

Purposeful Pursuits

Navigational tips for managers charting their company's social commitments

BY PAUL KLEIN

ALTHOUGH YOUR COMPANY'S business purpose is probably very clear, its role in society is likely to be much more difficult to define. Simply put, a corporation's social purpose starts with the direct social impact of its products and the environmental impacts of its operations. It also encompasses engaging employees in community initiatives, alignment with social issues and support of community organizations.

Here are the most fundamental questions that people responsible for social-purpose programs should be asking themselves:

Are we aligned with the right social issues? There are still many cases where a corporation's stakeholders aren't clear about why a company or brand is supporting an issue—even if the company has an authentic commitment to doing so.

Are we addressing issues that are relevant to our customers and other stakeholders? Companies that take the time to keep their "fingers on the pulse" of what matters most to their stakeholders will be able to build loyalty and engagement because they take a real interest and are prepared to help out in whatever ways are most appropriate.

Are we working with the right nonprofit partners? A charitable registration number isn't a guarantee of best practices. Productive partnerships with the right organizations can provide new marketing and sales channels, new business opportunities, more influence with regulators and an ability to make the most effective use of corporate resources.

Are we able to communicate effectively and authentically? Consumers and other

stakeholders have become skeptical of tactical "social promotions" that are disguised as authentic commitments to a social issue or cause. Further, companies that excel at marketing their core competencies may not know how to communicate their social purpose programs. The arsenal of conventional communications

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tools may need to be bolstered or replaced by other initiatives such as communicating with and through charitable partners.

Can we demonstrate the business value of our social purpose programs? Managers who can't demonstrate their program's material contribution to the corporation's core business risk being marginalized and their programs remain vulnerable to being reduced or eliminated. The best way to garner resources and kudos (and avoid criticism) is to gain executive level buy-in by demonstrating the business value of the company's social purpose programs. This is best accomplished by having a "champion" at the executive level; using the same metrics as in other operational areas; issuing progress reports that coincide with other internal reports; benchmarking and evaluating as needed to foster continuous improvement; and eliminating programs that aren't performing.

Here are a few starting points:

1. Look backwards: Find out everything you can about what was important to

your company's founders, and what its original business purpose was. Today, for example, Wal-Mart has outreach programs led by local associates who grew up in the area and understand its needs.

2. Start on the inside: Understand the social attributes of the products and services you offer, the values that help define your corporation's culture, and your employees' social priorities. Home Depot's support of Habitat for Humanity is a good example of this.

3. Understand the external context: Find out what issues matter most to your customers, consumers and business partners, what issues competitors are aligned with and how they are deploying and communicating their social purpose programs, and the social priorities of the communities in which the company does business. GE's ecomagination program benefits society and its customers by creating environmental solutions that are also economically advantageous.

4. Find the best partners: This means identifying nonprofit organizations that are in the "business" of social change and developing program-based partnerships. Starbucks partners with the African Wildlife Foundation, which helps secure government approvals; identifies project sites; and adapts Coffee and Farmer Equity (C.A.F.E.) practices while also ensuring a better livelihood for local farmers.

5. Start small: Corporations shouldn't broadcast their social purpose until they can back up what they're doing in a way that really demonstrates their commitment. Often this means starting with a pilot project that can be improved and expanded over time.

And, finally, when charting social purpose, it will always be important to remember the message on a sign hanging in Albert Einstein's office at Princeton: "Not everything that counts can be counted, and not everything that can be counted counts." **CRO** Paul Klein is President of Impakt Corp. and Director of the Continuum Network.