



UNDERSTANDING CORPORATE SOCIAL RESPONSIBILITY AND THE POTENTIAL OF CORPORATE SOCIAL OPPORTUNITY

NGO critics like Christian Aid complain of Corporate Social Responsibility (CSR) as PR and green-wash; and demand more international regulation of business. Some business leaders complain of CSR survey-fatigue and a “tick-box” mentality to CSR; and demand a lighter touch. Neither is a very productive route.

CSR = “businesses seeking to minimise their negative environmental and social impacts and to maximise their positive environmental and social impacts. CSR has become associated too much with minimising risks, compliance and protecting reputation. The result – as one leading consultancy reported recently – is that opinion-leaders believe that the tone and the language of CSR is “earnest and dull”.

“Earnest and dull?” Where’s the passion and the energy; the excitement and the entrepreneurial can-do of business? How will CSR become embedded in the life-blood of business, if its very essence feels alien to the spirit of entrepreneurial business?

We’ve got to talk less about minimising risks and rather more about maximising opportunities of CSR. We want more emphasis on corporate social **opportunity** (CSO). To treat CSR as an exciting source of creativity and innovation that can lead to corporate social **opportunities** in the form of innovation in products and services, access to new markets, and building new business models (how products are conceived, developed, marketed, distributed, financed, staffed etc). We see corporate social opportunities as commercially attractive activities which also advance environmental and/or social sustainability.

This is not just semantics! This is asking business people and those engaging with business to think about CSR in a very different way. This is not CSR as “those nice people in corporate HQ who do good works and keep us out of trouble with pesky NGOs and the media!” This is about a genuine and authentic commitment to environmental and social responsibility and ethical business practices, becoming a new source of R&D; a new form of market research; a new route to market.

As we have started to talk about CSO, we are excited to find more and more examples. Cemex, is the third largest cement company in the world, based in Mexico. Creative thinking has led them to invent a concrete mix with added anti-bacterial agent which means that when used for flooring in low cost housing projects for poorer communities, dwellings have built-in health protection; when used in hospitals and clinics, the treated concrete not only helps kill germs but also means less, expensive (and potentially polluting) cleaning agents have to be used. Vodafone have a whole new product and marketing department to explore products which have both commercial and social benefit.

A company may strike lucky and hit upon a specific CSO by accident. But if it is going to make a regular habit of finding profitable business activities which also advance environmental and social sustainability, then instead of CSR being a **bolt-on** to business operations, it has to be **built-in** to business purpose and strategy. It requires open stakeholder dialogue and engagement that recognises the unique skills, capacities and capabilities of non-traditional corporate partners, invites their active collaboration and respects and rewards their contribution. And it requires values-based leadership that holds no truck with short-term expediency that undercuts relationships with consumers, suppliers and communities. In other words, the commitment has to be authentic – you can’t fake it!

Why should businesses which are authentic and have genuinely integrated CSR into their core and embedded it through the organisation, be better at finding and systemically exploiting CSOs?



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A commitment to responsible business and sustainable development creates more pressure to find new solutions — it makes the business more receptive to ‘out-of-the-box’ thinking. It makes the company more receptive to approaches from NGOs, governments and academia with ideas for collaboration. A company genuinely practising CSR and aspiring to CSO is more likely to have eclectic and effective stakeholder engagement processes in place — so stakeholders will have better understanding of the company’s interests and areas of expertise and where it might be particularly open to new ideas. Outsiders will be more likely to have the company on their radar screen as a potential collaborator and consider it more open to what at first might seem ‘zany, crazy ideas’. A company committed to stakeholder engagement will be more likely to have highly accessible and visible contact points that external stakeholders can approach and who in turn can link the external approaches to the most appropriate people inside the business. The company is less likely to have a ‘not invented here’ mentality — rather, it will engage in what Tom Peters called ‘creative swiping’, being open to ideas not just from other businesses but also from other sectors. There will be a corporate culture that is not only willing to work with others but also widely known and respected so that outsiders *want* to work with it. It is more likely to have the right mind-sets for fair and equitable collaboration with other sectors and partners. By understanding sustainability it will be more alert to opportunities as an integral part of keeping costs down and value up.

Grounding CSR in the values, purpose and strategy of the business and treating it in a far more entrepreneurial fashion, is far more exciting for business and for society. It will make it much more sustainable and have far more impact.

THREE WAVES OF BUSINESS-COMMUNITY PARTNERSHIPS

FOR BUSINESS:

1. Corporate Philanthropy
2. Corporate Community Investment
3. Corporate Social Opportunity

FOR CHARITIES AND COMMUNITIES GROUPS:

1. Business is part of the problem – just give us the money – begging bowl mentality
2. Range of ways business can help us –
3. How might we and business collaborate so that we can together better achieve our core objectives?

QUESTIONS FOR AN NGO / COMMUNITY GROUP TO CONSIDER, IN DEVELOPING MORE STRATEGIC PARTNERSHIPS:

Do we:

1. have empathy for our corporate partner and its success?
2. have sufficient commercial nous to be able to spot possible partnerships; and work out what is realistic for company / NGO?
3. can we cost accurately the value of our contribution: including our brand value and contribution to overhead as well as any direct costs?
4. have negotiating skills and access to any necessary professional expertise on our board / supporters?
5. have effective governance so that we can be credible partner?



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6. deliver what we promise?
7. have authority to commit – or does the company understand what decision-making we will have to go through to decide?
8. demonstrate financial and ethical probity because company is associating its brand / reputation with us as well as the other way round?
9. have credible third parties who will vouch for us when asked by a company doing its due diligence on us?
10. do due diligence on a significant corporate partner?
11. have any non-negotiable's for working with a corporate partner?
12. know which of 7P's we would like from a business (People, premises, purchasing, promotions, product, power, profit)?
13. have any ideas for corporate social opportunities?
14. know the range of things we might offer a corporate partner?
15. understand basis on which we might enter a corporate partnership? Viz on spectrum from corporate philanthropy through Corporate community investment to corporate social opportunity?
16. know basis on which company will decide whether our partnership is successful / in what time-frame – and whether there is an option to extend the length of time of the partnership, what would be the criteria for making such a decision?
17. if we are truly wanting to partner with a responsible business, do we demonstrate ourselves that we are seeking to minimise our own negative environmental and social impacts and to maximise the positive impacts?
18. where are we on a skill / will matrix (high / low) for business partnerships and of what type?
19. if we are entering into a commercial partnership, have an agreed arbitration process for resolving disputes that we cannot settle ourselves?