

When the voluntary sector meets business: the Stuttgart Market Place

Received via Governance International

Published On: 02 December 2015

Organisation: City of Stuttgart

Country: Germany

Level of government: Local government

Sector: Economic affairs

Type: Public Service

Launched in: 2007

Overall development time: 1 year(s)

Link to the innovation's website

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Description

As third sector organisations find it more and more difficult to get public sector funding, many charities try to raise funds in the private sector. Reinhold Halder, Head of Community Engagement of Stuttgart City Council, introduced an innovative approach in Stuttgart in 2007 which provides benefits to both third sector organisations and private firms.

The 'Stuttgart Market Place' provides voluntary organisations and private firms with a platform, where for about 90 minutes they can match up the supply and demand of 'socially responsible opportunities'. This means that companies can find ways of demonstrating their social responsibilities, while voluntary organisations can get access to private sector resources. It's a simple idea but, as the case study shows, success depends on careful preparation of the event through a multi-stakeholder group from different sectors. The results speak for themselves – find out how you can do this in your own local area...

Why the innovation was developed

- The Stuttgart Market Place is quite different from e-Bay: it does not take place in virtual space and its purpose is not to make a profit. Quite the opposite: the direct exchange of money is taboo.
- The objective of the meeting between representatives of the voluntary and business sectors is the exchange of resources, skills and know-how and agreement on volunteering activities. More importantly, the implementation of the agreements concluded during a Market Place provides the individuals and groups involved with new insights into 'new worlds' and new social networks.

Objectives

Increase citizen engagement, Support economic growth

- The objectives of the seventh Stuttgart Market Place organised in 2015 were ambitious: To double the number of participants from business and the nonprofit sector compared to the first Stuttgart Market Place in 2007. (In fact, the numbers of participating organisations had been increasing gradually over time.)
- To ensure that the participating organisations were able to conclude even more agreements than before (with a target of about 70 agreements).
- To achieve a more balanced representation of the voluntary sector, in particular to increase the representation of nonprofit organisations working in culture and the environment, compared to social care.
- To ensure follow-up to and evaluation of the project.

Main beneficiaries

Businesses, Civil Society, General population

- Voluntary organisations
- Private firms and businesses

Results

Effectiveness

- The seventh Stuttgart Market Place in 2015 was very successful and saw about 40 agreements between business and voluntary organisations.
- Two agreements were particularly striking – the cabinet maker Türenmann produced a cloakroom wardrobe for the premises of an association for the blind, while the members of the association for the blind gave a course for the trainees of the cabinet maker to show them how to appreciate how blind people manage to get their bearings and stay mobile - and also trained them in the use of specialised ICT.
- Another agreement between a Women's Refuge and an oven maker resulted in the design and production of an imaginative and artistic collection box in the shape of an oven, which was so successful at attracting people to give donations that it is now being borrowed for use by many other charities.
- At the seventh Stuttgart Market Place, out of the 77 agreements concluded in July 2015. Almost all participating organisations indicated they were satisfied (or very satisfied) with the results of the event.

Development

Design

The idea for the Stuttgart Market Place came from the Netherlands but in Germany it has been disseminated by the Bertelsmann Foundation. This is how Reinhold Halder, Head of community engagement in Stuttgart City Council, first heard of the approach. He thought it could be a good way to get local business involved in the local community, so he decided to run a social Market Place in Stuttgart in 2007.

Testing

- As he and his team of staff quickly realised, the successful implementation of this interactive exchange model requires careful planning in advance. In particular, a number of preparatory meetings were held of the organising partnership - Stuttgart City Council, GENO-Verband (the sponsor) and the nonprofit consultancy mehrwert (in English "Added Value"). In the last years the sponsors were Deutsche Bank AG, CURACON GmbH and KPMG AG.
 - Moreover, it took time and effort to attract a sufficient number of voluntary organisations and companies. Clearly, this was even harder in 2010 because of the economic crisis. Before the actual Stuttgart Market Place took place, two separate preparatory workshops were organised for the participants from the voluntary and business sector.
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Implementation

Tools used:

- Given that the actual event only last 90 minutes, every minute has to count, so the whole event has to be carefully designed. Obviously, time management and the effective support of organisers and brokers are key to the negotiations which take place in the Market Place.
- Typically, a Social Market Place should be opened by a high-ranking local person who is well known in the community and business sectors. In 2014 Mayor Dr. Susanne Eisenmann opened the Stuttgart Market Place. The 2015 Stuttgart Market Place was opened by Mayor Werner Wölflé.
- After Werner Wölflé sounded the opening 'gong', participants were invited to present their offers in so-called 'trading corners'. The trading corners in the first Market Place were labelled: 1. Festivals and Parties 2. Hardware and Craft Working 3. Advice and Coaching 4. Professional Training. Since 2010 we simplified the themes to 1. Manpower 2. Know-How and 3. Hardware.
- Clearly, bidders have to know how to attract interest –some did this through dressing up and other gimmicks. For example, one participant turned up with a rose in a gun, a cabinet maker brought a coloured wooden saw and one participant from a voluntary group which looks after prisoners came in a prison outfit.
- If the negotiations between business and voluntary sector representatives are successful, their agreement gets a certificate from a team of external experts, who seal it with a stamp (this may be a very German touch!). But most importantly: all business parties involved in an agreement are invited to toast the agreement publicly with a glass of champagne!
- At the end of the event, the organisers report back to the participants on which agreements have been concluded. All of the Stuttgart Market Places then ended with a buffet, to allow for further discussions in a pleasant atmosphere.

Resources used:

- Clearly, the organisation of a Social Market Place requires financial and staff resources. While the seventh Stuttgart Market Place benefitted from support by Deutsche Bank AG, CURACON GmbH, KPMG AG and the nonprofit organisation mehrwert. The direct costs of the second Market Place were about EUR 8000 in total.
- While the project did not have the objective to bring about any savings in the public sector it produced a lot of added value. It is estimated that the almost 77 agreements from 2015 will be translated into 1090 hours of volunteering time.

Lessons Learned

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- The Social Market Place has proved to be an effective approach to making the private sector part of 'Big Society' and to breaking down barriers between the voluntary and private sectors.
 - The event - and even its planning phase - led to improved partnership working between NGOs, as they found out about the expertise and resources available from other NGOs. Most importantly, it reduced the fear of NGOs about approaching business leaders and about engaging in private-nonprofit partnerships.
 - Of course, the organisation of a Social Market Place involves higher transaction costs than e-Bay but the social capital created in the personal exchange can be invaluable.
 - As Reinhold Halder, Head of Citizen Engagement of Stuttgart Council concludes from the first two Market Places: "After two successful events, we want to continue this initiative because Stuttgart has the potential for setting up many more fruitful exchanges between the organisations in the city".
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Other information

<http://www.agentur-mehrwert.de/unternehmen/corporate-citizenship/sozialer-marktplatz.html>

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