

# In search of Responsible Excellence

How Corporate Social Responsibility stimulates innovation and creates value

*In search of*

# Responsible Excellence

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10 modules in 4 days 

1 2 3 4 5 6 7 8 9 10

1. Sustainable Development – the political agenda
2. Corporate Social Responsibility – a business agenda
3. Sustainability and Innovation
4. Case study – A mobility breakthrough
5. A corporate case – Holcim
6. Stakeholders and boundaries
7. Case study – a mobility breakthrough
8. Value creation – difficulties and evidence
9. **Responsible excellence – a performance model**
10. Responsible Excellence and the real world

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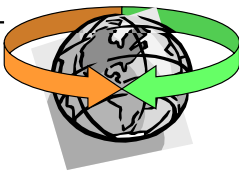
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*First things first*

**Business case**  **Principles & values**

Principles & values **Business case**

**Business models « are at heart, stories – stories that explain how enterprises work »**

Joan Magretta: What management is: how it works, and why it's everyone's business (Free Press, 2002)

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# In search of Responsible Excellence

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*A never ending cycle of improvement*

- **Act** on the top opportunities by setting specific performance objectives
- **Plan** the resources and steps to achieve the objectives
- **Do** what is planned to reach the objectives
- **Check** the results achieved against objectives and plans
- **Act** to correct deviations, integrate learning from doing and set objectives for further improvements

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*A performance framework*

4 categories of management elements

**Vision**  
what organization do we want to become?

**Enablers**  
Who will get us there and by which means and practices?

**Results**  
what improvement and impact will we make?

**Reporting**  
how do we measure and communicate our achievements?

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*Performance enablers*

Business strength is based on elements that, together, are necessary and sufficient to ensure excellence in every objective the business chooses to pursue.

**Competitive advantage**  
balance and perfect integration, difficult to imitate but valued by customers.

Elements independent of size and activity.

But performance skills and tools vary with activity and the cultural environment where the business operates.

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*Holistic results*



Wider business boundaries:  
an organization that interacts with partners, nature and communities in many ways through its material, financial and information flows.

**Results** include

- ✓ The core financial and direct operational output parameters.
- ✓ The progress the organization makes in the efficiency of the enabling elements.
- ✓ Impacts and benefits for society
- ✓ The perception by employees and key partners in the value chain.

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*Vision*



A shared ambition to achieve a highly desirable future (or survive a close and immediate threat).

**Trigger** events.  
Public relation or competitive crisis  
Visionary management with core values and a purpose greater than profit alone.

Vision is not formed in ivory towers. It is best grounded in dialogue with employees, key stakeholders and the younger generation.

A key responsibility of top management to make sure that a vision is formulated.

**Toolbox**

- ✦ Millenium Development Goals
- ✦ Global Compact principles
- ✦ Factor 4-10 thinking
- ✦ Employee and stakeholder dialogs
- ✦ Understand weak & persistent socio economic signals

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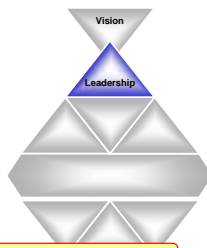
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*Leadership*



Leadership is

- to know what is important for the business
- To decide priorities to move from current reality toward the vision
- To ensure coherence between Vision and all other enablers
- Not a unique person
- Everyone's responsibility at various moments and levels
- About tough choices

**Toolbox**

- ✦ Various situation assessment tools (SWOT)

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*Empowerment*

Releasing the full potential of people through

- Training and learning
- Dialogue and listening
- Personal and team objectives
- Rewards for performance and breakthroughs
- Recruitment profile
- A spirit of partnership

**Toolbox**

- ✘ Global Compact training kit
- ✘ UNEP training resource kit
- ✘ Raising the Bar, Greenleaf

**Power, like knowledge, can be delegated without losing it**

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*Policies and strategies*

**Policies, Codes of Conduct**

- Set of rules that steer towards vision and away from risks
- Delegate decision power
- Must be coherent
- Understand how to resolve dilemmas

**Strategy**

- A credible story of change toward the vision
- Focus on what drives value
- Seek unique combination, difficult to imitate
- Attention to intangible value drivers
- A shared story of progress

**Toolbox**

- ✘ The GC principles in practice
- ✘ Human rights compliance
- ✘ Eco-efficiency approach
- ✘ Business principles against bribery
- ✘ CSR guides

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*The allocation of resources*

Vision, strategy are only as good as the resources to implement.

- Time
- Knowledge
- Technology
- Material assets
- Finance

**Toolbox**

- ✘ Activity Bases Accounting
- ✘ CARE, computer aided resource efficiency; Wuppertal Institute

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*Innovation and processes*

Quality processes are

- ✓ Effective, 6  $\sigma$  or stretched targets
- ✓ Efficient

at 3 levels

- ✓ People in their jobs
- ✓ Processes
- ✓ Organisation

through

- ✓ Goals and targets
- ✓ Best design – re-engineering
- ✓ Management of the integration and outside interfaces

**Toolbox**

- ✳ Process standards: SA 8000, ISO 14 000, AA 1000
- ✳ Eco-design and life cycle
- ✳ Environmental assessments
- ✳ Supply chain audits, benchmarks

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*Influencing or satisfying commercial partners*

**Toolbox**

- ✳ Supply chain reviews
- ✳ Customer surveys
- ✳ Vertical partnerships for CSR progress
- ✳ Ethical Trading Initiative

More buyers care about the social and environmental "footprint" of their purchases.

Opportunity to seek suppliers and customers with shared values

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*People satisfaction*

**Toolbox**

- ✳ Socially sensitive restructuring
- ✳ Labour rights self assessment
- ✳ Employee surveys and feedback
- ✳ Betterworkplacenow.com

Basics, worldwide

- ✳ Health & safety
- ✳ Working hours
- ✳ Equal opportunities
- ✳ Remuneration
- ✳ Freedom of association
- ✳ Participation

Beyond

- ✳ Personal development
- ✳ Purpose and meaning
- ✳ Fit
- ✳ Relationships

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*Impact on society – local, global*

**Toolbox**

- ✳ CSR guidelines
- ✳ Advisory panels
- ✳ Stakeholder partnerships
- ✳ Accountability standard AA1000

**Society**

- local communities where the company operates
- human right, labor, environmental organizations
- business networks
- the new sector of rating consultancies

Local → license to operate  
Global → license to grow

Define boundaries and responsibilities.  
Understand risks of inertia  
Understand value of credibility

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*The bottom line(s?)*

**Toolbox**

- ✳ Global Reporting Guidelines
- ✳ UN Global Compact Communication on Progress
- ✳ WBCSD guideline Striking the balance

Select meaningful indicators for

- Output performance
- System improvements

Materiality test

All aspects (risks, opportunities) that are relevant to make an informed judgment about the value of the business

Extent and form of public disclosure

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*Managing stakeholder dialog*

A search of new forms of governance and interactions to better steer the limited liability company towards social objectives.

But business cannot become casually everyone's business.

Best linkages with

**Vision**  
**Leadership**  
**Impacts and outputs**  
**Communication on progress**

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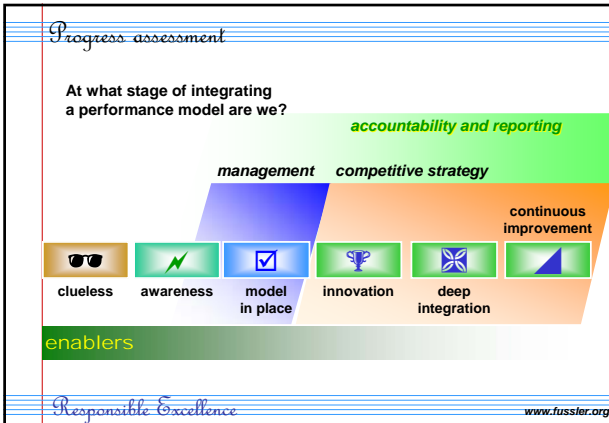
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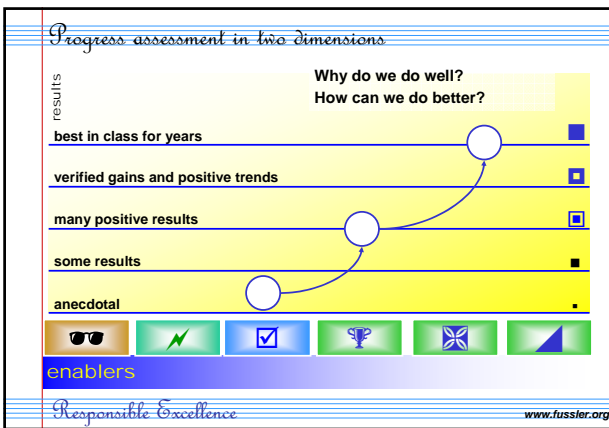
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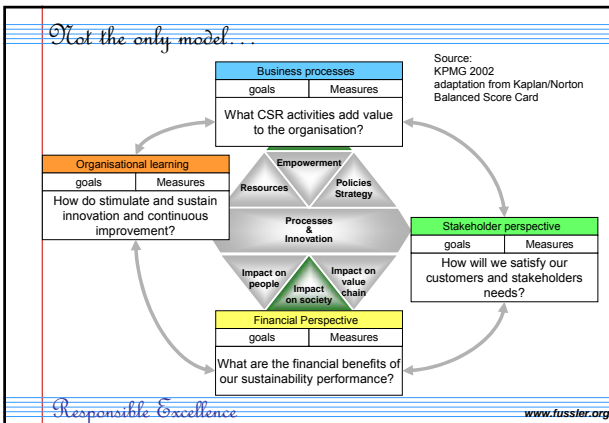
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*Selected Sources*

Web	Books and Publications
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