



Business for Social Responsibility

BSR Conference 2008 | Sustainability: Leadership Required Practicing CSR in Tough Economic Times

Breakout Session Summary

Wednesday, November 5, 2008 | 2–3:30 p.m.

Speakers

- **Tod Arbogast**, Director, Sustainable Business, Dell
- **Stanley S. Litow**, Vice President, Corporate Citizenship and Corporate Affairs, and President, IBM International Foundation, IBM
- **Marcela Manubens**, Senior Vice President, Global Human Rights and Social Responsibility Programs, Phillips-Van Heusen Corporation
- **Eric Olson**, Vice President, Advisory Services, Business for Social Responsibility
- **Doug Cahn**, Principle, Cahn Group, LLC, and President, Clear Voice Hotline Service (moderator)

Highlights

- The economic crisis certainly presents challenges when corporate social responsibility (CSR) efforts aren't linked to overall business strategies, but it also provides an opportunity for companies to demonstrate value.
- Collaboration will be critical to advancing CSR agendas amid tightened budgets and decreased resources.
- Companies need to prioritize issues that are most important to business and stakeholders in order to maximize their resources and make the business case for CSR.

Memorable Quotes

- “If you are able to identify significant and credible returns [from your CSR programs], they will survive and maybe even thrive.” —Stanley Litow, IBM
- “We always think that we know best ... But some of our best work and most successful initiatives have come as a result of our partnerships and relationships with stakeholders.” —Marcela Manubens, Phillips-Van Heusen Corporation
- “Business for Social Responsibility is receiving an increasing number of requests from companies who want to work together in a leaner fashion.” —Eric Olson, Business for Social Responsibility





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Overview

Cahn kicked off the session by asking the panelists how companies can use the current economic climate as an opportunity to further the CSR agenda. Arbogast stated that, for Dell, the current economic conditions present three key challenges related to sustainability—identifying cost savings, meeting customer expectations, and quantifying the value of CSR—and that companies can reduce expenditures and advance CSR by deepening partnerships. However, they will also have to prioritize the most germane issues and set aside activities that are less crucial to their business. Manubens emphasized that, to be successful in this economic climate, CSR strategy must be embedded in business, and companies need to reconsider the expectations of stakeholders as well as leverage partnerships to improve the efficiency of their programs.

Litow explained that IBM has been through many ups and downs in its business, but that the continuity of its CSR efforts rests on how well CSR is integrated into the business strategy. He warned that if a company is going through a hard time and doesn't have a clear set of CSR metrics, the links to strategy will be hard to defend.

Olson also emphasized on the need for companies to prioritize and identify CSR issues and align them with company resources. He also reminded participants that companies regularly invest for long term gain, as in research and development, and that collaboration is a method for pursuing CSR goals in a leaner fashion. When asked about whether the right tools exist to capitalize on these opportunities, Olson responded that creating a cross-functional approach will be crucial to ensuring that CSR is not a cost center and gets business buy-in.

During the Q&A, a participant asked whether the panelists have observed a shifting focus from environmental concerns to governance. The panelists agreed that while governance may be getting more attention now because of the economic crisis, environmental concerns and other CSR issues will all remain relevant. Another participant asked about the mechanisms of shifting environmental issues from a cost center to a revenue center. Litow responded that, at IBM, environmental strategies and other CSR issues are part of the preliminary strategy to enter new markets. Arbogast explained that Dell views environmental issues from the product lifecycle perspective, which helps demonstrate the cost savings to the business.

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