

# ELEMENTS OF A WINNING CSR STRATEGY

*Creating a strong business and building a better world are not conflicting goals – they are both essential ingredients for long-term success –  
William Clay Ford Jr. Executive Chairman, Ford Motor Company*

Corporate social responsibility encompasses dual objectives—pursuing benefits for business and for society. Companies are likely to have activities scattered across the map, but that’s not where they have to stay—nor is it how the benefits of CSR are maximized. Many companies start with pet projects, philanthropy, or propaganda because these activities are quick and easy to decide on and implement. The question is how to move toward CSR strategies that focus on truly co-creating value for the business and society.

Issued by:

**AMERICA FOR  
BULGARIA  
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# THE KEY STEPS OF A SUCCESSFUL CSR POLICY



## Get CSR on the Strategy Table

CSR must cease to be a separate function and become part of the skill set of all business leaders as an innovative way to solve critical problems.

- Isn't the government or someone else handling this?
- What will our stockholders think of our involvement in this issue?
- Is this something our employees can get excited about?
- Won't this encourage others involved in this cause to approach us (bug us) for funds?
- How do we know this isn't the "cause du jour"?
- Will this cause backfire on us and create a scandal?
- Is this something our competitors are involved in and own already?



## Define a Business-Based Purpose

The best CSR programs are ones that can easily relate back to your business. Brainstorm ideas based on your business goals and company offerings.



## Implement CSR with Consistency and Determination

■ Go in with a Long-Term Commitment: Having a positive impact on societal issues such as living standards is not a "quick fix" project. Leaders who want to succeed need to have a long-term mindset backed up by solid promises and measurable commitments and actions. Your initiative must demonstrate added value to both shareholders and stakeholders over time.



## Concentrate Efforts

Instead of trying to support a large number of causes with different initiatives, select a defined focus for your corporate social responsibility program. This can help you define and develop your brand.

■ Engage the Entire Workforce and Lead by Example: Your workforce can be one of your greatest assets and beneficiaries when it comes to CSR activities. Increasingly, employees are choosing to work for



## Choose a Social Issue by Answering the Following Questions:

- How does this support our business goals?
- How big of a social problem is this?

organizations whose values resonate with their own. Attracting and retaining talent will be a growing challenge in the future, so activities that build on core values and inspire employees are key. Engaging the workforce starts at the top. Leaders must be prepared to make a personal commitment if the activities are to realize their full potential.

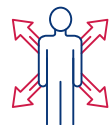
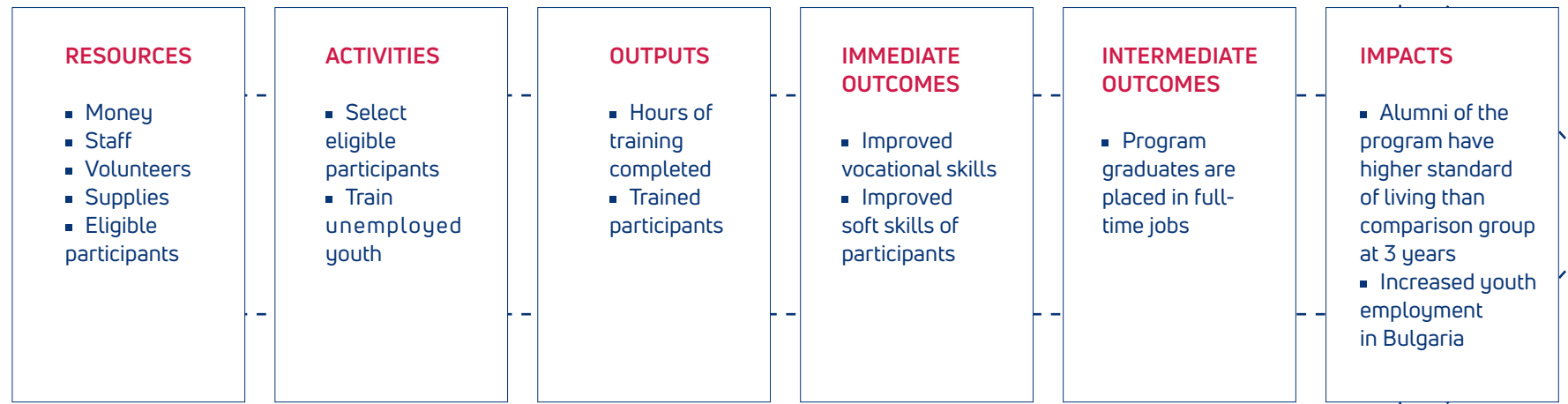
- Take an Action - Develop and Implement CSR Initiatives: Taking action, rather than speaking about it, and keeping up the momentum even when targets are far in the future is the tough bit of the process. As you plan the implementation of your chosen initiatives and follow through, ask: Can we build the commitment we need across the organization to make this happen—and are we as leaders willing to lead by example? Have we planned effectively to ensure that implementation is successful, with resources, milestones, measurement, and accountability? How can we manage the initiative, focusing on the total array of benefits sought, not just the short-term financials?

- Strive for Measurable Impact: Taking on too much in your CSR program can lead to failed promises and false expectations, which can be bad for your brand image. When deciding on your CSR policy, think about the noticeable changes you want to get out of your program.



**Partner: Do Not Always Do It Alone, Find the Right Partners!**

These will be those that benefit from your core business activities and capabilities—and that you can benefit from in turn. Partnering is difficult, but when both sides see win-win potential there is greater motivation to realize the substantial benefits. For companies that see CSR as an opportunity to strengthen the business, the big challenge is execution. Smart partnering can provide a practical way forward.



**Measuring the Impact of Your CSR**

Don't forget that CSR pursues dual objectives –

benefits for business and for society! Use relevant measures and use appropriate language for the different audience you are talking to.

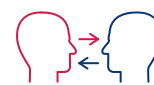
- To capture the social effect of your CSR, start with developing a Theory of Change that clearly defines what behavioral changes you expect to occur (outcomes); Develop metrics that would tell you whether you are getting there (key performance indicators) and collect baseline data for them; and Evaluate!

- To help outline, identify, and measure the impact that CSR has on your company's performance, you can use the "5 R Framework." This framework can be used to show linkages between CSR and key areas of the business, and can help quantify the strategic importance of CSR to your company. The 5 R Framework is an effective tool for measuring and reporting on the ROI of CSR

**TYPE OF INDICATORS**

Type of Indicator	Example
Counts	# disadvantaged people completing training # children enrolled in primary school
Proportions: rates, ratio, percent	% participants with higher standard of living than comparison group at 3 years % participants placed in jobs
Composites: number of indicators having an empirical relationship	Local Integrity System Index for Bulgaria: anticorruption capacity, role and importance of the municipal council, mayor, municipal administration, political parties, judicial bodies etc. NGO Sustainability Index for Bulgaria: legal environment, organizational capacity, financial viability, advocacy, service provision, infrastructure, and public image.
Presence / absence of a condition:	National plans for kindergarten fee reduction

in an organized and strategic way that will resonate with executives.



**Share Your Stories**

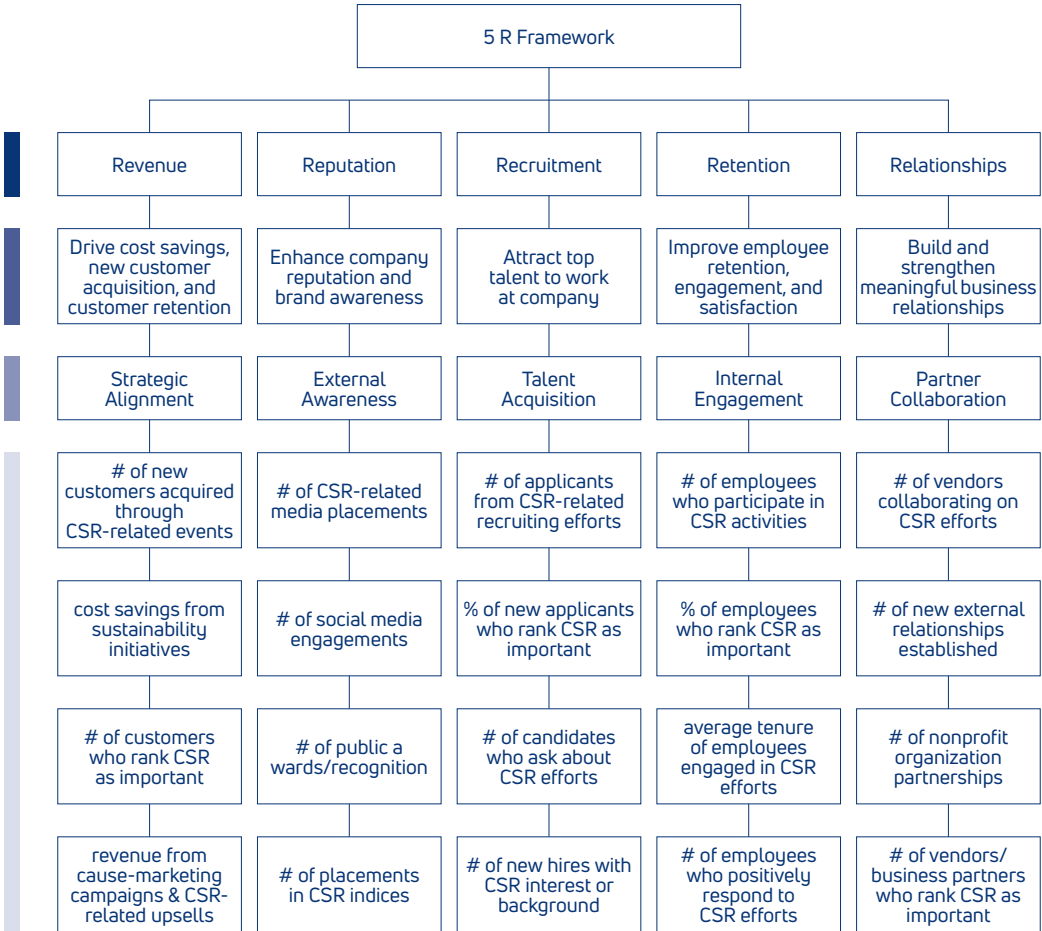
Share your success and impact in order to build awareness and grow your CSR program.



**Be Honest and Transparent**

Above all, you want to create a CSR program that is transparent with your employees and customers. Select something meaningful that can make an honest impact in the community.

## MEASURING THE ROI OF CSR - THE 5 R FRAMEWORK



**IMPACT AREA**
 **KEY DRIVER**  
 **GOAL**
 **POTENTIAL METRICS**

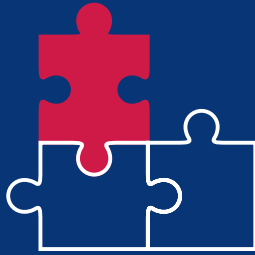
Created by Katie Emick



### How Can America for Bulgaria Foundation Help?

With ten years of grant activity in Bulgaria, 850 supported initiatives and over \$200 million committed – America for Bulgaria Foundation (ABF) has a wealth of experience. ABF grantees work

throughout the country, impacting every region, from cities to villages. ABF and its long-term partner, the Bulgarian Donors Forum, are available to offer capabilities, knowledge, resources, and relationships that would make a difference in addressing the challenges that you have identified. Tap into the growing pool of opportunities that smart partnerships can bring to all of us!



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