



# Integrating CSR Into Your Business

By Matt Spaulding, President, Spaulding Communications

*Editor's Note: This is the **first** of two articles on how to effectively integrate a corporate social responsibility program (CSR) into a business and how to grow it through strategic communications.*

## THE CASE FOR CSR INTEGRATION TODAY: THE GREEN CONSUMER AND BUSINESS CONVERGENCE

At no other moment in history has the awareness and demand of “green” been greater for both companies and consumers.

Consumers are concerned about unpredictable prices at the gas pump, increasing energy bills, questions about reliable food sources, depleting natural resources (including a fast-shrinking clean water supply) and climate change. These factors, and more, are forcing people to rethink what they buy and where they buy it. Yet even in the face of the current economic crisis where consumers are diligently watching their budgets, their green purchasing mind-set has not waned. In fact, according to a 2009 Boston Consulting Group report, “consumers systematically purchased more green products in 2008 than in 2007. Moreover, more consumers were willing to pay a higher price for products deemed to be of higher quality.” This surge in green consumerism can be attributed to the fact that – depending on what green means to the consumer – it can provide money savings (like an energy efficient HVAC system), health benefits (like organic, natural foods) and even safety (like less CO2 emissions).

Companies, meanwhile, have their own concerns and set of challenges. Even before the current economic downswing, companies were facing severe pressure across a myriad of issues, including: rising raw material costs; increased global competition; never-been-seen-before public scrutiny of their products and processes; new government regulations (local, federal and international); and an emerging (if not ever-shifting and younger) workforce that expects and oftentimes demands corporate responsibility, accountability and transparency.

With this backdrop, today’s business landscape for U.S. companies is just as much about survival as it is about growth. Nonetheless, a 2008 McKinsey & Co. survey found that 90 percent of companies said they are doing more now than they were five years ago to incorporate environmental, social and governance issues into their core strategies.

Like consumers, companies continue to go green, even in these tough times. Why? There is a real business case for being environmentally responsible and communicating that effectively. Companies realize that when designed and implemented correctly, a CSR strategy can meet both ends of business success: A reduction of risk and cost, and an increase in revenue and brand value.

“According to a 2009 Boston Consulting Group report, consumers systematically purchased more green products in 2008 than in 2007.”

“There is a real business case for being environmentally responsible and communicating that effectively. Companies realize that when designed and implemented correctly, a CSR strategy can meet both ends of business success: A reduction of risk and cost, and an increase in revenue and brand value.”

“A 2008 McKinsey & Co. survey found that 90 percent of companies said they are doing more now than they were five years ago to incorporate environmental, social and governance issues into their core strategies.”

**“The true value of deploying a sustainable strategy comes from ensuring that every element of a company’s business is considered.”**

**“According to Gregory Unrich in a 2008 Harvard Business Review article, ‘Sustainability should not be a distant, foggy goal, but rather a real destination.’”**

**“A thorough review across the entire enterprise is needed, as well as an audit that identifies ways in which all partners in the value chain can reduce, reuse and recycle.”**



No matter the industry, product or service, organizations of all types should develop their sustainability strategy from both a holistic business and strategic communications view. Doing less means business advantages will not be fully realized.

### **INTEGRATING SUSTAINABILITY INTO YOUR BUSINESS:**

The true value of deploying a sustainable strategy comes from ensuring that every element of a company’s business is considered. It starts at the top by keeping in mind two of any company’s most important assets and guideposts: its mission statement and its brand. Does the green vision management have in mind align with the company’s mission statement and brand? Is it in line with the company’s philosophy? If not, this needs to be discussed and evaluated. David Olsen, president and CEO of [Patagonia](#), a designer of outdoor clothing and gear, says this about sustainability integration: “If you overlook any piece in the puzzle, there is a good chance you’ll miss it all.”

A comprehensive CSR program requires an organization to integrate its environmental thinking across its entire enterprise. It begins by developing a business plan and a goal. It includes a review of processes and products. And finally, it includes a synergistic strategic communications program to help share, build and grow it.

### **STEP ONE: SET A PATH AND A GOAL (PLAN)**

There’s an old saying, “If you don’t know where you’re going, any path will take you there.” For many companies, this phrase could be their green strategy: taking any path that comes along, but never reaching (or at least heading to) a defined destination. According to Gregory Unrich in a 2008 [Harvard Business Review](#) article, “Sustainability should not be a distant, foggy goal, but rather a real destination.” Many companies are putting a stake in the ground by definitively declaring their green goals.

[Interface](#), a leading carpet manufacturer, uses the slogan “Mission Zero,” which is their promise to eliminate any negative impact on the environment by 2020. This goal sets a real target and date for what they are trying to achieve. Customers and end-users can easily understand this, while at the same time it motivates their employees, suppliers and partners to reach a common and well-understood “finish line.”

### **STEP TWO: WORK IT IN (PROCESSES)**

Once a clearly defined goal is established, an organization next needs to review its operations and processes. This is the stage where an organization should ask itself, “Where and how can we be more sustainable?” A thorough review across the entire enterprise is needed, as well as an audit that identifies ways in which all partners in the value chain can reduce, reuse and recycle.

[Shaw Industries](#) (client), the world’s largest carpet manufacturer and a Berkshire Hathaway company, is at the forefront of developing environmentally friendly processes that reduce waste, energy consumption and dependence on raw materials, while still offering superior products that contain recycled content. The company utilizes a production system that takes carpet back at the end of its useful life, separates the backing and nylon from other components and then re-manufactures those broken-down products back into new carpet products. This process, known as [cradle to cradle](#), seeks to create production techniques that are not just efficient, but are waste free. In cradle to cradle production all material inputs and outputs are seen either as technical or biological nutrients. Technical

nutrients can be recycled or reused with no loss of quality and biological nutrients composted or consumed.

So, for example, Shaw's Zeftron® nylon (client), a premium nylon brand for commercial carpet products, is a material input and output that contains a minimum of 25 percent recycled content. Because of its chemical composition (nylon 6), Zeftron nylon can be used again and again in new carpets without losing any of its original quality. This breakthrough enables Shaw to rebuff skeptics and critics who say products made of recycled material are not of the same quality or performance as originally-made products. Just as importantly, it enables the company to reuse its own input materials while relying less on expensive raw input materials such as oil, the primary input for both nylon and backing. As a result, Shaw is gaining significant cost savings and reducing its dependence on fossil fuels. Finally, for customers, specifiers and end users, Zeftron nylon qualifies for Leadership in Energy and Environmental Design (LEED) credits through the United States Green Build Council (USGBC). The USGBC is one of the leading non-profit organizations dedicated to sustainable building design and construction.

### STEP THREE: PACKAGE IT UP (PRODUCT)

Developing a green product for customer use should take into consideration such elements as its eco-friendly packaging, its green contents, its pricing and the benefit it provides over other similar products. It should also provide "inspiration" about how the customer can live more green. A report from the Environmental Defense Fund cautions the following when it comes to green design and packaging: "Solving environmental problems – and capitalizing on environmental efficiencies – happens most effectively *not* after the product is produced, but in the design stage."

Patagonia is one company that takes all these elements into consideration. Using a trademarked recycling system, customers are asked to wash their old Patagonia clothing and return it by mail or through a local retailer. This initiative engages customers by asking them to be more green while keeping product out of landfills. The company has also developed a polyester fleece made of recycled plastic bottles, which has helped divert more than 86 million bottles from landfills to date.

### STEP FOUR: SHARE IT, BUILD IT, GROW IT (STRATEGIC COMMUNICATIONS)\*

This fourth step is just as critical as the other three. When deployed correctly, a strategic communications plan can do more than just "promote" an organization's CSR program. Only communications (not advertising) – through its traditional means and now web 3.0 – can fully engage audiences to create dialogs that can feed and enhance a CSR program.

There is an art and a science to sharing, building and growing a CSR program through strategic communications. And just like a business CSR program itself, a strategic communications program can also reduce risk and cost, while increasing brand value and revenue.

### A CAVEAT BEFORE EMBARKING

Developing a holistic, enterprise-wide CSR strategy can be daunting. As a result, it requires an honest assessment about what can and cannot be done within existing resources, such as budgets and personnel. Companies need to identify immediate action items that can be leveraged into a strategy, while keeping a long-term view of its vision and goals. Patricia Caulkins, vice president of sustainability for Xerox, says that understanding

**“Developing a green product for customer use should take into consideration such elements as its eco-friendly packaging, its green contents, its pricing and the benefit it provides over other similar products. It should also provide inspiration about how the customer can live more green.”**

**“There is an art and a science to sharing, building and growing a CSR program through strategic communications. It can reduce risk and cost, while increase brand value and revenue.”**



**“Not everything can be done today or within current resources, but starting where the biggest opportunities are while setting a path to the future is imperative.”**

**“The convergence between green consumerism and green business is happening at the same time as web 3.0 – where people (and organizations) can easily connect with other people while accessing information and communicating faster than ever before.”**



where an organization's biggest impacts are and focusing on business opportunities from the product's life cycle are the biggest challenges to an organization's green transformation. Not everything can be done today or with current resources, but starting where the biggest opportunities are while setting a path to the future is imperative.

### **SUMMARY**

The “green movement” is not a fad. Studies show consumers want green products and will continually pay a higher premium for them. Research also shows that more and more companies are implementing environmental stewardship programs not just for marketing or “feel good” purposes, but because they can realize tangible, bottom line benefits. Additionally, consumers now expect companies to have at least some social responsibility aspect to their business.

The convergence between green consumerism and green business is happening at the same time when web 2.0 is in full bloom and web 3.0 is just emerging – where people (and organizations) can easily connect with other people while accessing information and communicating faster than ever before. Organizations that realize this dynamic know there are both challenges and opportunities ahead for their business. How they meet those challenges and opportunities will depend on a number of factors.

Yet one thing is clear: a strategic communications program – one that can clearly articulate a vision and relevance, while also being credible and engaging – should be at the heart of any corporate responsibility program. If it's not, an organization loses its ability to reduce risk and costs, while at the same time could face losing profit and brand value.

*Matt Spaulding is the president of Spaulding Communications and has nearly 20 years of experience in public relations and strategic communications. Since founding Spaulding Communications in 2002, he has been helping companies develop communications programs that advance their brand while meeting their business and corporate social responsibility goals. For more information, visit [www.spauldingcommunications.com](http://www.spauldingcommunications.com).*

---

\*The second article provides suggested steps for sharing, building and growing a CSR program through strategic communications.