

PTC Academy

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‘Getting the balance right: how we manage revenue, social obligations, costs, harvesting legacy revenue and building new revenues’

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Improve Revenue and Reduce Costs Through CSR (*Corporate Social Responsibility*)

Managers can increase revenues and reduce costs when they understand the role of Corporate Social Performance (CSR) in driving over-all Corporate Financial Performance.

What are the individual, underlying drivers of the performance associated with CSR and their ability to improve revenue and reduce costs?

Do you have a CSR Officer in your company? Do you leverage off any goodwill created by you company in this space?

CSR 'isn't just about 'giving'. You should leverage and gain returns;

- Customer drivers including the ability of CSR to signal quality to consumers that can lead to favorable views of the organization by customers and enhance customer loyalty.
- Society drivers such as the accumulation of social capital as a result of transparency, goodwill and good citizenship.
- Natural environment drivers such as pollution prevention and environmental strategies that can lead to competitive advantage for firms.
- Innovation drivers including the potential positive impact of environmental goals that result in widespread changes in operations that foster innovation.
- Governance drivers including disclosure practices that lead to greater visibility with stakeholders and financial partners.

Does your organization have CSR Policies? How do you leverage off of these?

CSR reporting practices strengthen your organization.

The process of documenting and communicating CSR practices provides benefits to corporations, including the ability to formalize their position on CSR, identify organizational strengths and weaknesses, and manage stakeholder relationships and expectations.

CSR enhances your human resource management.

Firms with established reputations as positive places to work can attract talented employees. Employees at organizations with positive CSR practices and ethical values are more committed to the organization and have greater job satisfaction. Employee engagement can lead to both cost savings and growth opportunities.

Do you communicate and use these positives with your staff?

Customers care about your CSR practices.

Customers are more committed, more satisfied and identify strongly with organizations that have visible and well-established CSR practices. This effect can lead to multiple revenue opportunities.

Environmental performance influences your bottom-line measures.

Improving environmental practices such as reducing pollution and improving waste management can lead to better financial performance through both increased revenues (e.g., enhanced brand equity) and lower costs (e.g., operational efficiencies).

Do you communicate these positive internal actions to your clients?

CSR practices make your business appear less risky.

Organizations engaged in CSR signal to stakeholders that they are committed to meeting stakeholder demands. Such organizations appear to potential lenders and investors as encompassing less risk. This perception can lead to revenue opportunities (as a result of positive positioning) and cost savings (as a result of a lower cost of capital).

CSR can drive innovation.

Operational and cultural changes resulting from CSR can lead to growth opportunities through new product development and to cost savings from production efficiencies.

How can you get involved internally to take advantage?