*Corporate social responsibility (*[*CSR*](http://www.forbes.com/companies/csr/)*) is not going to solve the world’s problems. That said, CSR is a way for companies to benefit themselves while also benefiting society. When I define CSR to the uninitiated, I typically get three reactions. Some say, “Isn’t that a bunch of greenwashing?” Others use a non-so-nice word to describe male bovine excrement instead of greenwashing.  Still others say my definition sounds like an inspiring call to action to soothe the ills of capitalism. Then there are those who say CSR is like a begrudging call to Woodstock to sing Kumbaya – something only “hippies” could dream up.*

So what’s a CSR professional supposed to do when faced with such a varied response? Typically, I step on top of my soapbox to declare the six business reasons why companies should embrace corporate social responsibility. Companies that “get it” are the ones that are using CSR (or sustainability as I prefer to call it) as a way to push the following business processes into the organization:

1. **Innovation** – I know, I know, it’s an over-used term. Just typing the word into Amazon will bring up nearly 150,000 items. But in the context of CSR, innovation is a huge benefit to a company and society. For example, I recently watched a [video of a brief talk by Geoff McDonald](http://www.csreurope.org/news.php?type=&action=show_news&news_id=4584) who is the [Unilever](http://www.forbes.com/companies/unilever/) Global VP for HR, Marketing, Communications and Sustainability. Using the “lens of sustainability” as McDonald described it, Unilever was able to innovate new products such as a hair conditioner that uses less water. Without sustainability, the company’s research and development efforts possibly wouldn’t have led to such a product.
2. **Cost savings** – One of the easiest places for a company to start engaging in sustainability is to use it as a way to cut costs. Whether it’s using less packaging or less energy, these savings add up quickly. For example,[General Mills is on a path to reduce its energy savings by 20% by 2015](http://www.generalmills.com/Responsibility/Environment/energy.aspx). According to its 2011 CSR report, after installing energy monitoring meters on several pieces of equipment at its Covington, Ga. plant, the company saved $600,000.
3. **Brand differentiation** – In the past, brand differentiation was one of the primary reasons companies embraced CSR. Companies such as Timberland were able to find their voice and incorporate the company’s values into their business model. However, as CSR has become more commonplace, using it to differentiate your brand is getting harder to do. For example, the “Cola Wars” is one of the longest running rivalries in business. Coke and Pepsi are constantly looking to grab as much market share as they can from each other. Yet they are both adopting similar, although slightly different, approaches to CSR. Both [Pepsi](http://www.pepsico.com/Purpose/Environmental-Sustainability/Water.html) and [Coke](http://www.thecoca-colacompany.com/citizenship/water_main.html) are pursuing strategies of zero net water usage. Both companies offer water bottles made from sustainable packaging as well. In the end, although neither company is necessarily going to see strong differentiation benefits, I see the diminishing returns on brand differentiation as a sign that CSR is taking hold and is not just a fad.
4. **Long-term thinking** – “The only reason we’re doing sustainability is to drive the growth of Unilever,” McDonald said in the video mentioned above. Indeed, CSR is an effort to look at the company’s long-term interest and ensuring that the company’s future is… well… sustainable. Hence, that’s why I prefer the [term sustainability to CSR](http://dowelldogood.net/?page_id=446). It is a shift from worrying about the next fiscal quarter’s financial results to the impact business decisions today have on financial (and social) results ten years from now.
5. **Customer engagement**– What’s the point of doing CSR if no one knows about it? For the past few years, Walmart has established itself as a leader on environmental efforts. Yes, you read that correctly, Walmart is a leader in environmentalism. In 2008, Walmart ran an ad campaign designed to raise awareness about the environment and the product choices consumers could make. Using CSR can help you engage with your customers in new ways. Since the message is about something “good,” it can often be an easier way to talk to your customers. This is an underused tool for business-to-business company communication.
6. **Employee engagement** – Along similar lines, if your own employees don’t know what’s going on within your organization, you’re missing an opportunity. Companies like [Sara Lee](http://www.saralee.com/en/Sustainability/SustainabilityStrategy.aspx) created a cross-functional, global Sustainability Working Team to help create a strategy for sustainability. At a more grass roots level, the [Solo Cup Company](http://www.solocup.com/solo-in-the-community/solo-sustainability-action-network-solo-sustainability-action-network) created the Sustainability Action Network to activate employees in community service focused on the company’s CSR priorities.

To be clear, these are the reasons why most companies should enact CSR. In truth, companies often become involved in CSR for different reasons, which I’ll write about in future posts.

This isn’t to say that CSR is the panacea to the world’s problems. But it certainly does start to move the needle toward an economy that is much closer to one where I would like to conduct business.