

Does it Pay to be Good? Socially Responsible Behavior for the Small Business Owner

By Tami Belt

How's Business? Everywhere you look, things aren't quite the same. When it comes to doing business today, there's a new normal.

Business is going back to back to basics. There's a new emphasis on personal relationships, word of mouth referrals and grassroots leadership. The popular business literature reflects this, as evidenced by titles such as: *Creating Customer Evangelists*, *Good to Great*, *Purple Cow*, and *The Tipping Point*.

However, even with this increased focus on relationships, there's still one key relationship most businesses overlook. This relationship is important to customers, employees and shareholders alike. It's the relationship your company has with the community it serves.

Does it pay to be good?

According to a recent cover story in *Across the Board*, The Conference Board's magazine: "A socially engaged and better-educated population demands that the companies with which they do business - as consumers, employees, or investors - conform to higher standards. Both consumers and employees tell researchers that they prefer to purchase from and work for a company that is a good corporate citizen."

So, what's in it for you, the small business owner?

Research shows that companies who are involved in their communities enjoy increased employee satisfaction and retention, enhanced image in the community, increased market share, and create a better place to live, work and conduct business. A company is only as healthy as the community in which it operates. Finally a company receives more press coverage for what they do in the community than what they do in business. News articles, including press releases, are seen as more credible since they are selected for publication, not simply purchased space.

Many companies already set a great example in regards to community engagement such as Target, Starbucks, NFL and the PGA, just to name a few. The Body Shop and Ben & Jerry's were founded on the premise of giving back to the community. Locally, Station Casinos is one of the most visible examples.

However, you're just a small company and you're thinking, "What can my company do? I don't have unlimited resources."

Don't worry. It doesn't take a lot of money - it doesn't have to take any money. The keys to a successful community engagement include: alignment with the

core business objectives; buy-in from key decision makers, non-profit accountability; clear and consistent communication; and reliable measuring and reporting methods.

So how do you get started?

It's easy. The process begins with a company assessment. From there, you and your team work together to identify potential engagement opportunities and begin to develop a strategy. Next, you implement the plan with clearly defined goals and roles and assign a liaison to ensure everything remains on track. Finally, it's time to measure the results based upon the desired outcomes.

As you can see, the case for Community Engagement is clear, as evidenced by the 2001 Cone/Roper Corporate Citizenship Study:

- 88% of Americans believe during an economic downturn and period of tighter consumer spending, it is important for companies to continue supporting causes - up from 81% in March 2001;
- 81 % of Americans say that they are likely to switch brands when price and quality are equal to support a cause - up from 51% prior to September 11; and
- Nearly nine in ten, 86% agree that companies should tell them the ways in which they are supporting social issues. Highlighting American's deep mistrust of companies today, however, an overwhelming majority say they prefer to find out about corporate activities from a third-party source, particularly the media.

If you're looking to build better relationships with employees, customers and shareholders, start with a Community Engagement strategy.

Your success depends on your relationships. Business is personal. That's the bottom line in business today.

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