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BUSINESS IN THE COMMUNITY: THE FIRST DECADE

by **Stephen O'Brien**
Executive Vice-Chairman
Business in the Community

The development of Business in the Community and community involvement has been like climbing a mountain, except that in the beginning we had no idea that we were on a mountain. Each turn in the path has led on to a new horizon and we now know, after a decade of work, that we are still in the foothills.

Much has been written about the Victorian Quaker tradition of corporate philanthropy, when industrialists such as Cadbury, Rowntree and Boots began providing free education and housing for their employees. Such involvement was largely exceptional, however, and the prevailing view for many years was that Government and the Church were primarily responsible for the social welfare of their citizens.

In the 1960s and 1970s large companies were beginning to play a key role in sponsoring major sporting and cultural events. But corporate community involvement in its present form emerged in the early Eighties against a backdrop of enormously high levels of unemployment and urban rioting.

The movement attracted bi-partisan support from the outset. Peter Shore, then Secretary of State for the Environment, had observed that United States companies were much more involved with their local communities than their British counterparts. Tom King subsequently chaired an Anglo American Conference at Sunningdale Park in April 1980 to develop the way forward.

Sir Alastair Pilkington, who had previously set up the pathfinder Enterprise Agency in St. Helens, was the natural leader of the post-conference working party and was later chosen to chair a new organization promoting corporate community involvement. He thus became the Founder of Business in the Community, insisting from the

outset that BITC should be a genuine partnership between business, government, local authorities and Trades Unions.

Companies such as IBM (UK), BP, Shell, British Steel (Industry), Marks & Spencer, Barclays Bank, W.H. Smith, ICI and Midland Bank were all developing a more focused approach and became early supporters of BITC.

BITC opened its doors with a handful of valiant secondees to spread an uncertain message. Although a Company Chairman might agree that it was in his shareholders' interests to become involved in the community, it remained to be seen what he should do about it on Monday morning.

The first answer lay with the enterprise agency movement and the creation of this national network to "hold the hand of new and developing business" became BITC's first priority.

By 1985 the support network was nearly complete and there was convincing evidence that it vastly increased the life expectancy of new businesses. Furthermore, companies were beginning to sense that they were really contributing to the long term viability of local communities, often developing their own customer base.

However they were not doing it alone. Local Enterprise Agencies, as partnerships with local government, embodied a new way of relating to local communities which used mediating structures to deliver the programmes of government and business to the places where support was most needed.

In 1984, the CBI Special Programmes unit was merged into BITC and Lord Carr, Chairman of Prudential Corporation, succeeded Sir Alastair in

1982 | 1983 | 1984 | 1985

the Chair, opening up an enormously creative relationship between BITC and the CBI.

The next milestone, a year later, signalled a step change in every way; it was the decision of HRH The Prince of Wales to accept the Presidency.

The Prince's unique ability to "hear" and interpret the messages from depressed inner city community groups as well as leaders from business and government has made him an outstanding leader of the community involvement movement.

He has invested an enormous amount of energy in encouraging business leaders to become active partners in regenerating their local areas, leading to the establishment of the Calderdale One Town Partnership in 1987, followed by a series of Business Leadership Teams helping to revitalise depressed cities.

Having accompanied a London-based group of leaders from business, local government and education to see the work of the Boston Compact, the Prince launched the first UK Compact in East London in 1987. This partnership between business and education became a model for over 60 inner city Compacts and the subsequent establishment of a national network of over 100 Education Business Partnerships.

To help raise awareness of environmental issues, the Prince launched our Business in the Environment Target Team in 1990 and appeared with John Cleese in a promotional video, "*Grime Goes Green*".

As President of the Prince of Wales Business Leaders Forum, the Prince is now spreading the community involvement message to chief executives in hundreds of companies, both in Britain and around the world. The following excerpt from his February 1992 address to the World Economic Forum in Davos, Switzerland, illustrates the clarity and the depth of vision which has inspired so much of BITC's work.

"It is no good businessmen, politicians and others who pride themselves on living in what is known as the 'real world' claiming that the world of the spirit is beyond their remit because that dimension of our collective experience is impossible to quantify on a balance sheet. Of course balance sheets are important; so are profits and dividends, and the functioning of properly regulated markets.

But there is another, equally important item on the balance sheet which we ignore at our peril – and that is the deep seated relationship between mankind, his surroundings, and his place in the overall scheme of things. This relationship is, in my view, of fundamental importance to each of us in our sense of fulfilment, our sense of values, and our ability to relate to other human beings. At the collective level, it holds the key to the cohesiveness, the equilibrium, and the survivability of our society.

Business is uniquely well placed to take a lead and to get things done, but in partnership with local communities, governments, Non-Governmental Organisations and other representatives of the voluntary sector.

Why business?

Because business innovates, manufactures, employs and trains, markets and sells – in brief, it creates wealth and manages resources. With its entrepreneurial skills, it has the means to make things happen, to effect change, and to cut through bureaucracy.

Because business has an interest in its own survival. Short-term profits may look good to the fund managers and the punters, but do not add up to much if the long-term potential isn't there.

Because business can only succeed in a sustainable environment; illiterate, poorly trained, poorly housed, resentful communities deprived of a sense of belonging or of roots provide a poor workforce and an uncertain market.

All this means looking somewhat beyond the interests of traditional stakeholders – the customers, employees and shareholders – to a broader church, including neighbours, the wider society, community groups and, of course, governments. Working in partnership with these groups can

improve market intelligence, produce better policy advice, increase public understanding and acceptance of business activity, and improve employee morale. I can tell you this because I have spent a lot of my time in the past few years dragging reluctant sceptics around the United Kingdom to see for themselves successful examples of how this approach works. A good many are transformed into enthusiastic practitioners almost overnight.

The cost of not running businesses on a sustainable basis is growing fast. Government are increasingly using the market instead of command-and-control regulations to implement policy; pollution charges, tradeable permits, differential pricing, and so on. Companies which have already found ways of cutting pollution and using resources in a more sustainable fashion will find themselves ahead of the competition when these measures start to take greater effect. Companies which see the long-term benefits of investing in local communities – whether in housing, education, enterprise development, or cultural activities – will also stand to gain in market terms.

If business can take a lead in helping to reintroduce a sense of belonging, a sense of spirit, into the lives of our bruised communities; extend the concept of 'stakeholders' beyond its immediate responsibility to employees, shareholders, and customers; and at the same time help spread the idea that the earth we have inherited is something unique, delicately balanced, and priceless, of which we are all, in our different ways, the stewards; it will have played no small part in helping to redirect our societies in the only way they can go if they are to have a chance of survival in the long term."

BITC's Chairmen have also played a vital role in shaping and supporting the organization. Lord Laing, Founder Chairman of Scottish Business in The Community and of the Per Cent Club, succeeded Lord Carr in 1988 and his Chairmanship saw large numbers of business leaders forming Target Teams to think through the resolution of long standing community issues. These approached problems as diverse as rural regeneration, local procurement and Customised Training. Through these Teams, the growing membership of BITC and thousands of medium sized and smaller businesses in local partnerships, the private sector was now playing a major role in all Britain's communities.

Neil Shaw took over the Chair in 1991. He has presided over the reorganization of the Board to include the Chairmen of all Target Teams and Leadership Teams, thereby providing a coherent focus for all BITC work. He has also encouraged companies to support communities with employee expertise rather than cash, beginning with his own company, Tate & Lyle.

With the support of business and community leaders as well as the Prince of Wales, Business in the Community has helped raise the profile of corporate community involvement and promoted the development of business-community partnerships, which include over 80 new Training and Enterprise Councils.

We are now standing at the threshold of what Prime Minister John Major has described as "nothing less than a complete and total revolution in the attitude and relationship between businesses of all sizes and the community at large".

BITC's original founding companies are still key supporters; however, our membership has expanded to encompass many other businesses such as British Gas, GrandMet, John Laing, Nestle Holdings and BT as well as regional utility companies.

Our new challenge is to involve even more companies, both large and small, with the support of our dynamic regional network; to deepen that involvement to include employees in more company departments; and to continue improving the quality of the partnerships, both local and national, which BITC has helped to pioneer.

To succeed in the long run, businesses will have to answer to their socially-conscious customers, shareholders and employees, not to mention legislators and community groups. But taking responsibility also creates opportunities for building corporate reputation, markets and people. Through community involvement, companies in the Nineties will lay the foundations for long-term business success.

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Message from HRH The Prince of Wales
President
Business in the Community

In recent years issues such as environmental protection, health care, education, homelessness, crime and unemployment have gained national attention. But solving social problems depends not only on the large-scale actions of politicians and others, but also on the day-to-day collaboration of individuals in local communities.

In 1985 I agreed to become President of Business in the Community because I personally believe that the private sector can make a unique contribution to the economic regeneration of our towns and cities, as well as rural areas.

Over the last ten years Business in the Community has helped hundreds of companies work in partnership with central and local government, voluntary organisations and community groups on a wide range of social initiatives.

Specifically, this organisation has overseen the development of over 300 Local Enterprise Agencies; it has helped create Education Business Partnerships and Compacts; it has encouraged the development of local Business Leadership Teams and Neighbourhood Economic Development Partnerships; and it has established Target Teams which have focused on a number of issues of national interest.

However, none of these partnerships would have been possible, without securing the commitment of the top leaders from industry, the public sector and the wider community. I have tried to make my own modest contribution towards this goal by bringing together people from different walks of life who can work in partnership to create real social change. In my travels throughout Britain and the rest of the world I have had many opportunities to see how these individuals and groups can make a significant impact on people's lives.

I have been extremely impressed by their vision, their resourcefulness and, above all, their dedication. Frequently their individual efforts remain publicly unrecognised, but together they constitute a powerful force for good in Britain.

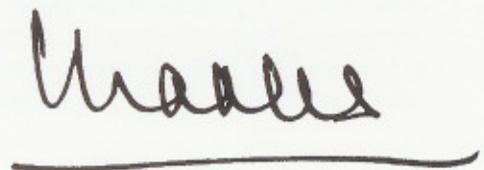
I feel it is imperative that their work should continue. After a decade of spreading the message about community involvement to this country's top companies, Business in the Community is now working to extend this activity even further, particularly to more small and medium-sized firms.

To encourage the development of new partnerships I have invited senior executives to accompany me on "Seeing Is Believing" visits to community projects. Many of them are staggered to discover the scale of the problems - some even on their own doorstep. Yet when they see for themselves just what can be achieved, often in the face of tremendous odds, they are often compelled to take action.

Very quickly they learn that they can contribute far more than just cash. Their management and technical expertise, as well as the use of their own equipment and facilities, are all valuable to the community.

Business has not sought to take over the work of the Government, the Church or charity. Neither should its involvement be construed as a political statement. It is motivated partly by the simple fact that community involvement is good for business. Companies are developing the skills and experience of their employees, improving the quality of their operations and building their corporate and brand reputations through community programmes. It is this mutual benefit for business and the community which forms the essence of true partnership.

I look forward to the day when every business in Britain, regardless of its size, will play an active role in creating a sustainable society where everyone can prosper. My hope is that these businesses, with the help of Business in the Community, will make that vision a reality.



Charles



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