

CSR application support through aligned services

Supporting SMEs and supply chains to switch to more sustainable production processes

EMPASIA Conference on Sustainability for SMEs

Knowledge Management, Corporate Social Responsibility, Support and Development

Bangkok, September 2009

Scope of presentation

1. **EMPASIA project background**
2. **Selected results of the CSR self-assessment by participants**
3. **Recommendations for action**
4. **Concept of aligned services for Supporting SMEs and supply chains to switch to more sustainable production processes**

The EMP ASIA Corporate Social Responsibility component

- Scope**
1. Awareness building in industries and business support infrastructure
 2. Capacity building on holistic CSR concept
 3. Aligning business intermediaries for further support action

Activities **CSR Training component**

Module 1: Introduction, potentials for businesses, starting CSR integration

Module 2: Systematic CSR integration, introduction of software tools

Module 3: CSR performance controlling

CSR Networking Alliance component

Creation of support infrastructure for knowledge sharing

Workshops to align business intermediaries

Development of concept for further CSR support activities

Why systematic integration of CSR issues – overall business strategies

"safeguard" - reducing and managing risks

- Environmental and social risks could affect the financial, managerial or reputation of corporations
- Goal - securing the existing markets and the position in the markets

"credibility" - enhancing credibility and reputation

- Credibility and reputation is a valuable non-tangible asset (also for situation of crisis)
- Prevention of conflicts with authorities and stakeholders
- Attraction of suitable employees and satisfaction of customers

"efficiency" - enhancing productivity and efficiency

- Cost reduction through resource efficiency
- Productivity improvements through work conditions and job satisfaction

"innovation" - differentiating in the market

- Creation of products and services with unique selling point
- Increase of sales and margins through environmentally friendly product and process innovations
- Learning organisations have higher efficiency and create more value

CSR in business operation

State of the art "EMPASIA"

- CSR – The approach to give a frame for businesses to express their commitment to society*
- referred as an corporate approach for managing corporate sustainability
 - *voluntarily integration* of social and environmental issues into all business activities

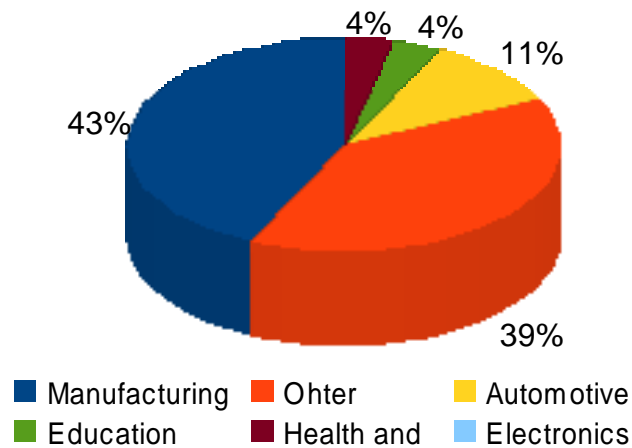
CSR assessment schema by consumer group 'Stiftung Warentest'

- Framework for consumer-oriented company surveys for responsible corporate behavior
- Built upon international conventions, standards and guidelines for responsible corporate behavior
- Schema criteria used for
 - socially responsible investment
 - for corporate environmental, social and sustainability reporting
 - assessment scores depending on industries, cultural & local conditions

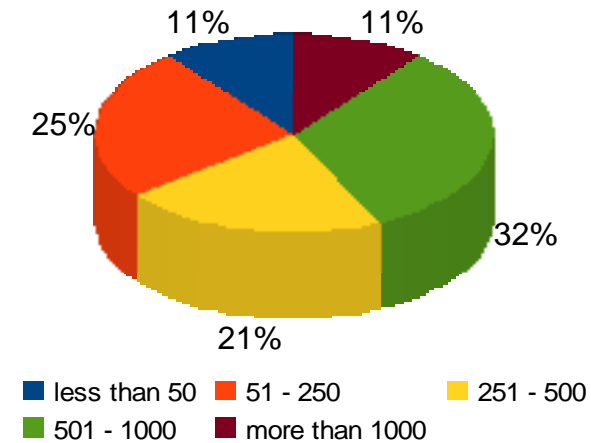
Social Issues / Employees	1. Guiding principles and corporate policy
Social Issues / Production and Supplier	2. Management
The Environment	3. Measures and implementation
	4. Reporting
Consumers and Society	1. Willingness to provide information
	2. Community involvement

CSR self-assessment by training participants in Thailand

Organisations by sector (30)

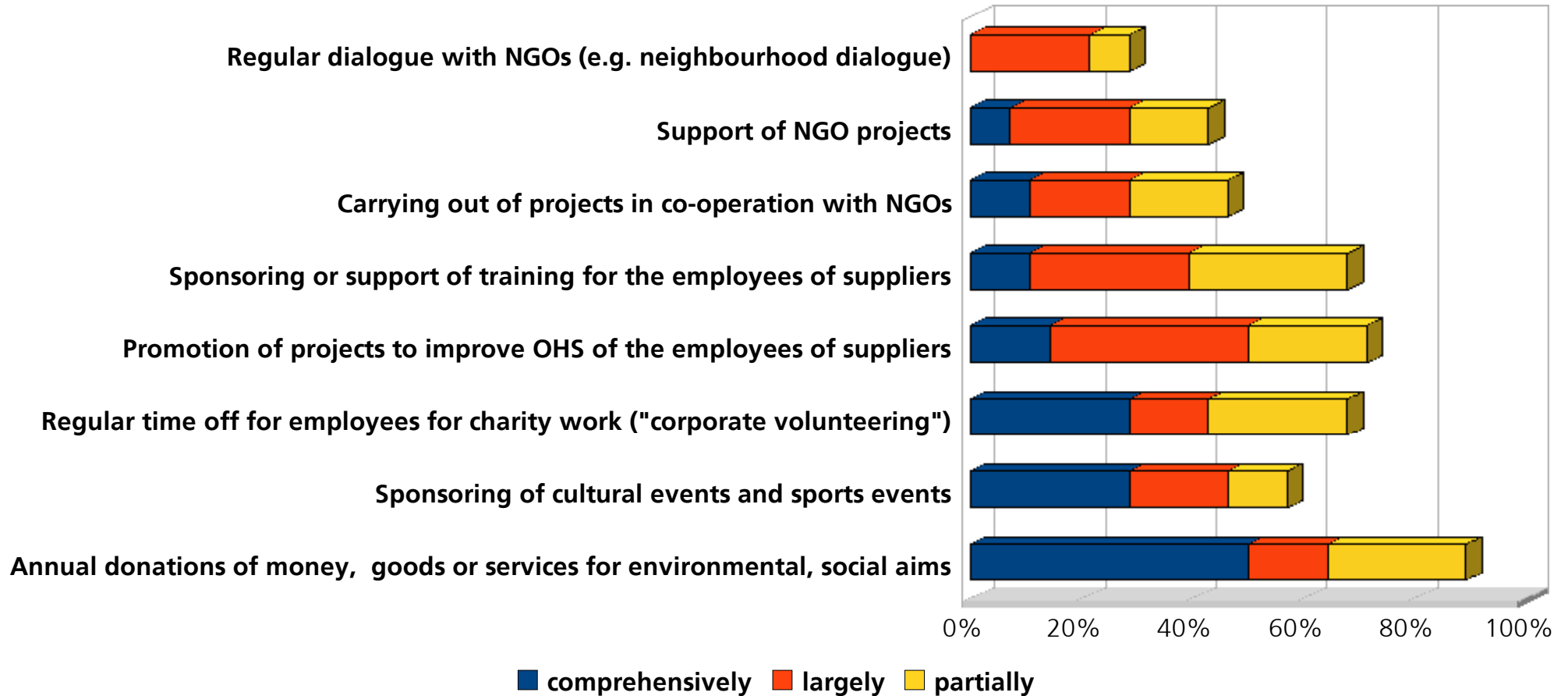


Organisations by employees



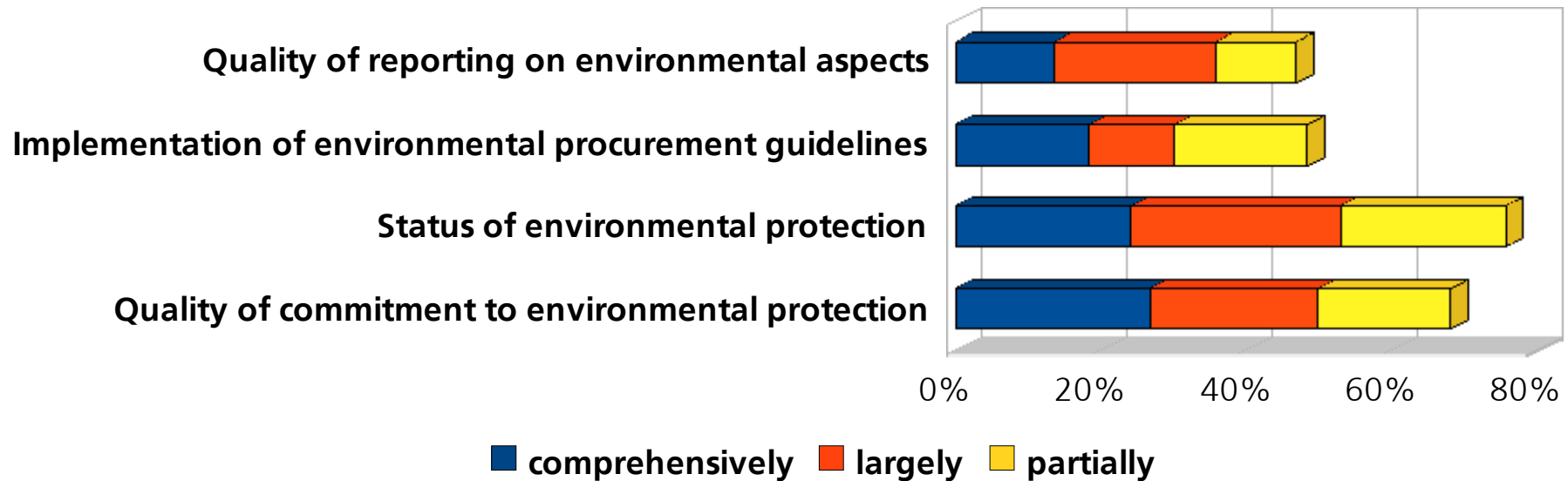
CSR self-assessment by training participants in Thailand

Consumers and Society - Community Involvement



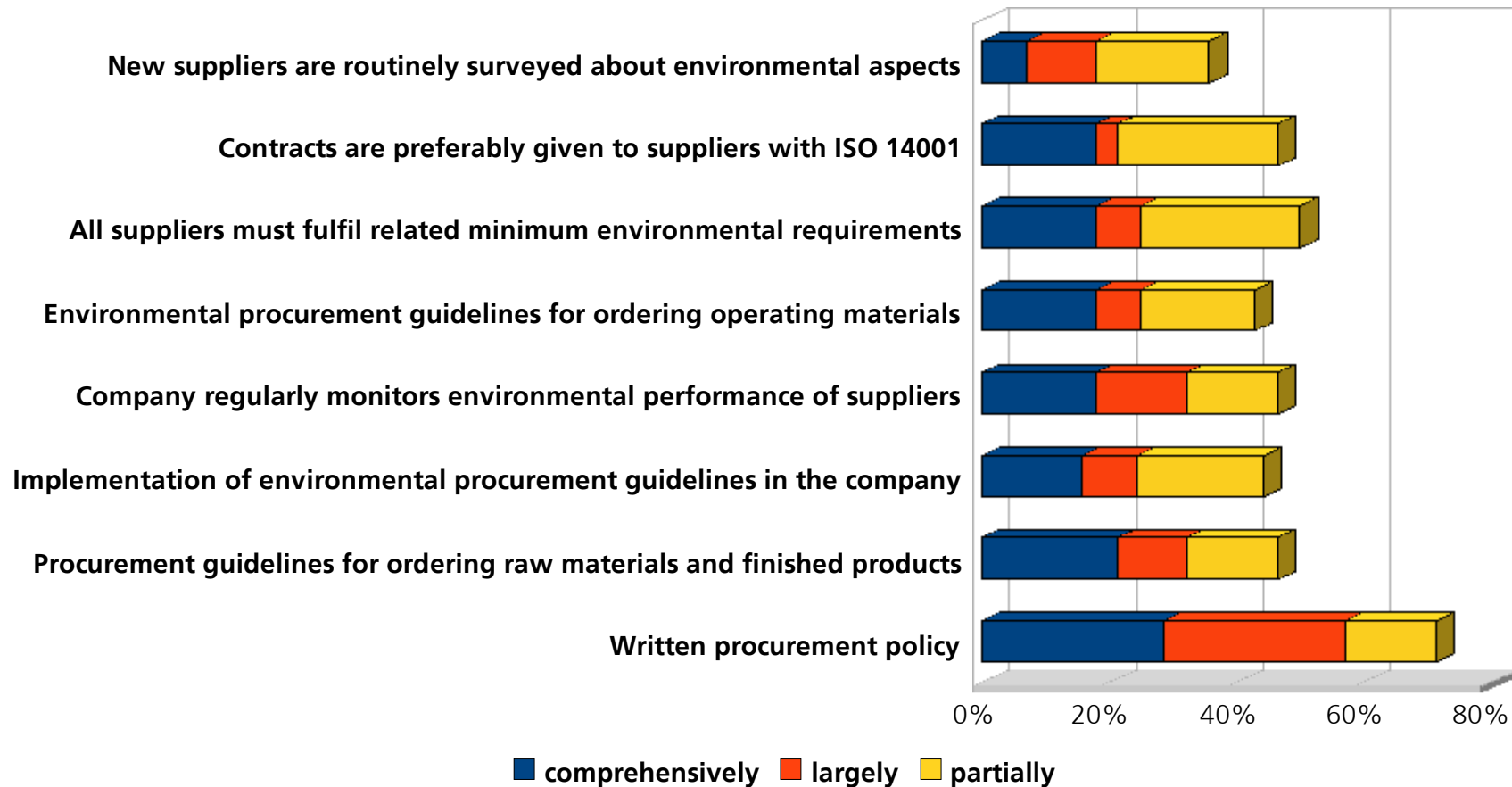
CSR self-assessment by training participants in Thailand

The environment – status of overall categories



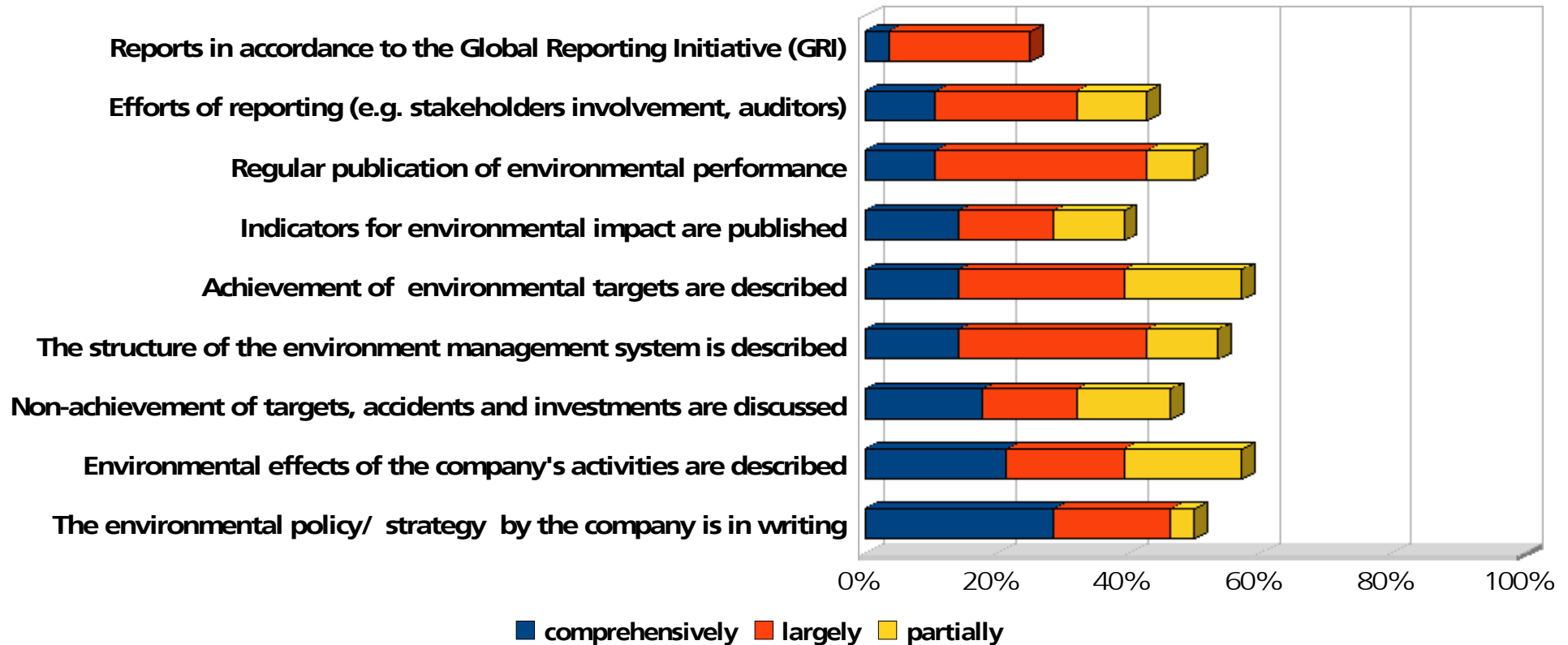
CSR self-assessment by training participants in Thailand

The environment - implementation of environmental procurement guidelines



CSR self-assessment by training participants in Thailand

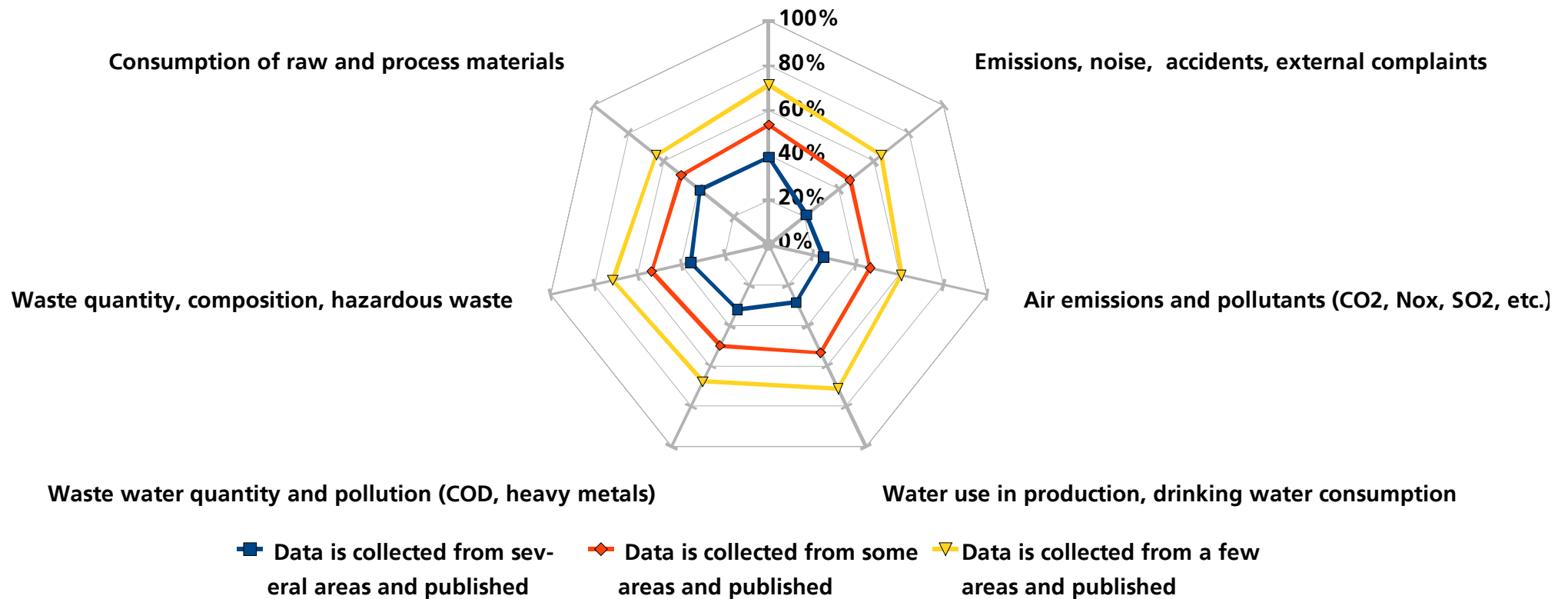
The environment - quality of environmental reporting



CSR self-assessment by training participants in Thailand

The environment - data management

Energy consumption data by source



Recommendations

- **Awareness** on business opportunities through CSR and Sustainable Development is the base for change!
- **Applying** Sustainability Management (SM) practices requires transparency, communication & motivation!
- **Switching** to more sustainable management practices does not require significant financial resources but rather improvements in human capital, data and information management!



General requirements for switching to switch to more sustainable production processes

- **Awareness** on sustainability
- **Know how** on advanced management approaches, methods and tools for business applications
- **Access to** technologies and services
- **Adaptation of** advanced business management practices and ICT technologies,
- **Operation & support** of applications and services

Selected advanced approaches and ICT for business management

Examples for advanced ICT	Sustainability Management approach	Function	Link
Open Bravo, SoFi	Resource Management, CSR, Environmental Cost Accounting	Indicator based process monitoring from manufacturing process to supply chains and Enterprise Resource Planning (ERP)	http://forge.openbravo.com , www.pe-international.com/sofi
Redmine	Environmental Management, CSR	Workflow management for continuous improvement processes (CIP)	www.redmine.org/
Umberto	Resource Management, Environmental Investment Appraisal	Material and energy flow analysis, process simulation	www.umberto.de/en
Drupal, SugarCRM	Stakeholder Relationship Management	Internal / external communication, stakeholder involvement (CRM)	http://drupal.org , www.sugarcrm.com
E-Front, Elgg	Knowledge Management, e-Learning for business	web 2.0 e-learning and knowledge management for businesses, Internal / external communication	www.efrontlearning.net http://community.elgg.org

Recommendation for support action

1. Awareness building on business opportunities through CSR and Sustainable Development
2. Capacity building on sustainable business management practices and approaches
3. Sufficient access to localized, cost effective data management, planning and reporting tools
4. Integrated business solutions by combining similar demands for effective, cost efficient
5. Enhancing direct business support by aligning solution provider for
 - Software services with open source focus (Software as a Service)
 - Management consulting and training,
 - Technology provider

Project proposition:

Transition of SMEs and supply chain networks

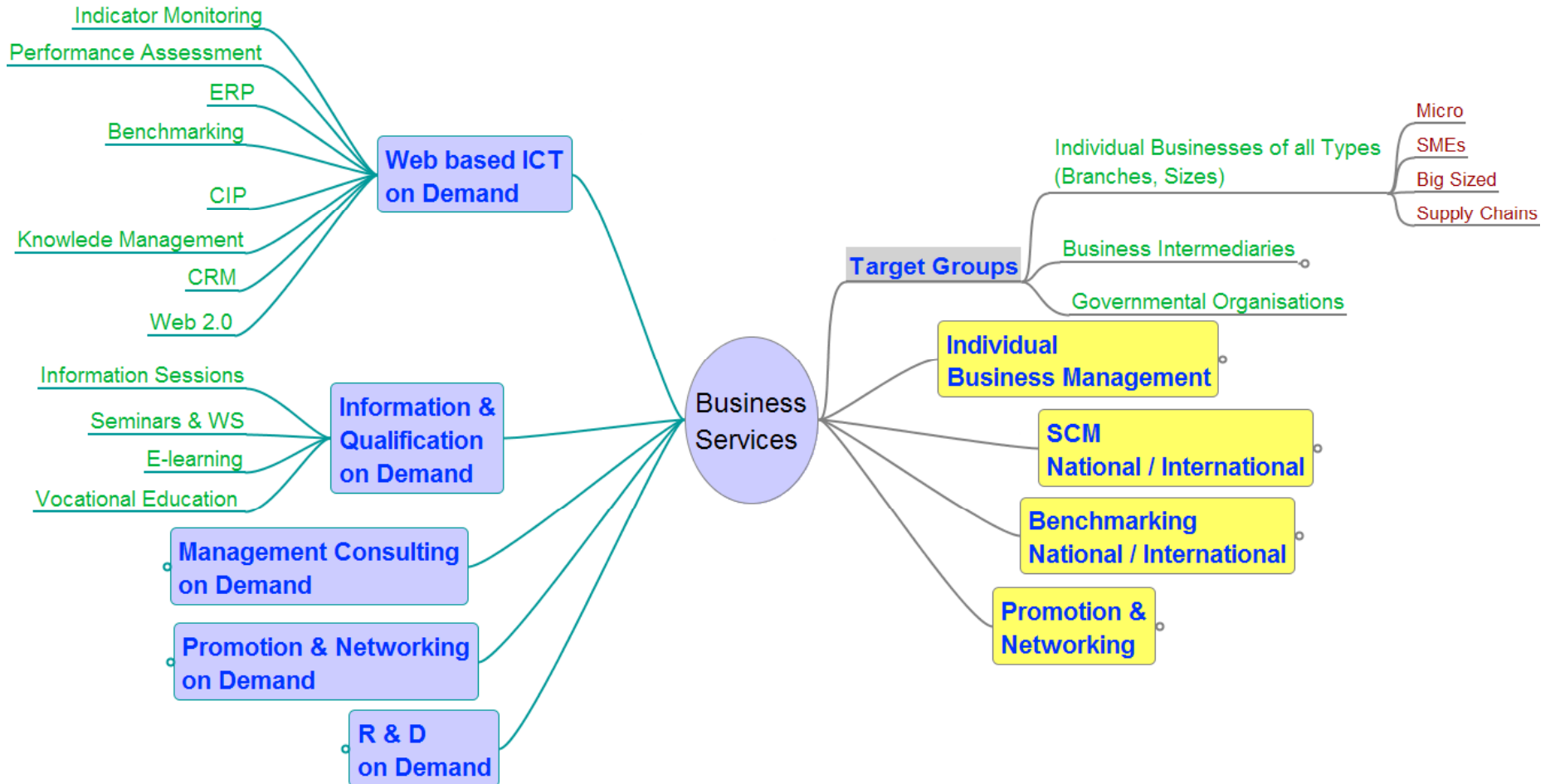
towards sustainable production processes through an active uptake of ICT solutions for sustainability management – ICT4SM

Objectives

1. To develop a **portfolio of efficient ICT-based sustainability management tools and solutions** tailored to the local conditions and needs of local SMEs across various industrial sectors
2. To **establish a service infrastructure** for fostering sustainability management
3. To **stimulate and facilitate the uptake** of ICT-based sustainability management in significant number of SMEs and to improve significantly their business competitiveness
4. To **encourage broad uptake** of sustainability management tools and practices through active dissemination and promotion activities

CSR application support through aligned services

The concept - Combining tools and services on demand for sustainability



CSR application support through aligned services

Main Activity	Result	Purpose
Set up ICT Toolbox	Accessible, localized, cost-efficient ICT for introducing SM practices in SMEs and supply chains	Overcoming technological barriers for ICT and SM adoption
Set up service infrastructure	Locally accepted, affordable on demand services for advanced ICT and SM	Overcoming individual adoption barriers through qualification; create capacities to implement necessary organizational and technical changes
Set up services	Local self-sustainable service network supporting adoption of ICT-enabled SM approaches	Ensuring access, acceptance and impact of both ICT and SM by combining SaaS, business consulting, ongoing qualification, interlinking with solutions providers
Implementation and operation of services	Verification of services through radical improvements of business efficiency and environmental standards in XXX SMEs	Improving competence levels of local SMEs and business intermediaries on advanced ICT and SM methodologies to enable the switch to sustainable more sustainable production.
Scaling up of service	Breakthrough of ICT-based SM in targeted SME sectors and local supply chains	Broad uptake of S, realizing the envisaged switch to more sustainable production

Potential areas for ICT4SM application

1. Individual business applications
2. Integrated solutions
 1. Industry cluster (combining individual applications with other services, e.g. benchmarking and reporting)
 2. Qualifications of supply chains (combining individual applications with supply chain requirements)
 3. National reporting and audit frameworks (automated government reporting)
 4. Stock exchange (extension of financial reporting)
 5. ...

Further information and networking

www.empasia.org

www.sustain-asia.org

Contact:

Ralf.Opierzynski@iff.fraunhofer.de

ASEP@asepinfo.org

sustain Asia - web community for Sustainable Development

The screenshot shows a web interface for a community group. At the top, there are navigation tabs: HOME, LATEST ACTIVITY, BLOG, BOOKMARKS, GROUPS, PAGES, FILES. The main content area is titled "CSR in practice - Thailand". On the left, there is a sidebar with a description: "CSR in practice - Networking and communication on Corporate Social Responsibility issues and solutions". Below this are links for "Subscribe to feed", "Syndicate OpenDD", and "Bookmark this". There are also buttons for "Edit group", "Invite friends", and "Leave group". A "Group forum" section is visible. Below that, there are links for "CSR in practice - Thailand's files", "CSR in practice - Thailand's pages", and "CSR in practice - Thailand's calendar". At the bottom of the sidebar, there is a "Group members" section with several profile pictures. The main content area on the right contains a group description: "We are a network of organisations and people who are actively supporting CSR activities in Thai industries. This group will provide all members a meeting point for networking, discussion and information exchange." It also lists the owner as "Tatchanok Siriwanpan" with 7 group members. A list of links includes "best practice examples", "ICT for businesses", and "getting involved in the business support project EMPASIA". A video player is embedded at the bottom right with the title "Everyone's talking Corporate Social Respo..." and a play button.

Further information and networking

Contact:

delphine.brissonneau@ec.europa.eu