



BUSINESS CASE FOR COMMUNITY INVOLVEMENT

As many businesses in Australia and the global economy are now demonstrating, corporate community involvement is not only a value adding business strategy it is becoming a business imperative.

Companies are increasingly looking at community investment as a key contributor to long-term business sustainability. As 75% of companies surveyed in "Corporate Community Involvement" indicated, sustainability is clearly aligned with the long-term commercial viability of a business. It is the key for maintaining community and stakeholder trust, support and legitimacy¹. There are, however, many additional reasons motivating corporate involvement with their communities.

To attract and retain good staff, many businesses are seeking to be recognised as "employers of choice."

A proactive engagement with the broader community ensures staff (and potential staff) view the business as a socially responsible organisation that they would be proud to work for. In addition to staff motivation, loyalty and retention, community involvement also offers the organisation opportunities for staff training and development and the chance to work more closely with their communities.

Corporate community involvement is recognised as facilitating corporate image enhancement, brand recognition and brand reputation. In fact, 71% of companies surveyed in an American research project identified corporate image as being the prime reason for their community investments².

Community investment offers business the opportunity to demonstrate commitment to societal goals to a wide variety of stakeholders,

including customers, suppliers, government, and other community groups. Recognition and acknowledgement of this commitment affects risk management issues, relations with customers and suppliers, customer satisfaction and, again, employee satisfaction.

Where compliance and regulatory standards are required of an industry social investment can assist with compliance strategies and government relations. Open lines of communication with the broader community allow for early alerts to potential risks, and can assist in meeting regulatory standards.

Community activities also provide an opportunity for creative and powerful marketing and public relations programs and may give access to media and markets inaccessible through regular business practices.

**Thriving markets and human security go hand in hand; without one, we will not have the other -
Kofi Annan, Secretary-General,
United Nations**

Traditionally, many of us have considered corporate citizenship as philanthropy and volunteer programs. Let me assure you, it is much more than that. It is about who we are, what we offer in the marketplace and how we conduct our business. It's our reputation. We will be a leader in corporate citizenship if we are a well-respected, admired and trusted company that people believe contributes positively to society and uses its resources to create a more sustainable world. **Jacques Nasser- President and Chief Executive Officer, Ford**

An additional driver in Australia is the increase in socially responsible investment funds. These funds screen organisations according to their community impact. Organisations that are actively involved in the broader community are likely to be favoured by these funds.

In summary, the benefits accruing to business are wide ranging. They include:

- 1 Long term sustainability
- 2 Recognition as employer of choice
- 3 Increased staff morale
- 4 Opportunities for staff training
- 5 Increase in brand recognition
- 6 Reputation within local community

- 7 Improved ties with suppliers
- 8 Improved ties with customers
- 9 Risk management
- 10 Opportunities for creative marketing strategies
- 11 Access to key markets
- 12 Increased media opportunities
- 13 Reduction in regulatory costs
- 14 Improved ties with government agencies
- 15 Inclusion in ethical investment funds

¹Page 11, "Corporate Community Involvement: Establishing a Business Case." Centre for Corporate Public Affairs in conjunction with the Business Council of Australia, Australia, 2000.
²Results of a survey of 119 organisations conducted and published by The Conference Board. In "The Link Between Corporate Citizenship and Financial Performance." By Stephen Garone, Conference Board, USA, 1999.

More information, case studies, and further references please contact the Prime Minister's Community Business Partnership at:

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Working in partnership not only has the potential to enrich people's lives but can also deliver tangible results for all Australians. Community and business partnerships are a driver to accomplish better outcomes than any group acting alone could achieve.

The Hon John Howard MP, Prime Minister of Australia