

approach to corporate social responsibility. The hotel's success is based around its central principles of looking after employees, the local community, suppliers, customers and the environment.

Staff development is given high priority and the hotel has developed an apprenticeship programme for young people from disadvantaged backgrounds. The hotel uses low voltage lighting, monitors water and power use, recycles waste and encourages its guests to use public transport. Where possible the hotel works directly with local farmers, fishermen and other suppliers. Management and staff are involved in a range of local social and environmental initiatives. It is essentially a community business.

THE RESULTS

These strong principles have brought rewards. Turnover has increased from £60,000 to £1.2 million over 20 years; occupancy is 82% - exceptional for a seasonal seaside hotel; and staff turnover is only 14% compared with the usual 50%. In addition, many of its simple environmental initiatives have helped to cut costs and the hotel has won awards and gained extensive local and national publicity.

WHO ELSE IS MAKING A POINT?

Many companies throughout the UK understand the real business benefits that can be gained from defining how they do things. Here are just two:

- **Innocent drinks** the additive-free smoothie company shows how there need be no difference between brand values and company principles. Top of the list of values is being natural. This applies to their juices (no additives and your daily dose of fruit in a bottle) and the way they treat people. Saying what you think and feel and looking after staff are important to the company. Innocent cares for others as well. They donate a percentage of profits to impoverished farmers in India. They listen to their consumers who are encouraged to call if they have any complaints or even if they are just bored. Humour is another element of the brand and the business. Products are delivered in a cow van, the office is carpeted with Astroturf and there are jokes on the bottles.

The results: Innocent's values are crucial to their success. Although their products defy most industry standards - short shelf life, need to be chilled, premium price – Innocent has won awards, very loyal customers and publicity. They have carved a new niche in the highly competitive drinks market where they are unquestioned leaders.

- **The Wates Group** is a family-owned construction business founded in 1897. Like many successful companies, Wates has defined a core vision and values which are deeply embedded in all elements of the company. Its key values and principles include respect for people, business integrity, agility in a changing environment, intelligent solutions, integration of teams and being performance driven.

The results: Defining a socially responsible approach in its values has helped Wates to build a reputation for being a caring, considerate and responsible organisation. This in turn has improved access to market sectors. The company is now a natural choice for clients, partners and suppliers and has become one of the largest, privately-owned construction and development companies in the UK.

WHY IS THIS IMPORTANT?

- 51% of the British public say they have chosen a product or service because of the responsible reputation of the retailer.
Source: The Ethical Consumer, MORI/The Co-operative Bank, 2002
- Companies that enjoy enduring success have core values and a purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world.
Source: Building Your Company's Vision, James C. Collins & Jerry I Porras in Harvard Business Review
- The owner-managers's business behaviour will be taken as a role model by staff.
Source: Priorities, Practice and Ethics in Small Firms, Laura Spence – Institute of Business Ethics

HOW TO GET STARTED IN A SMALL WAY

- This is one where the signs point back to you. You know your business best.
- Define your principles and values – get directors, managers and staff to describe what are the most important things about doing business - have employees identify just the one word you would most like people to use to describe your business.
- Get your customers and staff to tell you what can be improved about the company – it may tell you where your values are not up to scratch.
- Find a champion at the top to drive your principles and values.
- Communicate them to everyone that matters.
- Stick to your principles and values or your reputation will suffer.

WHO CAN HELP YOU TO GO FURTHER?

Strengthening the performance of your business in this way is really just a matter of common sense. But if you are committed to achieving major business benefits, then it often helps to get help.

National Help

The Institute of Business Ethics (IBE) encourages high standards of corporate and business behaviour and the sharing of best practice. They offer companies practical help and advice on business ethics and training and show how doing business with integrity and fairness is worthwhile. www.ibe.org.uk.

Foundation for Values Based Business. A non-commercial organisation which aims to promote values-based principles in business. This site is full of resources to help you plan and manage your business.

<http://www.valuesbasedbusiness.org>.

If you're in Scotland, Scottish Business in the Community will help you think through the principles underlying your business. Contact them on info@sbcscot.com.

IT'S COMMON SENSE

This briefing paper is one in a series of +points that make up The Journey – a route map designed to help you build a business that people value. You need only do one if you like. It's your journey. It doesn't have to be time consuming or complicated. It's basically common sense.

SMALL BUSINESS CONSORTIUM MEMBERS:

The Small Business Consortium is a group of organisations who share a common goal:

