

Implementing Corporate Social Responsibility (CSR) to Help Drive Tangible Business Benefits

As part of our performance improvement work with many of the world's leading brands Birchman are leveraging company CSR performance to enhance core operational outcomes – both to businesses themselves and their customers.

CSR—just a bit of window dressing?

CSR as a concept has been around for decades known in different forms such as Corporate Citizenship or Sustainable Development. CSR focuses on key Economic, Social and Environmental outcomes generated by a company's activities.

Simply put CSR management should be part of day to day business

One definition of CSR is "Business Behaviour that creates the Trust and Commitment of Stakeholders, both now and in the Future" (MacMillan et al., 2004). However, there are many others. What's clear is businesses now recognise that the success of their business can be both positively and negatively impacted by a much wider range of stakeholders.

CSR is increasingly moving from being perceived as merely being feel good corporate PR "window dressing" to being directly linked to core operational performance.

What's driving the operational implementation of CSR?

Drivers are various; they include **legal compliance** – particularly for manufacturing and distribution firms. Organisations are also placing increased importance on **environmental programmes** to generate **customer loyalty/brand affinity**, identify **cost reduction opportunities** to increase **corporate reputation**.

Simply put CSR management should be part of day to day business. It has been found that organisations which have

embarked on implementing CSR performance management have discovered additional benefits. These include cost reduction and revenue enhancement opportunities, where e.g.;

- The company has a large supply chain and is looking to reduce their logistics/fuel/production costs and carbon footprint.
- They are considering trading carbon credits from the carbon emissions savings they're looking to achieve.
- The business has already implemented Enterprise Resource Planning (ERP) but are looking to implement better performance management, including CSR, across the end to end processes of the business.

Whilst the rationale and benefits for implementing CSR operational metrics are clear, why do many companies find implementation problematic?

At the moment many organisations' CSR IT "systems" will probably be made up of a disconnected set of spreadsheets and databases. Often their ERP solu-

tions and processes are not set up to provide an integrated approach to manage and report CSR activity.

To implement CSR across the organisation IT is seen as an enabler to integration and automating CSR performance management. Performance Dashboards are seen as key tools.

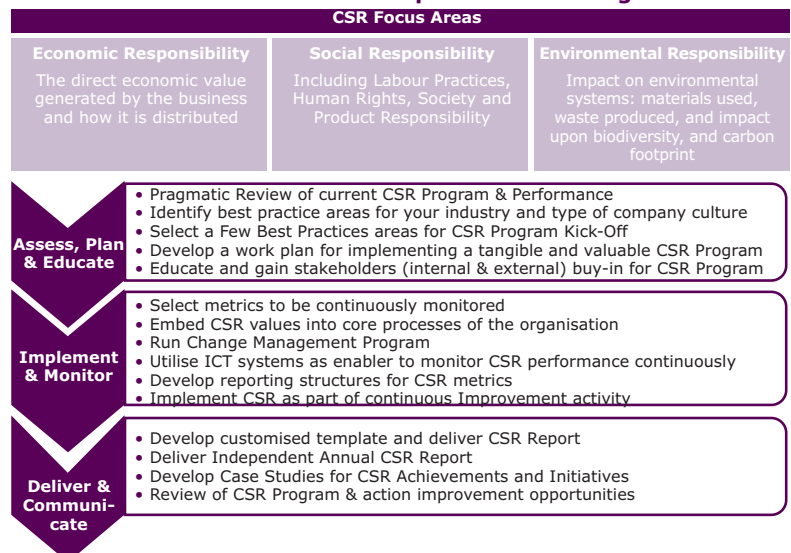
How can Birchman's implementation methodology leverage our existing IT/ERP systems to enable CSR Performance Management directly linked to core operations?

At Birchman we work with international companies to achieve their CSR benefits in sectors such as:

- computer manufacture
- business services
- waste management
- natural resources and manufacturing industries.

Our implementation approach maximises the capabilities of IT to both record and disseminate information across an organisation.

The Birchman Groups CSR Consulting



We utilise a pragmatic approach to first identify the maturity of your organisation's current CSR activity. We then determine key areas of CSR performance which will have maximum positive impact upon the business.

Primary performance metrics are then developed and aligned to core business and IT processes to achieve key operational and strategic outcomes. Post implementation, we then review and improve upon our initial successes. CSR performance can be managed along 4 dimensions — Corporate Governance & Ethics, People, Environment and Contribution to Development. This is illustrated in our framework to the right and is used as a basis for the format of a CSR performance scorecard

We believe IT plays four key roles in CSR implementation;



So how do I go about implementing CSR performance management enabled by my existing IT system?

From our direct experience here are some pointers to transform CSR talk into practical action:

- **Pragmatically review** your Strategy and CSR roadmap
- **Identify those areas of CSR that are material to your industry & company**
- Select just a **few metrics** to start off with
- **Allocate a realistic budget**
- **Embed CSR values in the core processes** of the organisation
- **Share information** relevant to your stakeholders' needs
- Ensure **CSR is a part of your business's continuous improvement activity**

Appropriately executed, we believe CSR as part of an organization's wider performance management activity can help drive tangible business benefit— potentially reducing costs, enhancing customer value and revenues.

For more information, please contact:

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We combine people, process and technology to create a CSR performance management capability

- **Transactional Systems:** Embed the principles in the processes of the organisation
- **Business Intelligence Systems:** Consolidates CSR data and distils it into manageable key performance indicators (KPI's).

- **Intercompany Systems Integration:** enable the standardisation of procedures and extraction/consolidation of KPI's across the organisation's supply/value chain.
- **Portal Applications:** allow the diffusion of CSR information making it available to stakeholders

Our overall implementation model integrates people, process and technology, and overlays this with a business intelligence capability across the organisation. This ensures that CSR outcomes are incorporated within a company's "business as usual" operational activity.

Model for Guiding the CSR Implementation Process

