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The Hidden Potential of Small Business CSR

By Read deButts, President, OTM Partners

From its humble beginnings as a Seattle coffee bean roaster in 1971, Starbucks sought to position itself as a brand dedicated not just to profit, but also to being a responsible company that cares about things its customers care about: the environment, ethical sourcing, recycling, fair trade and, perhaps most important, community.

Now, 22,000 stores later, Starbucks is a global brand with a mantra that reflects its social mission: "We have always believed Starbucks can - and should - have a positive impact on the communities we serve. One person, one cup and one neighborhood at a time."

Starbucks is not alone. Chipotle, Patagonia, Whole Foods and Zappos are all companies that have built their brands in large part by doing good. And long-established corporations such as General Electric, Intel, Disney, McDonalds are also increasingly recognized as both corporate leaders, but also as companies that are also equally concerned with doing social good.

But is corporate social responsibility, or CSR, solely the purview of corporations? What about small businesses? Can a small business like convenience stores aspire to the same level of corporate social responsibility and tackle global issues like the environment, and can they overcome the seeming little leverage they have to affect their own product sourcing practices? Due to their size, they may seem like unlikely candidates for CSR.

Our experience has found that what works for big players can also work for little guys too; it's just a matter of rethinking scale.

I had the opportunity to visit and see what small business CSR impact could look like in October at the National Association of Convenience Stores (NACS) show in Las Vegas. Convenience retailers heard from John Mackey, cofounder and co-CEO of Whole Foods, discuss what he calls "conscious capitalism." Mackey is indeed an expert on the impact of CSR having literally written the book on the subject: "Conscious Capitalism, Liberating the Heroic Spirit of Business."

At OTM Partners, we specialize in the development and management of nationally branded communications programs with a focus on corporate social responsibility campaigns.

Blending creativity with craft, we transform challenges into opportunities and objectives into outcomes.

Corporate Social Responsibility (CSR) is our business. Our award-winning team of CSR strategists has more than two decades of experience in the communications arena, and we understand that effective CSR programs are an essential element for succeeding in the business world today.

Whether you are looking to assess your current CSR efforts or to create a national program from the ground up, OTM Partners is the right team to help you achieve your goals.

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During his keynote Mackey noted that his goal was “to inspire the incentive to participate in conscious capitalism to create value in the world, to achieve higher financial performance, a sustainable business and deeper and more beneficial relationships with all major stakeholders. Successful companies are already thriving under this model and I believe it’s the future of business.” His observation was informed not by the individual size of a single convenience store, but rather the potential for social change that could be possible if we consider the power of independently owned stores in the aggregate.

Each and every convenience store may be a small business on its own, but when they are examined together they are a mammoth enterprise on scale with any corporate giant – according to Nielsen, the 152,794 independently owned convenience stores across the country account for 33.9% of all retail outlets in the United States.

When it comes to CSR, the collective action among these independent convenience retailers can have ripple effects across the entire economy.

For example, let’s examine the rising trend of offering consumers healthier snack alternatives; according to NACS, 2013 revenues at the average convenience store generated \$145,625 in snack sales, with 18 percent of sales, or \$26,212, being “better-for-you” snacks such as nuts, trail mix or protein bars. When that single store average is applied to the entire convenience store sector, the collective sales of “better-for-you” snacks could equal \$4 billion. Yes, that’s \$4 billion in healthier snack sales in a single year.

Steve Loehr of La Crosse-based Kwik Trip Inc. has been a long-time advocate of the healthier snack trend and says his business has benefited from it. “Kwik Trip has gone from selling cigarettes, beverages and gasoline, to selling fresh salads, soups, fresh meat, and bananas. This year, we expect to generate more gross profit dollars from food than from gasoline.”

For too long CSR has been examined largely within the confines of corporations, but CSR can be practiced at the small business level – and when the individual efforts of small business owners are examined in the aggregate the impact can be mind-boggling. It’s time to examine and understand the CSR impact small business can have when they choose to give back to the local communities where they operate – this includes contributions to local charities, volunteer hours or neighborhood recycling programs.

Small businesses might not have a loud national voice or file an annual CSR report, but their reach and ubiquity across our country provides a clear view of the potential for understanding their collective impact.

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OTM Partners is an Arlington-based agency that specializes in developing and managing nationally branded CSR communications programs and creating individualized corporate social responsibility opportunities for businesses big and small.

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