1990

Members of Trails Youth Initiatives in its early years and again at a reunion (right). The unique charity, cofounded by Jim Hayhurst during his time in Toronto, provides lifelong, consistent programming for vulnerable youth.

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The New Rules of Giving Back

Entrepreneurs have more ability than ever to make a difference, but often, we forget the basics when we decide to give our time, talent or treasure to philanthropic causes.

My first startup was Trails Youth Initiatives, a charity for at-risk kids, which I cofounded in Toronto nearly 30 years ago. While running a small non-profit, I experienced firsthand the various manifestations of giving, which I came to know as the "3 Ts" of philanthropy: Time, Talent and Treasure.

Trails received support from all kinds of companies in a variety of forms, from unrestricted seed funding from Sears Canada, to baseball tickets from the big banks, to my friends' new ventures cocreating incredible fundraising events with their employees.

No matter the stage of the company or age of the leaders, I could always tell the ones who not only knew why they were giving back but also the best way to do it to fit who they (and the charity) were. And whenever that was the case, the impact on our organization was deeper, longer lasting — and a lot more fun for me and my team.

I'll admit, I also judged people and companies on how they engaged with us. The ability to manage the details of organizing a fundraiser or how seriously they took board responsibilities were "signal skills."

These signal skills said a lot about the capabilities of the companies and their leaders — mostly positive, sometimes not. More than once, I steered my friends away from (or toward) companies that Trails had worked with as philanthropic partners, based on how they treated our little charity.

Learning the "3 Ts"

Since those days, I've served on the boards of larger non-profits, schools and associations; advised social-impact founders and been close to companies and private foundations as they developed impact strategies.

While I've had the unique vantage point of being on both sides of the table, I've also made mistakes as a volunteer, donor and board member. I've learned that what makes for successful philanthropic relationships is the same as in any business relationship. Aligning expectations is critical. Whether you're a start-up entrepreneur or a seasoned veteran, here are some tips on how to give — and get — the most out of your "3 Ts."

TIME: Show Up

Are you ever 30 minutes late for client meetings or do you not follow through on promises to your employees? No, of course not. Your business (and reputation) is too important. So don't change when you commit to a charity. Just because your time isn't being paid for doesn't mean there's no expectation of delivery.

Read your materials, do your homework, block out time to plan and tell your company, family and friends that's what you're doing. No excuses. Because, like it or not, people are watching (and judging), especially in a small city like Victoria. And if you're on a board or committee that's underdelivering, maybe it's time to hold people to account. These days, it's becoming standard practice for non-profit boards to do performance reviews of their directors — with real consequences for underperforming. (As in, yeah ... you get fired for not showing up.)

TALENT: Don't Be a List Maker

Like startups, most charities usually don't have big teams or budgets. Timelines are often short, outcomes are ambitious. Which is why every time a volunteer or board member says, "Hey, here's another idea for you!", non-profit leaders die a little inside. So here's a rule: If you bring an idea, make sure it fits your particular talent (or that of someone you can bring on-board). Make sure it's an idea you are willing to help make happen. Ideas without follow-through are a recipe for frustration on both sides.

JAMES DUNCAN DAVIDSON

Dan Pallotta's TED Talk "The Way We Think About Charity is Dead Wrong" is transforming the way we think about giving.

TREASURE: Fund Risk (Even Just a Little)

Every year, entrepreneurs raise millions of dollars from investors for ideas that have a good chance of failing. As a business community, we've decided investing in bold business ideas can be worth it. Imagine if we took the same approach to risk in charities, whose ideas are just as ambitious and whose impact could change lives? More and more, this is what the world's wealthiest donors are doing, in part, because many of them made their money on big, audacious, "risky" business bets. So they know the payoff potential.

But you don't have to be Bill and Melinda Gates. Investing even in small projects with uncertain outcomes will fill a gap in funding that traditional donors (government, foundations) tend to avoid. The payoff can be significant for a small non-profit.

ABOVE ALL ELSE: Start Early

In the list of things that need to get done early in a company's formation, not many founders write down, "Figure out our charitable strategy!" And I get it — all "3 Ts" are often in short supply when you're getting going. But here's the deal: If you haven't exercised "the muscles of philanthropy" by the time you make the money and find the time, your value to the cause you care about is diminished.

To be blunt, by that point your money is the same as anyone's. Yeah, there may be more of it, but without the ability to really leverage it through applicable talent and truly useful time, your donations become commodified. Getting involved early on a small board or providing in-kind services as a small company gives you experience and insights that create a multiplier effect later on when matched with money. Soon it's not just Treasure or Time or Talent. It's Treasure x (Talent + Time).

And that's how the world really changes.

Jim Hayhurst is a trusted advisor to purpose-driven organizations and leaders. He is currently active in six companies and social impact projects that elevate Victoria's reputation as a hub of innovation, collaboration and big thinking.