

### **Small Businesses can benefit from a CSR strategy**

The **term** “corporate social responsibility” is nowhere near as old as the **practice** of corporate social responsibility. Though CSR has been one of the last decade’s most dynamic buzzwords, it has existed in one form or another from the dawn of business. CSR is the manifestation of the recognition that an enterprise exists not alone but within larger networks and that there is a constant push and pull between the activities of the enterprise and the developments within these networks which requires pro-active management to ensure that business is only positively affected.

The micro and small business owners who believe that size matters and they are thus exempt from the calls for “corporate” initiatives must look beyond the terminology and focus in on the concept that whether sole trader or conglomerate, there is benefit to be gained by placing a spotlight outside the remit of the financial bottom line.

That said, though size does not provide an exemption, it is a real consideration for an enterprise facing the constraints of time, labour and money. Justifying the allocation of these limited resources to activities beyond the daily operations of a business is the greatest obstacle for the implementation of a dedicated CSR agenda.

Justification can be found for a business case for CSR however, if business responsibility is linked to improved business reputation, staff motivation and customer loyalty. These are some of the advantages which though hard to value in dollars and cents, positively affect the overall competitiveness of the business and lead to the long term sustainability of the business.

### **The Benefits**

CSR agendas are not “get-profit-quick” strategies. Though it has been shown by various research reports that their implementation results in better business, there is no formula to adhere to, no guarantee of expense reduction, no promise for profit increase and no way to

express their end result in figures. However, business responsibility initiatives influence competitiveness in several ways.

### *Improved Reputation*

A corner-shop convenience store owner may be unconcerned about any risk to her image or reputation through the non-performance of a CSR agenda but it only takes a switch in perspective to focus on not the risk due to inaction, but the benefit based on performance. The reason that corner-shop owner is rightly unconcerned with what customers may think is that for all intents and purposes, beyond being the purveyor of foodstuff, that corner-shop lacks visibility and any greater importance to its direct milieu. Should the owner continue to provide basic foodstuff and no more, it will be business as usual. Should he/she by way of example however, allow young craftspeople in the community space to exhibit their products, it will be business magnified.

### *Innovation Opportunities*

Necessity being the mother of invention, when a business already strapped for cash and time decides to engage in a business responsibility initiative, it looks for ways outside the established norm and in so doing sometimes strikes on a profitable business model. A micro-sized toy company in Norway decided to minimise its waste by using its by-products to create toys for a local orphanage. Those toys which were made from material normally headed for the dump became popular beyond the walls of the orphanage and commercially viable in their own right.

### *Staff Motivation*

An employee who is proud of his company's environmental initiative and in particular the part he played in it perhaps during the decision-making or operational stage, is likely to be more motivated and loyal which results in higher creativity and innovativeness, longer staff retention and increased recruitment desirability.

As the frontline to every business, employees form that first spark to a word-of-mouth blaze. The more there is to talk about and the more they feel integral to the process, the more positivity there will be.

### *Network Expansion*

Joining business sector organisations or partnering with like-minded organisations for shared causes increases an enterprise's visibility with no need for an advertising fee. In addition, acting in concert with others can result in more advantages for less cost. For example, a varied collection of businesses could team up to beautify their street and in so doing the benefit to their trade is delivered at a fraction of the cost.