BRIEFING NOTE   **FOR INFOMATION**

SUBJECT: Corporate Social Responsibility (CSR) Management Initiatives

Creating a successful Corporate Social Responsibility (CSR) program provides companies with a positive tool in which to increase profits and ensure sustainability of projects over the long-term. Proper implementation of a CSR initiative to ensure that it conforms to a company's interests requires adopting the proper management strategy, either an operations, compliance, or customer oriented strategy.[1]

1. **Operations Strategy**: An operations strategy places the company in a leadership position on responsibility issues, giving it direct influence on the development of the industries responsibility practices. The strategy actively integrates responsible practices into the company's business model, pursuing innovation to ensure that the company remains at the forefront of industry developments and increasing a company's competitive advantage. This strategy often has a trickle-down effect on supply chains and competitors, who conform their own business practices to the responsibility initiatives undertaken by the leadership company if they prove to be successful. While it may seem that the leadership company would need to have considerable financial and industry authority, smaller companies can effectively adopt an operations-oriented strategy with large success, especially in sectors that are developing. Some successful strategies include;
   - Improving overall time to market strategies.
   - Improving revenues from asset management activities.
   - Increasing operational efficiency.
   - Involving stakeholders.
   - Reducing a company's environmental footprint.
   - Implementing a green supply chain.

2. **Compliance Strategy**: A compliance management strategy focuses on adhering to existing policy direction to a high degree, many times ensuring that their activities cover a broad range of compliance requirements. Companies that choose this strategy seek to reinforce the industrial norms, managing risks that may destabilize the industry at a later point, especially security policies throughout all the levels of the company. Many compliance initiatives focus on reduction strategies, targeting areas that are regulated to reduce costs and improve a company's image. Some successful strategies include;

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[1] Information from this article has been expanded from the following article. Kelly Lagana. "Which corporate social responsibility (CSR) strategy is rightyou're your company?" *BLR* (November 27th, 2012). http://hr.blr.com/whitepapers/HR-Administration/Workplace-Ethics/Which-corporate-social-responsibility-CSR-strategy

- Reducing the number of violations.
- Reducing waste generation.
- Reducing energy consumption.
- Reducing greenhouse gas emissions.
- Reducing the frequency and number of recalls, either through more intensive product testing and safety procedures.
- Auditing supply chains to find any safety issues.

3. **Consumer Strategy**: The consumer strategy focuses on customer and community demands and interests. Companies that choose this management style are often, but not always, closely integrated into the community, and place a large emphasis on community involvement to create a sustainable relationship. This strategy is effective in diminishing the chances of community conflict during a company's operations since it seeks to provide them with a voice in the direction of operations. Some successful strategies include;
   - Customer loyalty programs.
   - Increased participation with NGOs, whether they be local or international.
   - No human rights violations
   - Improving customer satisfaction.
   - Increasing investment in relation to total revenue.
   - Certifying supply chains.
   - Undertaking community oriented programs.

Oftentimes companies incorporate aspects of more than one of the main CSR strategies into their business model, however it is important to focus the majority of a company's efforts to following one to ensure a successful implementation of CSR initiatives. Failure to adopt the proper CSR management framework can lead to issues with implementation and company cohesion concerning objectives, and can result in unintended costs over time.

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