



Big business can be
a powerful engine
for social change,
as JON MILLER and
LUCY PARKER report

EVERYBODY'S BUSINESS

FROM OIL SPILLS TO SWEATSHOP horrors, tax evasion to corporate fraud, big business these days is rarely far from negative headlines. As companies are hit by one crisis after another, the standing of the corporate community in broader society may seem stuck on a relentless downward slide.

Big business is now often branded as evil and faceless, unaccountable and out of control. From that perspective, the only question would seem to be the extent to which companies should be prevented from causing further harm.

We want to turn that argument on its head. Today's big companies are integral to society, not separate from it. They are powerful, huge concentrations of skills and resources. We need to mobilize their power, not try to take them down.

While many businesses have acted unacceptably, the debate should not be a cartoonish "good versus evil," but one about whether big business is going to be part of the solution.

The answer, we believe, is that big companies want to be – and must be – part of the solution.

While researching and writing our book, *Everybody's Business: The Unlikely Story of How Big Business Can Fix the World*, we found that making that happen cannot be just a case of business as usual. Sure, global businesses all have corporate and social responsibility departments. But progressive businesses are not content with simply minimizing harm and avoiding big headline-making disasters, or with being philanthropic. Their aim is to deliver financial value *and* social value, and they want to do so through their core activities.

Many companies are asking a powerful question, "How can we help?"

"Fifty years ago, as a mining business, you didn't have to worry about your impact," says Jon Samuel, Head of Social Performance at mining giant Anglo-American. "Twenty years ago, you had to minimize impact. Ten years ago, you were expected to have no impact. And now we are working towards having a positive impact." →

Operationally, these companies are developing more socially aware ways of making decisions throughout the organization: where to source raw materials, how to manufacture and transport goods, pay employees, cut costs, and invest in local communities. Forging strong links between those decisions and their impact on the world outside is what builds trust between the organizations and the environment in which they operate.

Traditionally, a big corporation has acted like a citadel: a well-defended fortress built to keep the world out. The view inside the citadel has often been that the problems plaguing the outside world should remain out there. If they threaten to approach, the drawbridge goes up and the archers come out. Increasingly, companies are stepping out over the drawbridge.

Business in society



- ▶ Purpose
- ▶ Products
- ▶ Practices
- ▶ Philanthropy
- ▶ Point of View

THE PRISM is a way of seeing more clearly the intentions and behavior of businesses in society, played out in each of these distinct strands. Taken as a whole they describe how businesses can create social value.

“We need people with more open ways of doing business, people who understand that our success depends on the success of society around us,” says Andy Wales, Head of Sustainability at SABMiller, one of the world’s biggest brewers. The efforts of companies such as SABMiller have come to resemble some aspects of what development agencies do, with a sharp focus on issues such as clean water, healthcare, and education. Companies need those elements of society to operate effectively, so their approach marries self-interest with positive outcomes for the communities in which they operate.

This mindset is good for business, as IBM found when it launched “Smarter Planet,” a corporate initiative that uses the company’s intellectual firepower to tackle some of the world’s big challenges: thus, Smarter Energy, Smarter Food, Smarter Traffic, and so on.

Colin Harrison, who runs Smarter Cities,

says the strategy has plugged IBM into society in a new way: “The company practically lived in its data centers. The wonderful thing about Smarter Planet is that it has reconnected us to society, simply by asking, ‘What are the problems that a company like IBM ought to focus on?’”

Putting business to work on the world’s problems makes sense – after all, companies are large problem-solving machines. But how can they best determine how and where to engage? In studying companies that were successful in doing positive things in the world, we found it useful to address this question under five headings: *Purpose*, *Products*, *Practices*, *Philanthropy* and *Point of View*. This “prism” provides a framework to evaluate the intentions and actions of business in society.

Many of the companies we met are motivated by much more than the blind pursuit of profit. They want to maximize profit, of course, but they also want to align their business goals with social goals. MTN is a good example, becoming Africa’s largest telecoms company by pursuing its conviction that mobile technology would change people’s lives (see right).

Companies have an increasingly sophisticated awareness of the influence they have in the world. In terms of the prism, leading companies have a *Point of View* about issues that matter to them and how to use their influence to enhance their contribution. Their *Purpose* then defines the practical ways in which they interact with the world around them: through the *Products* and services they sell; through the *Practices* they adopt in getting those products to market; and through any *Philanthropy* they choose to engage in.

These five strands describe how business can create value for society. Thinking like this can help us move on the debate: whether you are inside or outside of a business, it is not about whether big business is good or bad, or who is to blame, or how we got here. It is about focusing on what needs to be done to improve society. Ultimately, the questions are simple for a company: are we trying to be part of the solution? Why should people believe in this business? ♦



JON MILLER and **LUCY PARKER** are Brunswick Partners, and help businesses promote the positive contribution they can make in society. Their book, *Everybody’s Business: The Unlikely Story of How Big Business Can Fix the World*, is published by Biteback Publishing. www.everybodys-business.com

A BUSINESS CASE

For some of the world's top companies, making a positive impact is good business



MTN is promoting entrepreneurship by using unemployed people, hawkers and street vendors as distribution agents



Unilever decided to sync its marketing strategy in India with a social goal using Lifebuoy soap, a long-trusted brand

▶ MTN

The story of MTN, Africa's leading telecoms company, brings to mind the tale of the two salesmen sent to Africa to assess the market for shoes. One returns saying, "Bad news, people in Africa don't wear shoes." The other is joyous: "Great news! Everyone is barefoot." Two decades ago, no one saw Africa as a telecoms investment opportunity. Today, after MTN's success, the transformational power of mobile technology is taken for granted. As one of MTN's founders, Karel Pienaar, says, "We always believed in the catalyst that cellular infrastructure brings to a country."

The company had to overcome skepticism from the industry about the viability of the market, as well as hostility from some people who saw it as a threat, or thought the technology would benefit only the wealthy. MTN's belief in the transformational possibilities of telecoms motivated both the company and its employees when the going got tough, as their success was seen to be aligned with the interests of society as a whole.

It also made them rethink their business model, putting affordability at the heart of the search for potential customers who lacked a credit history or the means to take on a monthly phone contract. MTN, based in Johannesburg, became a pioneer of the "pay as you go" model that has since become the global standard for low-income markets. The company also sells time in tiny increments via an army of street hawkers who have become a massive and motivated sales force.

Building on that success, a new wave of innovation is changing the way Africans work, learn, and do business: from mobile banking to advice for farmers. MTN's next goal is to make internet connectivity available to everyone on the continent. It's a perfect example of a positive force for change coming from a business acting purposefully and understanding how it can grow by improving the world around it.

▶ UNILEVER

One of Unilever's earliest products, Lifebuoy soap, was thus named because it was literally a lifesaver, helping to prevent the spread of diseases such as typhoid in Victorian Britain. The soap's slogan made this clear: "For the preservation of health and the prevention of sickness."

From early on, Lifebuoy was sold in India and became the product upon which Unilever's Indian business was built. It is still the leading soap brand there by volume, despite competition from brands that lay claim to more luxurious, less medicinal virtues.

"Everybody in India has grown up with the Lifebuoy jingle, it's instantly recognizable," says Sudhir Sitapati, head of Hindustan Unilever's skin-cleansing business, which has sales of \$1 billion a year. "The brand has always been about health. Lifebuoy is very well-loved in India and that gives it permission to do a lot of good things."

The company decided to sync its marketing strategy with a social goal, via Lifebuoy soap. Globally, 3,000 children die each day from diarrhea, 1,000 of them in India alone. The illness is the world's second leading killer of children under five. The Lifebuoy team came up with a demonstration to help educate children about hygiene by using "glo-germ" powder which shows, under ultraviolet light, how germs remain on hands washed only with water and without soap.

Sitapati says the program combined Unilever's push into India's untapped rural markets with meeting a pressing social need. "We were making a big impact on health and as a by-product of that, soap consumption was going up," he says. "As we continued on the journey, we realized what we were doing was more than just selling soap."

The company was discovering that it was possible to do well and do good at the same time.