

MAKING THE 'RIGHT' CHOICES FOR YOUR BUSINESS

Resource adapted from The Social Role of Business, "Business guide: Engaging in Corporate Social Responsibility", Sustainable Business Council, 2010

There is a wide range of New Zealand businesses and opportunities for engagement in our communities. There is no "right" way for engagement decisions to be made – rather choices are made on a "business-by-business" approach.

The Business-Value Case

Nearly 2.4m New Zealanders think more highly of companies that support charities or worthy causes. They are part of a growing global trend that is seeing consumers taking an increasing interest in how companies are behaving socially, environmentally and culturally. These "Consumers who Care" form an attractive and challenging marketing proposition as they are bound together by a common behaviour; they have a strong preference to actively support companies that are making a positive difference in society.

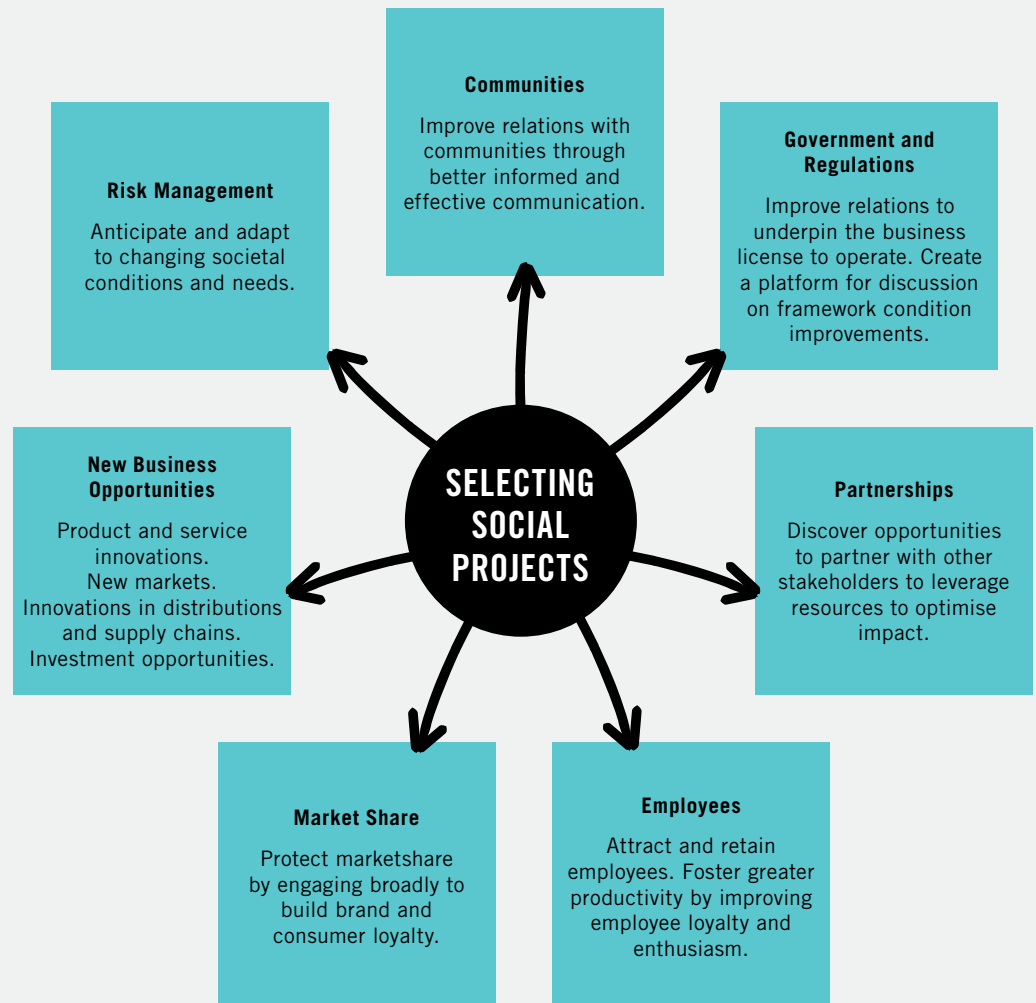
*Based on all people 10 years and over and sourced from Nielsen Media Research Panorama Jan-Dec 2007/ Nick Jones & Associates Ltd.

These consumers see supporting charities and worthy causes as part of a company's responsibility. The returns for the company include customer loyalty and sales. Key findings*:

- 67% of the population (2.4m people) agree they think more highly of companies that support charities and other worthy causes;
- 54% of the population (1.93m people) agree they feel more loyal to a company that aligns itself with a charity or worthy cause;
- 50% of the population (1.8m people) agree that when buying a product or service from a particular company, it is very important to them that the company shows a high level of social and/or environmental responsibility;
- 36% of the population (1.29m people) agree that large companies don't really care about the long term social and environmental impact of their actions;
- 51% of the population (1.83m people) agree they would like companies to tell them more about how they are making a positive difference to society or the environment so they can support them;
- 53% of the population (1.9m people) agree that buying products from a company that supports a charity or worthy cause helps them to feel they are making a difference to society or the environment;
- 33% of the population (1.2m people) agree they would like companies to support charities or worthy causes because they personally don't have the time or resources to do it.

There is no single or universal determinant for businesses selecting how to support their community. Selecting the best way to improve community outcomes and how business can best add value is generally addressed across a range of levels, including new business opportunities, employee interests and risk management.

The following diagram offers some prompts to consider when thinking strategically about community partnerships.



Developing a strong business case which defines the potential competitive advantage and enhances the value-add proposition of community initiatives is a smart move for SMEs and essential for whole of business buy-in in larger organisations.

For SMEs a strong business case can ensure a more valuable, strategic, long-term relationship that benefits both the community organisation and the SME.

Initial steps in engagement

Many NZ businesses support community organisations through in-house activities (e.g. gifts in kind or sharing skills or networks) before picking up further external elements such as sponsorship, pro bono services and partnerships. Businesses often adopt a portfolio approach to engagement in the community and routinely review and align this portfolio with their strategic plan. This might, for example, be a mix of skills exchange, volunteering, gifts in kind and providing donations.

Key questions for businesses thinking about supporting community organisations

1. What are the challenges in my community that impact my business, staff and/or my customers which I would like to change?
2. Who is already working in the community to solve these challenges and how could we work together?
3. What are the resources I can afford to commit to the community (time, knowledge, skills, networks)?
4. How can we make this happen and set it up for success?
5. What is the value of this engagement/relationship to my business and are there ways my customers and employees could be involved?

Did you know? You can find charities in your local area by searching on the Charities Register: www.charities.govt.nz

Simply click on “advanced search”, and select the things that you’re most interested in learning – for example charities that work with a particular cause, and in a particular area.