

CSR and the service concept

In 1782 one of Britain's best marketers, Josiah Wedgwood, became involved in one of the earliest public conscience campaigns: the anti-slavery movement.

Josiah founded a stunningly successful two hundred year-old brand by routinely using a number of 'modern' marketing techniques. He established a sales force, experimented with changing retail displays, advertised heavily, used international direct marketing, published a multi-lingual catalogue and ruthlessly milked celebrities for associated fame.

Typically, when he threw his lot into Wilberforce's efforts he went much further than others. Not only did he join the boycott of sugar, encourage public debates and support the political momentum, he also minted a medallion.



Up-market and typically Wedgwood, it was a beautifully designed item with the inscription "Am I not a man and a brother?" In other words, his CSR campaign also communicated what his (then) modern, high-tech business was about. It reinforced the developing values of his time but also communicated his business concept. In fact, the Wedgwood medallion became a sought-after fashion accessory which added caché to the anti-slavery campaign.

Two hundred years later the newly privatised BT had lost its way. It had started selling communication equipment because the race was on to capture as much of that market as possible before every major buyer had replaced their rented apparatus. The company set up an extensive sales organisation which spent all of its time focusing on equipment churn. As the market peaked, however, BT began to wonder what it would earn revenue from and began to explore the sale of IT equipment because "clearly the telecommunications market was mature".

However, there were even bigger and more dramatic changes to come. The privatisation Act had included a provision to introduce network competition. BT's leaders began to realise that huge revenues, which had been taken for granted, were now at risk. Executives were heard to say that, if they lost the 'dialled revenue' from some of their major customers, they may as well have given the equipment away because it affected profits so dramatically. In other words, they had been so focused on revenue from equipment sales that they had neglected the revenue from calls.

Ridiculous as it now sounds, it was only about four years after privatisation that BT accepted that its service concept was about "enabling human communication". A major facilitator of this strategic focus was another of Britain's leading marketers, Adrian Hosford; their director of advertising at the time. Using this strategic insight, he prompted the creation of the Maureen Lipman and Bob Hoskins campaigns, which emphasised the relevance of communications to life; and it is still the strategic backdrop to BT's campaigns. Moreover, Hosford is now group CSR director and uses the same theme in those programmes. The company sponsors, for instance, an extensive education programme in schools and backs the charity Childline. The BT service concept is still about enabling human communication, and that gives direction to its CSR spend.

CSR in the professions, by contrast, seems to vacillate between two extremes. On the one hand there are still people who think that it is no business of their privately owned practice to contribute any profit to any worthy cause whatsoever. There is something quite obscene about watching a partner (who personally takes home earnings in excess of half a million) query their practice's degree of pro bono work, refusing to fund charitable causes or pegging down the thirty-thousand-a-year salary of people who administer their CSR work. Professional practices thrive on the development of the society they are based in and, fortunately, most modern leaders accept that they should give back to it.

A good number, though, are at the other extreme. They contribute to erratic worthy causes, some prompted by the urging of important clients and others by their managing partner's whims. In a number of firms CSR is so unfocused that it contributes little to reputation enhancement. So, there is a need to fine tune these activities around

the "service concept" of the practice; its *raison d'être*. This has been defined by Cranfield's Graham Clark as:

"... a shared understanding of the nature of the service provided and received, which should encapsulate information about: the organising idea, the service experience, the service outcome, the service operation, the value of the service."

Although there might be variation in the service for different clients, the practice needs to decide where its competence lies and which form of service maximises those skills to ensure healthy margins. Each has its own dynamics and success criteria, so different offers suit different firms. A high-end strategy firm like McKinsey might specialise in unique customised approaches and pioneering new concepts, whereas one of the IT-based management consultancies, such as Accenture, might be better suited to more volume, process-based offers. One of the "big four" accountancy firms, like Deloitte, on the other hand, might legitimise new concepts with the weight of their brand. For all these firms, though, offers which are so commonplace that they can be completely automated are unlikely to yield good margins.

So, each practice needs a clear view of their service concept. Like tuning in the stations of a new television, there is a need to bring the firm's offer into sharp relief. Good managing partners normally do this intuitively. They take care to nurture partner consensus and to emphasise the need for a "one firm" approach, despite the creative variety and ruthless competition which partnership cultures tend to foster. Several practices have, for instance, trumpeted new green credentials to attract modern graduates.

If they haven't though, then it ought to be marketing's role to facilitate clarity about the business concept; and CSR can help to do this. The bulk of marketers' work in the professions is still depressingly tactical. Yet individual tenders or hospitality events are unlikely to stimulate awareness of the need for a focussed service concept. CSR, by contrast (like press management) has undisputed access to senior people. It can be used to facilitate a debate about strategic focus. In fact, it is likely that partners' money will not be used as effectively as it could without such a discussion.

It's difficult to have a corporate social responsibility programme if you do not know what "corporate" stands for. Like Wedgwood and BT, CSR needs to enhance business reputation and first rate marketers know that they need to ensure it does.

Laurie Young is a specialist in the marketing and selling of professional services. He can be reached via his website – www.lauriedyoung.com – or by email: lauriedyoung@aol.com

