

Deloitte Consulting LLP

# Determining Your Corporate Social Impact Model

## A Self-Assessment



February 2017

# SOCIAL IMPACT MODEL SELF-ASSESSMENT

## Understand your corporate social impact positioning

### ARE YOU...

A corporate leader wondering about the value created by your company's social impact strategy?

### DO YOU WANT TO...

Understand how your company's social impact strategy stacks up relative to industry peers?

Begin to craft a coherent, intentional social impact strategy that can drive both social and corporate value?

### ARE YOU WONDERING...

What aspects of your strategy, processes or metrics you need to re-evaluate?

What are the implications of your social impact strategy being positioned ahead of, behind, or in stride with industry competitors?

### INTRODUCTION TO THE FOUR CORPORATE APPROACHES TO SOCIAL IMPACT

More and more, executives are coming to an important realization: social impact can drive both social and corporate value. At Deloitte, we noticed this mindset shift and have started to investigate the different ways companies are approaching social impact. We recently compiled data on how the Fortune 500 global public companies are positioned by industry. This self-assessment is designed to help executives clarify their own positioning relative to their industry. It should not replace a holistic analysis of a company's social impact strategy, but it will provide a quick approximation of a company's positioning.

<http://bit.ly/2keCQsz>

### Five ways social impact creates value



# SOCIAL IMPACT MODEL SELF-ASSESSMENT

## Self-Assessment Questionnaire

Is your company a *Shareholder Maximizer*, *Corporate Contributor*, *Impact Integrator*, or *Social Innovator*? The following ten questions will help you decide. For each question, select just one of the multiple choice answers, then sum up the totals.

Total time: 5-10 minutes.

**Dimension 1: Business Strategy**—*Evaluates the degree to which social impact is integrated into business strategy (if any), including the level of leadership support and engagement.*

1. Which of the following best describes how integrated social impact (e.g., environmental stewardship, supply chain sustainability, stakeholder engagement, community outreach, etc.) is in your company's global business strategy? Social impact is...

*Tip: Use measures like inclusion in mission statement and long-term goals.*

- a. Operated as an ad hoc item
  - b. Independent, siloed within strategy
  - c. Integrated across strategy
  - d. Core to business purpose
- 
2. How would you characterize senior leadership's level of buy-in and support for social impact activities?  
*Tip: Use measures like CEO/senior leadership quotations or messaging around social impact, mentions in annual reports, and employee perceptions.*
    - a. None/Very limited
    - b. Satisfied with status quo. Few new ideas, innovations, or new initiatives
    - c. Want to do more. Exploring riskier, innovative activities with high impact potential
    - d. Deeply committed. Generally willing to take risks for big, innovative social impact plays

# SOCIAL IMPACT MODEL SELF-ASSESSMENT

**Dimension 2: Structure, Process, and Governance**—*Evaluates the role of social impact in the business based on functional and business unit governance structure; defines controls and metrics to support impact goals.*

3. Where does responsibility to manage social impact fall within your organization's structure and processes?

*Tip: Assess how social impact is represented and where it lies within the organizational chart.*

- a. No specific social impact resources allotted
- b. Siloed, operates narrowly within a single business unit
- c. Integrated across various business units
- d. Embedded into practices/decisions across business units

4. Over what time-horizon does your company make its investments in social impact?

*Tip: Short-term is generally considered annually, while longer-term investments are multi-year with potential stage-gates for unlocking out-year funding.*

- a. No significant investments
- b. Short-term
- c. Long-term
- d. Both

5. How does leadership use data to measure and manage social impact efforts (including diversity, impact measurement, environmental sustainability, etc.)?

*Tip: Social impact and sustainability reports are usually the best indicator of these metrics. Often leadership quotes of these statistics are another good indicator.*

- a. No data collection/very little data collected
- b. Metrics limited to tracking social impact inputs like funds committed, person-hours contributed, trainings delivered, etc.
- c. In addition to answer choice "B," metrics include qualitative data on both social impact inputs and outputs
- d. In addition to answer choice "C," metrics include qualitative and quantitative data on social impact inputs and outputs

## SOCIAL IMPACT MODEL SELF-ASSESSMENT

6. Are representatives from non-corporate organizations, such as customers, community groups, advocacy organizations, or academics, present on your company's board?

*Tip: Assess non-corporate board composition and roles.*

- a. Not represented
- b. Very limited participation
- c. Integrated and participate, but narrow scope
- d. Very well represented and active participants

**Dimension 3: Social Impact Motivations and Initiatives**—*Evaluates the number, value, and success of workforce, social, environmental, and economic Initiatives, including philanthropic involvement and donations.*

7. What is the **primary** motivating factor driving your company's participation in social impact activities?

*Tip: Assess the catalysts and priorities (if any) for company-sponsored social impact activities and the degree to which social impact investments are favored*

- a. Little to no regular social impact activities
- b. Externally motivated as risk mitigation strategy or responsive to stakeholder pressures
- c. Internally propelled by corporate champions, desire to create social value but values not widely shared by senior leadership
- d. Social impact intrinsic to company's mission, values held widely across senior leadership and company employees

8. When engaging in social impact activities (e.g. establishing nonprofit partnerships, volunteering in the community or donating funds through a corporate foundation) does your company strategically leverage its core competencies and unique capabilities? Social impact activities are...

*Tip: Recognizing the core capabilities of the company, assess if activities build on existing strengths and play to unique company capabilities*

- a. Ad hoc, fragmented
- b. Organized, coordinated efforts, but rarely aligned to business purpose or core competencies
- c. Established social impact strategy guides efforts, sometimes aligned to company's core competencies
- d. Sophisticated, widely understood strategy, mostly aligned to company's core competencies

# SOCIAL IMPACT MODEL SELF-ASSESSMENT

**Dimension 4: Public Perception**—*Evaluates the degree to which the company is recognized by the public or within its industry for its social impact activities.*

9. How is your company perceived publically by consumers as it relates to social impact?

*Tip: Use brand surveys, social media brand sentiment, and references in news outlets*

- a. Social impact efforts not recognized
- b. Public recognition is limited to corporate social responsibility efforts
- c. Positive customer perception of company's commitment to social impact
- d. Social mission perceived as authentic, very strong brand position due to social impact activities

10. Has your company received major public recognition or industry awards for its work in social impact, corporate social responsibility, or environmental stewardship?

*Tip: Examples of such awards include, but are not limited to, the Global CSR RepTrak, Global 100 (Forbes & Corporate Knights), Workforce Top 100, Diversity Top 100, and Global Green Brands*

- a. None
- b. Nominated without winning
- c. Some public recognition or awards
- d. Numerous cases of public recognition or awards

# SOCIAL IMPACT MODEL SELF-ASSESSMENT

## Self-Assessment Scoring

The goal of this activity is to help executives (1) understand their company's social impact positioning, (2) understand the dominant positioning in their industry, and (3) start being deliberate about social impact choices. This section will help readers begin this process.

First, add up all A's, B's, C's, and D's and put your totals in the table below:

Category	Shareholder Maximizer A's	Corporate Contributor B's	Impact Integrator C's	Social Innovator D's
Count				

Take this example:

Category	Shareholder Maximizer A's	Corporate Contributor B's	Impact Integrator C's	Social Innovator D's
Count	1	6	3	0

If a company scores a single A (Shareholder Maximizer), 6 B's (Corporate Contributor), 3 C's (Impact Integrator), then the company's dominant profile is **Corporate Contributor**. However, the 3 C's speak to a level of integration in things like strategy, processes, or governance that is more advanced than many Corporate Contributor peers. When a company is split between two categories, then we will have a ballpark estimate for where it is positioned, though certain elements of its social impact activities may be more/less advanced than others.

### Knowing Thy Self.

All companies have a dominant social impact model. This exercise is designed to help tease out the model that best fits the realities of each company. In some cases, however, companies may be split across two, or even three, different categories. That is ok.

This short self-assessment does not give a perfectly precise category for each company. Instead, the results should be taken holistically and interpreted as a reflection of where a company is *most likely* to fall.

### Questions for Reflection

1. What was your dominant model?
  
  
  
  
  
  
  
  
  
  
2. Does this make sense? What surprised you? Where do have push-back?

# SOCIAL IMPACT MODEL SELF-ASSESSMENT

Here is a helpful reminder of some of the key traits of each social impact model:


**Shareholder maximizer**

Primary motivation is short-term shareholder value.  
Not many resources are applied to social impact.  
Strategy emphasizes risk mitigation.

<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">+</span></p> <p><b>Positioning to win</b></p> <p>Maximizes short-term financial returns to shareholders</p> <p>Possesses clear mission and business success metrics</p> <p>Empowers shareholders to use returns to promote social causes</p>		<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">-</span></p> <p><b>Stumbling blocks</b></p> <p>Risks “blind spots” due to narrow stakeholder considerations</p> <p>Includes potentially costly regulatory affairs and PR functions</p> <p>Risks negative reputation for being “socially irresponsible”</p>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------


**Corporate contributor**

Social impact is driven by external factors and focused on key stakeholder relationships; strategy is siloed within firm.

<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">+</span></p> <p><b>Positioning to win</b></p> <p>Enhances brand value with key stakeholders</p> <p>Shifts regulatory/compliance from reactive to proactive</p> <p>Benefits employee recruitment/retention</p>		<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">-</span></p> <p><b>Stumbling blocks</b></p> <p>Reacts to changing external pressures</p> <p>Impact strategy lacks focus, fails to enhance reputation</p> <p>Cautious impact strategy equals missed market opportunities</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------


**Impact integrator**

Social impact is integrated within firm strategy, across business units, and is used as input to explore new market opportunities. Possesses positive customer perception.

<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">+</span></p> <p><b>Positioning to win</b></p> <p>Drives new business opportunities; aligns social and business strategies</p> <p>Possesses positive public recognition</p> <p>Integrates across functions, reinforces impact programs</p>		<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">-</span></p> <p><b>Stumbling blocks</b></p> <p>May add additional costs to business</p> <p>Difficulty in securing leadership and shareholder buy-in</p> <p>Social impact metrics complicate business success metrics</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------


**Social innovator**

Social impact is integral to strategy, embedded in processes and across business units. Business creates socially conscious goods/services and markets. Social mission perceived as authentic.

<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">+</span></p> <p><b>Positioning to win</b></p> <p>Differentiates new products/services</p> <p>Builds new socially conscious markets</p> <p>Innovates and disrupts categories and industries</p>		<p style="text-align: center; margin-bottom: 5px;"><span style="color: white;">-</span></p> <p><b>Stumbling blocks</b></p> <p>May inspire “fast followers” at lower cost</p> <p>Social impact and business metrics may compete</p> <p>May be difficult to extract value and measure social dimension</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

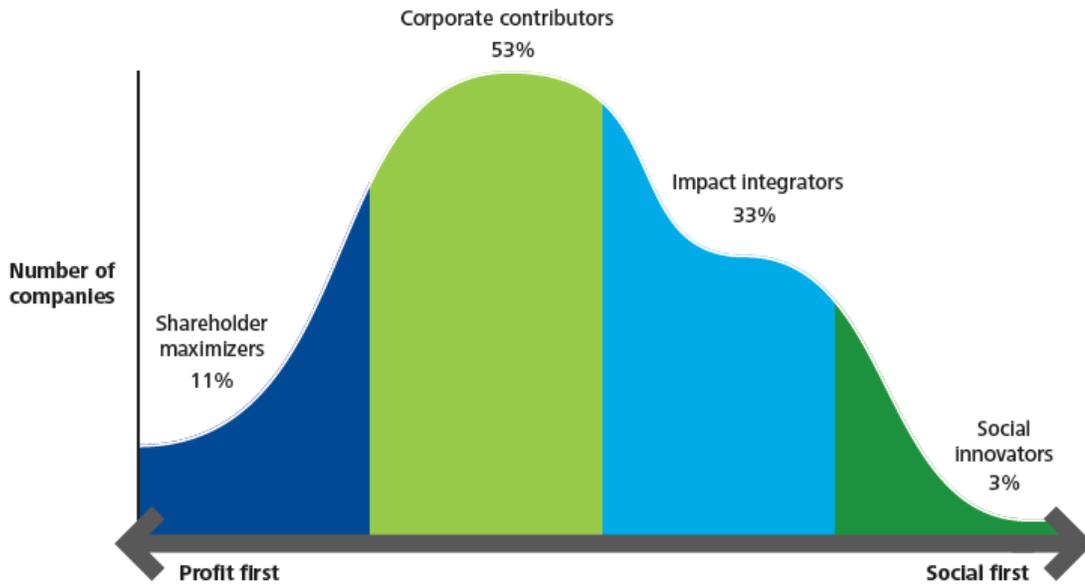
# SOCIAL IMPACT MODEL SELF-ASSESSMENT

## Knowing Thy Neighbors.

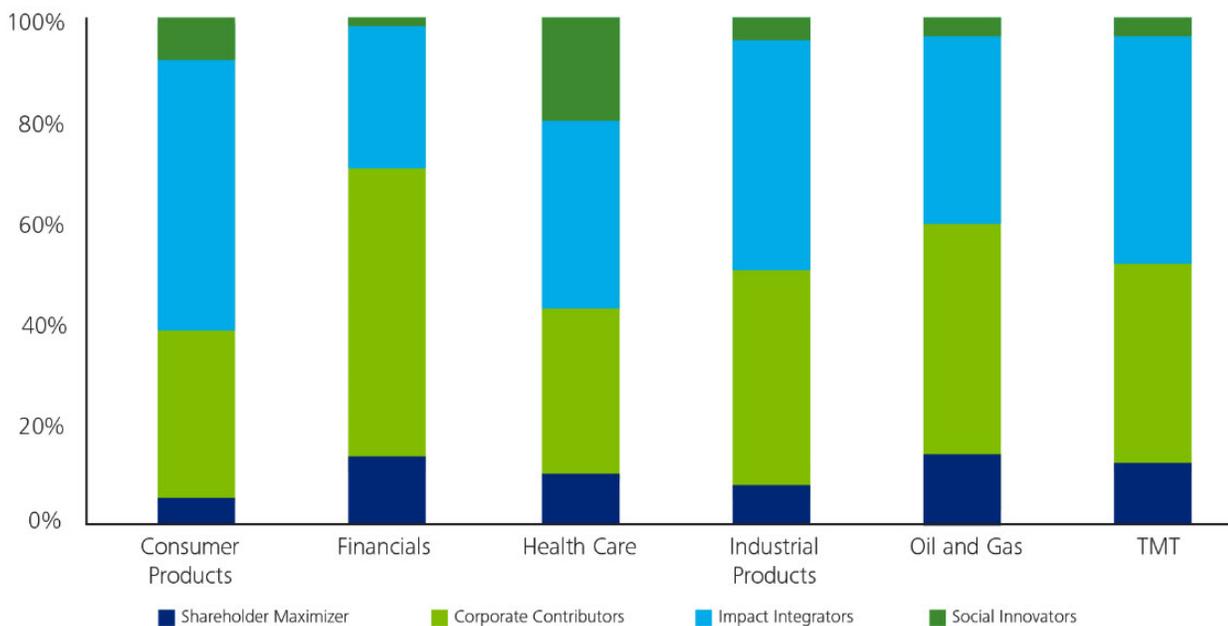
Next, to compare with industry peers, here are high-level findings from our research:

### Archetype Breakdown

Percentages represent share of Fortune 500 companies that fit the archetype criteria



### Breakdown of Social Impact Models by Industry



# SOCIAL IMPACT MODEL SELF-ASSESSMENT

## Questions for Reflection

1. Are you surprised by your company's position?
2. What do you observe about positioning within your industry?
3. How could social impact be used as a competitive strategy in your industry?
4. Where are areas where your company could improve its social impact activities to create additional corporate and social value?

## Knowing What's Next.

Finally, each category carries its own unique challenges and opportunities. The following questions emerged from our research and are designed to help executives understand the implications of each position:

**Figure 3: Key Questions to Consider**

<p style="text-align: center;"><b>Shareholder Maximizer</b></p> <p><b>Critical questions:</b></p> <ul style="list-style-type: none"> <li>• At what point will fast-growing Shareholder Maximizers be forced to incorporate social impact into their business model?</li> </ul>	<p style="text-align: center;"><b>Corporate Contributor</b></p> <p><b>Critical questions:</b></p> <ul style="list-style-type: none"> <li>• Is the Corporate Contributor archetype temporary, or can companies optimize their positioning in this archetype?</li> <li>• Should companies attempt to transition from Corporate Contributor if it is based primarily on external pressures?</li> </ul>
<p style="text-align: center;"><b>Impact Integrator</b></p> <p><b>Critical questions:</b></p> <ul style="list-style-type: none"> <li>• Is social impact an acquirable asset? What factors must exist to be successfully acquire social impact?</li> <li>• Is there anything a receiving company can do to mitigate the negative backlash of acquiring a socially irresponsible company?</li> </ul>	<p style="text-align: center;"><b>Social Innovator</b></p> <p><b>Critical questions:</b></p> <ul style="list-style-type: none"> <li>• As Social Innovator companies grow and become more commonplace, will this affect the future of business and consumer expectations? How will this affect the competitive landscape for Social Innovator?</li> </ul>

## Questions for Reflection

1. Given your particular social impact model, how would you answer the questions above?
2. What additional questions or considerations does this exercise raise?

# SOCIAL IMPACT MODEL SELF-ASSESSMENT

Contact Us: Deloitte's Social Impact Consulting

**About Deloitte:** Deloitte's Social Impact practice helps clients in the public, private, and social sectors become a catalytic force to meet our greatest societal challenges. Our multidisciplinary teams can co-create new solutions with clients and help evolve those critical solutions beyond the concept and pilot phases. We focus on strengthening linkages between sectors, quantifying and communicating impact, and mobilizing the fast-evolving ecosystem of players—to ultimately move both the organization and society from aspiration to tangible impact.

## Contact Information

**Nate Wong**, Manager, Social Impact

E: [natewong@deloitte.com](mailto:natewong@deloitte.com)

M: 571.286.7538

For more information on Corporate Social Impact Models:

<https://www2.deloitte.com/us/en/pages/operations/articles/driving-corporate-growth-through-social-impact.html#>