

to philanthropy and beyond!

CORPORATE SOCIAL RESPONSIBILITY AND THE IDEA OF BUSINESS FOR GOOD

Business owners all over the country are seeing increasing demand for their company's participation in philanthropy as younger generations enter the workforce. What's more, customers also expect businesses to have a positive impact on their community or the environment in some way. Now more than ever, engaging in corporate social responsibility (CSR) is not just an option — it's a requirement.

THE NEED FOR SUSTAINABILITY

"I think the growing trend of CSR is awesome. You have to ask yourself, why now?" says Stephanie Hau, president and CEO of Chesapeake Environmental Management, Inc. "Everyone seemed to realize: If we're not supporting those groups that are taking care of the segments of society that we're not taking care of, what does that mean for our community?"

To stay in business, companies need to hire and retain key employees, and that means creating company loyalty. The new generation of employees wants to know that the companies they're working for have a positive impact. "When you're doing business in the community, you have the responsibility to be a good citizen, to treat your employees well, to be conscious of the environment and the community around you," says Kelly Hodge-Williams, executive director of Business Volunteers Maryland. "Employees are becoming more sophisticated and want more opportunities to be involved in the community, and they're turning to their businesses to do that. On the employee engagement side, it's a win-win."

Many companies have realized that CSR is also beneficial to themselves. "Companies can develop their employees and get them out there, especially for sales. And the community benefits greatly from them being out there," Hodge-Williams says.

What's more, the general public is asking for more transparency from businesses. Customers want to know about workplace diversity, local suppliers, environmental impact and anything that affects those around them. When that knowledge is not available to consumers, sales have been shown to decrease.

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Kelly Hodge-Williams, Business Volunteers Maryland

Because of this, CSR programs are popping up in major businesses, and have even become a form of self-regulation that is integrated into most business models. It is projected that within the next ten years, CSR will be a requirement for any business that wants to succeed. So, with social impact at the core of business, what are some businesses doing to stay on top of this trend?

BUSINESS AS A FORCE FOR GOOD

Some recently created business models revolve around using business as a force for social or environmental good. Companies can now be certified as Benefit Corporations (also known as B-Corporations or B-Corps.), which means that they are recognized as corporations that do not consider generating revenue their highest goal. "The need is already there; the recognition is what was lacking," says Hau. She believes that more people need to recognize the companies that are making a difference. Under new, benefit-focused business models, companies that take a loss in profits to increase their sustainability and give back to the community are protected from the lawsuits of their shareholders.

These types of business models have seen incredible growth over the years, and certified B-Corporations are trying to raise

awareness and teach business owners that business can be a force for good, either through corporate social responsibility programs or through the simple tracking of their impact. "The idea here was a grassroots movement for small business owners who are making a huge contribution to America, and recognizing them for making a contribution," says Hau.

Now, business owners — some certified as B-Corps., others just passionate about the community — have taken their businesses and turned them into ways to educate others on the impact that business can have both socially and environmentally. "Our mission and our purpose for being is connected to doing good," says Anne Boyle, partner and director of strategy at RoundPeg. "We try to develop our people and mentor them to have a career that helps solve problems. We're very much a teaching organization."

"I think [CSR is] a moral obligation. Businesses are supported by the community, so we're supposed to give back to the community," says Hau. "The more they support each other, the happier we are living and working together. If the money is only flowing in one direction, you're not going to have vibrant, strong communities, and we need them because we all benefit from them."

Both Boyle and Hau stress that businesses need to step up and play an

THE INSIDERS



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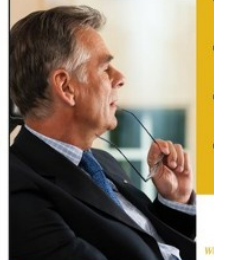
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important role. "We know that business as usual isn't sustainable and that we can't rely on others to solve social problems," Boyle says. "We spent a lot of time thinking about how businesses can do things differently. We set out to develop a culture that did things differently."

How then can companies do something to give back?

TIME AND TALENT

Obviously, not everyone can change the world, and companies will need to make money to stay in business.

"It's a necessary part of business," says Boyle. "You can't do all those things without some form of money coming in the door, but it shouldn't be about making money."

One recent, growing trend is the donation of employees' time and talent to a business, nonprofit or community project in need. Think of it like pro-bono work. CPA firms have worked on taxes or advised nonprofits; advertising agencies have helped promote community organizations.

CSR is not just great for the community, but also an investment in your own company. For example, it provides free publicity and positive brand associations. Investing in your community is an investment in the future of your business. "We've been able to connect over \$22 million of time and talent into the community. The gap that we were trying to fill was that nonprofits needed direct volunteers, but they needed more people with business expertise and board members, and the ability to partner with the community," Hodge-Williams says.

Business is innately competitive, and soon every company will be racing to prove that it is the most charitable or the most impactful to the community and the environment. Regardless of the reasons behind this phenomenon, however, the fact is that cooperation between business and the community at large can be mutually beneficial and lead to healthier, more sustainable living.

"Very rarely is a company started out of greed. [The founders] perceive a need and they want to fill that need," Hsu says. "Now, people see needs outside of their business and in their community and they try to fill them."

The first-hand knowledge of organizations leading the charge in corporate social responsibility (CSR) is sure to inspire any business looking to give back. We asked local leaders to share their experiences with CSR and reflect on what makes a difference to the communities around them.



CHRIS CONNOLLY
Executive Director
UBS Wealth Management Americas

Many of our clients want to use their resources for the benefit and advancement of individuals, communities and societies right here in Baltimore and around the globe. At UBS, our financial advisors take this responsibility seriously and work to align clients' portfolios with their values by incorporating financial investments which address environmental, social and ethical issues. We also try to make an impact right here in Baltimore ... by supporting educational programs as well as supporting values-based volunteerism for each individual financial adviser. In addition, the UBS community investment program also includes employee matched-giving arrangements.



DR. SANIV SAINI
Medical Director
MD Dermatology of Maryland

Where would we be without those that live and work in the communities we serve? Sharing what you know and providing services to the communities in which you live demonstrates your commitment to those that you serve. I feel so strongly about this because we were able to save the life of a mother [after] I was able to educate her son about suspicious moles. He noticed [a mole] on his mom and when [she] had it looked at, it turned out it was a melanoma. If we didn't have community outreach and free public screenings as a part of our business model, that mom might not be around to watch her grandkids grow up.



VIC SEESTED
CEO
Taste Gastropub
Private Wealth Advisor
UBS

I built the restaurant as a platform to really feed kids when they didn't have a place to go. I decided that if there were any profits at all, I would donate everything to charity. Over the years, we've had some really cool events. Last Thanksgiving, we had the Jubilee Association of Maryland that had nowhere to go. Just looking at the faces of those people, you can see the impact. To look at these individuals' faces and to hear the hope that there's a chance for them and disabled adults, that captured the essence of a really nice event. We warmed some hearts that night and it was amazing.



KATHY HARVEY
Founder and President
Harvey

Harvey has assisted others on both a community and worldwide scale. However, corporate social responsibility is not about helping the business; that is not our intent. Never once did we extend help to someone just because we thought it would be a good business move. If we have the means to help improve someone's life, that is all that matters. It's easy for each one of us to help others on an individual level. As simple as it is for individuals to help improve their communities, it's even easier for businesses.



JOHN JABARA
Founder
Savenia LLC

I was quite interested in appliances' environmental impact. The manufacturers all say on the box, "we're more energy-efficient," but you can't actually compare that. That's when I came up with the idea that this information should be available. Our label quantifies the money that you save by installing those appliances. We're trying to help people create a more efficient and sustainable world. We do community events where we interact with people and show them how the system works. Working with companies and suppliers that are the real deal is going to be helpful.



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