

## Understanding Corporate Social Responsibility (CSR)

If you don't exactly understand what corporate social responsibility (CSR) means, don't worry. We'll cover the main points you need to know. CSR is increasingly seen as something that companies of all sizes need to be aware of, so let's take a closer look at a few of the finer points.

There are 4 basic pillars in CSR: the community, the environment, the marketplace and the workplace. The community pillar of CSR refers to your company's contribution to the local community; this contribution can take a variety of forms ranging from financial support to personal involvement.



The second pillar of CSR is the environment. The simple fact is that people around the world are becoming much more environmentally aware. You can be quite certain that a percentage of your customers and/or clients have environmental concerns.

Increasingly, consumers want to know that the companies that they are purchasing from have good environmental practices. There are many ways that businesses can show that they are environmentally aware. They range from recycling and using low-emission and high-mileage vehicles whenever possible to adopting packaging and containers that are environmentally friendly.

The third pillar of CSR is the marketplace. Proper corporate social responsibility includes the responsible utilization of advertising, public relations, and ethical business conduct. Another key element in the marketplace pillar is adopting fair treatment policies towards suppliers and vendors, contractors and shareholders. In other words, the marketplace aspect of CSR means rejecting exploitative business practices in favor of fairer and more equitable business practices.

The final pillar of CSR concerns the workplace. In the workplace pillar, CSR encourages the implementation of fair and equitable treatment of employees, as well as observing workplace safety protocols and embracing equal opportunity employment and labor standards.

Adopting CSR practices in today's business climate is a prudent decision, as it serves to increase both shareholder and investor interest, while simultaneously encouraging a company's value. Likewise, embracing CSR practices can make it easier to attract a buyer and that party may be willing to pay a higher selling price.

Typically, buyers want a business that has many of the attributes supported by the four pillars of CSR. Buyers want businesses that enjoy a high level of customer loyalty and have good overall relations with the local community. Additionally, buyers want businesses that have quality relationships with their suppliers and vendors as well as loyal and dependable employees.

Sellers must realize that buyers want products, goods and services that are in line with the current trends of the marketplace and have an eye towards future trends. Finally, buyers want as little “baggage” as possible. You can be certain that buyers don’t want to find any skeletons lurking about in the company closet. The proper utilization of CSR can address all of these concerns and, in the process, make your business more attractive to a potential buyer.

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