UNIT 2 BUSINESS STRATEGY IN CSR

Structure

2.1 INTRODUCTION

The Prime Minister's "Social Charter" calls for inclusive growth and affirmative action from the corporate sector. In December 2009, voluntary Corporate Social Responsibility (CSR) guidelines were issued by the Ministry of Corporate Affairs. Subsequently, the Indian public sector was issued a set of policy guidelines by the Department of Public Enterprises which also linked to CSR and the Millennium Development Goals. One significant guideline in the public sector policy is that companies need to put at least 5 % of their Profit After Tax (PAT) into CSR. Many companies set up their own foundations, often run by an employee of the company, and work with civil society was minimal, coming within the realm of "project implementation" than partnership.

Sustainable development is the organizing principle for meeting human development goals while at the same time sustaining the ability of natural systems to provide the natural resources and ecosystem services upon which the economy and society depend. World Commission on Environment and Development, Our Common Future (1987) defined 'Sustainable Development' as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts-the concept of 'needs', in particular, the essential needs of the world's poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs.

As a reader you might be thinking of sustainable development in terms of development of the larger society. An example will be a large corporate doing philanthropy for destitute in a natural resource laden tribal area where they have mining interest or some other interest. Does sustainable development for larger society include sustainable development of the business itself? Do we assume that corporates are always benevolent souls and without any self-interest they genuinely contribute to the society? They do contribute, the family businesses in India are a prime example to this. But is this always the case? For public sector enterprises in India, CSR became mandatory even before the present regulations came about. For private sector it was not mandatory before 2014 but we have seen some amazing work done by the private enterprises narrated in other units, which has real long-term positive impacts on the society and the business itself. The focus of this unit is that CSR is a business case. The need of the hour is to embed the CSR strategy with the long-term business strategy.

After reading this unit you will be able to:

- Define business strategy and state its importance
- Explain the steps involved in sustainable corporate strategy
- Discuss the market risks involved in sustainable marketing

2.2 BUSINESS STRATEGY: CONCEPT AND OVERVIEW

A business strategy can be defined as the combination of all the decisions taken and actions performed by the business to accomplish the business goals and to secure a competitive position in the market. It is the backbone of the business as it is the roadmap which leads to the desired goals. Any fault in this roadmap can result in the business getting lost in the crowd of overwhelming competitors (Pahwa, 2019).

Different businesses have their own goals. In order to achieve these goals, the businesses need to have a well thought out strategy. Other than the goals of the organization and the means to achieve those goals, an effective business strategy should also take into account the main competitors of the business as well as the strategy they employ to stand out in the business. It should also take into account the target market and their needs and expectations. Finally, a business strategy should take into account the long-term goal of the organization.

The following are the importance of a good business strategy:

1) **Gives Direction:** A good business strategy gives proper direction to the organization and ensures that all work towards attaining the common goal. It instills a feeling of shared responsibility among the employees.

2) **Measures Success:** It helps in measuring the success of the organization as against the goals set in the business strategy. It also helps in identifying the areas which require improvement to lead the organization to achieve the stipulated goals.

3) **Increases Adaptability:** We live in an era of rapid change. The technology, market needs, demands, etc., are changing rapidly. A good business strategy helps in keeping track of the changes occurring in the market like changing demands, customer expectations and needs and also helps in adapting to these changes and keeping pace with the market trends.

4) **Drives Decisions:** A good business strategy drives decisions in a business by identifying the strengths and weaknesses of the organization and identifying the best possible ways to spend the resources to maximize profits and move towards a sustainable future.

2.3 STRATEGIC POSITIONING WITH RESPECT TO CSR

In order to understand strategic positioning of a company for CSR initiatives, it is important to understand its stage. When it comes to developing a sense of corporate responsibility, organizations typically go through five stages as they move along the learning curve (Table 2.1).

Table 2.1: Important Ethical Issues Confronted by Businesses

STAGE	WHAT ORGANIZATIONS DO?	WHY THEY DO IT?
DEFENSIVE	Deny practices of outcome and responsibility	To defend against attacks to their reputation that in the short term could affect sales, recruitment, productivity, and the brand
COMPLIANT	Adopt a policy-based compliance approach	To mitigate the erosion of economic value in the medium term because of ongoing reputation and litigation risks
MANAGERIAL	Embed the societal issue in their core management processes	To mitigate the erosion of economic value in the medium term and to achieve long term gains by integrating responsible business practices into their daily operations
STRATEGIC	Integrate the societal issue into their core business strategies	To enhance economic gains in the long term and to gain first-mover advantage by aligning strategy and process innovations with the societal issues
CIVIL	Promote broad industry participation in corporate responsibility	To enhance long-term economic value by overcoming any first mover disadvantages and to realize gains through collective action

Source: The Path to Corporate Responsibility, Harvard Business Review, 2004

In the table above, we can see that corporations in India are at the managerial stage and that there is an immediate need to shift the corporations to strategic and thereafter to the civil stage.

> **Activity 1**
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> Visit a company involved in CSR in the city of your residence and talk to the CSR head of the company regarding its vision on CSR. Based on their response, which stage do you think the company can be categorized into and why?
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This concept of CSR focuses more directly on day-to-day business practices which will evolve into long term and sustainable growth. By definition, business practices that adhere to the principles of corporate responsibility and sustainable development must take the long and multidimensional view of their outcomes. That is, they must manage for both private returns and societal returns, and do so with the view that the company will remain a growing concern for the indefinite future. This entails a commitment to inter-generational responsibility, equitable development and environmental stewardship, the key building blocks of corporate responsibility as well as sustainability. By integrating socially responsible principles into their corporate strategies, companies have been able to make impressive financial gains while improving the communities in which they operate.

2.4 CSR AS BUSINESS CASE

The practice of CSR and philanthropy is not new to Indian businesses. Many Indian conglomerates and business houses have a rich history of social welfare activities and interests behind them. Yet, our country continues to be a land of contradictions. On the one hand, we have one of the largest economies, and on the other, a third of the world's poor; we have an abundance of political freedom, and yet a deficit of economic opportunities for all. While the USD 20 billion Indian pharmaceutical industry today is the third largest API (Active Pharmaceutical Ingredient) market in the world, yet, 24 per cent of the world's tuberculosis cases were reported in India. We are considered as the outsourcing destination of the world, and yet the world's largest population of illiterate people resides in India.

Correcting these imbalances and ensuring the economic prosperity of over one billion people continues to be one of the greatest challenges in the decades ahead. It is a challenge that requires us to create employment opportunities; improve the quality of human capital through education, skilling and training; provide accessible healthcare; deliver affordable shelter; ensure food security; and create institutions that are transparent, responsive and efficient. Doing this requires companies to be inclusive in their approach of business and pursue a 'triple bottom line' instead of being focused purely on their financial results. This Unit highlights business strategy in CSR for sustainable development with the help of various case studies.

Corporate Social Responsibility is defined as follows:

Social responsibility is the responsibility of an organization for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that

- is consistent with sustainable development and the welfare of society;
- takes into account the expectations of stakeholders;
- is in compliance with applicable law and consistent with international norms of behavior; and
- is integrated throughout the organization.

The different areas of CSR interventions are community, workplace, marketplace, and environment and supply chain. So let's focus on the community stakeholder first. Remember, Coca Cola was banned from using ground water for its Plachimada Plant in Palakkad district, Kerala. The reason was the drought-like situation that was created in that district because of the gross misuse of the natural resource. Let's see the impact; it is well known that Coca Cola and Pepsi are already struggling in the Indian Market. They had to bring variants that suited the Indian Market like Nimbooz, etc., which involved significant costs. Coke spent so much on its advertisement and distribution. So, this single episode impacted both demand and supply adversely. From the supply point of view this plant was the only plant in Kerala, so it impacted the supply and distribution in Kerala. From the demand side, the company's brand image received a blow. Kerala has higher per capita income and education levels than the rest of India. Pepsi has always been an alternative to consumers in almost every part of India. The consumers understood that the company was working against the interest of the society and there was also an alternative (Pepsi) present in the market and hence the consumer preferences started tilting away from the company associated with violation. Community is a stakeholder for the business. Business must understand its economic, legal, and ethical responsibilities towards stakeholders as well as recognize the opportunities and challenges that every stakeholder presents.

Example 1: ITC e-Choupal Initiative

Let's focus on the famous e-Choupal initiative by ITC. This project is perceived as IT for masses, which it should be because of the tremendous amount of improvement it has brought to the life of the common man. Farmers can look at weather forecasts, order fertiliser and herbicide, and consult an agronomist by e-mail when their crops turn yellow. At some e-Choupals they can even buy life insurance, apply for loans and also check their children's exam results. While much has been written about the social benefits of ITC's e-Choupal, the fact of the matter is that the project was conceptualised with a pure business focus to create farmer communities in villages to facilitate sourcing of high-quality farm produce for the company's fast-growing agribusiness. Here again from the supply side, ITC got a huge benefit because of elimination of middleman and a superior produce received by it directly from the farmer. Here ITC recognized the needs of the stakeholder, which is the farmer. In IT parlance, e-Choupal is an intelligent blend of applications like community resource mobilization and supply chain management. For instance, by helping the farmer identify and control his inputs and farming practices, and by paying more for better quality, ITC has been able to preserve the source and improve the quality of produce. The portfolio of commodities sourced has been vastly expanded to include maize, barley, sorghum, and pulses, and the sourcing cycle is extended almost around the year. In the commodities market, these two factors are helping ITC create a definite competitive advantage. ITC now plans to leverage its e-Choupal infrastructure to sell third party products, provide rural market research services, and in the social sector, to provide services like health advisories and enable e-governance.

Just look at the benefit of this CSR activity for ITC. Do you still feel CSR is giving some pay checks to vulnerable people because the company has huge resources at its disposal? Enabling e-governance would mean partnering with the respective state or central government to implement their social schemes with the e-Choupal platform. The e-Choupal CSR strategy proved to be the business growth story for ITC.

Look at the innovations happening around us. These ideas are not like patents that Apple Company has. India requires its own kind of innovations. For Example, Rural BPOs and Self Help Groups (The famous Shakti project by HUL (Hindustan Unilever Ltd.), was emulated by so many corporates. These are aimed at providing livelihoods to the poor but at the same time this was an innovative method by the company to improve the bottom line. Lijjat Papad is a famous brand. These papads are made by women in their households, who make papads and supplement their family income. Is this some charity by Lijjat Pappad? No, it’s their business model. Such models provide an opportunity for dignified and safe work, which everybody deserves. These models are not only reducing the company’s supply constraints in a big way but they also provide avenues for substantial cost reduction.

Example 2: L&T Employee Health Checks

Larsen and Toubro was one of the first organisations to screen its workforce for detection of HIV/AIDS. This happened when the first case of HIV/AIDS was detected in India. It is part of CSR. In fact, this dimension, in CSR parlance, is called workplace CSR. L&T has a major stake in it because its employees are mostly labourers who are more susceptible to the disease. Labour productivity is directly correlated with labour health and company’s productivity is directly correlated to labour’s productivity. Many organisations, especially those with a large labour force, have employee health checks as a part of workplace CSR.

Example 3: GE Technology in Water Purification, Power Generation and Health in Africa

GE on its part launched a 5-year project, a $20 million commitment, where the company would use its extensive knowledge and technology in water purification, power generation, and health care to help upgrade existing hospitals and build new medical centers in Africa. The company enlisted relevant stakeholders in the community (e.g., the health ministry to furnish supplies and assign a doctor; local community members to volunteer labour) and provided the necessary high-tech equipment (power generators, water purification equipment) and project management expertise. The first major site was Ghana. This investment was in line with GE's commercial interest. Don't you think that Africa and other underdeveloped and developing nations have serious water purification, power generation and healthcare concerns? GE was sending its employee force to Africa for building a prototype which they would further leverage and cash in with expansion of their business in the above mentioned markets. This kind of branding would indeed help GE generate top-of-mind recall among various government bodies and civic organizations, which could help the company to generate business in future. For GE the African market and the other emerging markets are the next avenues of growth.

There are a number of examples which we can go on citing. But the fact of the matter is, in the new business environment many organizations have developed clear CSR efforts as strategic branding and management approach in achieving a win-win outcome. Any prospective investor in the current scenario would invest in companies that act with good corporate governance and social responsibility. Increasingly, a company's performance as a responsible business is key to its financial and stock market standing, helping to protect it from instability and share price volatility.

Look from any angle, say environment waste management or energy conservation. Study any environment waste management, and you would find an underlying effort to bring about operational efficiency. It was in Tata's interest to build the steel city of Jamshedpur as a model city. This is called sustainability. There are short sighted companies which indulge in illegal activities to cause harm to the environment and they are doing this at their own peril. Let's study this from the demand and supply point of view. What is land or water or air or groundwater; are they not part of the supply side? If an industry set up in an area keeps on inefficiently using the groundwater of that area, say for 5 years, then what will it do in the 6^{th} year? All the money saved from exploitation will be lost from 6^{th} year onwards and then the company will have to bear added expenses in future. The demand will slump due to fall in its image. Corporate branding is very important in maintaining and attracting new customer base.

Check Your Progress - 1

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) Define Business Strategy.

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2) What are the challenges faced by our country today and how can the corporates help in overcoming these challenges?

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2.5 SUSTAINABLE CORPORATE STRATEGY

For every company like Unilever and Wal-Mart that has successfully embedded sustainability into their core business, there are many others that are struggling with the implementation of corporate sustainability strategies. To be sure, every company presents a unique case and requires a comprehensive review of its strategy, operations and goals to advance sustainable practices. There is no single path to adopt sustainability, but critical steps exist that can help to successfully integrate sustainability into a business strategy. This section will focus on these steps, essentially creating a roadmap for the development and implementation of a corporate sustainability strategy.

Raising **C-suite** (executive level managers or highest ranking senior executives in an organization) awareness of sustainability benefits is a critical initial step before even creating a roadmap. Some progress can be reported on this issue, as more CEOs are aware of the benefits of implementing corporate sustainability. According to MIT Sloan's 2012 Sustainability and Innovation Global Executive Study, 48% of CEOs responded that they had changed their business model to incorporate sustainability; of those, 46% reported that sustainability added to their bottom line. However, out of 600 companies surveyed in 2018 by CERES for The Road to 2020 Report, more than half still fell into the Tier 4 "Starting Out" in their Roadmap for Sustainability. In Tier 4, CERES catalogs those companies who are beginning to understand sustainability and which need considerable work to integrate sustainability into overall corporate accountability systems. Corporate sustainability demands a broad view of issues and impact, as well as a working understanding of what the company does and how it does it. Embedding sustainability means joining the two together through a series of concrete steps.

2.5.1 Five Steps in Achieving Sustainable Corporate Strategy

Step 1: Understand sustainability and recognize what it means to the company

As a first step, it is important to define what sustainability means for every area in the company and to identify its benefits. From investment decisions, developing new products or services to changing procurement practices, sustainability has an increasingly central role in these decisions. Coca-Cola is one of the companies centering its investment decisions on sustainability. When considering the development and location of new production plants, water sustainability has been now included as a key factor. Sanjay Guha, president of Coca-Cola, Great Britain, says "Potential markets and ease of distribution were once the only key factors. Now, it is the long-term supply of water." In order to understand where sustainability efforts should be concentrated in a company, it is necessary to identify those issues that have the biggest impact and are most relevant to the business and its stakeholders.

Step 2: Engage with Stakeholders

Depending on its line of business, a company's impact can vary among stakeholders. Generally, companies engage with the most influential groups, keeping close ties and a constant dialogue. However, engagement can happen at different levels and should respond to expectations from both sides. Different levels and methods of engagement bring benefits to both companies and stakeholders and can be translated into more sustainable practices. Bonnie Nixon, Director of Environmental Sustainability at Hewlett Packard explains, “Allowing stakeholders to honestly critique us pushes us to improve our programs and helps us develop our thought leadership platforms.” In the same way, Procter and Gamble has benefitted through the engagement with local communities around the world by finding alternative uses for its waste materials. Through employee engagement, Kraft Foods has developed a model where employees contribute with ideas and viable plans to reduce waste while helping to reach the company’s waste reduction targets.

Step 3: Set Goals and Commitments

Once key environmental, social, and governance issues have been identified and engagement methods for each stakeholder group have been defined, efforts must focus on reducing risks and seizing opportunities around these issues centered on sustainable practices. Whether driven by cost reductions, innovation or improved financial performance, sustainability commitments and goals need to be established.

For Wal-Mart, most of its commitments and goals on sustainability are focused around the use of renewable energy and the adoption of energy efficiency. Initiatives in these areas have resulted in the recognition of Wal-Mart as the largest on-site green electricity generator in the U.S. and have led to cost savings of over USD500m a year. Another example is United Airlines. The airline aims to reduce its environmental impact through participation of all its suppliers in its sustainable supply chain initiative.

While companies like Wal-Mart and United Airlines aim for a complete transformation of their businesses, small companies are setting goals and commitments according to their scope of action. Initiatives mainly focus on cost reductions from energy use, waste management and commuting practices, as well as social actions in the community like local development projects and volunteering campaigns.

Step 4: Establish Systems and Processes

Once the goals are established, specific systems and detailed processes need to guide the implementation of each initiative. Throughout the design, processes and policies in place must be taken into consideration and collaboration among areas encouraged. At this point, gaining executive commitment is crucial. The appointment of an internal sustainability champion as the main driver of sustainability and the development of a successful employee engagement model are also good practices. According to the 2012 Report of Sustainability Leaders by VOX Global and Net Impact, Berkeley, 78% of respondents said top management was a key contributor to embracing sustainability. However, 81% identified their colleagues across the company as primary drivers of success.

Unilever’s Sustainable Living Plan was launched in 2010. Under the leadership of its CEO Paul Polman, this ten-year sustainability plan accomplished considerable progress in its first two years. Under the umbrella of its comprehensive overall sustainability strategy, Unilever is utilizing its wide array of brands to target distinct social issues, invest in sustainable technologies and change consumer behavior. Unilever has also accomplished to fully embed sustainability across the company and to successfully engage external actors. Besides the appointment of a Chief Sustainability Officer in 2012, the company's management structure includes a Sustainable Living Plan Steering Team, a group of external specialists in corporate responsibility and sustainability known as the Sustainable Development Group. It also launched the 'Small Actions, Big Difference Budget' which finances employees' ideas based on environmental benefit and financial return.

Step 5: Track Progress, Communicate Actions and Meet Expectations

Lastly, it is important to set a system that measures the performance towards each goal. Defining key performance indicators to meet the identified goals will allow to detect areas for improvement and will gather relevant data to track progress. Metrics and indicators are also central to the reporting and communicating activities of the company. Internally, the availability of data contributes to the prioritization of issues and initiatives and to promote employee involvement around sustainability. Externally, collecting data is fundamental for an accountability strategy, to respond to stakeholders' expectations and interests and to comply with reporting standards.

Companies reporting under the Global Reporting Initiative guidelines have already embraced the development of indicators. In addition to these guidelines, the Sustainability Accounting Standards Board is currently preparing frameworks that will standardize sustainability key indicators per sector. Alongside these efforts, companies are designing their own systems to measure performance, like Wal-Mart's Sustainability Scorecards, which, among other criteria, ranks suppliers according to their environmental footprint and contributes to Wal-Mart's performance measurement.

In the end, corporate sustainability needs to adapt to the maturity of the business and the company's willingness to treat sustainability as a strategic opportunity. These steps are only the beginning of a process that can eventually transform a company's entire business strategy into a sustainable business strategy.

2.5.2 Sustainability Risks and Challenges of the Corporates

Sustainability is an important business concept, however, there are some important and significant risks that need to be addressed to make the business both sustainable and profitable.

The sustainable marketing risks that corporates face can be classified as follows:

1) Market Risks

2) Operating Risks

3) Corporate Image Risks

1) Market Risks:

Studies show that there is a gap between the consumer's green intentions and their dedication to fulfilling these intentions. Cost continues to be the greatest barrier that stops consumers from making sustainable purchases. Sustainability comes with a price which may be either financial, effort or time. Sustainability may make the society and environment better off while the individual is always rendered worse off as they have to absorb the additional cost. A product being good for the environment may not be a reason good enough to convince the consumer to bear the additional personal cost. Hence, the societal and personal benefits of sustainability need to be made known to the masses. Thus, information dissemination and educating the consumers are key to influence consumer's decision to choose sustainable products.

Thus, marketing risks with sustainability initiatives include:

i) Lack of consumer appeal for sustainable products in terms of their value, convenience and efficacy.

ii) Lack of understanding and appreciation among consumer groups on the benefits of sustainability.

2) Operating Risks

The operating risks associated with pursuing the sustainability initiatives include:

i) Decline in profitability.

ii) Loss of focus.

Even though adding sustainability to their corporate missions and adding green elements to their products have given a competitive edge to some companies, a company can lose on its profitability if it invests more of its financial and human resources into sustainable initiatives without getting commensurate benefits. Thus, in order to avoid loss of sales, market share or profitability, the pricing of products should cover the additional cost incurred or the initiative should make the products superior in the minds of the consumer thus giving it a competitive advantage.

Adding sustainability can also shift the focus away from profitability leading to misallocation of critical resources.

3) Corporate Image Risks

The corporate image related risks include:

i) Negative greenwashing image

ii) Negative impact of an inconsistent action

Greenwashing

Environmentalist Jay Westerveld coined the phrase in his 1986 essay regarding the hotel industry's practice of using placards in each room to promote reuse of towels to "save the environment." He wrote that many hotels made little effort toward energy use reduction. The principal goal of this activity was to increase profits.

Since that time, the Federal Trade Commission (FTC) has put some parameters into effect to help minimize greenwashing with its Green Guide, which was first published in 1998 and revised again in October 2010. The FTC Green Guide mandates that companies provide clear substantiation to any environmental claims and that there is specificity surrounding these claims. In particular, the FTC warns of using more generic terms such as "eco-friendly" and "environmentally friendly" without documented and detailed evidence to these claims. Failure to comply can cost a company up to $16,000 per false claim.

Lee van der Voo, "FTC Takes a Swipe at Greenwashing,"

Source:http://www.sustainablebusinessoregon.com/articles/2010/10/new_ftc_rules_take_swipe_at_greenwashing.html)

From the above box we can see that greenwashing or green marketing is giving an incorrect impression that a company's strategies and policies are designed to be beneficial to the environment. This can have a negative impact on the company's image if it is discovered that the claims made by the company are false.

Maintaining consistency and effective execution are as important as a company's commitment to sustainability. Even though a company may have a good name in green initiatives due to its past action, it can still lose on its image if it is not consistent.

Activity 2

Identify any one sustainable consumption item that would add additional cost to a consumer. Ask five people if they would be willing to buy that product against a cheaper non-sustainable substitute and note down your observation.

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Check Your Progress-2

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What are the steps in achieving sustainable corporate strategy?

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2) Name the sustainable marketing risks that corporates face?

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2.6 LET US SUM UP

Strategic corporate social responsibility (CSR) involves the voluntary practice of social and environment activities to satisfy firms' stakeholders, with the intention of generating profits.

Undoubtedly several NGOs, government organizations and Public-private partnerships are the emerging communities taking voluntary initiatives for CSR effectiveness in India but this is not possible without companies moving towards strategic CSR. Businesses are known as the shapers of society and time has come when businesses can prove it by their sustainable actions through strategic CSR. This paves the way where strategic CSR can work as an element of transformation, encompassing the complexity and tensions of the different and intersecting dimensions of sectors, levels, and structures that provide the setting within which CSR is negotiated.

Strategic CSR through sustainable actions provides real time customization rather than without vision and spontaneous "good deeds" of the companies. CSR initiatives need to be qualitative instead of quantitative.

2.7 KEYWORDS

Sustainable Development : For the business enterprise, sustainable development means adopting business strategies and activities that meet the needs of the enterprise and its stakeholders today while protecting, sustaining and enhancing the human and natural resources that will be needed in the future.

Corporate Disclosure : Corporate disclosure can be defined as the communication of information by people inside the public firms towards people outside the main aim of corporate disclosure is "to communicate firm performance and governance to outside investors" (Haely and Palepu, 2001).

ESG : ESG stands for Environmental, Social, and Governance. There is growing evidence that suggests that ESG factors, when integrated into investment analysis and portfolio construction, may offer investors potential long-term performance advantages.

Risk Management : In business this refers to the forecasting and evaluation of financial risks together with the identification of procedures to avoid or minimize their impact.

Stakeholder Relations : Effective management of relationships with stakeholders is crucial to resolving issues facing organizations. A stakeholder is any person, group or organization who can place a claim on an organization's attention, resources or output, or is affected by that output.

Sustainable Business Strategies : For businesses, sustainability is a powerful and defining idea: a sustainable corporation is one that creates profit for its shareholders while protecting the environment and improving the lives of those with whom it interacts.

Triple bottom line : The triple bottom line (or otherwise noted as TBL or 3BL) is an accounting framework with three parts: social, environmental (or ecological), and financial. Some organizations have adopted the TBL framework to evaluate their performance in a broader perspective to create greater business value. Business writer John Elkington claims to have coined the phrase in 1994.

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2.9 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress – 1

1) A business strategy can be defined as the combination of all the decisions taken and actions performed by the business to accomplish the business goals and to secure a competitive position in the market.

2) Inspite of being one of the largest economies, 1/3rd of world's poor reside in India. It is a challenge that requires us to create employment opportunities; improve the quality of human capital through education, skilling and training; provide accessible healthcare; deliver affordable shelter; ensure food security; and create institutions that are transparent, responsive and efficient. Doing this requires companies to be inclusive in their approach of business and pursue a 'triple bottom line' instead of being focused purely on their financial results.

Check Your Progress – 2

1) Steps in achieving sustainable corporate strategy are as follows:

   Step 1: Understand sustainability and recognize what it means to the company

   Step 2: Engage with stakeholders

   Step 3: Set goals and commitments

   Step 4: Establish systems and processes

   Step 5: Track progress, communicate actions and meet expectations

2) The sustainable marketing risks that corporate face can be classified as follows:

   1) Market Risks
   2) Operating Risks
   3) Corporate Image Risks