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# In My View – CSR

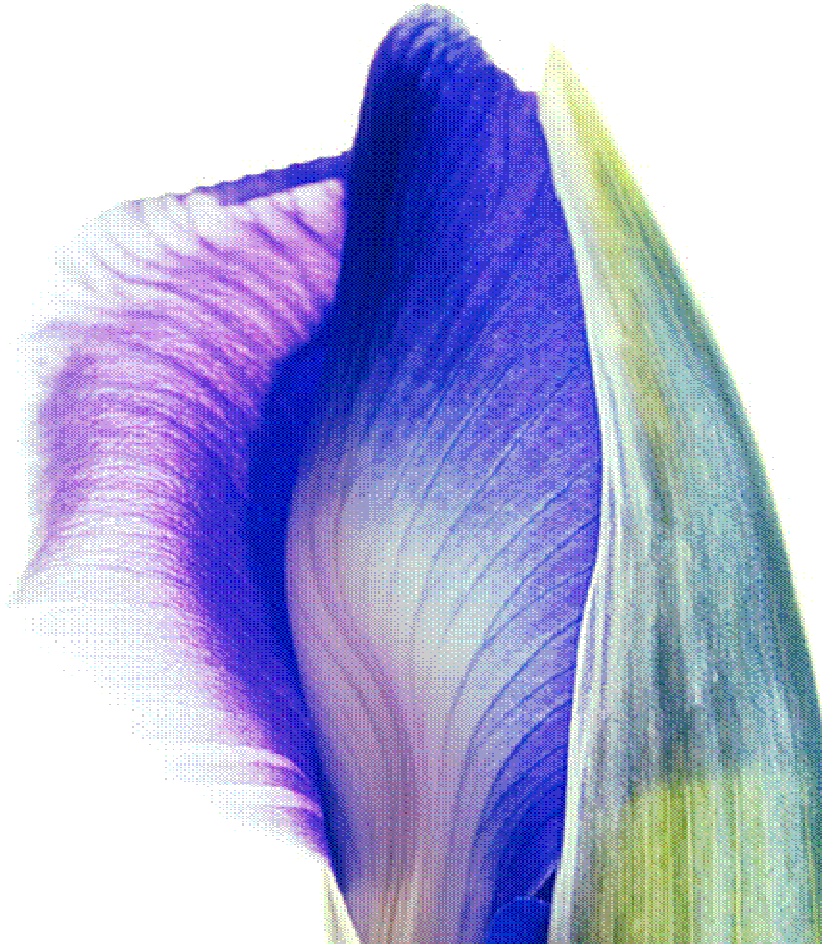
**January 2007**

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**Opinions on CSR (Corporate Social Responsibility) from experts.**

**John Hancock  
Tim Kitchin  
Frances Wells**



## **IN MY VIEW**

Is a series of thought provoking comments on a topic by people who have a passion for it.

In this paper we look at the emergence of Corporate Social Responsibility as a driving force in 21<sup>st</sup> century business.

These views were first published by MyCustomer in January 2007  
([www.mycustomer.com](http://www.mycustomer.com))



## **MAKE RESPONSIBILITY PART OF THE PROCESS**

***John Hancock – Editor of Investing in Social Responsibility and 1999 Ethical Investment Journalist of the Year***

Maybe it's the sort of people who pop up in the media to expound the ideas or maybe it's how the ideas are understood but, for whatever reason, many businesses regard Corporate Social Responsibility (CSR) at best as an irrelevance; at worst burdensome. That's unfortunate. Because it leads those businesses to approach CSR as a box ticking 'compliance with the rules' exercise, to be handled in a way that interferes as little as possible with the core business objectives of growth and profit. And in approaching it in that reluctant and minimal manner, they risk being out of step with the market and missing business benefits that could be accessed by a different attitude to CSR.

Some of the world's largest businesses have already realised the values that can be extracted from CSR. And, as is often the case, their far sightedness looks set to be rewarded in a market where regulations and attitudes towards responsible business processes are now among the significant forces shaping the future. Instead of a 'box ticking' approach, they integrate CSR into their business. The first step is usually a CSR audit of the organisation, its supply chain and customers. A CSR audit tells the management team more than they ever knew about their own business and its operating environment; information that can be applied not only to improve the business's CSR standing but also to better understand the organisation and its markets.

In a knowledge driven economy, the sort of information gained from a CSR audit is of immense commercial value because, by and large, better informed management teams make and implement better decisions.



If CSR is treated as a burden, it will be burdensome; but, embraced as an informed approach to management; it can add financial value as well as supporting good corporate citizenship



## **TESCO'S REGULATOR DODGING BODY SWERVE**

***Tim Kitchen – partner in Glasshouse Partnership and a director of AccountAbility the ethical thinktank and CSR standards body.***

CRM and CSR. Beyond the linguistic overlap, what exactly do they have in common? CSR has always been about corporate behaviour – appeasing shareholders and legislators and mischief-making NGOs? It's about policies and reporting guidelines and tortuous assurance processes. De Beers inaugural stakeholder report, out this month, runs to 160-odd pages! But if you want to see how the world of CSR is changing, just ask Tesco. When Tesco announced its intention to provide environmental impact labelling on all its products, it set out on a road to what Glasshouse has called 'product social responsibility' - empowering individual consumers to make informed purchase decisions based on their own individual ethics. PSR moves beyond traditional CSR and CRM agendas into transactional accountability.

By taking this leap, Tesco is acknowledging its own ethical footprint is a function of its whole value-chain, not just a set of senior management decisions. More importantly, it is actually acknowledging (in a delightful monopoly-popping, regulator-dodging body-swerve) that its ethical footprint is a function of consumers' ethical choices. It is empowering its customers to share the responsibility for Tesco's environmental impact. These customers are thus encouraged to embrace the other face of PSR – 'Personal Social Responsibility'. And it is in PSR – around carbon allowances and credits and road pricing, that the future battles will take place, and the money will be made.

Except, of course, that there is no direct correlation between purchase behaviour and Tesco's supply-chain response – until you introduce three new systems

- 1 A collaborative ERP platform that manages external resource impact up and down supply chains
2. An assurance system that provides detailed and trusted verification of ethical claims (ideally, to save cost, through some simple form of mutual authentication)
3. Most critically, the mother of all CRM systems – which Tesco just happens to have through its majority-owned data partner dunnhumby.

The closer Tesco gets to serving 'segments of one', the more directly it will make the twin manifestations of PSR come alive.

The next step should be a buyer-centric response, beloved of marketing guru Alan Mitchell. Tesco should empowered its customers to manage the own purchase data and gave them the tools to manage-down their biodiversity impact or their carbon cloud.

CRM started by creating transactional data dumps, and has only more recently figured out how to use those to create value. CSR is creating a fully-fledged data mountain. CRM practitioners...get ready to dig.

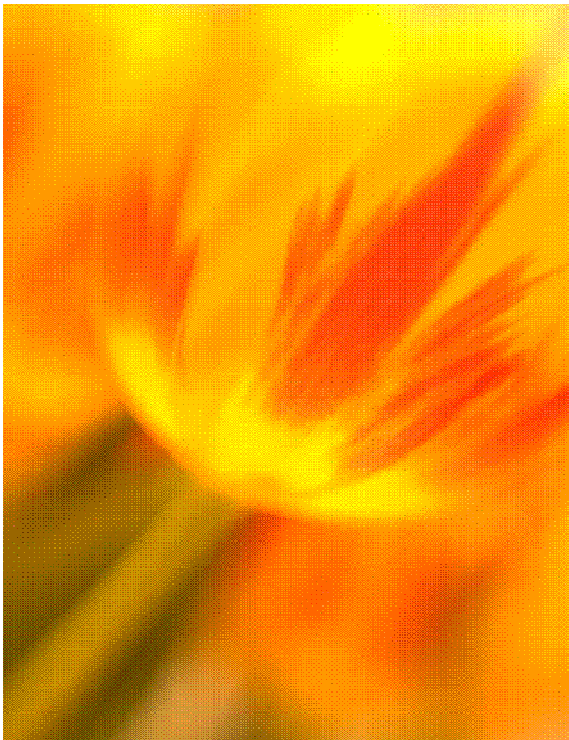


## LOCAL CSR LESSONS FROM YOUR BANK MANAGER

***Frances Wells – Director of FWA Associates and CSR specialist with Mutual Marketing***

When it comes to maintaining a sustainable business there are good reasons why companies may wish to “think globally, but act locally” with CSR. On their local, ‘home front’ they will find two major areas of ‘responsibility’ that can benefit a wide range of company stakeholders.

1. recruiting, retaining and developing the best possible staff as the company’s key asset in a value-added market (particularly one where good customer relations pay dividends),
2. actively putting something back into the host community where company offices and premises are located.



These two strands of CSR are all the more beneficial for being mutually reinforcing.

One of the most effective ways companies can make a valued contribution to a local community is by effecting positive change – for example contributing to community renewal projects run by local not-for-profit partnerships. Rather than simply writing a cheque relevant staff can be involved, through volunteering schemes, or management secondments. This opportunity for staff to tangibly make a difference to a local area brings a myriad of benefits; team building, skills development, innovation into the company, good local PR, and increased staff loyalty.

Companies typically recruit many of their staff from the local area. When staff and would-be recruits see clear demonstration of the company’s commitment to the locality their commitment and interest in the company rises too. Equally, the more that companies work with others to improve the image of an area the better recruits will be attracted to live and work there. Call centres have known this for some time.



To optimise the reinforcing effect of the two CSR strands experience has taught that they should be conceived and organised in a strategic and highly consultative way; crucially, they should be integrated into company strategy, including brand value development, market positioning and product and service innovation.

Many companies now engage in staff volunteering schemes with local charities and projects but they are frequently ad hoc and unrelated to the core identity of the company. At their worst these schemes are seen as cheap staff development with little real respect for building sustainable local communities. By contrast, the most successful are those where the staff themselves have led on identifying their development needs, clear links between external partnering opportunities and company activities and, importantly, have actively engaged the beneficiaries in the community.



In days of old the local bank manager was tasked with integrating his 'role' into the community: to develop partnerships and knowledge of the microcosm around him. This was deemed good business practice but ceased when banks focussed on bottom line costs and moved managers around. There is much that can be learnt from reviving old practices from more social times.



## **BIOGRAPHY**

### **Jennifer Kirkby**

Jennifer Kirkby is acknowledged as a leading analyst and writer on marketing and customer management. She is Director of Mutual Marketing; contributor to many books and journals; and lectures at business schools. She has a degree in economics and following a career in marketing covering everything from research and development to brand management, was a director at Gartner and advisor to the UK Government... She has worked with many Fortune 500 companies worldwide, on customer management and continuously researches its implementation.



### **Alison Zakers**

Alison Zakers is an experienced business strategist and programme director, operating at board level. A Director of Mutual Marketing, she is the specialist in conceiving, developing and delivering Customer Relationship Management capabilities, aligning customer-facing functions with enterprise core processes, skills and systems. Alison has a degree in English and an MBA from Cranfield.



### **Frances Wells**

Frances Wells is an expert on sustainability and CSR and has worked internationally for many years with senior players in a range of sectors at the forefront of these issues. A Director of Mutual Marketing she specialises in developing sustainability strategies and business plans with a particular focus on networks, partnerships and stakeholder engagement. She has degrees in Geography and Landscape Architecture and has played a senior development role in a major sustainability education initiative. An experienced public speaker, she is a professional facilitator, researcher and successful fundraiser and has sat on many committees and boards promoting sustainability in the UK.





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