

## CORPORATE SOCIAL RESPONSIBILITY: A STRATEGY FOR SUCCESS

*By Tom Holcom, president of Pioneer Financial Services*

Do you think that Corporate Social Responsibility (CSR) is a fancy public relations tool used when a company is caught doing something wrong? Or is it just another marketing campaign wrapped in a warm and fuzzy package? I don't think so!

CSR can be a powerful tool for both the community and associates. It is an investment in the future; an opportunity to meet societal needs that individual philanthropy may not be able to address. Once it becomes a part of the corporate culture, CSR can be a powerful internal force and lead to increased loyalty and superior service for both customers and associates. As long as your CSR program is a true effort to give back, and not just a marketing or public relations effort, it can pay huge dividends for everyone involved.

### Have a comprehensive strategy

When our company, Pioneer Financial Services (PFS), which provides financial services to the military community, was developing a CSR program, we focused on a comprehensive strategy that could provide giving alternatives, be agile to fit changing needs, and have the greatest possible impact for the cost.

We began by defining a gap or area of need in our military family marketplace, and designed our strategy to meet a number of those needs as they arose. The overall goals, however, must be a consistent level of giving back to the community.

Since most companies like ours cannot match the high dollar amounts given by larger corporations like General Motors or Microsoft, we learned that by diversifying our donations, we can have a greater impact. For example, our giving in the past few years has included:

- More than \$20,000 for service members affected by Hurricane Katrina
- More than \$20,000 supporting Angel Flight charitable aviation—help and hope to military families
- \$20,000 to advance leadership training at the Command and General Staff College
- \$43,000 in commissary gift certificates to military families during the holiday season
- \$20,000 for the Operation Iraqi Freedom Charitable Flight Fund
- \$5,000 to the Marine Corps Scholarship Foundation
- \$25,000 supporting Business Executives for National Security
- \$5,000 to Fisher House, a program for military families similar to Ronald McDonald
- \$48,000 in scholarships for military families

Cash donations are not, however, the only way to help. In-kind donations can be an effective way to serve a community by providing an immediate impact since cash donations can take time to filter through an organization. In the past few years, PFS has:

- Sent thousands of phone cards to troops deployed overseas so they can call home for free
- Handed out hundreds of Identi-Kid kids to military families so they have a record of their children's fingerprints and information in case of an emergency
- Encouraged saving money early by giving piggy banks to military children; we then give children 50 cents for every "A" and 25 cents for every "B" on their report cards to put in the piggy bank
- Sponsor numerous awards and events that recognize and benefit service members and their families

Thousands of families have been helped through these efforts and the spirit of giving is present throughout our company. Every day hundreds of our associates are changing lives, one military family at a time, and the following story highlights how taking care of communities has become commonplace within our company:

*A senior NCO learned that a military spouse had just lost all gas service to her house—a car had veered off the road and into her backyard, knocking out the gas line. This family was left without a way to cook their food or take showers. They were not financially prepared to handle this situation on their own, and the insurance company was unable to predict when they could get out and repair the damages. Needless to say, the spouse was very upset with the whole situation.*

*The NCO shared the story with a PFS associate serving that military installation. The associate shared the story with her manager and without hesitation, the office sprang into action. The manager, a career-retired CSM himself, stopped what he was doing and went straight to the office for on-post lodging. The family had a spot to stay in less than an hour and PFS also covered meals and other expenses until gas was restored the following week.*

*In response to this quick action, the senior NCO wrote:*

*"This is not the first time [PFS] has come to the aid of needy Soldiers and their families. On more than one occasion you have provided my Soldiers, their families, along with several outside of this unit with turkeys, commissary vouchers and even money for a family that had their house broken in to and ransacked.*

*This is above and beyond the call of duty and is a clear indication a company that is set up with the Soldiers and all service-members as their top priority. Thanks again for all you do for us."*

In addition to donating more than 10 percent of our pre-tax income to charities and military programs in the form of scholarships, grants, and in-kind contributions, we also give back every day in our offices because we empower our front-line associates to do whatever is necessary to help military families.

## Find a partner

One way to increase your CSR reach is to partner with non-profit organizations. This allows for a relationship built upon mutual goals, can make the donation process easier, and gives charities a unique chance to expand both their influence and awareness.

For example, PFS has long been a partner of Angel Flight America, a charitable flight organization, and more recently teamed up with USA Cares, a group that helps military families with dire financial emergencies.

These partnerships have allowed us to help hundreds of military families by putting them in touch with the right organization, speeding up the process, and providing them with a level of compassion and assistance not usually found at a financial services company.

## Any company can do it

Large companies, such as Unilever and Starbucks, have robust CSR programs that have a huge impact due to sheer monetary numbers. But any company, no matter the size, can have an impressive impact, especially when it is able to focus its giving toward a well-defined niche.

A way to maximize donations and truly have impact is to align giving with the market and corporate vision. This allows smaller companies to stand out in a crowded market, especially if they focus on these two factors:

- **Leadership**—A CSR program needs buy-in from all leaders within the organization, including those leaders that may not have a corner office. Every company has “at-large” or informal leaders whose support can help make any program work, and getting them involved can make or break the program.

One way to incorporate these associates into the process is to encourage their input when first considering a CSR program. They may have ideas about what will and will not work, as well as ways to implement the plan more effectively at the associate level. It also gives associates ownership of the program, leading to better results and a more vested interest in its success.

- **Culture**—Orin Smith, former president and CEO of Starbucks, said that his company not only made charitable contributions, but also built social responsibility into the business model. In other words, being part of the community isn’t something the company *does*; it’s something the company *is*.

You need associate involvement from the beginning, and you need to create true ownership of various programs. You also need a leadership team to create the chemistry and build excitement. Lastly, you may consider incentives (i.e. a company match for donations, paid volunteer time off, etc.); and encourage departments to volunteer as a group to build teams and foster loyalty.

We helped expand our culture by giving each associate 16 hours of paid volunteer time off. This popular and successful initiative resulted in 3,600 hours of community service in its first year of operation.

It is important to remember that successfully changing the corporate culture does not happen overnight. Careful cultivation, continual reviews, and adjustments are necessary to tailor the program to your unique organization.

## The philanthropy challenge

All of the above shows that an effective CSR program is not as difficult to develop as you may think. This is why I am challenging other companies, regardless of size, to do the same.

You may assume your company is too small, or believe you have a market niche that is too broad or even too narrow. You may wonder if your current corporate culture can withstand such empowerment. You may even doubt the benefits will outweigh the costs.

These concerns are challenging, but not insurmountable.

Once you develop a strategy and engage your associates in a culture of giving back, a CSR program can become a defining part of your company history. So find your reason for giving, develop the plan, and start a CSR program as soon as you can.

If it turns out anything like ours has, it will come to define the very way you do business, each and every day.

### About the author

*Tom Holcom is president of Pioneer Financial Services, Inc., (PFS) a company that provides responsible financial services and education exclusively to the military community. In 2006, Holcom was named "Entrepreneur of the Year for Social Responsibility, Midwest Region" by Ernst & Young, and PFS won an American Business Award for the "Best Corporate Social Responsibility Program." He donates his time with Big Brothers and Big Sisters of Kansas City, Angel Flight Central, Business Executives for National Security, AUSA, Navy League and the Command General Staff College Foundation at Fort Leavenworth, KS. More information is available at [www.pioneerservices.com](http://www.pioneerservices.com).*