

The leading company must gain formal commitment from government and other companies.



## Step 3 – Governance design:

Once committed, companies and government, sometimes with citizen representatives, must clarify the initiative's objectives and establish its governance design.



## Step 4 – Establishment of baseline:

The collaborative intermediary organization (CIO) must collect information on the existing local development plans for the territory. Aligning the collaborative community development effort with local development plans provides coherence and increases the likelihood of success.



## Step 5 – Territory assessment and visioning:

The CIO must lead a participatory assessment of the territory's development needs, working with citizens and government to define a vision of the territory and identify possible actions to attain it.



## Step 6 – Refinement of project portfolio:

Once possible actions are identified, the project portfolio is refined through an iterative process between citizens, government, and companies. Experts also play an important role. They may be included in the multidisciplinary team of the CIO and in technical committees.



## Step 7 – Social approval:

All involved must assess the final portfolio of projects and approve or prioritize them; this involvement provides legitimacy to the process.



## Step 8 – Implementation:

Project implementation takes time. Planned communication and intermediate initiatives can give the overall project continuity and presence.

## about this research

This research was inspired by the Leadership Council of the Network for Business Sustainability Chile (CBS). NBS Chile is Network for Business Sustainability (NBS) hub for Latin America. The report is an extension of larger empirical research authored by Dr. Verónica Devenin, at the University Adolfo Ibañez (Chile), with guidance from members of the CBS Leadership Council. For additional details, please see the [full report](#).

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