

Analysis Of Corporate Social Responsibility

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Analysis of two new businesses and their websites showing their corporate giving, along with a short breakdown of why it is important for new start-up businesses to show their social responsibility to others. Finally, a brief overview of the why and how to implement a view of corporate social responsibility into a business plan.

Corporate social responsibility can be a way for an organization to give to others whether they are individuals, organizations such as non-profits, and/or companies. The giving component can be done in various ways such as, direct financial backing, advertising credit, fundraising or teaching/mentoring, etc. This is one way of giving back to society for the success that a company has had. Giving back to society is not a new concept, it has also been known as tithing which has been widely accepted in years past.

Two examples of businesses that are giving back

Many current businesses are giving back to society which is a win-win scenario, not only do the businesses that are giving win because they show to others that they are responsible toward helping society for the better and this is great advertising for them, but the recipients of the businesses' kindnesses also reap a reward. A good example of two newer businesses showcasing their corporate social responsibility are CreativeBug and Craftsby. Each of these online businesses are involved with educating and crafts and each has a section of their website devoted

to giving to others. Here are the links to their web pages that attest to their corporate social responsibility respectively,

<http://www.creativebug.com/site/giving-back#> and

<http://www.craftsy.com/blog/craftsy-cares/>.

Why is corporate social responsibility important to new businesses?

Among the many articles written on the social responsibility of businesses on Entrepreneur.com's website, there is one entitled "4 Reasons Why Startups Committed to Social Responsibility Succeed" that tries to illuminate the answers to the question, is corporate social responsibility important to start-ups? The writer of this article, Alicia Lawrence, delves into the reasons why giving to others helps a start-up in areas such as building stronger relationships with consumers, attracting and keeping employees, creating a good business reputation, increasing stock value and shareholders' interests. (Lawrence, A., 2014)

Why and how to incorporate a view of corporate social responsibility into a business plan

According to Miki Markovich's article, "Don't Be A Dinosaur: The Corporate Social Responsibility Trend Is Here To Stay", a business can plan to give and do it well. Here are some tips from the article: figure out what social issues are important to the business owners and in turn how to impact the consumers of the business the best, sort of connect the dots on what social issues are important for the business and its success, understand what the competition is doing and do the social giving aspect differently and/or better than one's competition, think about how to give your customers a way to contribute to the business' giving directly or indirectly and communicate to the customers the value in this giving, possibly let employees directly benefit by volunteering their time toward the beneficiaries of the company's giving plans. (Markovich, (n.d.)) He also says that not all businesses need to "pull a Blake Mycoskie (founder of TOMS Shoes) and think you need to shape your entire business model around this idea of corporate social responsibility. What has worked for others may not be the best plan for you and your business. Simply strive to be authentic and transparent with all parties benefiting from the partnership." (Markovich, (n.d.)) But to round out this discussion of how to incorporate corporate social responsibility into a business plan, there are a

few ways to do this that are illustrated in the following. According to Jack M. Kaplan in his book, *Patterns of Entrepreneurship Management*, there are four primary social entrepreneurship business models for start-up business planning: the pure model, the hybrid model, the dual-mission model, and the co-operative model. (Kaplan, J., 2012) It is worth noting that these models include corporate social responsibility as a built-in to their business plan and model overall, not only as a way to give from their business, but a way to live in their business. The following summary of each of these corporate socially responsible business models will show some of the primary benefits of each while illustrating that each model is creating business income and overall social good.

The Dual-Mission Model has the benefits of simple governance and tax structure as well as creating wealth for the owners. In the Hybrid Model, a for profit business is by contract associated with a non-profit. The Pure Model is a non-profit that is there to influence society in a way that is meant to be beneficial. Finally, the co-operative model, has a leader in the group of businesses that creates a larger framework that other similar yet smaller businesses belong to in order to benefit from the community of

businesses and their common and connective powers. (Kaplan, J., 2012, pp.157-178)

From these corporate social business models, one can make a business plan and the accompanying business to promote social giving from an overall standpoint, and yet a business that wants to be a for-profit business but not be an organization where the whole company's model is a social entrepreneurial model can still impact social awareness and giving and incorporate this into their business plan. Some ways of putting into action the corporate social responsibility into a small business' business plan is shown in an in depth writing by Sustainable Markets and Responsible Trade Program International Institute for Sustainable Development that includes putting social responsibility into the business plan's goals, including who is responsible for making decision on social responsibility for the business, gauging the financial aspects and time involved in making these parts work, helping others such as employees or customers engage in the business' goals of social responsibility, make training and conveying the message to others a part of the business, and

keeping aware of any problems that may arise and correcting them.

(iisd.org, 2007, pp. 58-64)

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