



## Core business competencies for development impact: going beyond CSR

Meeting two, Wednesday 11<sup>th</sup> February 2009, 5pm-7pm, followed by drinks reception

**Keynote speaker:** **Gareth Thomas**, Minister of State for the Department for International Development (DFID) and the Department for Business, Enterprise & Regulatory Reform (DBERR) exploring the Government's approach to leveraging the development benefits that business can have through its core business operations, such as responsible investment and trade.

**Business Panel:** **Mike Barry**, Head of Corporate Responsibility at Marks and Spencer, and architect of M&S's 'Plan A', explaining how the company is meeting its ambitious commitments to being a 'Fair Partner' by adapting many different aspects of its supply chain and business approach.

**David Burling**, Commercial Director of TUI UK, one of the world's largest travel companies, speaking on how the company is working with its suppliers in developing countries to improve labour and environmental standards in hotels, for social and commercial benefit.

**Graham Baxter**, Director of Responsible Business Solutions at the Prince of Wales International Business Leaders Forum, speaking on the opportunities and challenges of using core business competencies for development.

**Chair:** **Simon Maxwell**, Director, Overseas Development Institute

### Background to the meeting

The shift from philanthropic CSR to using core business for development impact is no longer just an idea. It is being accepted within both the development and business sectors. While the idea may sound obvious, it has considerable implications for how business is done. It contrasts with two previous ways of thinking. One was that companies could deliver their social responsibilities through corporate philanthropy or isolated CSR programmes alone. Core business delivered shareholder value, while CSR delivered stakeholder value. The second focused on adapting core business, but to reduce negative impacts. Companies initially took up environmental and social impact assessments assuming their challenge was to do no harm and ensure compliance.

The new thinking has spurred a diversity of practice, embracing four core ideas:

- i. Through its core activities of investment and operation, business has major and multiple impacts on developing economies and people. Through purposeful action the business model can be adapted, not just to avoid damage, but to positively unleash greater development impacts, while still being commercially driven.
- ii. There is more than one way to adapt the business model. Supply chains are critical because they reach down to poor producers, but a company's distribution and retail, research and development, dialogue with consumers and policy-makers can all strongly affect its development impact (see Box/Fig).

- iii. The core business approach builds on the significant gains made by through CSR to date. These gains must be protected and expanded, while core business is harnessed to deliver more sustainable and dynamic impacts..
- iv. Delivering greater development benefits – or higher social value – can go hand in hand with building shareholder value.

### **Purpose of the meeting**

The meeting aims to explore what this shift means in practice, for businesses and for policy-makers who support them. It will look at how adaptation of supply chains, employment practice, and relations with contractors can boost development.

It aims to promote exchange, insight and innovation on the many questions at hand such as:

1. What is working? What can we learn from current good practice and what are the current and future areas of innovation? How does the current economic crisis affect adoption of the core business approach?
2. Amidst the diversity of approaches, are there key distinctions between sectors? Do the same models apply to domestic businesses and MNCs from emerging economies?
3. Should CSR be quite separate? Or are CSR budgets and resources well used in helping companies make the transition to high social-value business models? What role remains for CSR advocacy, such as the OECD MNE guidelines?
4. How do companies find the right balance? E.g. between meeting basic standards of responsibility in daily operations and taking new initiatives that reach out to new beneficiaries? Between making a stronger contribution to economic development and shifting to low-carbon environmentally sustainable operations.
5. How can international initiatives, national government policy, and donor support create the right incentives for companies to innovate and deliver?
6. What do we know so far about the impact of new approaches? Is it being measured? What of the cost? How much internal effort does it take for companies, and how can this be achieved?

### **The series**

This event is part of a meeting series that brings together company executives, practitioners, policy researchers, government and civil society to debate how the private sector will contribute to the development agenda, and how private-sector-driven development can be strengthened in 2009 and beyond.

**For more information visit:** [www.events.businessfightspoverty.org](http://www.events.businessfightspoverty.org)

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