

## PARTING SHOTS – JULY 2004 – DAVID GRAYSON AND ADRIAN HODGES ARE WE LOSING THE PLOT ON CSR?

Are we losing the plot on CSR? NGO critics like Christian Aid complain of CSR as PR and greenwash; 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 to pursue.

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? Anita did not start Body Shop to be “earnest and dull!” There is nothing earnest and dull about the young entrepreneurs who were at the launch of the national campaign across the UK this summer – Make Your Mark – to promote enterprise to young Britons. 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 just established 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?

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.

In "Corporate Social Opportunity -Seven Steps to make Corporate Social Responsibility work for your business" we have developed the Seven Model we originally presented in Everybody's Business (which was reviewed in Vol 1 No 1 of NABR). Specifically, we have teamed up with two ex FTSE 100 marketing directors – Kevin Gavaghan and Harvey Dodgson – to develop a series of diagnostic tools and processes to help companies.

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! That's the new plot!

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