

Beyond CSR:

Shared Value Approach in Management

超越企業社會責任： 從管理中體現價值共享

by Richard S. Roque

As corporate social responsibility has become a staple for good company governance and more and more public enterprises are under public pressure to justify their sound corporate citizenship, this established business moral is now taking a new twist.

Harvard professor Michael E. Porter and Mark R. Kramer, senior fellow of the CSR initiative at Harvard's Kennedy School of Government, argued in the Harvard Business Review that "shared value" approach is the next company conduct that is in vogue.

In this article published in January, Porter advocated businesses to pursue a radical change in corporate strategy based on the principle of shared value, which "involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Business must reconnect company success with social progress". He further explained that shared value "is not social responsibility, philanthropy or sustainability but a new way of achieving economic success. It is not on the margin of what companies do but at the center".

Although some dismissed Porter's notion as being too idealistic and unproven, it is worth noting that multinational conglomerates such as Google Inc., Nestle SA, and IBM have adopted these principles. To embrace shared values, Porter pointed out that leaders need to "develop new skills and knowledge – such as a far deeper appreciation of societal needs, a greater understanding of the true bases of company productivity, and the ability to collaborate across profit/non-profit boundaries".

This multi-pronged scheme blends well with a greater commitment to stakeholder engagement and collaboration as well as more innovative thinking aimed at expanding and enhancing value for a company and its stakeholders. In the broadest sense, stakeholders can be divided in eight categories, namely: competitors, community, customers, employees, future generations, government, shareholders, and suppliers.

In pursuing such approach, corporations should focus on their strength and how they can maximize their impact to address social needs and problems. Nevertheless, championing a shared value strategy also

demands the senior management and the rest of the company reviews and considers whether it is necessary to redefine the company's mission so that it is consistent with the shared value approach. The exercise will help companies realign their core values and reach a common goal.

China's 12th Five-Year Plan

Adopting a shared value approach would make good business sense as China unfolds its 12th Five-Year development plan. Unlike emphasizing "rapid growth" in the past, China's new focus is on "development".

China's latest goals span from increasing rural income and reducing the nation's wealth disparity; greater emphasis on sustainability and openness towards non-governmental organizations and engage them to help solve certain social and environmental problems.

A snapshot of China's national economic growth versus that of its citizens offers a telling picture: between 2000 to 2010, the nation's GDP per capita ballooned from US\$946 to reach US\$4,383 in 2010, or at a compound annual growth rate of 17 percent; while household income edged



Sustainable growth

China's grand plan also prioritizes sustainability, with an ambitious target to reduce greenhouse gases emissions by 17 percent by 2015 and heightens the use of alternative energy by 3.1 percent to reach 11.4 percent by 2015.

These clean tech measures will inevitably drive up costs, one might argue. Nonetheless, under a shared value framework companies have managed to reduce and optimize consumption of resources so that costs are lowered in the long run.

Pursuing shared value strategies can take various forms. Businesses can choose to adopt an impact investment strategy by teaming up with impact investment firms focusing on triple bottom line investment that earn a financial return whilst creating social impact and positively contributing to the environment. Impact investment tends to focus on water, health, education, and the environment—all of which are prominent areas highlighted in the Five-Year Plan. This is similar to the strategy where some internet companies form joint ventures with venture capital firms to keep up with latest innovations by co-investing in young innovative enterprises in the Internet space.

Enterprises can also sign up their executives for an "intrapreneurship" program and assign them to a new subsidiary or corporate unit that focuses on the bottom of the pyramid and/or help devise a shared value strategy, by ways of identifying a social entrepreneur and collaborating closely with him as he tackles a social issue in a field where the company excels in.

We are quite fortunate that here in Hong Kong, an ecosystem supportive of shared values is gradually emerging over the past few years: Local bodies such as the Hong Kong Social Entrepreneurs Forum, Social Ventures Hong Kong and several foundations have actively promoted and developed the impact investment space in the region.

up only six percent each year, despite the state-owned enterprises expanded at 20 percent per year in the same period.

To rebalance China's uneven development, there is a clear need to increase economic output, and at the same time accelerate the growth of household income. Some of the creative ways include enhancing productivity along the value chain—whereby large companies work more closely with suppliers in sharing best practices and training. As rural income and spending increase, companies can begin to devise products that cater to China's vast internal consumer market.

With regard to the former strategy, Porter cited how Nestle trained peasants on innovative farming practices so that they can produce higher quality crops at higher yield. This has allowed Nestle to pay a premium price and enhance the livelihood of the farmers.

To illustrate the latter approach, mobile phone giant Vodafone Group and its partners developed M-PESA mobile payments service in 2007 to facilitate payments and transactions for Kenya's poor—which resulted in a rapid uptake

of 10 million customers in three years and spearheaded commerce at the bottom of the pyramid. The project now generates over US\$7 billion of annual transactions, about one-fifth of the African nation's GDP in 2010.

Companies can also leverage China's five-year plan goals to review their strategy of targeting consumers at the bottom of the social ladder since rural China offers a huge consumer base and future potential could be promising. A shared value strategy in this regard can create a win-win outcome for both sides.

NGOs spur societal changes

Moreover, the Five-Year Plan has signaled the country's increased openness towards NGOs, which are now permitted to be set up at the city level. Chinese authorities have gradually recognized that they do not hold the solutions of many societal problems, and they are ready to support those who can do a better job to resolve these issues. Companies can leverage the opportunities to devise shared value approach to reach the masses at the lower strata of China's society.

此採取多重手法的計劃與增強利益相關者的參與和合作不謀而合，透過更有創新性的思考能為公司和其利益相關者擴大和提升價值。從最廣泛的意義來說，利益相關者可以共分為八類，即：競爭者、社區、顧客、僱員、下一代、政府、股東和供應商。

隨

着社會企業責任成為優秀企業管治的重要元素，愈來愈多的上市公司面對公眾的壓力而需要凸顯其為良好的企業公民，這股已形成已久的商業道德開始風尚開始添上一個新詮釋。

哈佛大學教授 Michael E. Porter 和哈佛大學甘奈迪政府學院的企業社會責任項目高級研究員 Mark R. Kramer 在《哈佛商業評論》鼓吹「價值共享」是下一波會被推崇的企業行為。

在今年一月號的《哈佛商業評論》，Porter 倡導各公司從價值共享的原則出發，在企業戰略方面尋求根本性的變革，就是在創造經濟價值的同時，通過滿足社會需求和挑戰來為社會創造價值。企業必須重新把商業上的成功和社會進步結合起來。他進一步解釋價值共享並不是社會責任、慈善事業或可持續發展，而是一種謀求經濟成功的全新途徑。它並不是公司業務的邊緣，而是處於中心位置。

儘管有些人並不同意 Porter 的觀點，認為他的觀點過於理想化並且未經過驗證。但值得注意的是，一些優秀的跨國企業，譬如谷歌、雀巢和 IBM，已經採納了這些原則。Porter 指出，要擁抱價值共享，需要企業領袖「發展新的技能和知識—譬如對社會需求有更加深刻的認同，真正理解公司的生產率的基礎以及有能力跨越盈利/非盈利機構的界限並加以合作。」

為了實施此手法，企業應專著於自己的長處以及它們如何能將滿足社會需求或解決問題的影響力最大化。然而，倡導價值共享的戰略還要求高層管理者和公司的其他人一起考慮是否有必要重新為公司的使命下定義，使其和價值共享的戰略一致。這會有助於公司調整其核心價值，幫助它達成一個共同的目標。

中國的「十二五計劃」

在中國第十二個五年發展計劃伊始，採取共享價值的做法可能會極具商業意義。十二五計劃的焦點是「發展」，這和過去提倡的「快速增長」形成鮮明對比。中國的新目標是增加農村收入以及縮小貧富差距；強調可持續發展和對政府外其他組織的更大程度的開放，讓它們擔負起解決某些社會和環境問題的責任。

如果對兩千年至二零一零年這十年的中國經濟增長進行回顧，可看出一些端倪：中國的人均 GDP 從 946 美元增長到二零一零年的四千三百八十三美元，年複合增長率為百分之十七。但是，家庭收入的年增長率只有百分之六，而國有企業收入的年增長率則達到百分之二十。

為了縮小中國發展的不平衡，需要在繼續保持收入增長的同時，加快家庭收入部分的增長。較具創見的方法包括：沿着價值鏈來提高生產率，例如大公司透過和其供貨商更密切的合作以分享最佳的實務和培訓。隨著農村收入和消費的增長，公司可以試圖推出符合中國龐大的內需人口的市場的產品。

關於前一個方法，Porter 引用了雀巢公司如何培訓農民以嶄新的種植方式來培育出更優質的作物並實現更高的產量。這使得雀巢公司能支付更高的收購價格，改善了農民的生活。

至於後一個方法，電訊巨頭沃達豐和其合作伙伴於二零零七年在非洲的肯尼亞開發了 M-PESA 移動銀行交易服務。在三年中就快速吸納了一千萬名的客戶，極大的促進了社會基層的商業活動，其產生的年交易額超過 70 億美元，大約佔該國二零一

零年該國的 GDP 的五分之一。

各公司大可利用中國的五年計劃所帶來的契機來審視他們嘗試吸納社會基層客戶的戰略—生活在農村地區的龐大人口蘊含着巨大的消費群體，其未來的潛力可能是豐厚的。朝着這個方向努力的價值共享的戰略應能製造雙贏的結果。

非政府組織促進社會變革

此外，十二五計劃體現了對成非政府組織的規定有些鬆動。現在中國有關方面允許成立市級的非政府組織，政府已經意識到它在解決社會問題方面並沒有壟斷的權利，並準備支持那些能證明自己可以勝任解決社會事務的組織。儘管這在實踐上還需要一些時間，但這的確代表了一個有意思的進步，可能會給企業提供更多途徑來權衡價值的共享和促進觸及中國社會底層的舉措。

可持續增長

在可持續性方面，十二五計劃遠大的目標是在二零一五年將溫室氣體的排放量減少百分之十七，到二零一五年之前將新能源的使用比例提高百分之三點一，以達到百分之十一點四。

有些人對潔淨能源的第一反應將會是這些措施不可避免地會推高成本。但是，在一個共享價值的框架內，有些公司已經設法降低及優化了資源消耗，因此從長遠的角度來看此舉將會降低成本。

實施價值共享的策略可採取多種方法。企業們可以與關注於三重盈餘投資及著重促進社會效果的投資公司合作—在既獲得財務回報的時候又能製造正面的社會效果力，並對環境作出積極的貢獻。著重促進社會效果的投資領域通常集中於水利、醫療、教育和環境，這些都是十二五計劃的重點。

企業可以鼓勵其管理人員參與「內部企業家」的項目，並把受訓過的管理人員指派到一所關注社會基層和/或價值共享戰略的新的子公司或其他業務部門去。或者尋找一個社會企業家並與他緊密合作，並藉該公司專長的領域來解決社會問題。

我們很幸運，在過去的幾年中，一個支持價值共享的生態系統在香港逐漸成形。本港的團體如社會創業論壇、香港社會創投基金以及幾家基金會一直積極的推動和發展區內的著重促進社會效果的投資空間。



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