



**How Do Stakeholders View the Haniel Foundation?
Findings from the 2015 Strategy Review**

Independent Report

Dr. Maximilian Martin

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1 INTRODUCTION

Any foundation interacts with an ecosystem of stakeholders, and the Haniel Foundation is no different. Stakeholder perceptions play an important role in defining access to high-quality project partners as well as mobilizing goodwill. Such goodwill facilitates mission achievement beyond a project partner's funded scope of work in a strict sense. Put differently: good stakeholder relations are a powerful ingredient of success. With the present stakeholder report, the Haniel Foundation aims to report back to the many valued stakeholders who have graciously given their time and insight to contribute to the 2015 Haniel Foundation Strategy Review.

The Haniel Foundation bears the name of one of Germany's great industrial families. With a current endowment of EUR 45million, the Haniel Foundation has supported approximately 1,200 projects since its foundation in 1988. The Haniel family's business activities date back to the leasehold of a colonial goods store in Ruhrort in 1756. They have since included a number of often pioneering activities in fields such as steam engine manufacturing, merchant shipping, mining, general trade, trade in artificial fertilizers, as well as the current industries in which the Haniel Group is active.

Duisburg forms the geographical core of the family's legacy. Located in North Rhine-Westphalia, the "heart of the German economy," with roughly 30 million people living in a perimeter of 150 km, the city is home to industry and boasts the world's largest inland harbor (which provides an important part of the region's logistics). However, Duisburg also has many problems. It is a prime example of the many challenges and opportunities German cities face in remaining competitive as the present century unfolds at a time when intangible value creation becomes more central and sustainability considerations move to the forefront.

Given resources deployed, the Haniel Foundation aims at generating the greatest possible impact through its projects. In doing so, it seeks to embody the family ethos, and especially the leitmotif of the "Honorable Merchant" ("ehrbarer Kaufmann"). The courage to clear new paths and to innovate are core to its mission. To advance the objective of promoting entrepreneurial achievement with positive impact in a sustainable manner, the Haniel Foundation thus concentrates on four main areas of work, all in the field of education:

- (1) Supporting young talent with scholarships;
- (2) Working with universities to establish international knowledge transfer;
- (3) Financing projects to enable young people achieve a better education level; and
- (4) Providing platforms for exchanging insights and experiences.

The world is changing constantly; for example, the digital revolution is advancing in education as well. To ensure an optimal mission alignment of its programmatic activities, the Haniel Foundation undergoes a review every five years. For the 2015 review, the Haniel Foundation mandated Dr. Maximilian Martin, founder of Impact Economy, an impact investing and strategy firm headquartered in Switzerland, to provide a comprehensive review of the Foundation's activities. To incorporate a variety of perspectives, we based the strategy review on (1) an online survey to assess stakeholders' perceptions of the Foundation; (2) interviews with the Foundation's supervisory board members; and (3) documentary evidence as per the Impact Economy Foundation Health Check.

The present stakeholder report focuses on the findings from the online survey. To provide a single working language able to accommodate projects carried out in Germany and internationally, we carried out the survey in English. The survey covered five areas: (1) respondent background, (2) interaction with the Haniel Foundation, (3) results achieved, (4) perceptions, and (5) outlook.

As one interviewee cautioned, "simplification of documents [...] is important so that people are enticed to read the documents." We accordingly hope that this stakeholder report is both readable and useful for anyone who routinely interacts with the Haniel Foundation. And that it might be of value to all those who are more generally concerned with the business of positive social change: aiming to efficiently achieve results that matter, in a world where education holds the key to actively shape our future so as to achieve human well being and justice.

2 OUTSIDE-IN: UNCOVERING THE STAKEHOLDER PERSPECTIVE

The topic of education is well suited to the legacy of a leading German industrial family. It is also a field in which the Haniel Foundation has built a remarkable record of excellence since its inception. Moreover, it is a key topic for the future. To keep the twenty-first century livable, many more Honorable Merchants are needed, everywhere, and education is indispensable to achieve this.

A great entrepreneurial family such as the Haniels can make a major contribution here through its Foundation (and its companies). Closer to home, to succeed in the future, education also matters for Germany: among other things, the country will have to renew its entrepreneurship, and develop better exposure to emerging markets. For example, when McKinsey & Company surveyed 100 leading companies from developed countries in 2012, it found that 83 percent of revenues came from developed markets despite the fact that the share of global gross GDP of emerging markets had nearly doubled from 19 percent to 36 percent in just two decades.¹ And the recent first-ever default on an International Monetary Fund loan by a developed country (Greece) in July 2015 highlights that we cannot expect our future to be an automatic extension of the status quo.

To obtain an empirically well-grounded outside-in perspective of the Foundation's work, we conducted an online survey during the first two quarters of 2015, gathering stakeholder perspectives relating to the impact of the Haniel Foundation's projects. Taking such an outside-in perspective on any Foundation's work helps to counteract any biases that may follow from an organization's inward focus. It is normal for any organization to spend a significant amount of effort on internally focused activities. Notwithstanding, for a business, the ultimate *raison d'être* is the customer. For a philanthropic organization, it is the beneficiary and the achievement of social impact in ways that are aligned with the philanthropic intentions of the founder. We thus wanted to know how stakeholders viewed the Foundation, both in terms of their practical interaction with the Foundation, as well as the Foundation as a source of inspiration and support.

Accordingly, we prepared the online questionnaire using a mix of qualitative and quantitative questions, and sought input on various drafts from the Foundation secretariat. Subsequently, we invited the relevant stakeholders identified by the Haniel Foundation to complete the survey. The diverse set of stakeholders consisted of grantees, partners, internal staff, trustees and others. Conducted online in a confidential manner, we sent the survey invitation to 462 respondents. The survey yielded 166 "complete" answers, as well as 172 "partial" answers (i.e., one or more questions remained unanswered), i.e., a 73.2% response rate. The questionnaire was dynamic, with multiple paths. For example, we wanted to know from everyone how important they considered ethics in business. But if you were not a project partner, it would have made little sense to ask you how you actually reported back on the projects funded by the Haniel Foundation. As a result, the number of total possible respondents varied per question (total responses per question are indicated throughout as "n equals").

Almost half of all respondents (49.8%) were Haniel Scholars or alumni, and almost a quarter were project partners (22.2%); for a full breakdown, see **Figure 1** below (n=221).

¹ McKinsey & Company. 2012. "Winning the \$30 trillion decathlon." Accessed June 26, 2015, URL: http://www.mckinsey.com/features/30_trillion_decathlon

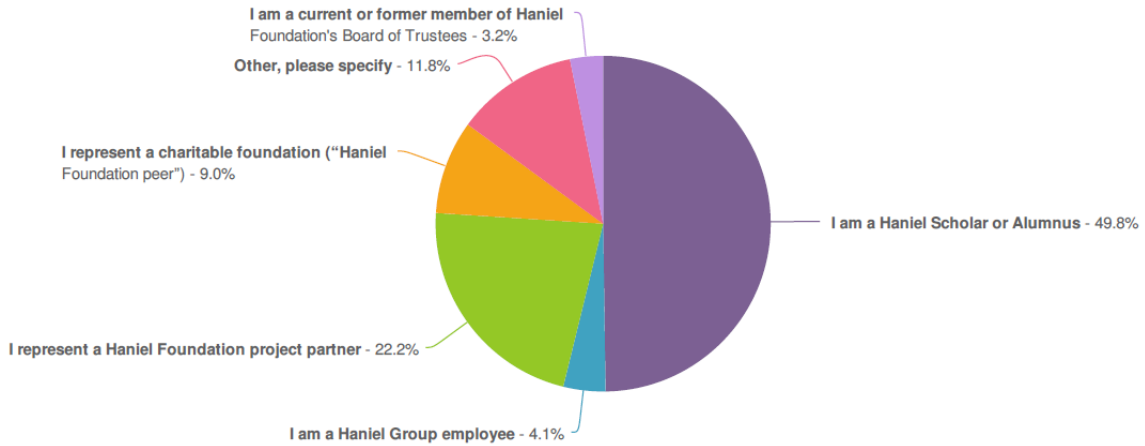


Figure 1: Respondent Breakdown

One-third of respondents worked in academia (33.5%), and one-quarter in the private sector (25.3%); for a full breakdown, see **Figure 2** below (n=221).

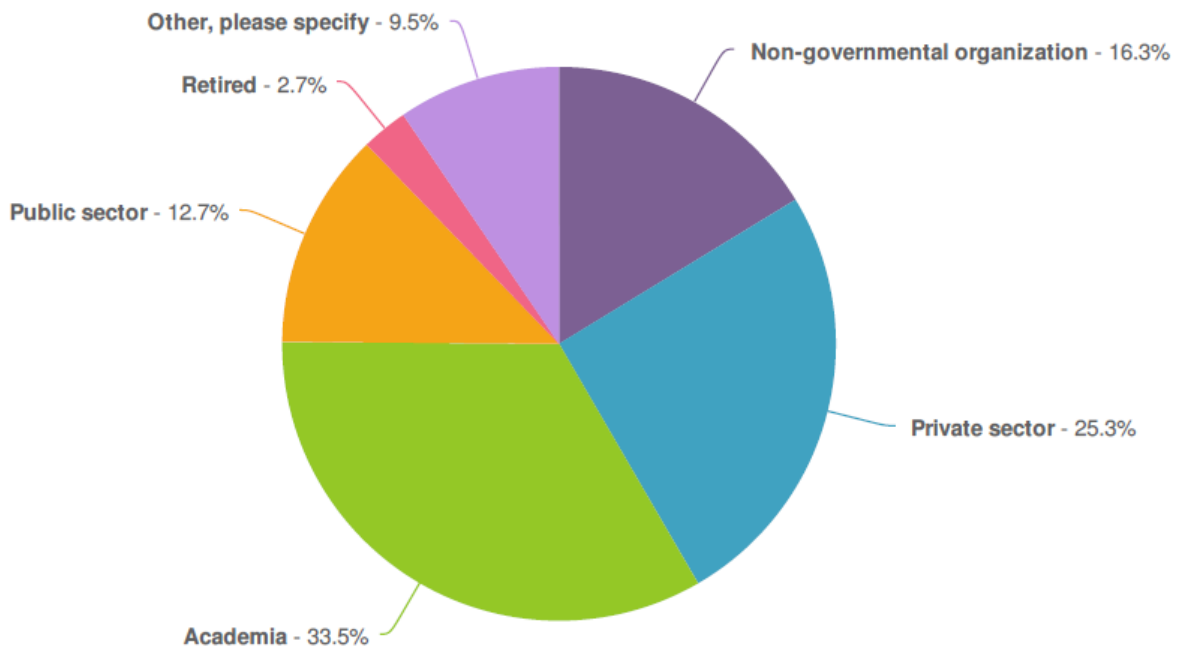


Figure 2: Sector Origin

The online survey accessed respondents from all stages of the professional experience continuum, namely senior management (29.2%), middle management (19.4%), and entry-level positions (17.1%); for a full breakdown, see **Figure 3** below (n=216).

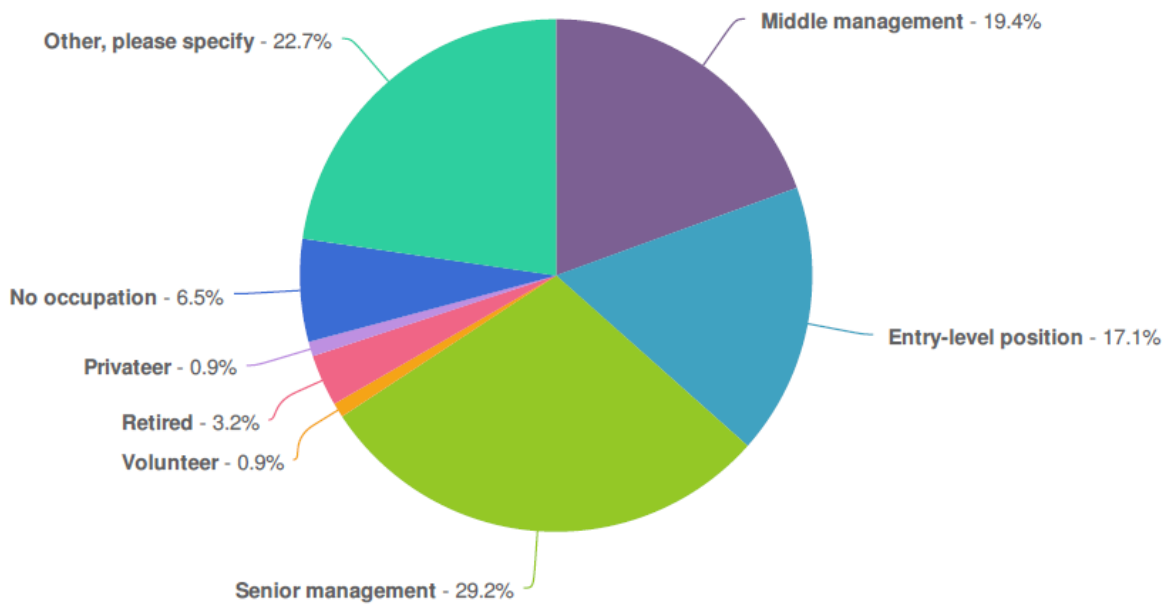


Figure 3: Experience Level

Given the Foundation’s history and the Haniel family’s geographical center of gravity, it is hardly a surprise that respondents to the online survey came overwhelmingly from Europe (87.2%). The next largest group were respondents from North America (8.2%) (n=195). 86.5% of European respondents came from Germany. With respect to survey respondents from Germany, the largest group came from North Rhine-Westphalia, the region where the Foundation is headquartered and from where the Haniel family originates (27.9%) (n=147). For a full breakdown, see **Figures 4 and 5** below.

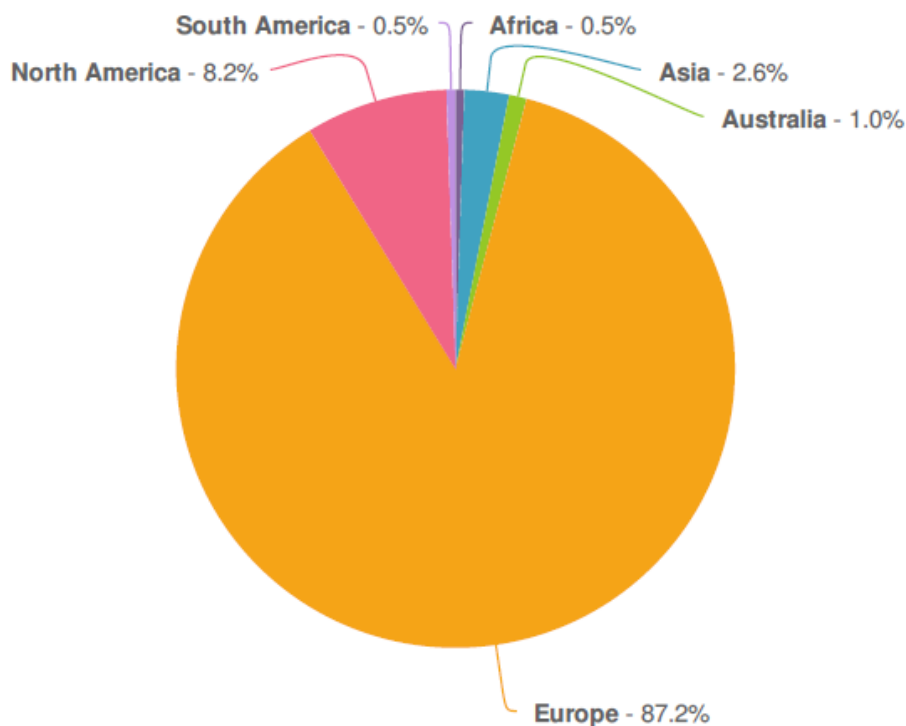


Figure 4: Continent of Provenance

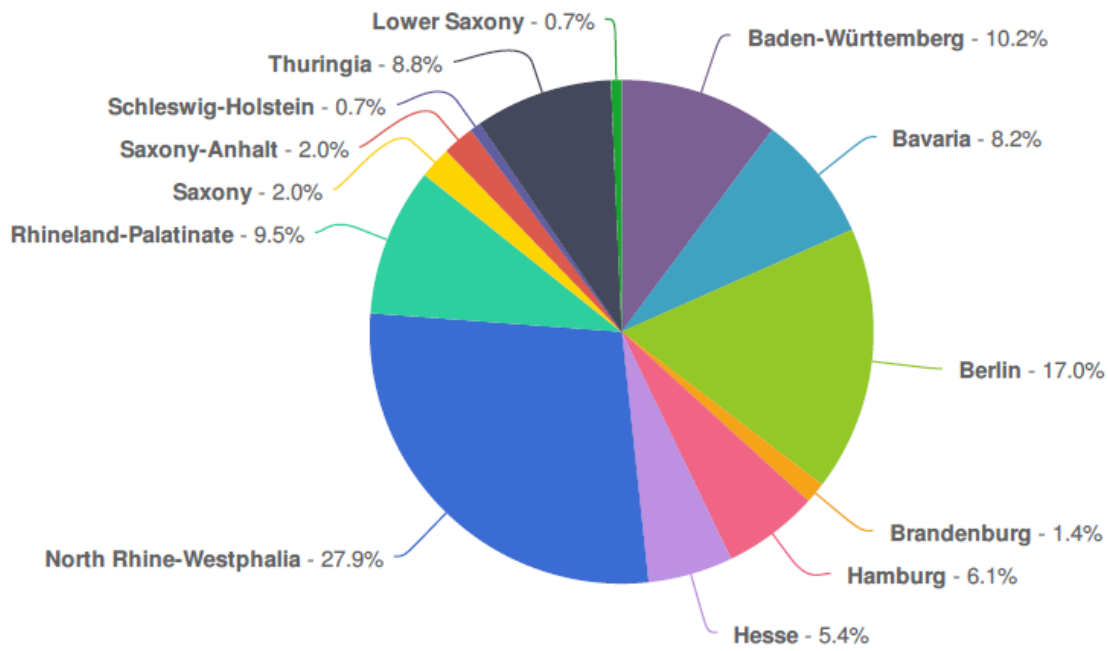


Figure 5: German State of Provenance

3 INTERACTION CHANNELS AND PATTERNS

Perceptions are derived from practical experience. After establishing a respondents' geographical center of gravity, we sought to understand his or her patterns of interaction with the Foundation. First, we wanted to know via which activities they engaged with the Foundation, how often, and also, which means of communication respondents used.

Q: To which activities of the Haniel Foundation have you participated in the past? (see Figure 6)

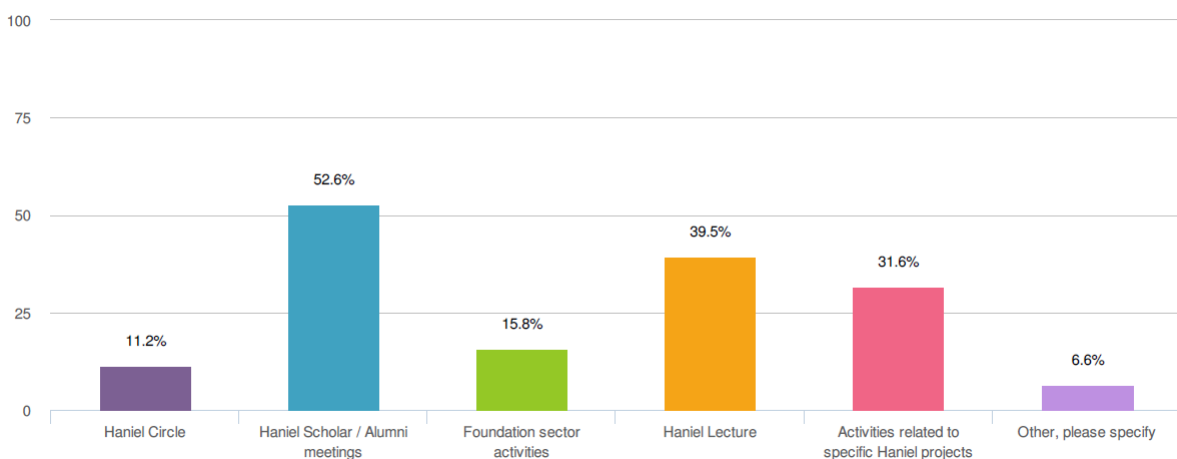


Figure 6: Activity Participation

The pattern of interaction with the Haniel Foundation closely reflected the respondent composition: most respondents were Haniel Scholar or alumni, and interacted with the Foundation through that

channel (52.6%). The second-largest group were project partners, who interacted via specific project activities (31.6%). As the second-most used communication channel (39.5%), the Haniel Lecture had an integrative appeal across different stakeholder groups. The small category "other" (6.6%) included activities such as participating in the coaching program, seminars for scholarship holders, or Kennedy School-McCloy/Willy Brandt School activities (n=152).

*Q: On average, how often do you interact with the Haniel Foundation? (see **Figure 7**)*

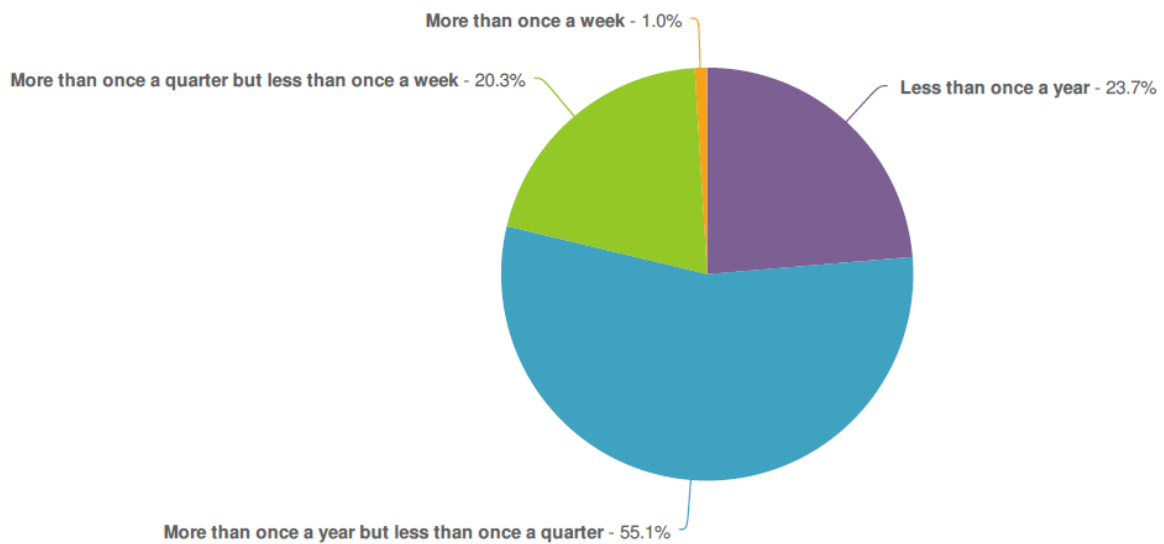


Figure 7: Interaction Frequency

The stakeholders of the Haniel Foundation hold regular contact with the Foundation. The leading interaction frequency was two to three times per year (55.1%). A sizeable portion of respondents (20.3%) had much more frequent interactions, amounting to more than once a quarter, but less than once a week (n=207).

*Q: What is your usual form of contact with the Haniel Foundation? (see **Figure 8**)*

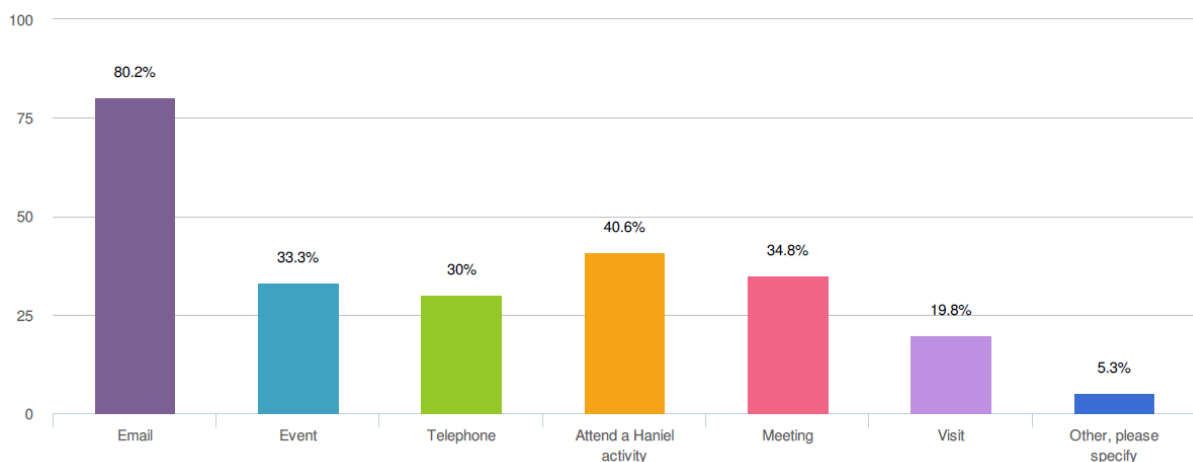


Figure 8: Interaction Channels

Email was the most widely used channel of interaction (80.2%), followed by attending a Haniel activity (40.6%) and a meeting with Foundation staff (34.8%). For almost one fifth of respondents (19.8%), a visit was the most frequent form of interaction (n=207).

Having gained an understanding of respondent origin, interaction channels and frequency, we wanted to know how satisfied stakeholders were with their engagement and communication with the Foundation.

Q: How satisfied are you with your interaction with the Haniel Foundation on a scale from 1 (not satisfied at all) to 10 (very satisfied)? (see **Figure 9**)

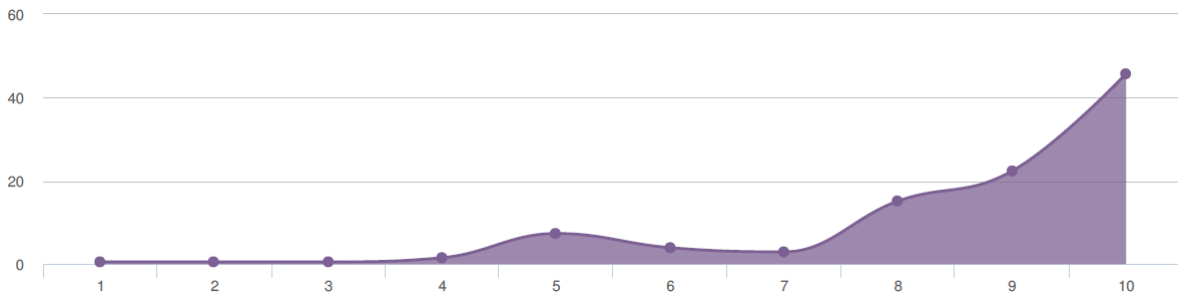


Figure 9: Satisfaction of Interaction

Respondents were overwhelmingly very satisfied with their interactions with the Haniel Foundation. Over 75% gave the third-, second- or highest satisfaction rating on a scale of 1 to 10 (n=206).

While many of the Foundation’s stakeholders surveyed are scholars and grantees, this result nevertheless attests to an outstanding level of satisfaction among stakeholders in terms of interaction with the Foundation. Respondents cited “easy accessibility,” a “high degree of professionalism,” the “chance to know other people,” “contacting and conversing with Mr. Haniel,” the “friendliness of the staff members, efficiency,” “(almost) no bureaucracy,” “inspiring ideas, practical engagement, reliability, commitment, personal involvement of Dr. Rupert Antes,” “friendly and trusting contact, openness to innovation and new ideas and a joint focus on achieving results.”

While few respondents were displeased with anything (a typical comments was “There is nothing I am not pleased with”), two respondents referred to the lack of development and usefulness of the Haniel XING community. Others argued, “Sometimes not all applicants can participate in Events due to capacity reasons.”

When a foundation supports a project or a person, money is typically the most tangible resource provided. However, philanthropies help transform values into action, and this means that nontangibles are an important enabler, which Foundations provide (consciously or unconsciously) as well. We wanted to know how this dynamic played out between the Haniel Foundation and its stakeholders.

Q: What kind of support other than financial do you or the organization you are linked with receive from the Haniel Foundation? (see **Figure 10**)

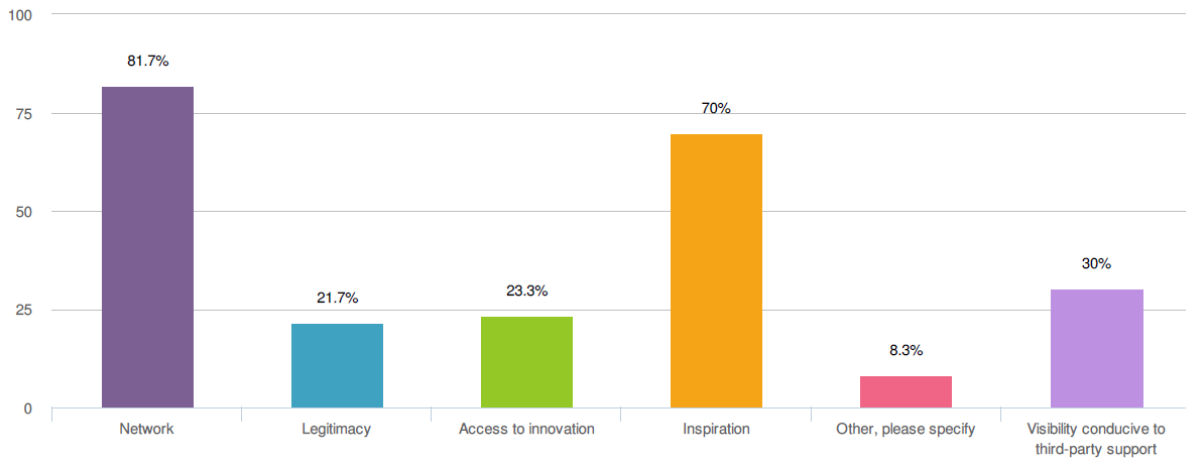


Figure 10: Nonfinancial Value Added

As a mid-sized foundation in the universe of approximately 850 German company foundations, the Haniel Foundation is too small to fully execute its own projects. However, it is also too ambitious in terms of its impact to see itself purely as a hands-off grantmaker. This can be regarded as either a “stuck in the middle” constraint, or as the “best of both worlds.” One interviewee tellingly argued that the Foundation was “too small to be a big one, and too big to be a small one,” but “tremendously influential.”

The nonfinancial value added has been to (1) inspire the Foundation’s grantees and scholars, and (2) to open other doors and contacts for them. Stakeholder feedback demonstrates that the Foundation is achieving this goal: More than four-fifths of the respondents feel that the Foundation is providing them network (81.7%), more than two-thirds are inspired (70%), and almost one-third find the visibility provided by the Foundation conducive to mobilizing third-party support (30%) (n=60).

Q: What is the amount of annual financial support from the Haniel Foundation? (see Figure 11)

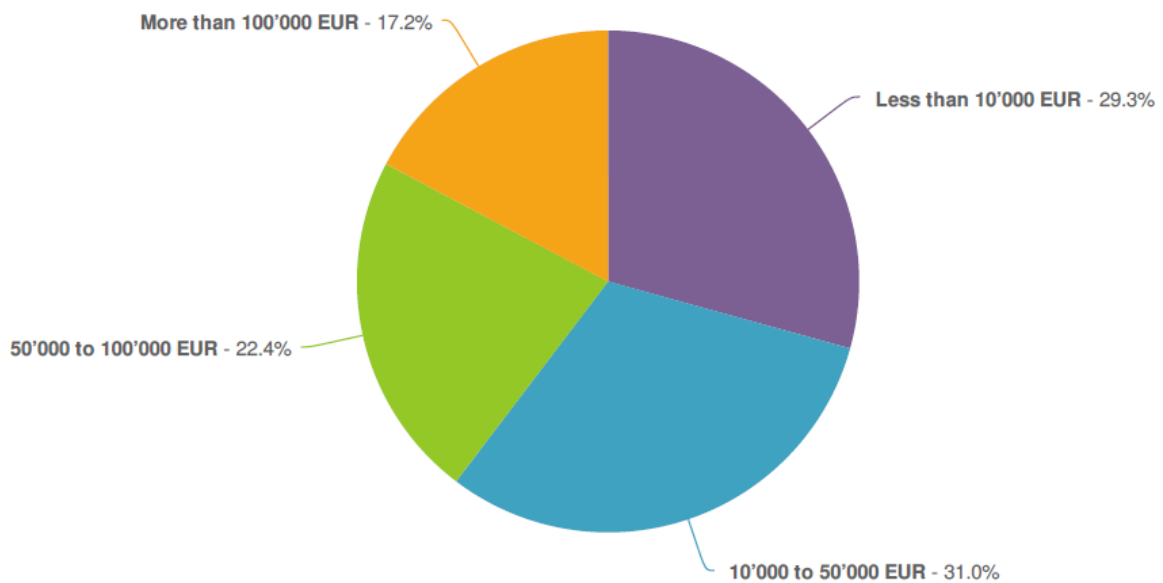


Figure 11: Annual Financial Support

The Haniel Foundation runs a large portfolio of relatively small grants, distributed across four categories. Among the respondents who received grants, these were small grants under EUR 10,000 (29.3%), smallish grants between EUR 10,000 and EUR 50,000 (31%), grants ranging from 50,000-100,000 (22.4%), and larger grants of more than EUR 100,000 (17.2%) (n=58). For illustration, in 2015 such a small budgeted grant position was the Haniel Prize for Economics ("Haniel Preis für Wirtschaftswissenschaft," EUR 5,000), and a large grant was the Haniel Scholarship Program of the German National Merit Foundation (EUR 250,000).

Q: For how long have you or the organization you are linked with been supported by the Haniel Foundation? (see **Figure 12**)

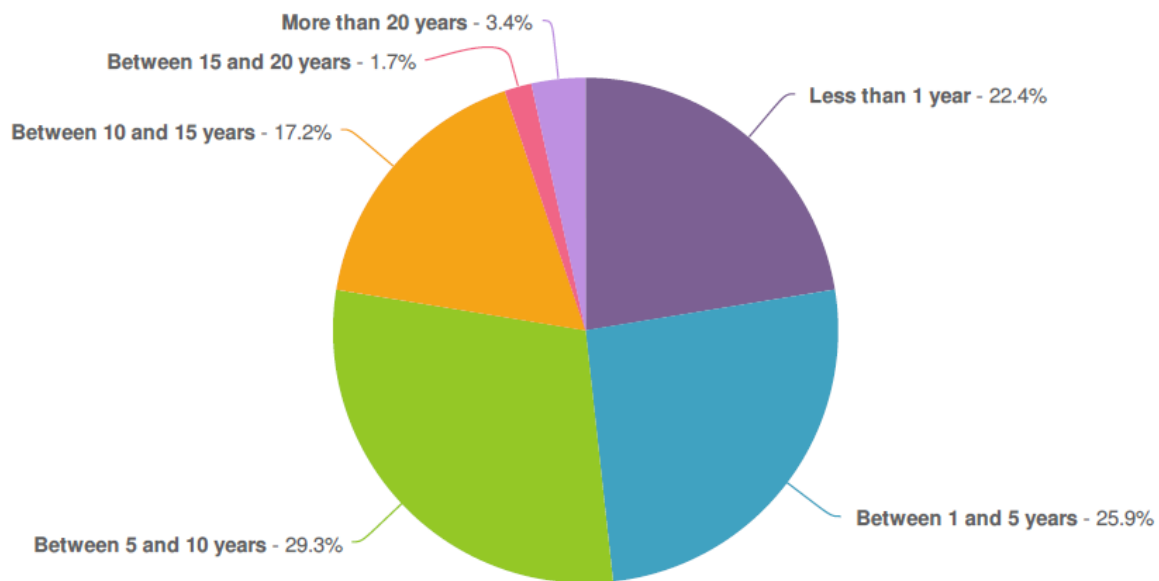


Figure 12: Duration of Financial Support

The Haniel Foundation can be considered a grantmaker that focuses on the long-term: only 22.4% of grantees are "new" (less than one year), whereas about a quarter has been supported between one and five years (25.9%), and over a quarter between five and ten years (29.3%). At the tail of the grantee distribution, there is a cohort of very long-term grantees (17.2%) (n=58).

This funding approach aligns with the Foundation's *de facto* funding limitations. They necessitate identifying high-quality partners, providing inspiration and to some extent coaching, to then enable them to leverage the visibility and network provided by the Foundation to access other sources of funding.

A good example of this leverage-approach is the large-scale project "Education as an Opportunity" ("Bildung als Chance"). Several institutions collaborate in the city of Duisburg to provide targeted solutions, e.g. to reintegrate youngsters at risk of dropping out, to help students who need tutoring but cannot afford it, or to bring top talent into schools. You can watch a video on the initiative here: http://www.haniel.de/fileadmin/content/videos/haniel_stiftung/mediendatenbank/final_Erklaervideo.mp4. In terms of co-funding, a Haniel Foundation grant of EUR 250,000/year from 2014-2016 to Teach First Deutschland, Chancenwerk, and apeiros unlocked combined additional annual funding of EUR 150,000 (from Welker Stiftung, Sparkassen Stiftung Duisburg, and the funding of unassigned teaching positions).

Q: Through which media do you communicate externally your involvement with the Haniel Foundation? (see Figure 13)

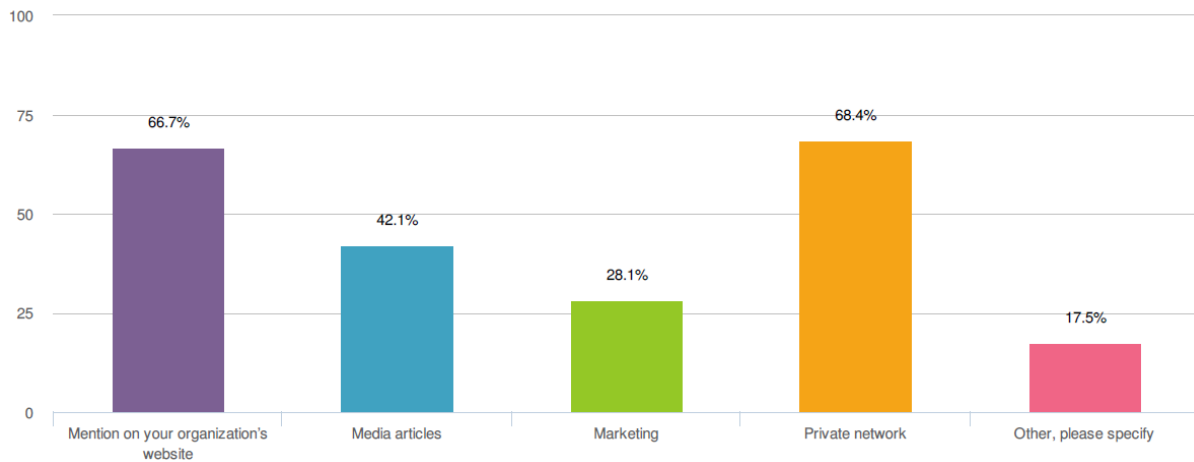


Figure 13: Grantee Communication of Affiliation

Grantees generally view their affiliation with the Haniel Foundation as an asset. The majority of respondents communicates in its private network (68.4%). Two-thirds mention their involvement with the Haniel Foundation on their organization’s website (66.7%), and two-fifths in media articles (42.1%) (n=57).

Q: For what reasons do you communicate externally your involvement with the Haniel Foundation? (see Figure 14)

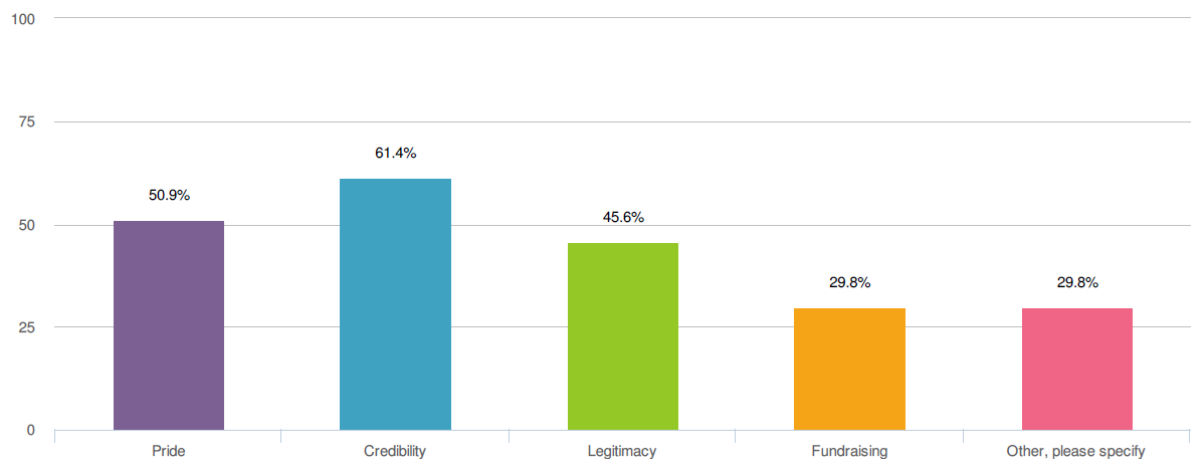


Figure 14: Motivations Driving External Communication

For its grantees, communicating their affiliation with the Haniel Foundation is mainly a function of credibility (61.4%), pride (50.9%), and legitimacy (45.6%) (n=57). Almost one-third of respondents believe that mentioning their affiliation with the Haniel Foundation is helpful for their own fundraising. This means that most of the respondents who are project partners/grantees view a project partnership with the Haniel Foundation as an asset for further fundraising. The large category of “other” reasons

(29.8%) includes motivations such as "appreciation of the Foundation's support," "gratitude," and "we learn a lot – knowledge should be shared."

4 RESULTS ACHIEVED

The Haniel Foundation achieves its impact mainly through its project partners as well as the networks, which it creates. The Foundation has a largely European stakeholder base. Its external stakeholders generally hold the Foundation in very high regards. They accordingly communicate their affiliation with it through a variety of channels. Further, the Haniel Foundation supports young value-oriented talents, entrepreneurs in universities, and works toward justice in education. This means that people are at the center of its work. In assessing the Foundation's achievement of its mission – and given the fact that the full observable extent of results in education only materializes years later –, a key question is to which extent its stakeholders are committed to values that are aligned with the Foundation's mission, broadly falling under the heading of the ideal of the Honorable Merchant.

Q: The Haniel Foundation is committed to the principles of the Honorable Merchant ("ehrbarer Kaufmann"). Please rate the importance of sustainability considerations and responsibility in your organization on a scale from 1 (not important at all) to 10 (very important). (see Figure 15)

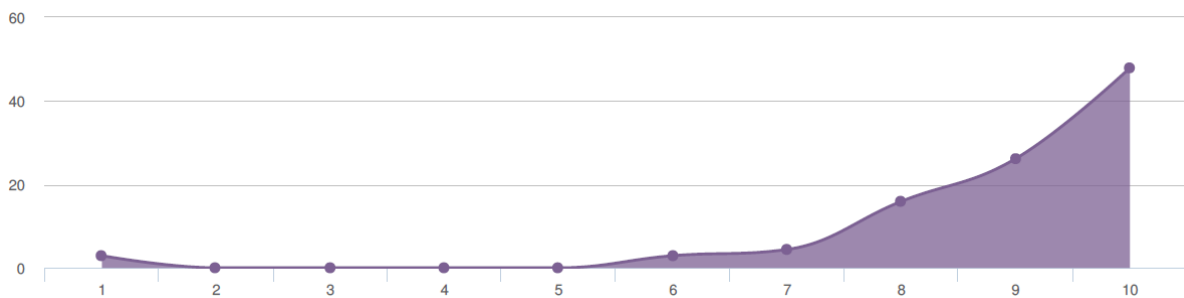


Figure 15: Importance of Sustainability Considerations in Respondent Organization

The overwhelming majority of the Foundation's stakeholders states their commitment to the importance of sustainability and responsibility considerations in their organizations. This mirrors the Foundation's guiding principle of the Honorable Merchant, to which over 90% of respondents attach an importance of 8, 9, or 10 on a scale from 1 (lowest) to 10 (highest) (n=69).

Q: Does your organization monitor the outcomes / impact of its activities? (see Figure 16)

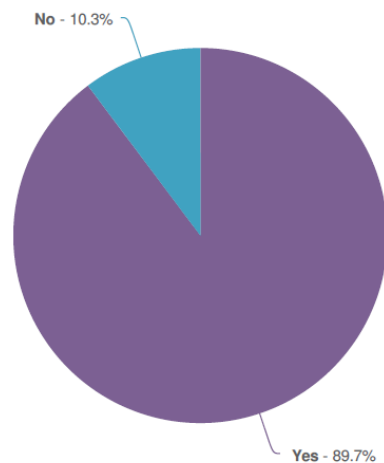


Figure 16: Outcome and Impact Monitoring

To live up to the principles of the Honorable Merchant, it is important for a grantee organization to monitor the different types of outcomes its activity is creating (other than purely financial outcomes). Almost 90% of respondents monitored the impacts or outcomes of their organizations' activities (89.7%) (n=39).

Q: Do you communicate your Key Performance Indicators to the Haniel Foundation? (see **Figure 17**)

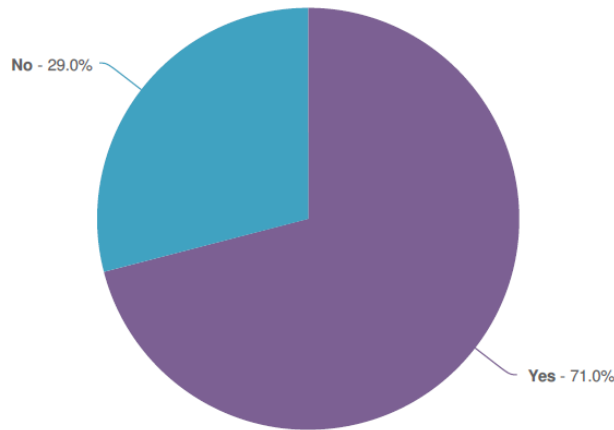


Figure 17: Communication of Key Performance Indicators

Further, over two-thirds (71%) of these respondents communicated their Key Performance Indicators (KPIs) to the Haniel Foundation (n=31). Given the diversity of projects, these KPIs were similarly diverse.

Q: In what form? (see **Figure 18**)

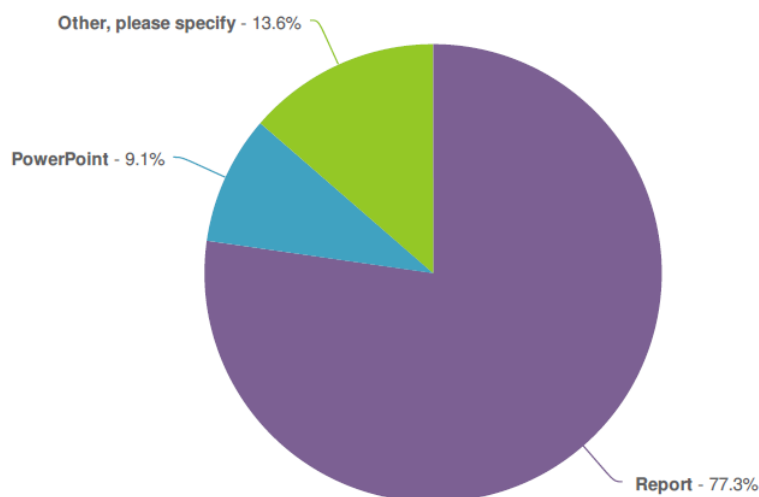


Figure 18: Form of Reporting

For those who reported back, the most common form of reporting was a report, used in more than three-fourths of the cases (77.3%) (n=22).

Q: How often? (see **Figure 19**)

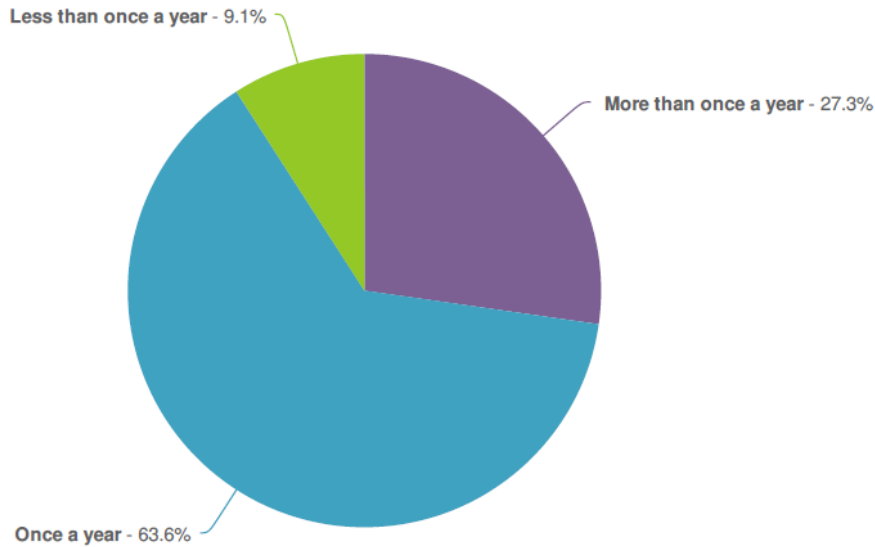


Figure 19: Reporting Frequency

Reporting typically took place once a year (63.6%), and in about a quarter of the cases, more than once a year (27.3%) (n=22). In the verbal answers throughout the survey, many respondents pointed out how much they valued the friendliness of the Foundation staff.

One respondent put it succinctly, focusing on the “uncomplicated” nature of interactions: “The Haniel Foundation understands what projects need in order to succeed for their target group. They do not burden us with bureaucracy, which is extremely helpful. Instead, they ask intelligent questions which help us think further.”

Q: How long does it take you to fulfill your reporting duties for the Haniel Foundation per year? (see **Figure 20**)

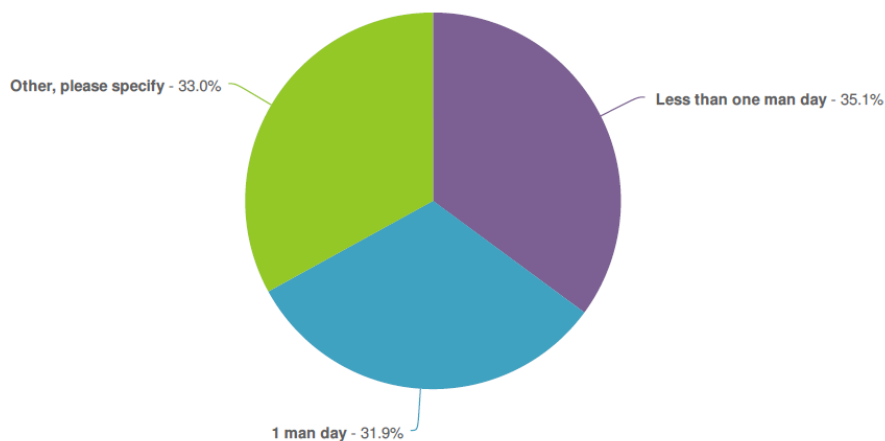


Figure 20: Time Burden of Reporting

Not being bureaucratic is a value added the Haniel Foundation stands for. According to the project partners, fulfilling their reporting requirements to the Haniel Foundation could be done in an efficient

manner: 35.1% needed less than one human day, and 31.9% needed one human day (n=94). This is consistent with verbal answers to several questions where respondents pointed to the relative lack of bureaucracy as one of the Foundation’s assets.

*Q: How would you describe the overall reporting process on a scale from 1 (not efficient at all) to 10 (very efficient)? (see **Figure 21**)*

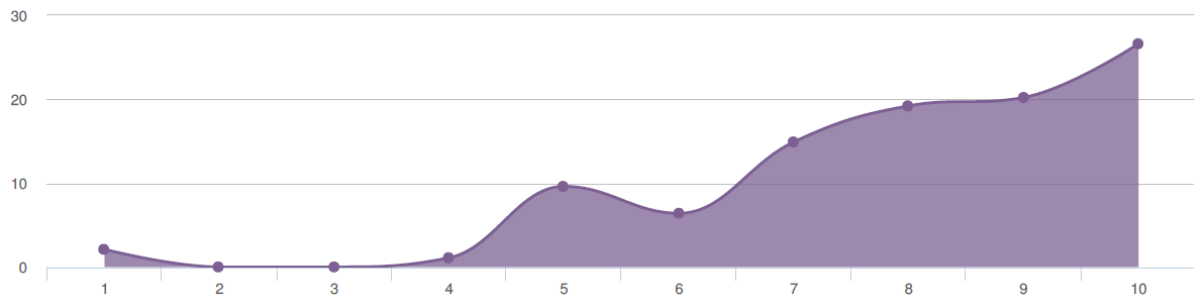


Figure 21: Efficiency of Reporting Process

Stakeholders generally consider the reporting process efficient, with over two-thirds ranking it 8, 9, or 10 on a scale from 1 (lowest) to 10 (highest). Under five percent of respondents consider the reporting process inefficient (1), and 10% not particularly efficient (5) (n=94).

*Q: How important do you consider ethics in business on a scale from 1 (not important at all) to 10 (very important)? (see **Figure 22**)*

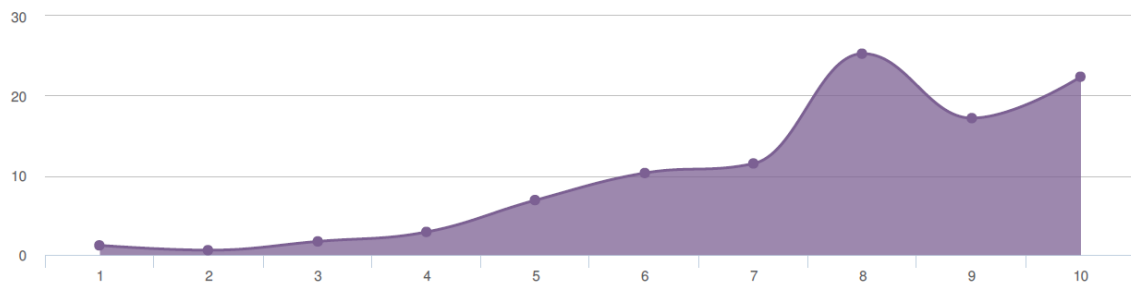


Figure 22: Importance of Ethics in Business

The Haniel Foundation seeks to promote the ideal of the Honorable Merchant among its stakeholders. Expressing the ideal of the Honorable Merchant slightly differently, respondents validated the earlier statement, with over 75% strongly agreeing with the importance of ethics in business, expressed as an agreement of 7, 8, 9, or 10 on a scale of 1 (lowest) to 10 (highest) (n=174).

*Q: How important do you consider social entrepreneurship to create social value on a scale from 1 (not important at all) to 10 (very important)? (see **Figure 23**)*

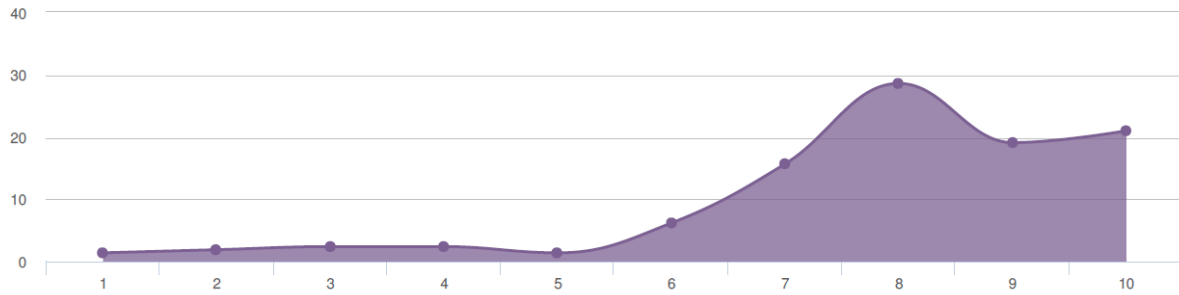


Figure 23: Importance of Social Entrepreneurship for Social Value Creation

An alternative, more recent form of expressing the Honorable Merchant concept is the notion of social entrepreneurship. Respondents' endorsement of the importance of social entrepreneurship was very strong as well. Over 70% considered social entrepreneurship to be of a high importance of 8, 9, or 10 (with 8 as the highest frequency response of almost 30%, on a scale of 1 [lowest] to 10 [highest]) (n=210).

5 PERCEPTIONS

Many respondents strongly identified with the Foundation, and were inspired by contributions such as "advancing Germany's openness to other cultures; installing a sense of responsibility to society; [and] using business to advance more than profits," or "sustainability, the promotion of social projects, and support weaker members of the system. Very great values to keep up."

Others were particularly inspired by the Foundation's entrepreneurial heritage, "emphasizing the role of entrepreneurs in the society" and its focus on education: "The most important thing to change society to a better one starts with education. The support for education and educational projects by the Haniel Foundation is an important step for a better future." Values also trickled down to the personal level: "I definitely identify myself with values of Haniel Foundation, by trying to be honest, open and supportive in my actions."

By virtue of its name, origin and location, the Haniel Foundation builds on a very strong German industrial and philanthropic heritage. Its stakeholders surveyed are mostly European. Notwithstanding, the Foundation is committed to communicating a global vision.

Q: The Haniel Foundation communicates a global vision on a scale from 1 (strongly disagree) to 10 (strongly agree)? (see Figure 24)

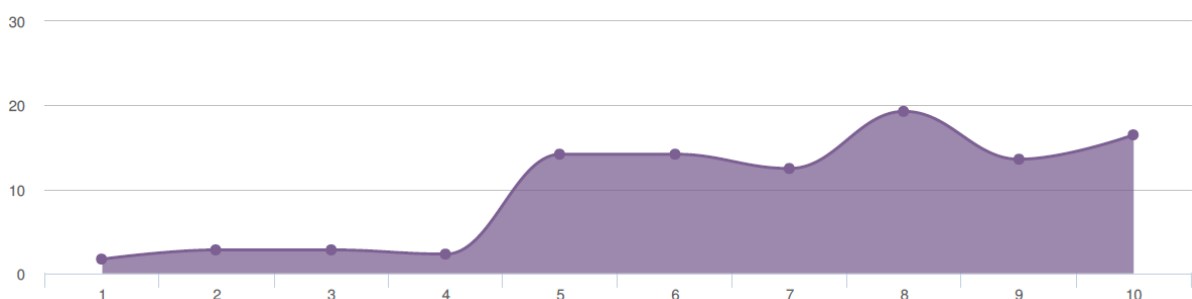


Figure 24: Communication of a Global Vision

About half the respondents viewed the Foundation as being very effective at communicating a global vision (8, 9, or 10 on a scale from 1 [lowest] to 10 [highest]) (n=176). While there was little sense among

the stakeholders that the Foundation would be particularly ineffective at this, (1, 2, 3, and 4, add up to under 15% of respondents), about one third of respondents considered the Foundation only moderately effective (categories 5, 6, and 7).

When asked what this vision meant to them, many respondents viewed it along the lines of a "sensible combination of liberal entrepreneurship and social responsibility." Some respondents, however, felt that they did not sufficiently understand the vision, highlighted by several answers along the lines of "I am not sure about the vision," pointing to an opportunity to be clearer in the Foundation's external communication.

Q: The Haniel Foundation is very effective at creating networks on a scale from 1 (strongly disagree) to 10 (strongly agree)? (see Figure 25)

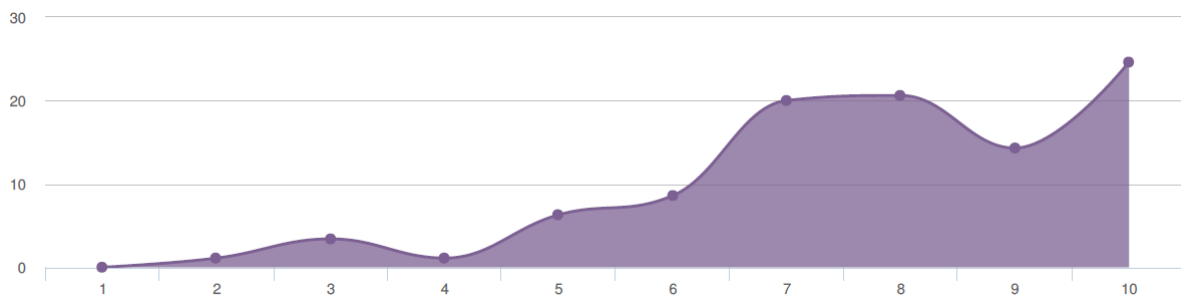


Figure 25: Effectiveness at Creating Networks

Practice among stakeholders – who are mostly keen to refer to their affiliation with the Foundation – suggests that the Foundation is an asset to its stakeholders' endeavors. Its perceived effectiveness at creating networks aligns well with this observation. Over 60% of respondents considered the Foundation to be very effective (categories 8, 9, or 10), and another 30% at somewhat effective (categories 6 and 7) (n=175). Under 10% of respondents considered the Foundation to be particularly ineffective at creating networks (categories 1, 2, 3, and 4).

Q: The Haniel Foundation inspires innovation on a scale from 1 (strongly disagree) to 10 (strongly agree)? (see Figure 26)

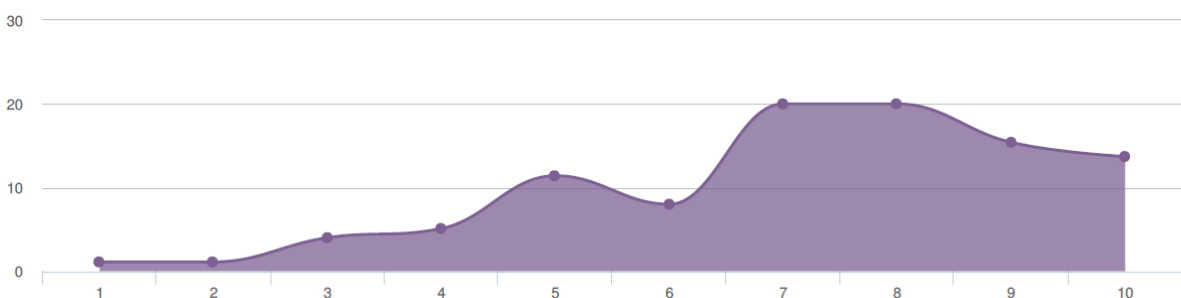


Figure 26: Inspiration of Innovation

Respondents viewed the Foundation as a solid inspirer of innovation. Over 70% of respondents found the Foundation fairly or highly effective at innovation inspiration (categories 7, 8, 9, and 10). A total 15% of the respondents found it extremely effective in doing so (n=175).

Q: The Haniel Foundation offers inspiration on how to act as an Honorable Merchant ("ehrbarer Kaufmann") on a scale from 1 (strongly disagree) to 10 (strongly agree)? (see **Figure 27**)

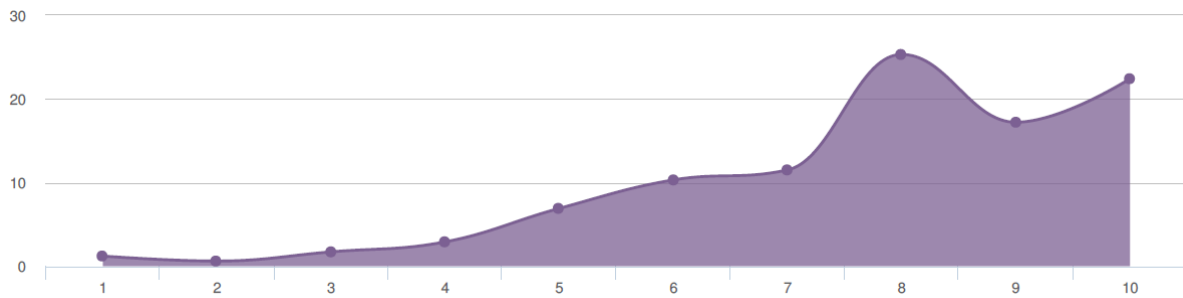


Figure 27: Inspiration on Acting as an Honorable Merchant

About two-thirds of the respondents viewed the Foundation as a great source of inspiration how to act as an Honorable Merchant (categories 8, 9, and 10) (n=174).

Q: Which Haniel Foundation activity has inspired you the most? (see **Figure 28**)

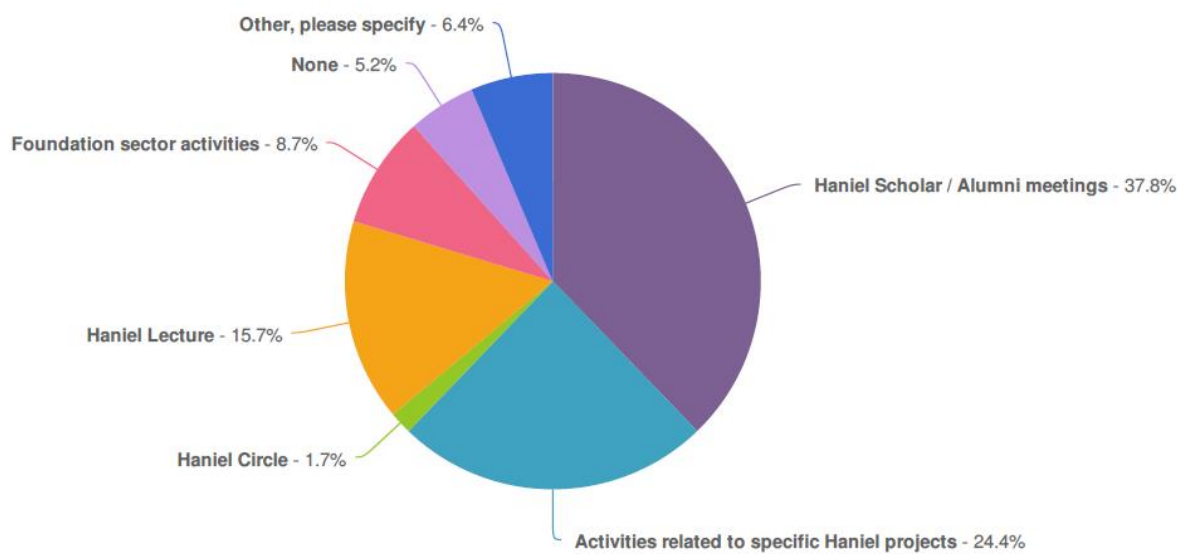


Figure 28: Most Inspiring Activities

For its different stakeholders, the leading source of Foundation activity that inspired were the Haniel Scholar and Alumni meetings (37.8%), project-related activities (24.4%), and the Haniel Lecture (15.7%) (n=172). This response pattern aligns well with the composition of the respondents, and suggests that the respective activities the Foundation undertakes to engage its different stakeholder groups do offer inspiration to the groups in question.

Q: Which Haniel Foundation activity has inspired you the least? (see **Figure 29**)

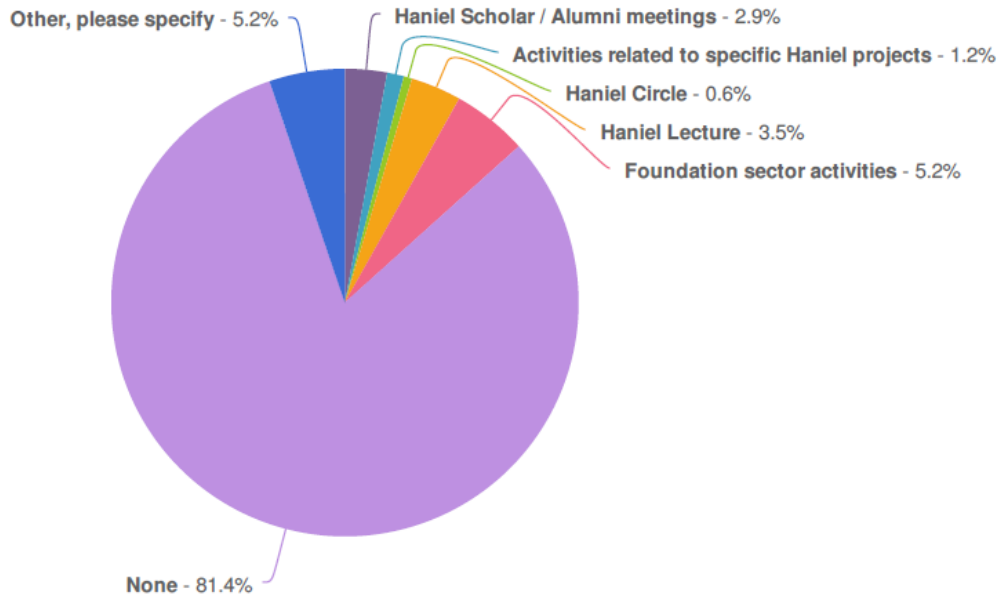


Figure 29: Least Inspiring Activity

Four-fifths of the respondents were so satisfied with Foundation’s activities that they could not think of any activity that they considered particularly un-inspiring (81.4%) (n=172). The remainder clustered across the Foundation’s event activities ranging from Haniel Circle (0.6%) to Foundation sector activities (5.2%).

Q: Which Haniel Foundation activity and / or support has helped you the most to achieve your goals? (see **Figure 30**)

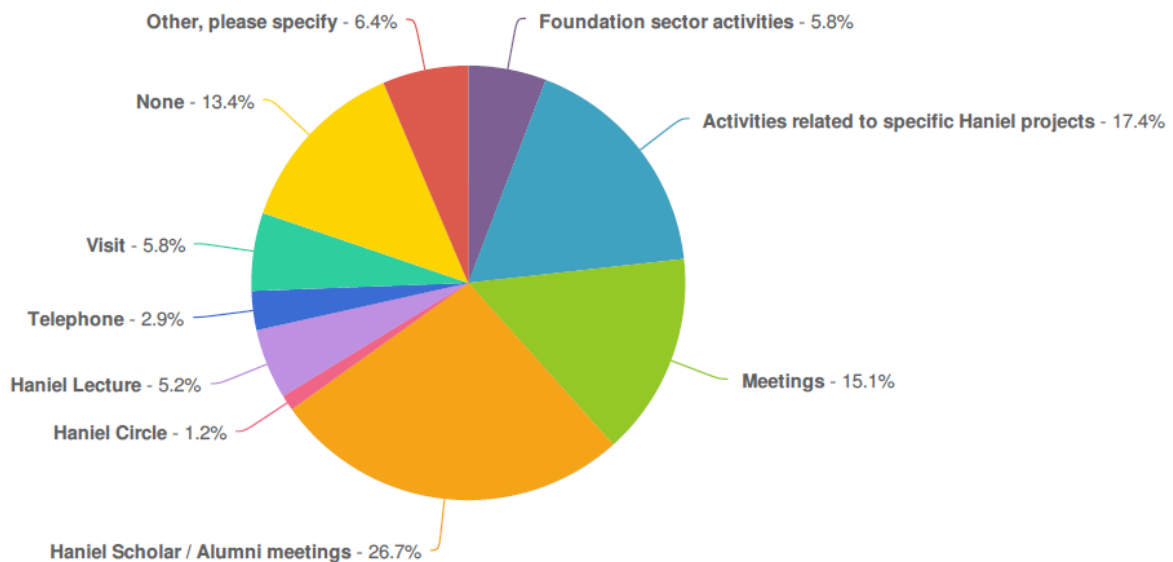


Figure 30: Activity Most Conducive to Goal Achievement

Given their heterogeneity, it is not surprising that to different stakeholders, different activities have been of top value in terms of contributing to goal achievement.

Haniel Scholar and Alumni meetings proved especially useful to that group (26.7%), and project activities to project partners (17.4%) (n=172). More than one-eighth of the respondents especially valued meetings with the Foundation (15.1%). This observation aligns well with the Foundation's current assessment as to how it could modify its event formats to optimally reach its stakeholders.

6 LOOKING AHEAD

The Haniel Foundation interacts with talents, innovation, and future-oriented topics on which it seeks to imprint the ideal of the Honorable Merchant. As a mid-sized foundation building on a longstanding heritage and carrying a great name that positions itself as future- and innovation oriented, the Haniel Foundation is quite logically many things to many people.

Stakeholder expectations' about the future accordingly varied very widely. The strategy review's findings and recommendations were derived from a combination of three pathways to insight:

- (1) Responses from an online stakeholder survey (to assess the outside-in perspective on the Haniel Foundation), discussed here;
- (2) A review of the Foundation's practices as per the Impact Economy Foundation Health Check (assessing application of recognized good practices in terms of governance, legal & compliance, impact strategy, and financial resource management); as well as
- (3) Trustee interviews with Haniel Foundation board members (to inquire into the inside-out perspective).

In terms of their worst fear for what the Foundation might achieve in the next 3-5 years, stakeholders viewed a reduction in funding, stagnation, bureaucracy, and loss of support from the Haniel Group as the key potential risks. Under-funding in particular was viewed as a risk by a number of respondents. It "may destroy relationships and projects built-up over the past years." On the impact side, one respondent pointed to the risk of "do a little here, do a little there, and achieve nothing big," and another to "stay the same, ignoring the changing environment and rising new challenges."

Notwithstanding, the answers suggested that stakeholders considered the Foundation to stand on a very solid basis in terms of its projects, team, and reputation. Accordingly, one respondent emphatically argued, "I would not want to change anything," echoing many other similar statements.

More specifically, the many things that individual respondents would not want to change about the Foundation included the following. Its "lovely people", with a "low-key very professional leadership attitude" (a response that surfaced in a similar fashion in a great number of answers), as well as "the professional and independent work under a small but committed team," "be connected to the HANIEL Company," the leitmotif of the "Ehrbarer Kaufmann," and "openness to new people and ideas."

Looking at future possibilities, the diverse set of respondents had a similarly wide range of views and ideas. Some respondents argued for a greater focus on Duisburg, whereas others wanted to see exactly the opposite, and have the Foundation play a larger role nationally and internationally. Some hopes for the future also concerned the expansion of specific current foundation programs. However, the interesting general red thread was that respondents to the question were indeed in an aspirational mode and had a number of big ideas for the role the Foundation could play, e.g., "be a leading enabler for open and transparent debate on economic and social models of the 'post-growth' era," or "turning Duisburg into a changemaker city."

The overwhelming sense of reviewing the answers to the question "what is your highest hope for what the Haniel Foundation can achieve in the next 3-5 years?" is that the Haniel Foundation has won a high degree of trust among its stakeholders. Regardless of any strategic choices to be made, this is a very valuable asset for any (philanthropic) organization, and especially so for a mid-sized foundation that as per stakeholder perceptions, has been punching far above its financial weight. The external views of the Haniel Foundation stakeholders attest to years of good work, and form a very solid basis for the Foundation's work going forward. The findings from all work streams combined similarly point to an impressive Foundation, which is achieving significant work in a professional manner aligned with best practices, with finite financial resources and staff.

Being a highly respected player in the education field with solid partnerships with quality players is a great platform to build on. However, the field of education is itself changing. As MIT President Rafael Reif (and others) have noted, "higher education is at a crossroads not seen since the introduction of the printing press. [...] the upheaval today is coming from the technological change posed by online education."² The Foundation needs to assess what the advent of digital disruption means for its work.

Just as the Haniel Foundation was forward-looking when it initiated the collaboration with the Willy Brandt School of Public Policy, it is opportune to ask how the field of education will look like five and ten years from now, and how the Foundation can keep playing the pioneering role, it has thus far. The online revolution in learning in particular is upsetting the apple cart. Online players such as Coursera, Udacity, edX (a nonprofit partnership between Harvard University and the Massachusetts Institute of Technology that offers online courses with videos and instant feedback, as well as student-paced learning), as well as others, are creating new formats.

As a Foundation that expresses the philanthropic intention of one of Germany's great industrial families, the Foundation also needs to live up to very high expectations. The continued intelligent combination of its "policy of the calm hand" with the drive to provide impulses for innovation, and to identify and fund great projects, while adding value from the Foundation's stock of expertise, network, and ability to confer credibility will all be essential to keep unlocking the Foundation's full potential.

Just like the goal, which the family set for the Haniel Group, to be truly "grandchildable" ("enkelfähig"), the Foundation will also continue embracing a world that is ever more digital and disruptive. Over time, this will mean updating the formats and channels how education-focused philanthropy can add value to society.

As the Foundation board deliberates on the strategy for the next five-year cycle, it can address such questions with the comfort that the Foundation does so from a very strong basis. In the pursuit of its mission, the Foundation interacts with a network of appreciated stakeholders to whom this report provided a comprehensive update on the nature of their relations with the Foundation.

² L. Rafael Reif. 2012. "What Campuses Can Learn From Online Teaching", *Wall Street Journal*, October 2, 2012, accessed on June 28, 2015, URL: <http://www.wsj.com/articles/SB10000872396390444620104578012262106378182>

7 AUTHOR INFORMATION

Dr. Maximilian Martin is the Founder and Global Managing Director of Impact Economy. He previously served as Founding Global Head and Managing Director of UBS Philanthropy Services, Senior Consultant with McKinsey & Company, an instructor at Harvard's Economics Department, and Fellow at the Center for Public Leadership, Harvard Kennedy School. He created the first global philanthropic services and impact investing department for a bank in Europe with teams in Asia, the Americas and Europe, the world's leading convening of ultra-high net worth individuals (UBS Philanthropy Forum), the brand Impact Economy, and Corporate Impact Venturing and authored more than [one hundred articles and position papers](#) that have helped define the trajectory of market-based solutions and the impact revolution in finance, business and philanthropy. In 2013, Dr. Martin was invited to write the [Primer on impact investing](#) "Status of the Social Impact Investing Market" for the G8 policy makers' conference, which considered the potential and development options for this new branch of the financial industry. Dr. Martin holds an MA in anthropology from Indiana University, a MPA from Harvard University (where he was a McCloy Scholar), and a Ph.D. in economic anthropology from the University of Hamburg. He also created the first university course on social entrepreneurship in Europe and serves or has served as a Visiting Professor and Lecturer in Social Investment and Entrepreneurship at the Universities of St. Gallen and Geneva, as well as at Ashoka U.

8 ABOUT IMPACT ECONOMY

[Impact Economy](#) is a global impact investing and strategy firm headquartered in Switzerland providing strategy advisory, investment services and corresponding research to companies and professional investors. Whether creating value from business innovation and investments in the USD 5 trillion Base of the Pyramid economy, the USD multibillion "Lifestyles of Health and Sustainability" consumer segment, accelerating green growth around the world, or the mobilization of private capital for innovative public-private partnerships, Impact Economy provides the holistic view and execution capabilities for clients to benefit from new opportunities to create both economic value added and social impact.

The firm's work has been featured in media including [Il Sole 24 Ore](#), [Energética XXI](#), [Buzz Feed](#), [The Financial Express](#), [Australian Power Energy News](#), [Cleantech Republic](#), [CleanTechIQ](#), [Energía Renovables](#), [Ecotextile News](#), [Nanowerk](#), [Impact Investor](#), [Singapore Institute of Directors](#), [Stanford Social Innovation Review](#), [Dowser](#), [Dhaka Tribune](#), [Business of Fashion](#), [Daily Sun](#), [Apparel Magazine](#), [Ecotextile](#), [Die Zeit](#), [Mötesplats Social Innovation](#), [VITA](#), [Hürriyet Daily News](#), [International Business Daily](#), [The Guardian](#), [Myanmar Business Today](#), [Global Corporate Venturing](#), [Alliance Magazine](#), [Real Leaders](#), [Colombia Reports](#), [Le Temps](#), [Huffington Post](#), [Investment News](#), and [Addis Standard](#).

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