



## BSR Conference 2008 | Sustainability: Leadership Required CSR's ROI: Does It Matter?

Breakout Session Summary

Friday, November 7, 2008 | 10:30 a.m.–noon

### Speakers

- **George Jaksch**, Senior Director of Corporate Responsibility and Public Affairs, Chiquita International
- **Charlene Lake**, Vice President, Public Affairs, Corporate Citizenship and Sustainability, AT&T
- **Eric Olson**, Vice President, Advisory Services, Business for Social Responsibility
- **Kelly Parker**, Corporate Supplier Compliance Manager, Hallmark Cards, Inc.
- **Farron W. Levy**, President, True Impact (moderator)

### Highlights

- Corporate social responsibility (CSR) is like research and development—it provides a foundation for future competitiveness but requires a long-term vision.
- Sometimes CSR requires a leap of faith, and stories can be as useful as data in convincing decision-makers of the return on investment (ROI).

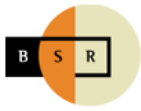
### Memorable Quotes

- “The answer [to the question of whether ROI matters] is of course but in what ways, for what kinds of programs, and how do we frame it?” —Eric Olson, Business for Social Responsibility
- “Extent of rigor [which is necessary in measuring ROI] is due at least somewhat to the culture of a company.” —Charlene Lake, AT&T
- “There are often disconnects between where you need to spend the money and where you see the cost savings.” —Eric Olson, Business for Social Responsibility

### Overview

Levy kicked off the session by asking the panelists to discuss their experiences with and emerging trends in measuring the ROI of CSR programs. Lake said that at AT&T, the importance of ROI is somewhat related to corporate culture. For example, if something can't be measured, then it doesn't exist—demonstrating that ROI is very important for the success of its CSR programs. Lake then described some of the difficulties associated with demonstrating the ROI of AT&T's “Aspire” program, which is aimed at decreasing talent recruitment challenges by increasing the number of high school graduates.





## Business for Social Responsibility

Parker then talked about how challenges differ at Hallmark, a privately owned, family-run business. There, much of the CSR work has emerged from its leaders' personal passions, and the company traditionally has been less focused on finding a return on its responsible business activities. She then discussed ROI challenges in sourcing and distributing Hallmark's (Product) RedMali Mud Cloth bags. Hallmark evaluated the ROI of this product using two criteria: its fulfillment of Hallmark's mission to enrich lives, as well as the tangible and intangible value it provided to the business.

Olson asserted that just because a benefit is intangible doesn't mean that we need to give up on using more rigorous measurements. He gave three examples of intangible CSR benefits that many businesses already know how to measure: talent attraction and recruitment, reputation and brand quality, and innovation and research and development. Levy reminded the audience that there are usually many people around a company who know how to measure impacts, and he recommended drawing on their expertise when measuring the impact of CSR on their departments.

The discussion then turned to the issue of the payback period of CSR investments. Lake said that at AT&T, talking about payback periods of six to seven years, rather than six to 12 months, is really pushing the envelope. Participants in the audience discussed the need for new measurements that take into account the longer return horizon and ways to stage CSR programs so that higher returns can be realized earlier in their duration so that they gain traction.

The group also raised the topics of risk and regulation as considerations of CSR's value. Levy said companies should consider whether it is more costly to take initiative on an issue and do something to address it themselves or wait to take action as a result of regulation. Participants also pointed out that companies need to recognize the ROI that comes from socially responsible investment.

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This summary is also available on [www.bsr.org/bsrconferences/2008/session-summaries.cfm](http://www.bsr.org/bsrconferences/2008/session-summaries.cfm).

