SUMMARY

From April 16 to 18, 2012, the Business Civic Leadership Center (BCLC) convened more than 300 representatives from business, government agencies, and nonprofits to discuss corporate citizenship as it relates to the future of the United States. The conference included the following:

- Plenary discussions on systemic social change in communities, social innovation, and veterans employment.
- Breakout sessions on public-private partnerships and business solutions to volunteerism, health and wellness, environmental innovation, education, and community and economic development.
- Announcement of the 2012 goodpurpose® study by Edelman, which explores consumer attitudes about social purpose and business.

The corporate citizenship field presents an extraordinary opportunity to help support a vibrant and competitive society. The goal of the conference was to identify how stakeholders can work together so that this field delivers sustainable results in local communities around the country now and in the future.

“Being a socially responsible organization is seen as an important corporate strategy. In an era of authenticity and reputation, doing good is an integral component of doing well. Customers, employees, and investors are looking for relationships with businesses and organizations that are mutually beneficial, durable, and long-standing. The BCLC conference helped me connect and learn from the smart people in the CSR field, which is helping us improve the effectiveness of MGM’s CSR strategies.”

Clark Dumont
MGM Resorts International
COMMUNITY DEVELOPMENT: BE FEARLESS AND BE INTENTIONAL

As businesses, government, and nonprofits look to create systemic changes in local communities, partnerships are becoming more common. With the growing number of public-private partnerships, the relationship between these sectors is changing. As young people enter the workforce, they bring a desire and willingness to make a difference in their communities. Companies must determine how to convert the energy that this group brings to solving social problems in local communities. “The greater use of technology, such as Facebook and Twitter, is also increasing citizen engagement which presents a huge opportunity for the civic society to leverage,” said Jean Case, chief executive officer of the Case Foundation.

David M. Ratcliffe, retired chairman, president, and chief executive officer of Southern Company and CDC Foundation board member, discussed the loss of business’ reputation over the years due to the 24/7 media cycle. Ratcliffe explained, “It is important to now develop better accountability metrics and seek leadership who understands the dynamic of business’ role in the community.”

From job creation, volunteerism, and nonprofit capacity building to making a difference in education, health and wellness, and diversity, companies are being asked to step up in unprecedented ways to improve the sustainability and livelihoods of their communities. Michelle Nunn, chief executive officer of Points of Light Institute, said that “it is important for a company to look at the No. 1 thing that it is good at and apply that to the community.” By focusing on those key facets, community development moves from a disjointed approach to a collaborative environment with multiple stakeholders.

As we look to the future of corporate social responsibility (CSR), what is the most effective approach moving forward? “Strategic alignment,” said Rhonda Mims, president of the ING Foundation and head of Corporate Responsibility at ING US. “Companies need to reevaluate the dollars and number of programs they are supporting to ensure alignment with their mission and business acumen. Then, companies can focus on creating measured goals that receive impact.”
For more information, see *How Businesses Can Create Social Change* on the BCLCblog.
THE BUSINESS CASE FOR SUSTAINABILITY

It takes courage to shake up expectations, but that is exactly what Interface, Inc., the world’s largest manufacturer of modular carpet, did. In the mid-1990s, Ray Anderson, founder and chief executive officer of Interface, redirected the company’s industrial practices to include a focus on sustainability without sacrificing business goals. He carved out this approach at a time when “sustainability” was not a mainstream term. The company incorporated sustainability into every business practice in the company. Interface redefined its definition of ROI to incorporate the term Mission Zero™—a commitment to eliminate any negative impact on the environment by 2020.

Competitors watched as Interface became a market leader and an environmental activist. With its Mission Zero™ concept, the company outperformed others, even during market downturns. Today, Interface is in good company. The carpet industry is one of the greenest.

Dan T. Hendrix, president and chief executive officer of Interface, focused his keynote speech at the conference on the “moments of truth” that have defined Interface’s journey over the last two decades. Here are some tips for businesses that are embarking on their own journey of innovation and change:

• Establish a vision and remain true to it.
• Manage toward sustainability and innovation—not around it.
• Know you will fail. Be OK with that. Learn from it.

As corporate citizens look ahead when developing innovative ideas and social programs, the Interface story offers an interesting example. Over time, Interface had to make some steep sacrifices, such as market share loss, and answer some tough questions from shareholders. Hendrix’s advice: “Prepare for failure. Prepare to put pressure on those around you.”

For more information, see Moments of Truth Along the Sustainability Path, on the BCLCblog.
YES, CONSUMERS DO CARE ABOUT YOUR COMPANY’S SOCIAL PURPOSE

Conference attendees had the opportunity to hear from Carol Cone, chair, Edelman Business + Social Purpose, as she provided findings from the Edelman 2012 goodpurpose® study. This is the fifth year of the research report, which explores consumer attitudes about social purpose and business. The goodpurpose® study is the only global, longitudinal study of its kind, and the wealth of data and insight provide tangible tools and best practices to leverage a company's brand and corporate citizenship program.

Cone talked about the 4 Ps of marketing: product, price, place, and promotion. The goodpurpose® study found that “purpose” is the new “fifth P of marketing.” More and more, people expect business to support societal issues as well as make a profit. The study found that while people in the United States feel a general sense of responsibility and willingness to support their communities, a decrease in the level of citizen engagement exists. With the growth of emerging economies, the United States is in the middle of the pack where business must lead by example with a strong purpose and a strong brand. Rather than develop a CSR program that is a social add-on, companies must seamlessly incorporate their societal activities into their operational models that enable them to leverage their core competencies. Examples mentioned at the conference were Levi’s WaterLess jeans, a jean used with significantly less water; IBM’s smarter planet program, a program that advances systems to be more intelligent and interconnected; and Western Union’s focus on expanding economic opportunity worldwide.

The media play a strong role in citizens’ perceptions about business. According to Cone, “86% of global consumers still believe that business needs to place at least equal weight on society's interests as on business interests.” With the growth of hybrid media formats and the 24/7 media cycle, it is more important than ever for companies to communicate their messages consistently and coherently. Media and social networking sites, such as Facebook and Twitter, create transparency in a way that is unique to both citizens and companies.

Below are key takeaways from the study:

- Seventy-six percent believe that it is OK for brands to support societal issues and make money at the same time (a 33% increase from 2010).
- Twenty-six percent believe that business is performing well.
- More than 50% believe that companies should donate a portion of their profits and products or services to address societal issues.
- Seventy-six percent believe that it is critical to be aware of companies' social efforts.

“This year's BCLC conference provided a futuristic look at corporate responsibility. The plenary and working sessions gave us a practical look at corporate responsibility as a tool for business development and philanthropy—identifying how those two entities can and should coexist. The speakers at the conference were exceptional CSR practitioners and thought leaders.”

Bernard J. Milano
KPMG
SMALL BUSINESS SOCIAL INNOVATION IN AMERICAN SOCIETY

This session featured four small business social entrepreneurs who discussed how their product or service drives business results and makes a difference in society. As corporate citizens look to the future, social entrepreneurs are becoming more significant as the public and private sectors look for ways to connect to solve some of society’s intractable problems. Meet the four social innovators who spoke at the conference:

- Curtiss Quirin is the chief operating officer at Crossroads Industrial Services (CIS), an organization that operates with the motto Good for Business, Good for People. CIS works with a circle of sustainability partners to reduce waste and increase recycling. CIS collects Walmart’s packing material, then compacts and reprocesses it into plastic pellets that are developed into picture frames and sold in Walmart stores. This circle of sustainability addresses two community challenges—employment for people with disabilities and environmental responsibility through sustainability.

- Mark R. Mohler is the chief executive officer of Sprigster’s Boost a Hero program, which uses crowdfunding to raise the capital necessary for veterans to start franchise businesses. Aggregation of these small contributions creates a lump sum of capital needed to achieve a specific goal. Crowdfunding has been used to raise billions of dollars worldwide for cause-based projects. Mohler wants to apply the concept to a single, specific goal: getting veterans started as small business owners.

“We've got to be willing to explore the unknown, challenge our own assumptions, shake up our expectations, and find new ways forward.”

Dan T. Hendrix
President and Chief Executive Officer, Interface, Inc.
Grady Lee is chief operating officer and co-founder of RockCorps, a pro-social production company and global organization that uses the power of music to inspire volunteering and introduce people to a lifelong relationship with nonprofits. RockCorps produces large-scale pop, rock, and hip-hop concerts and gives the tickets exclusively to volunteers who commit four hours at a RockCorps community project in their area. In addition, the RockCorps team has created the CorpsGiving program for businesses wanting to engage their employees in local communities anywhere in the world.

Rachel Weeks is the chief executive officer and co-founder of School House, an ethical fashion company. Weeks launched School House while researching socially responsible apparel manufacturing in Sri Lanka. There, she founded a way to synthesize ideas about fair labor practices with a desire for more fashionable collegiate apparel. Since then, Weeks has grown School House from 1 to 100 schools, and she and the company have been featured in *Teen Vogue*, *Women’s Wear Daily*, and *The Wall Street Journal*. 
WORKING SESSIONS

The conference included four concurrent sessions where participants divided into groups to discuss potential areas for collaborative action: education, health and wellness, environmental innovation, and community and economic development. Here are the key themes that emerged from the discussions.

Education

For the United States to remain competitive with other nations, it needs to address education through the following:

- Advancing partnerships and sharing best practices.
- Identifying what the U.S. Chamber, its affiliates, and state and local chambers can do to create synergy and have an impact.
- Determining the messaging around improving education that will align with the culture in the United States.

The United States faces education challenges at every level—pre–K, K–12, college, and continuing education. Identifying the stage where companies can work with one another is vital. Research, planning, and metrics are imperative. Much data around education already exist but not in a user-friendly or accessible way.

Possible Strategies and Solutions

- Promote business-education partnerships for specific issues, such as job development, teacher training, and recruitment.
- Create scholarships and incentives for teachers and nonprofits.
- Encourage educators to create advisory groups for businesses and local chambers.
- Build awareness about existing company education offerings and tools.
- Promote a range of volunteer solutions, including mentoring, skills-based volunteerism, and pro bono technical service.
- Encourage information sharing and data collection.

Health and Wellness

With health care spending going up 9%–11% every year and an aging population that is straining existing social services, workplace wellness and community wellness programs are increasing in economic importance. According to Wellsource Inc., a leader in health assessment technology, 62% of larger companies (200+ employees) provide worksite wellness programs. Twenty-six percent of smaller companies (fewer than 200 employees) provide wellness
programs. In a 2010 analysis of the costs and savings associated with workplace disease prevention and wellness programs, *Health Affairs*, a leading journal of health policy thought and research, found that medical costs decrease an estimated about $3.27 for every dollar spent on wellness programs and that absenteeism costs decrease an estimated about $2.73 for every dollar spent.

As employers grapple with new health care reform requirements and struggle to address the rising costs of offering health coverage, workplace wellness programs continue to be a mechanism to improve health and control costs.

**Possible Strategies and Solutions**

- Create a wellness index to serve as a community benchmark.
- Promote volunteerism, skills-based volunteerism, and pro bono technical assistance.
- Assemble workplace wellness tool kits for local chambers to share with their members.
- Urge nonprofits to form alliances.
- Create an information clearinghouse.

**Environmental Innovation**

Across America, businesses are developing new ideas, inventing new technologies, and changing the way they interact with the environment. However, innovators often struggle to find investors, customers, partners, and policy advocates. It is important to build networks that capture lessons learned and share best practices to promote environmental innovation.

**Below are some critical priority areas in this field**

- Advancing R&D, product, and technology innovations for environmental progress.
- Stimulating local, regional, and national green market development.
- Sharing financial services and project investment tools for environmental R&D.
- Identifying and advancing business resource management practices.
- Connecting small company environmental innovators with large company supply chain/purchasing value chains more systematically.

**Possible Strategies and Solutions**

- Reframe “sustainability” from the point of view of business so that it is seen as a source of value.
- Improve data collection about environmental innovators and promote awareness about them.
- Identify top benefits of environmental innovation for consumers, companies, and investors and develop awareness and education programs targeted to these different audiences.
- Create tool kits for companies that capture best practices, and disseminate the kits through various online channels and business associations.
Community and Economic Development

With rapid urbanization, growing pressure is being put on the natural environment. What can be done to change the way we think about the environment and promote more holistic approaches to community design? As collaboration between companies, government agencies, and communities grows, transparency is becoming increasingly significant in order for efforts to be streamlined into the overall community and economic development model for a city.

There is a constant ebb and flow in cities because not all sectors involved in community and economic development are at the same point. Outdated policies inhibit new investment as well. Regional approaches to community development were discussed during the session where the economic, social, and environmental footprints of a community are increasingly diverging from political jurisdictions that were drawn up in previous eras. Is there a way to reconcile these systems cohesively? If so, who is responsible for driving a regional vision and ensuring that it gets implemented?

Possible Strategies and Solutions

- Develop and encourage an investment philosophy that strives for increased ROI.
- Encourage consultative processes across and between the private, public, and civil society sectors that help align policies, energy, and funding.
- Encourage chambers and regional grantmakers to work together more closely.
- Create a community development checklist for cities based on factor analysis so that communities can benchmark where they are and “who is doing what” to address each factor.

“The BCLC conference engaged people and ideas in a compelling national discourse on a topic that is constantly changing. While leaders continue to grapple with what exactly CSR is, there are exciting innovations that will undoubtedly refine the conversation in the near future. I was fortunate to be at the conference for some of these national conversations.”

Christine Ortega
Southwest
**SHARED VALUE IN AMERICA’S INNER CITIES**

As demographic changes fuel the rebirth of American cities, urban cores are being left behind. The trend toward regional economic development often ignores the unique needs and assets of our inner cities. Mary Kay Leonard, president and chief executive officer of the Initiative for a Competitive Inner City, discussed how major institutions are realizing that inner cities offer competitive advantages—from density and diversity to untapped markets and infrastructure. Leonard highlighted strategies for creating jobs and wealth in economically distressed areas as a part of a company’s CSR agenda.

Inner cities tend to have a younger and more diverse population than other areas and are also key sites for minority-owned businesses. As companies look to the future of CSR and the long-term shared value concept, the relationship between local businesses and the community is essential.

Here are some approaches to creating shared value in inner cities:
- Improve skills of the workforce.
- Source from and build capacity of local suppliers.
- Support innovation and entrepreneurship.
- Bolster a community’s competitive strengths.
- Streamline the business-government relationship.
BUSINESS SUPPORTING OUR TROOPS

Returning veterans face a plethora of challenges, from housing and health to jobs and education. This panel discussed what business is doing to help veterans and their families transition to civilian life. Representatives from Capital One, Booz Allen Hamilton, Microsoft, The Home Depot Foundation, and the Department of Defense comprised the panel. Kevin Schmiegel, executive director of Hiring Our Heroes and vice president at the U.S. Chamber of Commerce, moderated the session.

With high veteran unemployment, jobs is the No. 1 issue that businesses are addressing through programs directed at veterans. Veterans are highly skilled, exemplary at team work, driven, and determined. But many have difficulties translating their career service into a resume for civilian jobs. That's where companies like Capital One are key players. Carolyn Berkowitz of Capital One said, “At Capital One, we understand and appreciate the value that military experience brings to the workplace. We want to help support the hundreds of thousands of service members and their families who have sacrificed and given so much to our country.” Capital One has committed $4.5 million over the next three years to support the Hiring Our Heroes program and hire 500,000 veterans.

It’s not just about finding jobs for veterans and their spouses but also equipping them with the right skills and resources for success in the workplace. Microsoft’s investment of cash, software, and related support enables veterans to take advantage of technology, skills training, childcare, transportation, and housing, among other resources. The Home Depot Foundation has pledged $30 million over three years and has committed thousands of Home Depot associates to make improvements to the homes of veterans and their families. According to Fred Wacker, director and chief operating officer of the Home Depot Foundation, “Veterans equal 8% of the general population, yet they form 16% of the homeless population.”

Veterans’ spouses are a prime focus area for the Department of Defense and the Chamber’s Hiring Our Heroes program. There are more than 1.2 million spouses, and 95% are women. Being able to provide employment opportunities for spouses who move frequently is important. This is where the relevance of virtual and part-time employment comes in. The Department of Defense has more than 100 public and private partners that concentrate on myriad issues. Booz Allen Hamilton is one of the partners that launched its veterans program a year ago. The company has taken the show on the road hosting community events that address challenges faced by military families. Focus areas include veterans employment, women veterans, veteran centric care, and reintegration of veterans. Booz Allen is dedicated to assisting each location in implementing and sustaining collaborative efforts arising from these events as well as offering in-kind services to veterans and military families.

“BCLC provides an avenue for dialogue on issues discussed on the Hill. It is in a unique position to share the business story of community engagement and inform the dialogue through a safe environment.”

Fred Wacker
Home Depot Foundation
GREAT DEBATE—THE FUTURE OF CSR: FOR GOOD OR FOR PROFIT?

Businesses use a diverse set of strategies and tactics to advance their goals to make a difference in society. Today's corporate citizenship represents a broad continuum—with traditional giving on one and social innovation on the other. When looking at corporate citizenship, is it “giving back” or “investing ahead?” Does CSR have a role in helping drive profit? Thought leaders and practitioners in the CSR field tackled these and other questions in a lively debate.

The Debaters

Michael Jacobson, director of corporate responsibility, Intel Corporation; Maryann Holsberg, corporate responsibility director, PwC; Alex Brigham, executive director, Ethisphere Institute; Chris Pinney, senior fellow, Aspen Institute; Richard Crespin, executive director, CROA; Margaret M. Coady, director, Committee Encouraging Corporate Philanthropy; and Kyle Peterson, managing director, FSG;

Summary

The general consensus of the debate was that there is a shifting nature in the CSR field where social issues are being addressed through philanthropy and business solutions. Michael Jacobson and Maryann Holsberg provided their thoughts from a practitioner level, saying that companies may have started their CSR program as philanthropic but are now extending basic business concepts into the community. Understanding CSR throughout the organizations (e.g., engineering, finance, and HR,) is key to delivering the most effective results.

Alex Brigham built on the argument by saying that “profit is not a dirty word.” It’s all about being innovative. Throughout the conference, we heard from social entrepreneurs who developed a product or service that meets the triple bottom line and also heard from Carol Cone, chair, Edelman Business + Social Purpose, who talked about companies that are making profits from social programs. Along with profits, transparency is central. Chris Pinney highlighted the shifting role and responsibility of the public and private sectors and discussed the need for companies to be more accountable.

Richard Crespin touched on the future of the CSR profession. At the start of the conference, BCLC asked the audience, “What is the one thing you would change about the CSR profession?” Forty-seven percent said that there should be a “clear development path in organizations.” But the lack of academic support in the field has created some concern about optimism for the future of the profession.

Companies work in their silos with their niche target market in mind, allowing little cross-
company collaboration. Margaret Coady said that it is through conferences and groups like BCLC that the barriers of communication between companies are being opened and best practices are being shared. This is critical when thinking about the future of CSR. Kyle Peterson talked about the conditions for creating a market in a community. Understanding the competitiveness of a community can help multiple stakeholders work together to achieve maximum results in the future.

Looking Ahead

Some of the nation’s foremost leaders and experts discussed opportunities in corporate citizenship and in public-private partnerships and how to collectively address the tough challenges facing America today and in the future. We hope that you will continue to stay engaged with BCLC as it develops tools, fosters partnerships, and identifies key resources. With your help, we can make a difference.
BCLC's online, interactive Business for Good Map helps your business understand what needs to be done and what partnerships need to be forged, while also telling your company’s story. For more information about the map, contact Jeff Lundy at jlundy@uschamber.com.
Thank You, Sponsors

HOST COMMITTEE:

[Logos of sponsors]

LEADERSHIP CIRCLE:

[Logos of sponsors]

SUPPORTERS:

[Logos of sponsors]

Media Sponsor:

[Logo of media sponsor]