

Investing in Community Investment

What aspect of a corporation's operations has the potential to deliver so much reputation, brand loyalty, sales, recruitment and retention, societal benefit, and profit yet is relegated to the backwaters of planning and decision-making? The answer: community investment. This central aspect of corporate social responsibility, is rarely accorded the priority or resources to make a significant impact — to the bottom line or to the community. The resulting paradox: community investment programs that are not appropriately resourced don't deliver results; and programs without results don't attract internal resources.

Why is the potential of community investment not widely recognized?

One of the reasons may be related to measurement and evaluation. Corporate decision-making and planning is based on evidence and, while there is a well-established arsenal of metrics to evaluate and assess financial performance, methodologies for assessing community investment are new and still evolving.

Another reason may be that although community investment programs have become strategically relevant (i.e. pharmaceutical companies support health issues rather than arts and culture), many do not address the personal social or community issues of one of their primary audiences – employees. As a result, support, engagement and participation remains limited. Further, more often than not, community programs live with a small group of executives and are not deployed at other levels or integrated with other key functional areas.

Finally, with few exceptions, corporate support of social issues and community organizations is done primarily through philanthropic donations of money, products, and services; and through marketing programs (e.g. cause related marketing), and marketing sponsorships. Importantly, however, most corporations simply don't apply the knowledge, creativity, and passion that make them profitable to the social programs they support.

Where are the breakthrough corporate community investment programs? Where are the programs that make a real difference for their corporate and charitable partners? Where are the programs that are enthusiastically supported by management and truly engage employees at all levels?

There are a few notable examples. Canadian based ZENON Environmental is a world leader in water filtration systems for municipalities, industries, land development and emergency applications. They are also applying what they know to help communities in third world countries. To do this, the company has established Water for Humanity, a non-profit, volunteer based program. Under this program, the company's employees and suppliers work together to build water treatment plants for communities in need. The goal is to improve the quality of life in the community through a safe water supply.

“ Our Water for Humanity program has helped our people to understand how their work makes a difference in the world and has engaged their brainpower and creativity in a way that we believe is essential for long term profitability,” Andrew Benedek, Chairman CEO, and Founder of ZENON Environmental, said recently.

At GE, the company's corporate values — imagine, solve, build, and lead —are the cornerstones of its ability to make an impact on the bottom line and on the community. These values are reflected in the extraordinary work of the GE Eflun Volunteers — over 50,000 employees and retirees who are committed to improving the life of their communities. Eflun Volunteers are making a difference in a number of ways. Local charitable organizations benefit from volunteer participation in fundraising and other events. Increasingly, Eflun Volunteers are teaching community organizations essential business skills such as budgeting, resume writing, and training. The program also makes a positive contribution to GE's ability to recruit and retain the best possible employees. Finally, the volunteers feel they've made a real difference to their community while building valuable internal contacts and improving their team working skills.

"I think of GE as both a great and a good Company. Great in delivering financial performance to our shareholders and providing innovative products and services for our customers, and a good Company giving back to our communities, especially through the volunteer activities of our employees. To the worldwide communities last year, GE employees gave over one million hours of service" said Bob Gillespie, Chairman and CEO, GE Canada.

In order to build greater corporate and social value, even corporations who already have strategically appropriate community investment programs will need to bring new thinking to how they operate and integrate their community programs. For example:

Home Depot supports Habitat for Humanity with donations of material and employee participation. Why doesn't the company also use its extraordinary skills at merchandising hardware and building materials to help Habitat for Humanity re-package its ReStores? The ReStores sell quality used and surplus building materials that have been donated largely by contractors with excess supplies. However, the organization has neither the skills nor the resources to professionally merchandise their products or to have more prominent locations for their stores.

Indigo Books and Music supports such worthwhile organizations as ABC Literacy and World Literacy of Canada. Why not leverage its business expertise and experience in support of the obviously appropriate issue of literacy? What would this look like? Perhaps Indigo designed learning centres in inner city schools, community centres, and other social service organizations.

While there are a few remarkable examples, there's still a long way to go for most corporations. Here then are a few more questions to help guide community investment planning so that programs can make a bigger difference: to the bottom line and to the community.

- Do the social issues our company supports “fit” with our business, and address the personal priorities of our employees and our customers?
- Is our community support program included in all discussions relating to building our brand, and increasing market share and customer loyalty?
- Does our community investment program clearly address the social priorities of our customers?
- Do our internal and external audiences clearly know what social issues and community organizations our company supports?
- Is there a way to incorporate our community support focus into our core business?
- Do we provide our managers with the time and budget to implement effective, measurable programs that support strategic business goals and build on our company's community investment priorities?
- Do our employees have the opportunity to apply what they know to help the community organizations that our company supports? And, are they enthusiastic about doing so?
- Does our community investment program incorporate or demonstrate our company's commitment to the environment and to human rights?

About the author:

Paul Klein is the Founder of Paul Klein + Associates. Paul Klein + Associates helps companies to improve the returns on one of their most important investments — the communities where employees, customers, and business partners live and work

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