

# Community service can create corporate profits

## Centre Stage



Companies that forge links with the local community will win prestige and lift profits, argues **Robert Evans** of British Gas

SINCE the Industrial Revolution, British businesses have concerned themselves with the social and economic welfare of

their local communities. In the past decade, however, that involvement has increased dramatically as businesses have discovered links between community prosperity and corporate profitability.

In 1981, a group of concerned business leaders launched Business in the Community in the wake of rising unemployment and civil unrest. Membership has since expanded to more than 400 top UK companies, including Grand Metropolitan, John Laing and Marks & Spencer, as well as British Gas. All recognise community involvement as integral to successful business practice.

Community involvement cannot be an optional extra; it is central to the life of our business. Of course, the current recession creates additional pressures; but during this time we would no more stop investing in our communities than we

would in new technology or any other part of our future.

For those who are looking to trim their budgets, I say take care. Improve efficiency, by all means. But remember that community involvement is a long-term investment which brings returns to companies in all economic climates, particularly in times of recession.

More than ever, companies need committed, trained staff with leadership skills; marketing opportunities that differentiate their products; long-term relationships with suppliers and subcontractors; and corporate reputations that create goodwill with customers, shareholders, employees and the wider community. All these 'intangible assets' can be enhanced by a community involvement programme.

There is a growing consensus among businessmen that more companies should get involved,

particularly small and medium-sized firms. Although the number of participating companies is increasing, much of the activity is undertaken by a handful of large firms.

Community involvement need not be restricted to multi-national donating large sums of cash.

Companies, regardless of their size, can contribute equipment, workspace and staff time as well as technical and managerial expertise.

But business need not make its contributions in a vacuum. Over the past 10 years, a wide range of partnership organisations have emerged with which business can work, including local Enterprise Agencies, Training and Enterprise Councils and, most recently, the Department of the Environment's City Challenge.

At Business in the Community's annual conference last

Thursday, more than 200 business leaders met to discuss strategy for the next decade. The following major objectives were agreed:

- To expand business involvement by encouraging companies already involved to share their experiences with others, including institutional investors, suppliers, professional firms as well as small and medium-sized businesses. Group Sonitrol, which sponsors Business in the Community's Business Leadership Programme, invites young executives along to company projects to see how companies and communities work together to address social and economic problems. The programme was instigated by Business in the Community's president, HRH the Prince of Wales.

- To expand the depth of business involvement by linking programmes more closely with mainstream business functions

and involving more staff across all company departments.

- To promote the quality of community involvement by establishing award schemes, quality guidelines for companies organising their own programmes and a self-regulatory body to monitor professional standards and ethical conduct.

- To create more opportunities for employee involvement, such as the Action Resource Centre, which arranges secondments of private-sector employees to community projects. Voluntary employee schemes are also on the increase.

- To educate future managers and business leaders by bringing community involvement into the curriculum of business schools and management training programmes.

- To develop research that focuses on the planning of community programmes and their

impact on corporate reputation and consumer behaviour.

Of course, the private sector cannot, and must not, act in isolation. National and local government, as well as trade unions, community groups and voluntary organisations are all vital partners in promoting corporate community involvement in the Nineties.

British Gas and other large businesses have resources that government cannot offer. Our business expertise and enthusiasm enable us to be highly effective partners in community initiatives.

But these efforts must be directed efficiently, and partnership is not without its problems. Currently, business is besieged by unco-ordinated approaches from numerous sources for financial assistance. This makes it difficult for business to respond effectively.

Most businesses want to

increase their involvement but can only do so in sensibly co-ordinated partnerships.

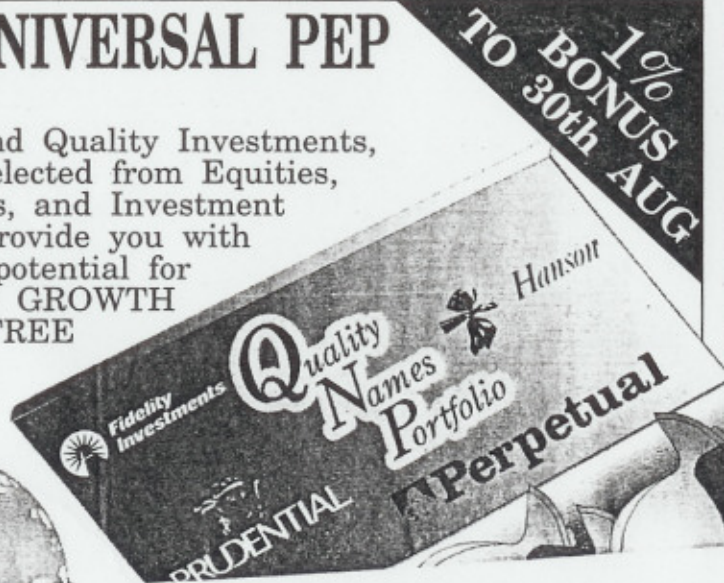
The Government must therefore be clear in its priorities. The private sector expects to work as a partner not to bail out the Government but because it recognises that business can make a difference in a way that nothing else can. This is why Business in the Community's members have sought in the past week to clarify what business is and is not prepared to do.

I believe the next decade will see a sharp rise in the number of companies working in long-term partnership with Government and community sectors. Through such partnerships, we can create more profitable businesses as well as prosperous communities. The opportunities are there if we are prepared to take the initiative.

Robert Evans is chairman and chief executive of British Gas.

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## Bottom Line

# Rock of ages

HAD F Scott Fitzgerald been there he might have said: 'The rich are different from us.' To which Ernest Hemingway, had he also been there, may have replied: 'Yes, they wear cheaper clothes.' They also, in the most part, are thinner.

'They' were the musicians of rock-meets-folk bands Jethro Tull and Fairport Convention — older and wiser, it must be said, as well as richer and thinner — and 'we', the mass and multi-media, were the guests of their vinyl benefactor, Chrysalis Records.

The them-and-us distinction did not hold entirely. Among 'us', a Roller and bright red E-Type in the drive suggested that some of it

