

Corporate Social Initiatives: Six Options for Doing Good

Since its founding in 1889, Washington Mutual has made giving back to the communities in which it operates a top priority, not simply because it's good for business, but because it's the right thing for responsible corporate citizens to do. And make no mistake, the results are tangible.

—Kerry Killinger, Chairman, President,
and CEO of Washington Mutual, in the
2001 Community Annual Report¹

In Chapter 1 we defined corporate social initiatives as major activities undertaken by a corporation to support social causes and to fulfill commitments to corporate social responsibility. We have identified six major initiatives under which most social responsibility-related activities fall, and this chapter gives brief descriptions of each. In subsequent chapters, each initiative is presented in more detail, including typical programs, potential benefits, potential concerns, keys to success, when to consider the initiative, and steps in developing program plans. The final chapters of the book summarize these perspectives to present best practices for choosing, implementing, and evaluating corporate social initiatives.

The six social initiatives explored are as follows:

1. Cause Promotions: A corporation provides funds, in-kind contributions, or other corporate resources to increase awareness and concern about a social cause or to support fundraising, participation, or volunteer recruitment for a cause. The corporation may initiate and manage the promotion on its own (i.e., The Body Shop promoting a ban on the use of animals to test cosmetics); it may be a major partner in an effort (Aleve sponsoring the Arthritis Foundation's fundraising walk); or it may be one of several sponsors (Keep America Beautiful 2003 sponsors for the "Great American Cleanup" included Lysol, PepsiCo, and Firestone Tire & Service Centers, among others).

2. Cause-Related Marketing: A corporation commits to making a contribution or donating a percentage of revenues to a specific cause based on product sales. Most commonly this offer is for an announced period of time, for a specific product, and for a specified charity. In this scenario, a corporation is most often partnered with a nonprofit organization, creating a mutually beneficial relationship designed to increase sales of a particular product and to generate financial support for the charity (for example, Comcast donates \$4.95 of installation fees for its high-speed Internet service to Ronald McDonald House Charities through the end of a given month). Many think of this as a win-win-win, as it provides consumers an opportunity to contribute for free to their favorite charities as well.

3. Corporate Social Marketing: A corporation supports the development and/or implementation of a behavior change campaign intended to improve public health, safety, the environment, or community well-being. The distinguishing feature is the *behavior change* focus, which differentiates it from cause promotions that focus on supporting awareness, fundraising, and volunteer recruitment for a cause. A corporation may develop and implement a behavior change campaign on its own (i.e., Philip Morris encouraging parents to talk with their kids about tobacco use), but more often it involves partners in public sector agencies (Home Depot and a utility promoting water conservation tips) and/or nonprofit organizations (Pampers and the SIDS Foundation encouraging caretakers to put infants on their backs to sleep).

4. Corporate Philanthropy: A corporation makes a direct contribution to a charity or cause, most often in the form of cash grants, donations,

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and/or in-kind services. This initiative is perhaps the most traditional of all corporate social initiatives and for many decades was approached in a responsive, even ad hoc manner. As mentioned in Chapter 1, more corporations are now experiencing pressures, both internally and externally, to move to a more strategic approach, choosing a focus and tying philanthropic activities to the company's business goals and objectives.

5. Community Volunteering: A corporation supports and encourages employees, retail partners, and/or franchise members to volunteer their time to support local community organizations and causes. This activity may be a stand-alone effort (i.e., employees of a high tech company tutoring youth in middle schools on computer skills) or it may be done in partnership with a nonprofit organization (Shell employees working with The Ocean Conservancy on a beach cleanup). Volunteer activities may be organized by the corporation, or employees may choose their own activities and receive support from the company through such means as paid time off and volunteer database matching programs.

6. Socially Responsible Business Practices: A corporation adopts and conducts discretionary business practices and investments that support social causes to improve community well-being and protect the environment. Initiatives may be conceived of and implemented by the organization (i.e., Kraft deciding to eliminate all in-school marketing) or they may be in partnership with others (Starbucks working with Conservation International to support farmers to minimize impact on their local environments).

To further illustrate and bring to life these distinctions, three case examples follow: Washington Mutual, Dell Inc., and McDonald's. In each case, background information on the corporation's focus for social initiatives is briefly described, followed by an example of a social initiative in each of the six areas.

WASHINGTON MUTUAL, INC.

With a history dating back to 1889, Washington Mutual, Inc.—or WaMu, as it is known—is a national financial institution with a 115-year legacy of contributing to the communities where it does business. As reported in its 2003 Community Annual Report, total combined

Table 2.1 Examples of Washington Mutual's Corporate Social Initiatives

Description	Corporate			Socially Responsible Business Practices
	Cause Promotions	Cause-Related Marketing	Social Marketing	
Supporting social causes through promotional sponsorships	Making a contribution or donating a percentage of revenues to a specific cause based on product sales or usage	Supporting behavior change campaigns	Making direct contributions to a charity or cause	Adopting and conducting discretionary business practices and investments that support social causes
Community Volunteering	Providing volunteer services in the community	WaMu sponsors bank days at elementary schools where parent and team volunteers work with students to open savings accounts and make regular deposits	WaMu awards cash grants to fund professional development of teachers	WaMu provides on-the-job training for high school interns

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charitable giving by Washington Mutual, Inc. and its subsidiaries equaled \$94.0 million for the year, up from \$72.0 million in 2002.

WaMu has a strategic focus for giving, with a top priority since 1927 placed on improving K-12 education. In 2003 alone, it gave \$15.7 million in cash grants to education initiatives. Its customer research and community needs assessment findings consistently identify education as a key community concern. Contributions to this effort are primarily achieved through cash grants, innovative programs, and employee volunteerism. (See Table 2.1.)

The banks in the Washington Mutual family of companies have a standard practice to involve its branch network in support of education initiatives and to make strong efforts to connect those initiatives to its product offerings, to feature them in new market launches, and to create visibility for its contributions and initiatives in its advertising, publicity, and collateral and special events. Research indicates that the results of these initiatives are an increase in business, goodwill in the community, and customer loyalty. WaMu advises other corporate managers to stick with a few good ideas, develop long-term equity, and take special, even bold measures to ensure that messages regarding giving do not get lost among other efforts.²

Note that the theme of education is reflected in each example of WaMu's social initiatives in this summary list. A detailed description of the programs follows.

Cause Promotions: Teacher Recruitment

WaMu supports a variety of programs and efforts to attract and keep talent in the classroom. Spurred by the U.S. Department of Education's prediction that our nation will need more than two million new teachers over the next decade, WaMu focuses on programs targeting recent college graduates as well as mid-career professionals.

As an example of a local program, financial centers in Miami, Florida, helped Washington Mutual sponsor a May 2003 town hall meeting that facilitated community discussions around teacher recruitment, induction, and retention. In attendance were more than 200 community members, including local businesspeople, elected officials, parents, administrators, and teachers. One activity of support included the distribution of 197,000 fliers publicizing the event to parents and Washington Mutual's banking customers (see Figure 2.1). The meeting aired on

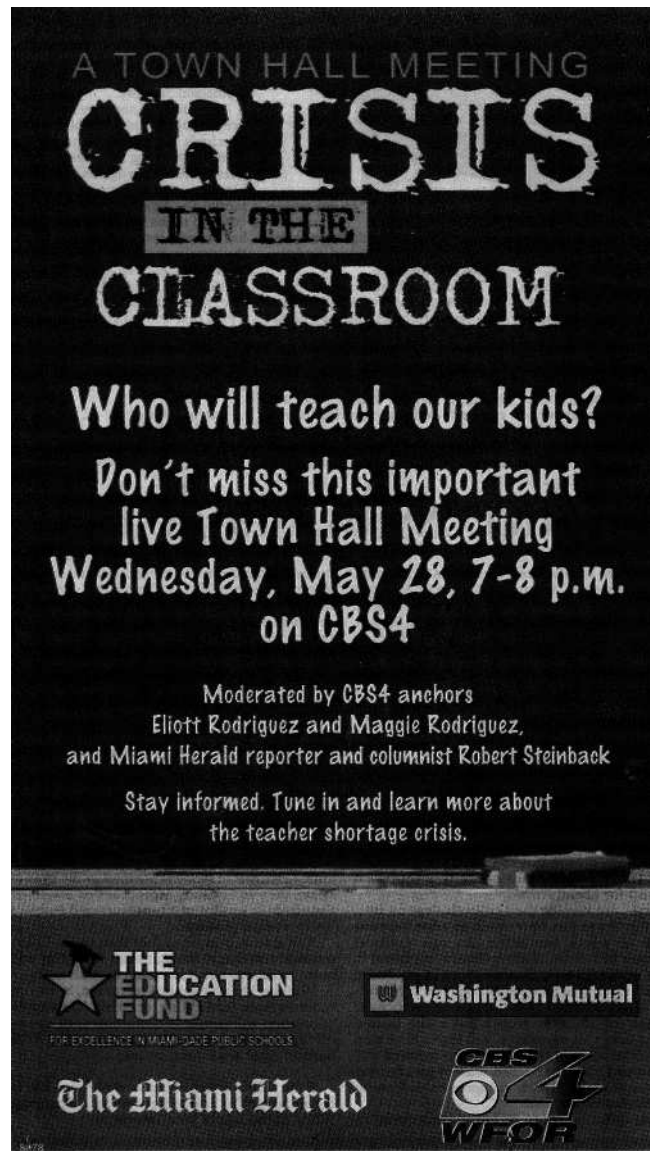


Figure 2.1 Washington Mutual was a sponsor of a town hall meeting on teacher recruitment, induction, and retention. (Courtesy of KCNC-TV.)

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WFOR-TV, CBS4, a local television station, with a reported 40,000 households tuned in and more than 10.4 million audience impressions garnered by this airing and related coverage.

Cause-Related Marketing: The WaMoola for Schools® Program

In a time when educational budgets are tighter than ever, every dollar counts when it comes to school funding. This is especially true for unrestricted funds, in which schools can decide for themselves how to use the money—whether it's for teacher training, special assemblies, school supplies, playground equipment, field trips, or musical instruments. WaMu found every school has a wish list, and wants to help fulfill them.

The *WaMoola for Schools*® program was specifically created to support K-12 schools. For years under this program the banks in the Washington Mutual family of companies gave \$1 per checking account to a public K-12 school. This year (2004), it relaunched this program to support both public and private K-12 schools. It is believed to be the first program of its kind to tie support for local schools to Visa® Check Card purchases once the customer enrolls, and in turn allows schools to accumulate points that will be converted to cash at the end of each year.

The program was designed to be simple and flexible. There's no enrollment fee, and Washington Mutual does not charge customers for using its check cards for purchases (though merchants might). Under the program, customers enroll by selecting a school to benefit and begin by simply using their check cards when making everyday purchases. The designated public or private school will receive a point currently equivalent to 5 cents for each purchase made using the card. At the end of the year, the points will be converted into cash and schools receive a check from Washington Mutual (see Figure 2.2).

Corporate Social Marketing: School Savings® Program

Since 1923, the *School Savings*® program has provided students with hands-on lessons about handling money responsibly. Professionals from local Washington Mutual financial centers work with elementary schools and parent volunteers to teach students positive savings habits. At participating schools across the country, students are encouraged to open a Washington Mutual savings account and then to bring their allowance,



Figure 2.2 The WaMoola for Schools[®] program awards points to designated schools for each purchase made using a Washington Mutual VISA[®] Check Card by a customer enrolled in the program. At the end of the year, the points are converted to cash and Washington Mutual mails checks to the local schools. (Reprinted courtesy of Washington Mutual.)

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birthday checks, and odd-job money on weekly school Bank Days to give to the volunteer to deposit at the bank.

The *School Savings* program is primarily promoted through a grass-roots effort. Resource materials and training classes are provided for financial center employees so they can learn about the program and present it to local schools. Marketing materials such as a kid-oriented, fun program guide, brochure, and calendar are used at PTA meetings and other local events to promote the program (see Figure 2.3). Nearly

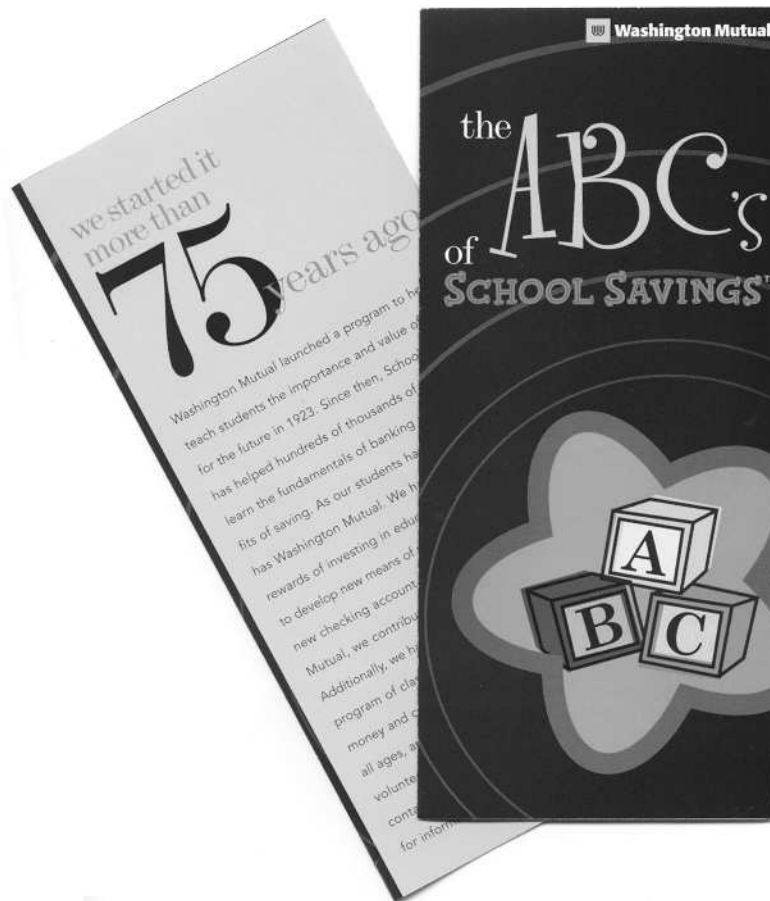


Figure 2.3 Materials used in classrooms to teach students positive savings habits. (Reprinted courtesy of Washington Mutual.)

200,000 students at more than 1,000 elementary schools around the country now participate in the *School Savings* program.

Corporate Philanthropy: Cash Grants for Education

WaMu also gives millions of dollars each year to fund the professional development of teachers, leadership training for principals, organizational development for schools, and programs that provide information about school performance to parents. Special emphasis is placed on grants to education programs benefiting K-12 public schools in low- to moderate-income communities.

When choosing among applications, WaMu looks for those with clearly measurable results and ones providing opportunities for teachers to grow professionally, learn from experience, and work with their peers to improve performance.³

An example is WaMu's funding of professional development opportunities for teachers. Through its Teacher Scholarship Fund, WaMu provides assistance for educators seeking certification by the National Board for Professional Teaching Standards. At year-end 2003, WaMu provided scholarship assistance to more than 2,400 teachers nationwide.⁴

Community Volunteering: CAN! (Committed Active Neighbors)TM

In 2003, WaMu employees volunteered 44,000 times for a total of 184,000 hours of community service. Many employees volunteer for schools, organizing projects ranging from helping teachers in the classroom and sprucing up school grounds to conducting school supply drives. Employees worked on the projects either solo or as teams.⁵

The company provides management support for eligible employees to volunteer up to four hours of paid time off per month, and incentives that include company donations to the nonprofits employees serve.

One financial education activity is the *Classroom Presentations* program, consisting of free, one-hour courses introducing young students to the concept of money and teenagers to the concept of credit management. As an example, in Pasadena, California, WaMu volunteers arrived at Eugene Field Elementary wearing CAN! shirts, visors, and handmade medallions shaped like giant coins, and made their presentation on financial literacy fun through rap songs (see Figure 2.4).⁶



Figure 2.4 WaMu employees volunteering in a classroom.
(Photo: Jeff Braverman.)

WaMu also offers financial education classes for adults. *Your Money Matters* is a four-part curriculum specifically designed for adults who have little or no banking experience. Classes are available in both English and Spanish and include *Checking and Savings*, *Budgeting and Your Credit*, *Lending Basics*, and *Credit Card Basics*. In 2003, more than 8,500 consumers participated in *Your Money Matters* classes.

Socially Responsible Business Practices: High School Intern Program

Washington Mutual's *High School Intern Program (HIP)* reflects the company's commitment to preparing a workforce for the future and giving students the opportunity to gain extensive job training and valuable work experience. Likewise, the program enables Washington Mutual to recruit and mentor new talent. Washington Mutual works with local schools to recruit interns for such positions as financial representatives, support specialists, and other administrative jobs.

This training gives HIP interns work experience, transferable job skills, and, in some cases, academic credit. Some interns become regular Washington Mutual employees. In 2003, nearly 800 high school students across the country graduated from the two-year program.⁷

Among the company's top priorities in support of its commitment to socially responsible business practices is the development of a workforce responsive to the needs of the diverse communities in which Washington Mutual does business. In 2003, WaMu ranked 4th in the nation in *Working Woman* magazine's "Top 25 Companies for Executive Women" and once again ranked among *Fortune's* "Best Companies for Minorities."⁸

DELL INC.

Dell is a global company that delivers products and services in more than 190 countries and has more than 40,000 employees who live and work on six continents.⁹ Major products include enterprise computing products, desktops, monitors, printers, notebooks, handhelds, software, and peripherals.

Dell has a focus on fully integrating improved environmental performance into business practices and marketing efforts, as well as corporate giving. In a letter on Dell's commitment to the environment, Chairman and CEO Michael Dell wrote: "Dell is fully committed to products and practices that minimize risk to the environment, working to reduce—and eventually eliminate—environmentally sensitive substances and to keep materials out of landfills."¹⁰ This is further articulated through an environmental policy that includes designing products with the environment in mind, preventing waste and pollution, and achieving an environmentally focused culture.¹¹

In the summary list, note the theme of environmental stewardship in each of the major initiatives. A more detailed description of each of the programs follows.

Cause Promotions: Dell Recycle

Electronic equipment is a fast-growing portion of America's potential trash, with 250 million computers predicted to become obsolete by

Table 2.2 Examples of Corporate Social Initiatives for Dell

Description	Corporate Social Marketing			Community Volunteering	Socially Responsible Business Practices
	Cause-Related Marketing	Corporate Philanthropy	Social Marketing		
<p><i>Cause Promotions</i></p> <p>Supporting social causes through promotions to increase awareness, fundraising, volunteers</p>	<p>Donating a percentage of revenues to a specific cause based on product sales</p>	<p>Making direct contributions to a charity or cause</p>	<p>Providing volunteer services in the community</p>	<p>Adopting and conducting discretionary business practices and investments that support social causes</p>	
<p><i>Example</i></p> <p>Dell sponsors efforts to collect used computers for donations to local nonprofits and public agencies</p>	<p>Dell offers 10 percent off selected new products when up to three used products are recycled online</p>	<p>Through Dell's "Direct Giving" program with employees, donations are made to Earth Share, which supports multiple environmental projects</p>	<p>Dell employees around the globe participate in "Global Community Involvement Week" each September, including activities such as park cleanup</p>	<p>Dell creates product design programs with specific environmental guidelines, policies, and goals</p>	

2005.¹² Through Dell's partnership with the National Cristina Foundation (NCF), customers can donate computer equipment to charity, do their part to reduce landfills, and possibly receive a tax deduction. The National Cristina Foundation is a nonprofit organization that places used computers and other technology with local nonprofit organizations and public agencies that serve disabled and economically disadvantaged children and adults.¹³

In December 2001, Dell and NCF marked the one-year anniversary of this partnership through which hundreds of computers had been donated and reused by organizations worldwide. A special holiday promotion encouraged consumers to donate their used computers at no cost through Dell Recycling at www.dell4me.com/recycling, where consumers would enter information about their system online and NCF would search for partner agencies to match the donation in the donor's area. The local organization would then work with the consumer to arrange pickup or drop-off.¹⁴ Figure 2.5 shows Dell's recycling logo.

Cause-Related Marketing: Discounts for Recycling Online

In another effort to encourage recycling of used equipment, Dell offered a deal in the summer of 2003 (see Figure 2.6): Recycle up to three items of select equipment, such as desktops, monitors, or notebooks, and get 50 percent off the regular recycling price per unit. Any brand of computer, keyboard, mouse, monitor, printer, fax machine, scanner, or



No computer should go to waste. 

Figure 2.5 Logo used for Dell's recycling messages. (Reprinted courtesy of Dell.)



Figure 2.6 A promotional offer by Dell to stimulate recycling. (Reprinted courtesy of Dell.)

speakers were accepted for recycling. The offer also included a coupon for 10 percent off any online purchases of software and peripheral products. Preliminary results suggested as much as a 200 percent increase in orders per day.

Corporate Social Marketing: Printer Recycling

In March 2003, Dell began offering a new product line, printers, and as part of this launch, promoted their new printer-recycling program.

When customers purchase a Dell printer, they can now recycle their outdated printers at no additional cost and without leaving home. They can put it in the box their new Dell printer comes in, attach the prepaid shipping label supplied by Dell, and then go online to arrange for free pickup by Airborne at home or office.¹⁵

Corporate Philanthropy: Direct Giving

Dell's "Direct Giving" program gives employees a chance to contribute to the nonprofit of their choice through payroll deduction. One of the key beneficiaries of employees' generosity over the past few years is Earth Share of Texas. Earth Share in turn is a funding source for a variety of environmental projects and organizations.

Community Volunteering: Eco-Efficiency Team

Dell's "Eco-efficiency Team" is a forum for employees to bring ideas for environmentally oriented projects for Dell to consider and to then give employees volunteer opportunities in the community. Employees volunteering at recycling events in Nashville and Austin not only added to

the productivity of the event, but also gave staff exposure to the company's commitment to sustainable activities.

Socially Responsible Business Practices: Design for Environment Program¹⁶

Dell's 2003 Environmental Report articulates their "Design for Environment" program, giving examples of measures they take in product design to (a) extend product life span; (b) reduce energy consumption; (c) avoid environmentally sensitive materials, particularly those that may have an adverse impact on the environment at product end-of-life; (d) promote dematerialization (reduced volume of materials in a product); and (e) use parts that are capable of being recycled at the highest level.

Dell participates in the U.S. Environmental Protection Agency (EPA) ENERGY STAR program to reduce power consumption of office equipment. The program allows manufacturers to partner with the EPA to design and certify products that meet or exceed federal government guidelines for low power consumption. Dell has actively participated in the program since 1993.

Currently, more than 50 substances and compounds are restricted for use in the manufacture of Dell products and in the finished products themselves. Dell has set a goal for 2003–2005 to, at a minimum, maintain a 20 percent reduction in the amount of lead shipped in displays when compared to 2002 levels. In addition, Dell has transitioned from cathode-ray tube (CRT) monitors to the liquid crystal display (LCD) technology used in flat-panel displays, resulting in a reduction in lead content. Dell is also actively working with resin suppliers to increase the usage of post-consumer recycled-content plastics.¹⁷

McDONALD'S CORPORATION

McDonald's Corporation is among *Fortune's* "Most Admired Companies" for social responsibility (2000–2002, 2004) and in 2001 was ranked in the *Wall Street Journal* as number five in reputation for corporate social responsibility.¹⁸

In April 2002, McDonald's issued its first Social Responsibility Report, in which Chairman and CEO Jim Cantalupo wrote: "McDonald's has the honor of serving more customers around the world than anyone

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else. With this privilege comes a responsibility to be a good neighbor, employer, and steward of the environment, and a unique opportunity to be a leader and a catalyst for positive change. We recognize the challenges and the obstacles, but believe strongly in the importance of social responsibility.”¹⁹

The report suggests a renewed and perhaps even more accountable commitment to being a socially responsible leader and states that it is a “beginning and a template by which we will measure our progress in the area of social responsibility.”²⁰ The report then details a wide range of initiatives in the areas of community, environment, people, and marketplace, and outlines related goals and plans, at the same time acknowledging the challenges McDonald’s faces in gathering information and measuring progress.²¹

In the summary list, note the themes of the well-being of families and children and giving back to the local communities in which they do business. A more detailed description of each of the programs follows.

Cause Promotion: International Youth Camp

In 2000, McDonald’s was a major sponsor of the Olympic Youth Camp, a program that brought more than 400 young men and women from around the globe to Sydney, Australia, where they participated in a variety of arts, sports, and cross-cultural activities. The Youth Camp was inaugurated at the 1912 Olympic Games in Stockholm, Sweden.

McDonald’s was the first global company to sponsor the National Olympic Committee (NOC) selection of the 2000 Sydney Youth Camp participants from nearly 200 countries around the world. Participating McDonald’s restaurants and NOCs worldwide worked together to select two McDonald’s Olympic Achievers from each country to attend the Sydney 2000 Olympic Youth Camp.²² Once on site, McDonald’s honored these outstanding young corporate citizens through an international news event in their honor. McDonald’s reached out to media to help communicate the importance of supporting young people who support their communities with such good works.

Cause-Related Marketing: World Children’s Day

On November 20, 2002, a worldwide fundraising effort involved McDonald’s restaurants from New York to New Zealand in more than 100

Table 2.3 Examples of Corporate Social Initiatives for McDonald's

	<i>Cause Promotions</i>	<i>Cause-Related Marketing</i>	<i>Social Marketing</i>	<i>Corporate Philanthropy</i>	<i>Community Volunteering</i>	<i>Socially Responsible Business Practices</i>
<i>Description</i>	Supporting social causes through promotions to increase awareness, fundraising, volunteers	Donating a percentage of revenues to a specific cause based on product sales	Supporting behavior change campaigns	Making direct contributions to a charity or cause	Providing volunteer services in the community	Adapting and conducting discretionary business practices and investments that support social causes
<i>Example</i>	McDonald's sponsored the Olympic Youth Camp program held in 2000 in Sydney, Australia	McDonald's earmarked \$1 for children's causes from the sale of Big Macs and other items on World Children's Day, November 20, 2002	McDonald's promotes timely childhood immunizations	Ronald McDonald House offers places to stay for families with seriously ill children	McDonald's provided meals for professionals and volunteers at September 11 disaster sites	McDonald's changed to recycled-content packaging and reduced packaging materials

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countries worldwide (see Figure 2.7).²³ All activities were intended to raise funds and awareness for Ronald McDonald House Charities and other local children's causes.²⁴

Promotional messages promised that at every participating McDonald's restaurant, a donation would be made to children's charities based on sales of specific items. In the United States, for example, a donation of \$1 was made to children's charities for every Big Mac, Egg McMuffin, Happy Meal, and Mighty Kids Meal sold. This offer was publicized via all major communication vehicles, including the Internet, e-mail, television, radio, and point-of-purchase in restaurants.

Additional activities included special events around the globe on November 20, with a launch in the New York Times Square McDonald's Restaurant, where famous celebrities and athletes performed the "World Children's Day" song and worked behind counters, and a concert was given with celebrities including Celine Dion.²⁵

More than \$12 million was raised in 24 hours, and sales increases varied from 5 percent in some countries to as much as 300 percent in others. These results did not go without challenges. Managers involved in the event coordination reported unique issues, including finding an appropriate date and managing 100-plus countries with varying fundraising laws and cultures.



Figure 2.7 McDonald's logos used to promote World Children's Day. (Used with permission from McDonald's Corporation.)

Social Marketing: Immunize for Healthy Lives®

Vaccine-preventable diseases like measles, chicken pox, polio, and hepatitis B are still a threat to children, according to the American Academy of Pediatrics (AAP), so it's important to immunize children on time. To help children and families, Ronald McDonald House Charities has teamed up with the AAP and health care providers around the United States on "Immunize for Healthy Lives," an immunization education program in existence since 1994.

August is the back-to-school vaccination time period, when most parents take their school-aged children to be immunized before returning to the classroom. But health professionals also recommend that vaccinations begin at infancy to protect against meningitis and pneumonia. By age two, children can be protected from more than 11 preventable diseases.

Ronald McDonald House Charities is committed to the health and well-being of children and families. By working with health care providers around the country, the "Immunize for Healthy Lives" program educates parents on the importance of timely immunizations so they can help their children stay healthy. Figure 2.8 shows a tray liner created for use in McDonald's restaurants to provide parents with helpful information.

Local communities around the United States have taken on special activities to promote the "Immunize for Healthy Lives" campaign:

- In North Carolina, immunization schedules are distributed through nearly 300 McDonald's restaurants throughout the state, with the campaign reaching up to 13 million customers in a month.
- In Harrisburg, Pennsylvania, Health Department nurses visit participating McDonald's restaurants to review children's immunization records. Nurses also give free McDonald's coupons for ice cream to parents asking, "Do my kids need shots?"

Corporate Philanthropy: Ronald McDonald House Charities

The relationship between McDonald's Corporation and Ronald McDonald House Charities and its programs dates back to the inception of the charitable organization. Today, one can find support and participation from McDonald's Corporation, its franchisees, crew members, suppliers, and business partners at every level of the charity's activity—United States, international, corporate, regional, and local. Members



Figure 2.8 McDonald's tray liner encouraging timely immunizations for children. (Used with permission from McDonald's Corporation.)

of the McDonald's family serve as volunteers on the boards and committees of the local chapters, working alongside other members of their community. Together they tackle the challenges of operating a public charity—raising necessary funds and awareness and delivering program services to children and their families.

Ronald McDonald House Charities creates, finds, and supports programs that directly improve the health and well-being of children worldwide. It is a nonprofit, 501(c)(3) organization with more than 181 local chapters currently operating in 48 countries. Each local Ronald McDonald House Charities chapter is a separate public charity, operated by a local board of directors.

The cornerstone of Ronald McDonald House Charities is the Ronald McDonald House program, which provides a home away from home for families of seriously ill children undergoing treatment at hospitals far from their own homes. The first Ronald McDonald House was es-

established in Philadelphia in 1974. Today, there are more than 235 Ronald McDonald Houses in more than 25 countries (see Figure 2.9).

In addition to its cornerstone program, Ronald McDonald House Charities supports a variety of other programs, which include Ronald McDonald Family Rooms, Ronald McDonald Care Mobiles, and scholarships. The charity also awards grants to other organizations that directly improve the health and well-being of children. To date, Ronald McDonald House Charities' national body and global network of local chapters have awarded more than \$400 million in grants to children's programs worldwide.

Community Volunteering: Disaster Relief

McDonald's, working through owner/operators, employees, and suppliers, has a longtime record of helping communities hit by tornadoes,

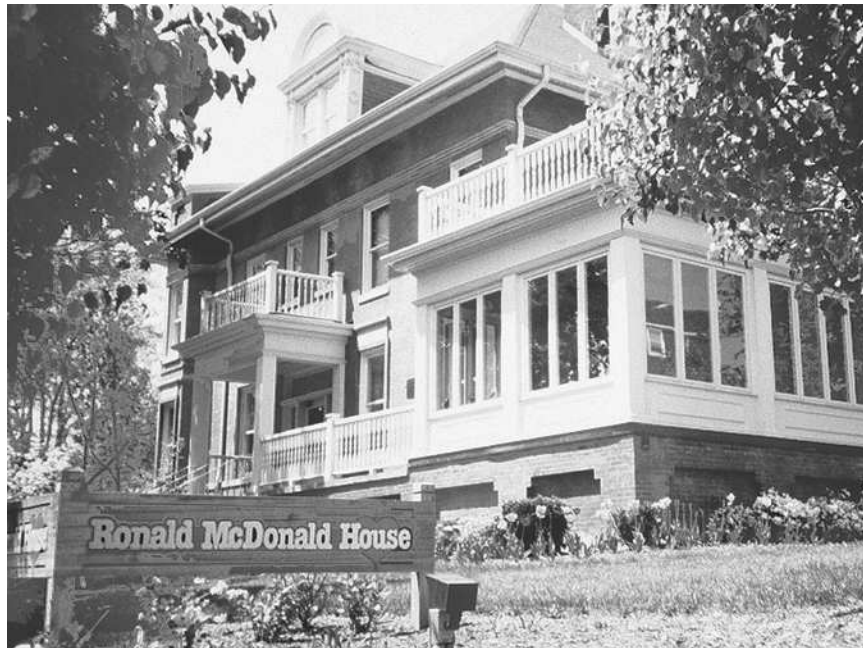


Figure 2.9 Ronald McDonald House programs provide a home away from home for families of seriously ill children. (Used with permission from McDonald's Corporation.)

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hurricanes, floods, earthquakes, riots, or other disasters. McDonald's has partnered with American Red Cross and its International Red Cross network to provide food and other support to disaster victims, meals for the professionals and volunteers on the scene to aid them, and a haven of safety for others in the community.²⁶

On 9/11 and in the weeks that followed, McDonald's provided more than 750,000 free meals around the clock at McDonald's mobile restaurants set up near the disaster sites in New York City, at the Pentagon, and in Pennsylvania (see Figure 2.10). At each location, 45-foot-long portable units served McDonald's Quarter Pounders, Chicken McNuggets, bottled water, and soft drinks to feed recovery workforces.²⁷

Socially Responsible Business Practices: Recycling

Several activities represent a commitment to progress in reducing packaging volume and adding recycled content:

- In the early 1990s, in most parts of the world, McDonald's changed its carryout bags from bleached, 100 percent virgin paper

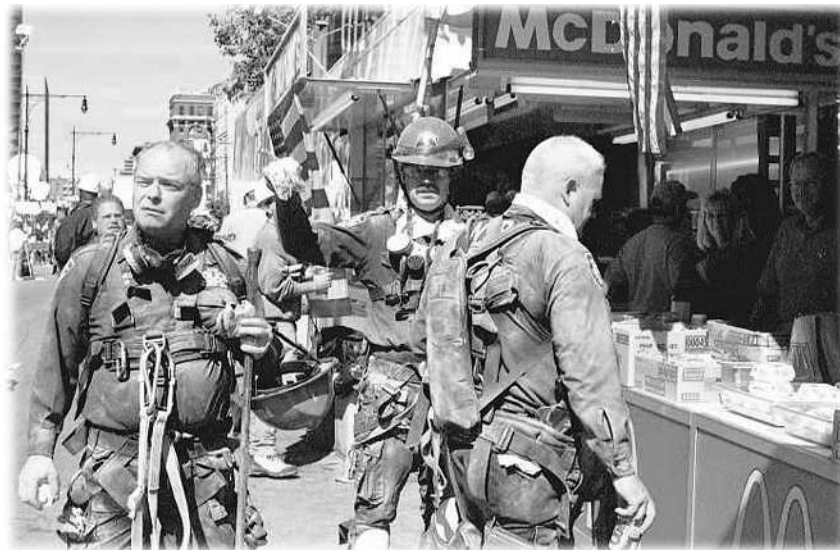


Figure 2.10 McDonald's provided free meals near 9/11 disaster sites in New York City. (Used with permission from McDonald's Corporation.)

fiber to unbleached, recycled content. During that same period, McDonald's purchased more than \$4 billion worth of products made from recycled materials for use in the construction and operation of restaurants worldwide. McDonald's USA recently switched to a 40 percent recycled-content white bag, while making other packaging changes to offset the increased environmental impact.

- In 2002, McDonald's purchased more than \$460 million in recycled packaging materials and reduced its packaging materials by an additional 35 million pounds (see Figure 2.11).

Although a process is in place to work with suppliers to find ways to streamline packaging and minimize use of resources, broad-based solutions are challenged by differences around the world in safe food requirements, local supplier availability, cultural differences, waste management practices, and infrastructure.²⁸

To support McDonald's goal of sustainability, a Global Environmental Council (GEC) was formed in 2002 to identify global priorities,



Figure 2.11 In 2002, McDonald's reduced packaging materials by 35 million pounds. (Used with permission from McDonald's Corporation.)

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initiatives, and projects. It reports to the Social Responsibility Steering Committee established by the board of directors.²⁹

SUMMARY

Most corporate social initiatives under the corporate social responsibility umbrella fall within one of the following distinct categories: cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, community volunteering, and socially responsible business practices.

Though there are commonalities among these initiatives (i.e., similar causes they are supporting, partnerships that are formed, and communication channels that are used), each has a characteristic that makes it distinct. Cause promotions are distinguished by the fact that they are supporting a cause by increasing community awareness and contributions to the cause. Cause-related marketing is unique in that donations to a cause are tied to the corporation's product sales volume. Corporate social marketing is always focused on a goal of influencing a behavior change. Community volunteering involves employee and related franchise and retail partners' donation of their time in support of a local cause. Corporate philanthropy entails writing a check or making a direct, in-kind contribution of corporate services and resources. And corporate socially responsible business practices, as implied, relate to the adoption of discretionary business practices and investments that then contribute to improved environmental and community well-being.

Why is it important to develop these distinctions? As with most disciplines, awareness and familiarity with tools in the toolbox increases the chances they will be considered and then used. As noted in Chapter 1, traditional corporate giving and citizenship focused primarily on one of these initiatives, philanthropy. As we have seen in the examples presented in this chapter, a more strategic and disciplined approach involves selecting an issue for focus and then considering each of the six potential options for contributing to the cause.

Based on the in-depth examples for Washington Mutual, Dell, and McDonald's, a few observations are noteworthy at this point:

- A corporate theme for social responsibility can be expressed in all six of the initiatives. Washington Mutual's K-12 education focus

is reflected in each of the initiatives described. Based on reviews of many corporate social responsibility programs, this model can be very effective for connecting the corporation to a cause, as will be described in Chapter 9 concerning best practices. It is, however, currently quite unusual.

- It is more common for a corporation to have several themes, and for themes to be reflected by only a few initiatives. Examples presented for McDonald's covered several themes: children's health, children and families with special needs, disaster relief, and environmental stewardship.
- One campaign may integrate several initiatives. For example, Starbucks has a program called "Starbucks Make Your Mark" that recruits volunteers for assistance with local community and non-profit projects such as cleanup of trails and parks. This campaign has an element of cause promotion (i.e., recruiting customers in their stores to sign up for projects by visiting Starbucks.com). It also has an element of cause-related marketing, as it promises to make a contribution to the nonprofit sponsor based on the number of volunteer hours given to the project. And it has a community volunteer component, as staff in the Starbucks partner stores are also encouraged to show up for the event.

Finally, it is useful to note other terms that are used to label these initiatives, to underscore the distinctions. Cause promotions may be most similar to programs sometimes described as cause marketing, cause sponsorships, cause advertising, co-branding, or corporate sponsorships. Cause-related marketing is included by some when describing cause marketing or co-branding programs. Corporate social marketing may be considered a subset of cause marketing. Corporate philanthropy may be expressed as corporate giving, community giving, community development, community involvement, corporate social investing, or community outreach. Community volunteering is often covered when referring to community service, community development, community relations, community involvement, community outreach, community partnerships, and corporate citizenship programs. And the term socially responsible business practices is for some synonymous with corporate social responsibility, corporate citizenship, and corporate commitment.

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As noted earlier, the delineation of these distinct subcategories may help increase consideration of these initiatives and may make understanding and application of the keys to success for a particular initiative more likely. The following six chapters outline each initiative's unique and recommended circumstances for consideration and keys for successful development and implementation.