



# CSR & SME'S

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charity **a**

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PARTNER

CSR is part of the ongoing running of a business in a **responsible & sustainable** manner



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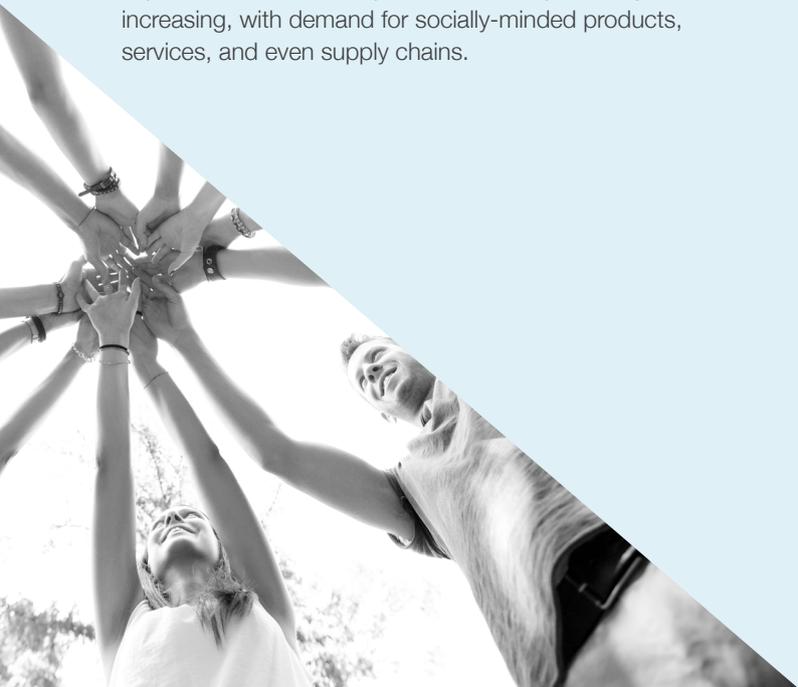


## What is CSR?

Corporate Social Responsibility (CSR) is part of the ongoing running of a business in a responsible and sustainable manner: it is an attitude rather than just an activity. Many companies find that they have been implementing CSR strategies without actually labelling them as such. CSR initiatives can be anything from a local project, which involves and benefits the local community, to an international project, which reaches outside the areas in which a company would normally operate. Research has found that customer expectations around corporate social responsibility are increasing, with demand for socially-minded products, services, and even supply chains.

## CSR is for all businesses - large and small

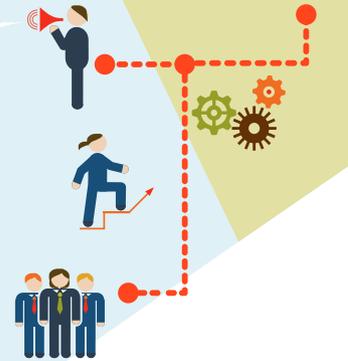
There is a perception that large companies are more likely to undertake CSR initiatives because they have greater capacity, funding and resources. However, many of the characteristics of SMEs mean that they are better placed to implement CSR strategies. SMEs tend to be the result of an entrepreneurial mindset; individuals with the vision to start a company also have the vision to introduce new and innovative ideas. SMEs also tend to have shorter lines of communication, meaning that all staff can be included in any initiative. Another advantage is the flexibility enjoyed by SMEs; business practices can be adapted to meet new norms and standards relatively easily.





# The business case for CSR

While CSR is primarily about giving back, companies can see many quantifiable benefits of engaging in it.



## Good for the business

- Employee attraction, engagement, retention – it has been proven that employees want to work for responsible businesses
- Reduced risk through strong reputation
- Customer loyalty, brand values
- Cost savings in areas such as energy reduction, water reduction and resource efficiencies from managing environmental impacts
- Promotes diversity and inclusion in organisations, resulting in effective decision-making
- Innovation - potential to drive new product innovation and models of operation
- Learning – ability to learn from organisations with different skill sets through the development of long term partnerships.

## Good for Society/Community

- Better managed environmental impacts
- Community re-generation, goodwill, improved relationships, social inclusion and community cooperation
- Philanthropic activity, charitable donations - improved services for marginal and disadvantaged communities
- Support for education, health & wellbeing
- Contribute to social and environmental sustainability of local and global society



# Engaging with a charity: what are the benefits?

While there are various different facets of CSR, the most relevant to SMEs is community CSR. Community CSR includes the extent to which companies contribute to improving the quality of life and standards of living in the communities in which they operate. This can take many forms but one of the most popular is to work with a charity. Whether you choose to engage with a small locally focused group or a major international organisation, your efforts can contribute to their work in a very real and meaningful way.

Businesses are increasingly realising that non-profit organisations are effective, professional entities with which companies can do business. Challenges can be better addressed when businesses and non-profits align their interests and pool their varied resources, including know-how, networks and brand, working together to achieve common goals.

Furthermore, engaging with a charity can allow your company to benefit from the skills and experience they possess. Engagement is not a one way street. While your company will have the potential to provide help and support to many organisations in the charity sector; these groups will also have staff and resources that can be of benefit to business.

## Money isn't everything

Partnering with a charity shouldn't only be about making donations and providing financial support; it is important that charities are no longer viewed as the recipients of a company's philanthropy. Businesses don't have to have limitless funding and resources to get involved. All businesses are in a position to partner with a charity.

## Choosing a partner that is right for your company

Choosing the right charity partner for your organisation can be a difficult and daunting decision and, understandably, you will want to be confident that you are making the right choice for your company, especially if you are looking at supporting an organisation over several years. Although support may not always be financial (it can involve donating staff time, voluntary hours or even equipment) it would be beneficial to go through the same steps with each organisation or charity before deciding which one to partner with.



# 6 Steps to a successful charity partnership:



## 1. Find a charity that fits well with your company's mission

The first step is finding something that fits with your business model, your goals and mission. Looking for something that fits with your organisation will make it much easier to get buy-in from your team, clients and stakeholders.

For a list of potential charity partners visit the Dóchas website and search their current members working in international development at <http://www.dochas.ie/membership/our-members/> or The Wheel's directory where you will find an extensive list of charities in Ireland: <http://wheel.ie/directory>.

## 2. Evaluate the charity before entering into a partnership

To make sure you are partnering with the right organisation, there are a few simple questions you can ask before you enter into any agreement:

- a) Does the charity have a Charity Registration Number (issued by the Charities Regulatory Authority) or has it applied for inclusion in the Register of Charities? See [www.charitiesregulatoryauthority.ie](http://www.charitiesregulatoryauthority.ie) for details.
- b) Does the charity have a registered business address in Ireland and a working landline telephone number?
- c) Is the charity transparent about its resources, including its Board members, staff and finances? Can you easily access their financial information online?
- d) Does it apply professional standards to its work, such as a governance code or has it signed up to the Statement of Guiding Principles for Fundraising?
- e) Do you know how the charity is governed? Do they have a Board that you could meet with?
- f) What problem is the charity trying to solve? Does the charity's approach to solving that problem make sense and seem achievable?
- g) Are you satisfied with the level and quality of information available around their work, services and programmes? Is the organisation effective and making progress toward clear goals?
- h) Are you clear about which programmes you would be supporting and the difference your donation or time would make to this organisation?
- i) Do you feel you could develop a worthwhile, long-term relationship with the organisation's leadership – their Board and senior staff?

## 3. Ask your staff for their input

Make sure to get buy-in from your team from the start on which charity you choose. This is equally important whether it is pro-bono/in-kind support or a financial donation. Understand what causes, programmes or campaigns your team are passionate about and potentially even vote on a charity to determine which one has the most support behind it within your company.

Involving all staff from the beginning of the process will have a huge impact on not only the success of the partnership but also what each staff member will personally get out of their involvement with the charity.



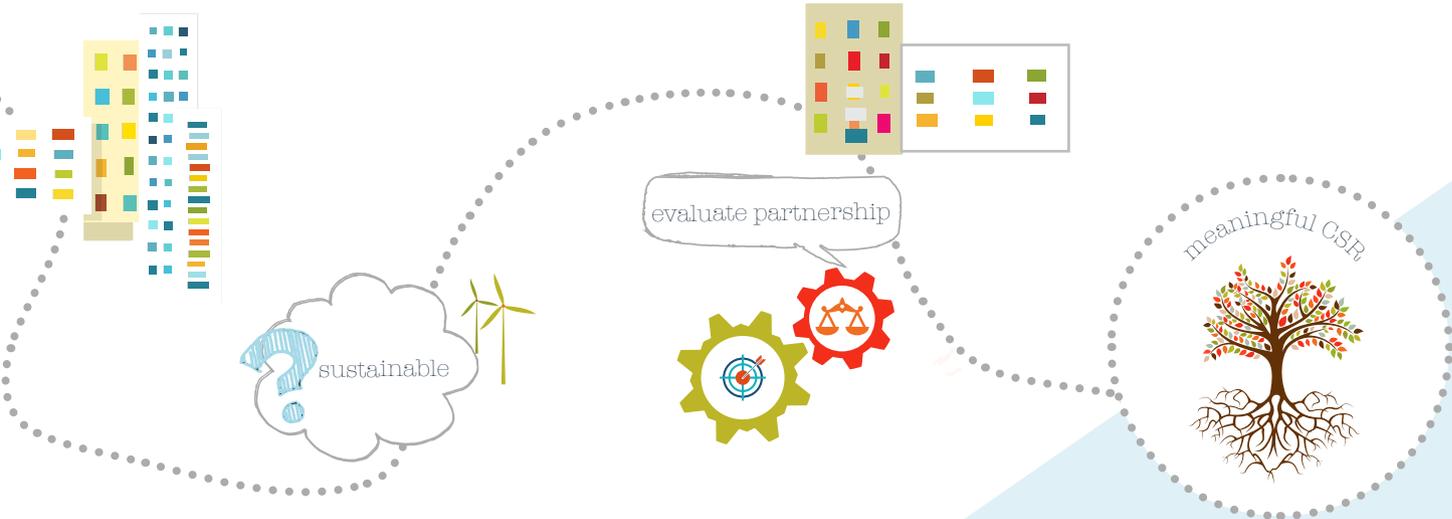
evaluate



staff...

input





#### 4. Choose a type of giving that you can sustain

Be confident that what you are promising to an organisation can be sustained, as they will be budgeting for the year or years ahead with your donation in mind. One way to avoid any disappointment is to commit to a donation per good or service that you sell, or to a percentage of profits. This guarantees that you have the revenue coming in to afford the donation you have committed to.

Often for charities, the most valuable type of support is that which reduces core costs and expenses, which are essential for the running of the charity. It is this type of funding that eventually leads to high impact outputs for the charity.

Alternatively, if you feel your company is only in a position to make a small donation but can offer voluntary hours, training or staff time towards a particular cause, then you can always make this your commitment to your chosen charity partner as it can be equally as valuable.

#### 5. Find a way to evaluate the impact of your partnership

As with any investment that your company makes, you will want to be confident that your support is making a difference to your chosen charity's ability to deliver on their mission. The level of reporting you can expect from a charity partner will depend greatly on the type of donation of time or money you are giving: do you want to fund a specific project? Or would you like to give a more general donation to support on-going work? The type of partnership you have will set out the type of indicators that are expected.

To ensure both you and your charity partner are clear on expectations and are satisfied with outcomes, it is always a good idea to clarify from the onset what it is possible for the charity to achieve with your support and your expectations on how progress is reported.

#### 6. Ensure your CSR activity is meaningful - for you and the charity

To be truly meaningful your CSR activities should concentrate on the impact that your charity partners are trying to achieve. By matching your company's skills and resources to a need in the community, you will make a real and lasting difference. When choosing a charity partner, get to know them and understand exactly how a relationship with your company can help them be more impactful. At its best a good CSR programme delivers lasting results for a community or cause.

Remember, CSR is not marketing; it should be about making a meaningful impact in the communities that sustain your business.

## Further information and resources:

General information on what makes a good charity

[www.goodcharity.ie](http://www.goodcharity.ie)

Charities Regulatory Authority/Register of Charities

[www.charitiesregulatoryauthority.ie](http://www.charitiesregulatoryauthority.ie)

Statement of Guiding Principles for Fundraising

[www.ictr.ie/content/fundraising-codes-practice](http://www.ictr.ie/content/fundraising-codes-practice)

Good governance

[www.governancecode.ie/](http://www.governancecode.ie/) and [http://www.dochas.ie/shared/files/2/code\\_of\\_corporate\\_governance.pdf](http://www.dochas.ie/shared/files/2/code_of_corporate_governance.pdf)

Financial reporting

[www.dochas.ie/Shared/Files/2/Guidelines\\_web.pdf](http://www.dochas.ie/Shared/Files/2/Guidelines_web.pdf) and <http://www.wheel.ie/content/financial-reporting-charities>



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