

"Corporate social responsibility" has become a buzzword in some business and community circles, but at a recent conference in Natick of the Greater Boston Network of Business for Social Responsibility, three icons known for leadership in this arena described a many-sided ideal. Rather than just doing good, admirable organizations succeed on three fronts: They create economic and social prosperity for all their stakeholders (be it customers, employees, community and stockholders), generate personal fulfillment for their leaders and members, and bring about improved productivity in the workplace.

Creating Prosperity

Jordan's Furniture has become famous in New England because of its unique brand image and the advertising shenanigans of its third-generation family owners, Barry and Elliot Tatelman. By continually exceeding customers' expectations, creating a unique and fun consumer shopping experience at their stores (it's like being at a theme park), giving back generously to their communities (through employee volunteerism, donation of their facilities to non-profit causes, running camps for children with AIDS, and hosting parties for children needing adoption), as well as treating their employees as special (taking them to Bermuda on a work day, giving surprise bonuses, and training them to become the best furniture and sleep specialists) they have achieved indubitable retail success.

Jordan's achievement lies in its ability to simultaneously create customer value, community wellbeing, employee capability, and thus stockholder wealth. According to Elliot Tatelman, their business wealth came about as a result of attending to the former three areas first. He talked about a fusion of concern with their business, the public and their community.

Improving Productivity

Gary Hirshberg, President of Stonyfield Farm, Inc., emphasized ways in which collaboration and high-value relationships with vendors and strategic business partners can lead to greater productivity that benefits the company, employees and the community at large. Over the last 5 years, through workplace initiatives, Stonyfield has cut energy use by 38% even as product sales have soared. They have also brought their net hazardous emissions to zero, and dramatically reduced water usage and product waste. Those ecological savings have then been turned into planting trees to offset carbon dioxide emissions, and into support for charitable and political causes. Also, by creating a high-quality, all-natural product, Stonyfield has been able to position itself as the fastest growing yogurt brand, shaking up its competition.

Generating Fulfillment

Whereas Barry and Eliot of Jordan's say, "Have fun at work!", their approach is not the only way to ensure that employees find personal fulfillment in their work. Why should employees want to help customers, and stick with a company if they are not excited by and committed to their work? Hirshberg talked about its significant investments in progressive workplace practices (e.g., involving everyone in problem-solving teams and providing employee bonuses connected to workplace economies) that empower and include their people. Such investments engender a company culture of creativity, hard work, and loyalty.

In building exceptional organizations, Gary Hirshberg admitted that "money is not everything, but the business world is focused that way." However, more and more consumer research, such as the Cone/Roper 1999 Consumer Trends Report, indicates that "consumers want companies to do the right things" and "will more likely buy from those businesses that have a progressive social agenda as long as price and quality of their offerings are comparable." Therefore, corporations more and more need to consider both the social and environmental impacts of their businesses, and how they care for their people.

Terry Mollner of Meadowbrook Lane Capital concurs. He says, "The capitalistic system needs to be improved." His story of how Ben & Jerry's Board was ready to turn down a higher offer from Dreyer's Ice Cream to go with a newly-formed socially-responsible investment group is an example of that possibility. The Ben & Jerry's Board was willing to risk a lawsuit from shareholders to make, what they felt to be, the right decision for the business. However, they finally ended up courting Unilever, because of the best value that company offered Ben & Jerry's, both in stock price and in maintaining their social and environmental agenda. For Ben & Jerry's, Unilever offered the best way to preserve the values and mission of the company.

Some day, Mollner and his contemporaries hope that more boardroom decisions in big business will be based on creating lasting value and prosperity for all corporate stakeholders, not just based on maximizing share price for stockholders. If you are interested in moving your business in that direction, and want your own organization to become truly exceptional, then consider the following questions:

To what extent is your organization creating prosperity for all your stakeholders? How much prosperity are you building in relation to what you are potentially capable of? To what extent are people working together in your organization to build its productivity? How effective is your organization in relation to the potential of your people, processes and systems?

How personally motivated and satisfied are your organization's members as they perform what the organization needs them to accomplish? How much personal meaning and purpose are they deriving, compared to what is possible?

As exemplified by the business leaders mentioned here, great organizations continually raise the bar by always asking themselves these powerful questions, and then by working diligently to find the answers.

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