



## **How one company embodies corporate social responsibility**

**SABMiller, one of the world's largest Coca-Cola bottlers, has one of the best CSR programs in the region.**

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**By Jerry Haar**

CSR can best be understood as a firm's sense of responsibility towards the community and environment (both ecological and social) in which it operates. Companies express this citizenship (1) through their waste and pollution reduction processes, (2) by contributing educational and social programs and (3) by earning adequate returns on the employed resources.

Corporations have increasingly moved to address social development as part of business practices as much as philanthropy. In addition to charitable contributions to schools, orphanages, health clinics, youth sports programs, arts and culture, companies are taking an approach that enables them to "do well by doing good." *Multilatinas* like Bimbo, Natura, and Cemex are engaged in CSR activities both within and outside the firm that benefit both society and their bottom line.

Among multinationals, there are a number of best practice models. Unilever's Perfect Store program helps grow their business by empowering local entrepreneurs, teaching small-scale distributors basic merchandising and business skills. Food Giant Nestlé improves the lives of small producers in the region that provide its raw materials by revamping its value chain to work more directly with farmers.

In Mexico, PepsiCo sought to use healthier oils to produce fried snacks. It began working directly with sunflower farmers in the southern Mexico state of Chiapas. A win-win situation was achieved with PepsiCo receiving a reliable source of oil and the farmers received the training and support to increase production and, ultimately, sell more sunflower seeds.

A common thread among those examples is that they link corporate social responsibility to business goals. There are also partnerships in these endeavors not just between the company and the recipient or partner but involving NGOs and governments, as well.

Undoubtedly one of the most well-conceived, relevant, and successful models of corporate social responsibility—and social entrepreneurship—in the region is SABMiller's 4e Camino al Progreso Program. This endeavor, partnering with the Inter-American Development Bank and FUNDES, a consultancy that takes Latin American small and medium businesses into the future, consolidates, strengthens and scales its support of small retailers.

There is widespread recognition that federal, state and local governments and regional and global development institutions consider linkages with large companies to be of critical importance to small businesses, providing those enterprises opportunities to grow—particularly those in consumer products, food and beverages and supporting business services.

SABMiller's innovative 4e program focuses on improvement in small retailers' business performance, quality of life, and ability to play leadership roles in their communities. Simultaneously—and resultingly—these initiatives strengthen SABMiller's retail network and sales. The 4e program targets small retailers in SABMiller's key Latin American markets: the Andean Region and Central America and Panama. There are some 780,000 such retailers in the firm's value, with 65 percent located in high poverty areas and half who can be categorized as “necessity” entrepreneurs—those who have chosen to run their own businesses mainly due to the absence of viable alternatives. These necessity entrepreneurs are the specific focus of SABMiller's program.

Essentially, the 4e Camino al Progreso program zeroes in on why small-scale retailers are not achieving their potential to grow their businesses, improve the standard of living for themselves and their families, and perform leadership roles in their communities. SABMiller achieves this through classroom training and in-

store mentoring on business, life skills, and leadership and strengthening the business ecosystem with emphasis on facilitating access to financing and technology.

Results to date indicate marked success in terms of number of participants reached, percentage increase in overall sales, and percent participant satisfaction, among other measures.

In terms of the key lessons learned, they include: focusing on small businesses currently or potentially part of the value chain; combining core business operations and corporate social investment; identifying and enlisting champions across the organization; and setting clear objectives for the number of small businesses to be reached and for the impact to be achieved.

Corporate social responsibility will widen and deepen in years to come as the expectations (and pressures from) civil society along with companies' own sense of moral purpose move them in that direction. There are many forms, many models that companies may follow to achieve corporate social responsibility goals. The SABMiller 4e Camino al Progreso program is but one—however, it is assuredly an outstanding “best practice” one for companies to emulate.

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