

## CSR Isn't Just Logo Polishing Time for Some Clarity

Corporate Social Responsibility (CSR) seems to have become part of the business landscape. Often there is more than a hint of tokenism about the implementation, however. It comes across as 'something to do' and make sure it is in the Annual Report.

CSR has real business value. As we see it, a central part of that value is in building trust outside and inside organisations. Trust is a key part of defining your propensity to do business with any type of organisation and businesses have been losing that trust in the world's biggest economies. The converts know this and we believe need more leverage to communicate its worth.

### **The Believers**

While CSR has become an accepted part of business structure, that doesn't seem to have led to universal acceptance. Instead, often there appear to be ghettos of believers within organisations, being busily undermined by the less committed.

This is not constructive for anybody and potentially expensive for the business. If you are going to do it, do it wholeheartedly, because we think there are real opportunities and value to be won.

### **Is There a Boom in Enlightenment?**

BBWG, a consultancy in New York we respect a lot, has recently published some research which is surprising, at least until you delve a bit deeper. They have found that nearly 90% of Americans say that 'conscious consumer' describes them well. In particular they are more likely to buy from companies that manufacture energy efficient products, promote health and safety benefits, support fair employment and trading, and commit to environmentally friendly practices.

From what we see in the UK, that seems awfully high. We are encountering an expedient consumer that is driven first by price, quality and convenience. That behaviour has been accentuated by five years of recession.

What the US research reflects is a rapidly growing awareness of CSR issues and a predisposition to act. When you explore more, it also acknowledges

that there too, price, quality and convenience remain primary drivers. In the UK we are seeing growth in awareness of CSR and a predisposition to act.

The bottom line is that for a lot of people, when everything is equal, then they will be swayed by the values of the company. Of course these days, in a lot of markets, everything is often very equal between competitors.

### **Trust Can Make the Difference**

In our experience trust can get confused. There is **Basic Trust** that you are expected to have. The skills and experience to deliver, clear communication and an openness, and a general sense of integrity. These are hygiene factors that will drag perceptions down if the organisation is deficient. They are very unlikely to improve how people view you or what you are offering them.

For that you need **Engaging Trust**. This is trust where people identify with the values of the organisation. There is a sense of sharing. We're in it together. Coupled to this is the other crucial element; demonstrating in a real way that you care about your customers.

For us this is where CSR needs to focus. It's more difficult. It requires real innovation of how a business approaches what it is doing. But done coherently it's likely to add secure, long term value to the business.

### **In This Together**

In our experience coherence can be the nemesis of a CSR programme. There may well be a sound overall strategy, but its implementation can become quite disparate, particularly in big corporates. Because of this it can be treated as an obligation with a 'zero sum' attitude towards it, rather than trying to achieve a 'net positive' impact on the business.

It seems to come down to; if people inside and outside the business can see the benefit to them, then it is likely to be of more value to the business and has a greater chance of being implemented.

### **Map Your Territory**

To get them on your side you need good reconnaissance. It starts with an understanding of heritage, what your current activity is doing and its impact on the ground, both within and outside the organisation. The logic is, if you don't understand the current history you can't map a different future.

That is what the best CSR programmes are doing; providing a roadmap for the future of the organisation. The obvious example of a brave strategy trying to achieve this is Unilever with its 'Sustainable Business by 2020'.

Businesses need to be trusted more, by all who come into contact with them, for their future security. It's about engaging in ways that are relevant and credible, not just supporting a charity for a year. **'Engaging Trust'** has the potential to be a powerful competitive edge for any business.

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