

Making a Difference

The Art of Smart Giving Making corporate philanthropy matter is tougher than it looks

An Interview with
Mark E. Watson III, Chief Executive Officer, Argo Group

EDITORS' NOTE Mark Watson became an investor of Argo Group's predecessor company in 1998, a director in 1999, and President and Chief Executive Officer in 2000. Since then, Mark has guided the company through a steady sequence of deliberate changes, transforming a troubled workers' compensation insurer into the leading global specialty insurance company it is today. In 2016, Ernst & Young named Mark as Entrepreneur of the Year for the State of Texas.



Mark E. Watson III

COMPANY BRIEF Argo Group International Holdings, Ltd. (argolimited.com) is an international underwriter of specialty insurance and reinsurance products in the property and casualty market. Argo Group offers a full line of products and services designed to meet the unique coverage and claims handling needs of businesses around the world.

How long has Argo's program of charitable giving been in place?

Our company was founded in 1948. At the outset, we declared our commitment to the communities in which we live and work. Interestingly, the model we chose back then was a combination of central programs – what fundraisers now call major gifts – and community events run by our staff, which the company also sponsored in part. Every time we opened an office, we trusted our local staff to help us know which local organizations and campaigns would allow us to help appropriately. Every community is different. Even as we've become a global company, it's been sensible to allow much of our giving to be inspired by the local knowledge of our staff worldwide.

What kind of programs are you involved with?

It's really diverse. I'll give you some examples from last year. In London, we raised funds for a local hospital. In São Paulo, we donated food to the homeless and helped cancer patients.

In cities across the United States, we supplied underprivileged kids with necessities, helped women build skills of self-promotion, and provided school supplies to foster kids. We helped raise funds to support those with Down syndrome and ran a United Way campaign in San Antonio that gave to local frontline charities. In Bermuda, we reached an impressive milestone as Argo's overall charitable giving topped \$1.25 million.

Can philanthropy be tactical?

Beyond its altruistic aims? Yes, it can. I believe there's a huge competitive advantage in a well-considered program of corporate giving. You can use charitable donations to demonstrate your company's commitment to its host communities, engage and

enhance reputation, and contribute to business results, that's all good. But for most programs, those outcomes should be a welcomed additional benefit, not a criterion for giving.

How do you choose the organizations you support?

We let our staff take the lead. We listen when employees bring particular agencies, charities, campaigns, and events to our attention. Generally, if they match our values, they're in our geographies, and they benefit our communities, we consider them favorably.

Then how do you evaluate them?

When we live and breathe business, we learn to respect organizations with solid accounting practices and a sensible use of capital. We always want to deal with responsible, able partners, and philanthropy is no different. We do look at their results because that's meaningful. We want to know whether the charities we support achieve their stated goals.

Can there be payback?

Absolutely. I keep in mind that all sustainable businesses thrive on good relationships, which in turn are dependent on high regard. There's no question that one's willingness to be helpful and generous speaks volumes about one's character. People remember kindness. After all is said and done, it is our company's proven values that will live on in the minds of the community.

Any lessons learned that you'd pass on?

Definitely. First, know when you're big enough to give back. While every gift is welcome, you'd be wise to know if they have the resources it will take to sustain a corporate-giving program that's relevant. Second, one must put their values on display. For instance, we really value originality and innovation at Argo, so we have great interest when we see a program or campaign in which innovative ideas can lead to social change. Third, show up. Whether it's a soup kitchen in one's hometown or a charity run, if your company is involved, make sure to have someone there for the event. Being present, involved, and connected is the secret ingredient to corporate giving. ●

■

**We always want to
deal with responsible,
able partners, and
philanthropy is
no different.**

■

inspire your staff, bolster recruitment, forge alliances with the people we meet, create social equity through the publicity we earn, and even find new clients and customers. But you should never confuse social and business objectives. If philanthropic activities extend your brand,