New Ideas in CSR: Get Educated, Get Organized, Get Going

GET EDUCATED
Emerging Trends in Corporate Social Responsibility

Forward-thinking companies understand that corporate social responsibility (CSR) is not only about “doing good.” Rather, a well-designed CSR program increases the significance of the business itself, by not only creating improved conditions for the community as a whole, but also supporting the growth of a successful commercial enterprise. In today’s marketplace, well-organized, well-executed CSR activities are critical factors in driving business improvement, brand engagement, customer loyalty and employee retention.

Every CEO must pay attention to CSR trends, whether the business he or she leads is private, public, large or small. Market pressures are heating up. Similarly, using CSR effectively is critical to the success of any marketing effort. Most of the time, CSR activities are going on across a company in various departments, created inefficiency, extra cost and, perhaps most damaging, diluting the brand’s overall voice and authenticity.

Few companies understand social responsibility and the dynamics involved from a philanthropic, regulatory, governance and sustainability perspective. This makes it difficult for the executive team, and marketing departments, to develop meaningful content that will be viewed by audiences as legitimate and authentic. And, with the heightened social consciousness of Americans and the increasing scrutiny of charitable causes, social responsibility efforts must be legitimate or they will be viewed consumers and employees as disingenuous. This means companies need strong CSR frameworks based on best practices, activated through a series of meaningful experiences and evidence of impact that can be deployed into brand and delivered to engage internal and external audiences.

Consider a few notable statistics:

- **Governance is influencing corporate philanthropy.** The cache of charitable giving extends well beyond private donors and family foundations. The corporate sector is catching on, in a big way. Consider the fact that in 1968, 70 percent of Americans answered “yes” when asked, “Does business act responsibly?” By 2008, that percentage had dropped to 20 percent. This is an era when no CEO can deny the importance of CSR, embracing operating principles that respect the people, communities and environments where business is conducted.

- **Regulatory influences are pushing sustainability.** It wasn’t long ago that sustainability was viewed by businesses as a “nice to have.” Now it is a must have. The Global Reporting Initiative, a nonprofit organization that promotes economic, environmental and social sustainability, is setting the trend, providing a comprehensive sustainability reporting framework that is widely used around the world. In fact, according new research released by the European Commission on March 14, 2013, the GRI Guidelines now rank among the most widely recognized CSR instruments among large European companies. No business’s reputation can afford to ignore the impact of corporate sustainability on the company’s reputation. And, with more than 1.1 million registered charities in the United States operating under increasing regulation, a company’s CSR strategy must embrace the integrity required to stand up to a marketplace that is watching closely.

- **Consumer demands are increasing.** The results of the 2006 Millennial Cause Study conducted by Cone Inc. and AMP Insights found that well over half of 20- and 30-somethings consider a company’s social commitment when deciding where to shop. In fact, 83 percent of consumers in that critical demographic will place more trust in a company if it is socially and environmentally responsible.

- **The workforce wants it.** A similar study found that 79 percent of Millennials surveyed want to work for a company that cares about how it impacts and contributes to society, and 56 percent would flat out refuse to work for an irresponsible corporation. By 2012, those percentages had jumped to 88 percent and 86, respectively.

- **Over time, CSR boosts the bottom line.** Social responsibility and ideals have been shown to drive corporate success. In his new book, *Grow*, Jim Stengel reports on a 10-year study of 50,000 brands. This study revealed that the 50 highest-performing brands are the brands driven by ideals, growing three times faster than their competitors and outpacing the S&P 500 by more than 400 percent.
GET ORGANIZED

Best Practices Framework for a CSR Program

Six elements drive an effective CSR program:

- Mission
- Alignment
- Engagement
- Structure
- Communication and sales
- Evaluation and reporting

Mission
An effective CSR strategy should embrace and follow an overarching mission statement, consistent with the purpose of the business and integrated into the company’s objectives for commercial success to reinforce the company’s values.

Alignment
An effective CSR strategy should maximize the company’s overall corporate giving areas, determined according to which causes will best leverage the company’s definition of success for the community relations and investment program. A strong program includes a mechanism for ongoing cause identification to stay current with employee, customer and community trends.

Engagement
Employee engagement and participation in a company’s community relations and investment program will drive employee loyalty and retention and, in turn, consumer brand engagement. Companies should harness the enthusiasm of employee-led volunteer and fundraising activities.

Structure
A strong CSR program solidifies and maintains an efficient community relations and investment program structure, reflective of the needs and functions of each department of the company that is involved in the program. Role definition efforts...
should include human resources, legal, finance, marketing, public relations, research, client relations and vendor relations. Companies should evaluate whether a corporate foundation structure would be advantageous.

Communications & Sales
An effective CSR strategy empowers a company to enhance its messaging platform internally and externally, to celebrate the company's program in a manner that is integrated with, and complementary to, the company's overall brand image and public relations strategies. This occurs in the media, through events, on the website, in printed materials and social media.

Evaluation & Reporting
Best practices in CSR require ongoing monitoring of the results of the program against one or more indicators of success, including employee engagement, employee loyalty, operating efficiency, community impact of money invested, customer perception and marketplace reputation.

---

GET GOING

Five Ideas to Activate CSR to Drive Brand Engagement

A CSR program should not be viewed only as a budget expense. A CSR program built on an effective framework is an asset to leverage the company’s growth. Specific, tactical steps must be part of an ongoing action plan to use CSR to drive brand engagement, engage existing and new consumers, enter new markets, launch new products, increase sales, and recruit and retain talent.

Activating CSR means creating meaningful experiences and content, which in turn can be deployed to drive brand engagement.

Idea #1
Building the framework:
What counts as doing good?
Philanthropy, corporate sustainability, regulatory guidelines, governance standards. Social responsibility is based on complicated subject matter. Determining the totality of CSR activities within a company is difficult without a strong working knowledge of the CSR space. That’s why the work must begin by conducting an inventory of a company’s social responsibility activities. This inventory forms the basis for identifying gaps and opportunities within an existing CSR program. The inventory process should include employee surveys, document review, and interviews. Research and review techniques must be based on best practices and the work of the most forward-thinking thought leaders in the industry. Ideally the inventory should result in a compelling report—a framework for the company’s CSR strategy—filled with a baseline of raw content that gives the marketing team high quality material to begin to legitimately celebrate the company’s CSR commitment.

Idea #2
Employee buy in:
Brand engagement begins internally
A CSR strategy can be difficult to get off the ground to drive corporate growth if CSR is viewed only as a project of a single department, whether it is human resources, marketing, or finance. To bridge that gap, a company should consider conducting an employee CSR summit, setting aside a day to spend with a group of 50 employees (appointed and/or volunteers), divided into three teams. Each team will learn about several community causes that are aligned with the company’s core values. By the end of the day, the three teams will have selected three organizations to “micro grants” to foster innovation and community engagement. An internal communications plan following the summit helps to focus employee-driven CSR activities, harnessing the energy of employee-led fundraising and volunteering efforts (bake sales, 5Ks, food and clothing drives). An internal role definition plan following the summit maps out internal positions to identify appropriate departments and team members whose participation and collaboration with the marketing team is essential for the success of the company’s CSR strategy.

Conduct an outstanding employee CSR summit that results in genuine engagement.

Idea #3
Capturing the CSR experience:
Creating stories through pilot projects
A company can continue its development of CSR content by producing a series of pilot projects that involve consumers, employees and community causes. These pilot projects are ideally suited to launch a new product or enter a new market. The company should research and identify a reputable and relevant charitable cause aligned with the company’s values. The pilot project also should include employees involved in the new market expansion or product launch. Instead of conducting a typical focus group, a CSR experience allows the company to get market feedback in a setting that also builds CSR credibility and engages employees in something “real.”

For example:
1. A tire company hosts a community workshop for consumers to learn about children and car safety, partnering with a national safety advocacy organization such as KidsAndCars.org. The workshop is designed to gain insight into consumer behavior related to tires and
automobiles, but at the same time the tire company creates a story to tell about its CSR program.

2. A health insurance company partners with a community organization to target 50 families to develop a grocery checklist for healthy eating. Over a 30 day period, a test group of consumers participates in the pilot project, ideally learning about healthy eating, but also developing a positive perception of the health insurance company.

The point of these experiences is not to generate large crowds at the experience itself. Rather, the experiences are tightly designed around best practices in CSR so that the experience can be written up and published as case studies and pushed out to the company’s various audiences. The pilot projects are all about story creation and storytelling to provide rich content for the marketing team. The size of the actual pilot is irrelevant.

Design experiences that create authentic and compelling CSR stories.

Idea #4
Accelerating the cycle:
CSR-based sales training
CSR is a selling point for any company. But most companies cannot answer the following question: “How are you using your CSR platform to drive new business?” Success in this area is accelerated through a targeted effort to train sales staff to use CSR-based messaging to speed up the sales cycle, generate leads and identify new customers. Training components include an interactive webinar and reference materials for all customer-facing positions. The objective is for the sales team to be armed with clear, concise and uniform messaging about the CSR platform in customer interactions as a way of differentiating the company from its competitors.

Train a sales staff to use CSR as a selling tool.

Idea #5
Evaluate, Report & Celebrate
Most companies could benefit from a competitive scan and analysis of its CSR strategy, compared with the strategies of industry competitors. It is a smart move to conduct a competitive scan once a year to keep company executives and the marketing team up to date and fully aware of the competition in the CSR space. A company can use this material, along with the case studies, employee surveys, and inventory highlights to create content for an annual CSR report. Rather than simply reciting charitable investments and employee activities, which is typical of most CSR reports, the content for this annual report can capture the company’s leadership and innovation in the CSR space, referencing the work of national thought leaders and demonstrating the impact of their theories on the effectiveness of the company’s CSR program. This form of best practices CSR reporting is consistent with an emerging national trend toward corporate social responsibility and sustainability reporting led by the Global Reporting Initiative, but in a more manageable and marketable format.

Report CSR success wisely in an increasingly discerning marketplace.