

Corporate Social Responsibility

What it is and what it might mean for business advisors

by Bob Angel

Given the media attention to ethics and corporate behaviour this past year, you might think that by now everyone in business understands the issues surrounding ethics, governance, and business impact. But such is apparently not the case. The Corporate Social Responsibility (CSR) gap between general business need and competency is as great as ever, the more so as education develops, communication speeds up, and our post-industrialized society become more sophisticated.

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But, what exactly is CSR and what should we consultants be doing about it? On December 4, Steven Cross, of Crossroads Business Development and Cross Group Solutions, answered these two questions in a well-received presentation to the CAMC Toronto Chapter Holiday lunch.

Steven Cross is one of a handful of people in Canada with real hands-on experience in CSR and value-based management. For the past 25 years, he has specialized in both the strategic and operational aspects of corporate responsibility practices, including the business case for CSR investment. His career as consultant and leader includes being a General Manager for Mountain Equipment Co-Op, chairing a Canadian Business Ethics Summit Team, and providing advisory services to clients of the Queens Centre for Enterprise Development.

Challenges

In the first half of his presentation Steven pointed out the three main challenges to even starting meaningful discussions with potential clients about CSR. These challenges are definition confusion, lack of business case awareness, and a discomfort with any ambiguity (in reconciling several goals at the same time). These barriers to good discussion were then explained and advice offered for how to deal with them.

Cross explained the Cross Group solution to the challenges - to package the entire topic within an overall framework called 'the values-based enterprise development model.' In this model the idea of sustainability is elevated to refer to overall organizational and societal sustainability.

What Cross calls the "sweet spot" in this field is the convergence of passion, competency and making money. Cross likes to stress the financial aspects, especially the importance of understanding the reasons behind CSR choices and supporting CSR actions with a viable business case. As Cross emphasized, your client contemplating an investment needs to know if it will make money, or alternatively, offer another form of payback which might be meaningful.

Opportunities

To demonstrate the wealth of opportunity that exists in CSR engagements, Cross pointed out the intersections between the values-based enterprise development model and the current really big and accepted models for excellence in business and leadership. Examples of other tools and models were provided, in particular, Roger Martin's latest work (the Virtue Matrix, HBR March 2002) as an example of what can be done in this field.

The prospect for values-based management is central to Cross Group Solutions, in which I am also a participant. Cross Group is focused on the link between values and value creation and helping clients to operationalize those links as values-based management, with ethics, sustainability, and CSR practices being a key part of the model.

Because CSR exists on the fringe of budgets, Cross says it is best to attach it to one of the three contract keys for consultants - revenue enhancement, cost reduction, or leadership development. Otherwise getting work may be quite difficult.

His advice to consultants is to understand CSR's breadth and depth, especially the challenges, and to show how it makes an impact on the business (both positive from doing and negative from not doing).

Cross sees many talented CSR experts, expounding on CSR philosophy - but in his experience business really only cares about applied CSR. This means that consultants need to think about making ethics, CSR, and sustainability a small (albeit still important) aspect of their service offering. This should help clients to examine and maximize their core values, leading to increasing sales and profits.

About the Author

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