FROM PURPOSE TO IMPACT: Five Questions to Gauge the Value of Your CSR Program





Many organizations have embraced corporate social responsibility (CSR) as a core part of their business strategy, recognizing its potential to drive positive change and create long-term value for local communities and the world.

But securing executive support for CSR programs isn't always easy. Today's business leaders are juggling a complex array of issues that require immediate attention and investment—like leveraging Al, driving innovation, and meeting fast-changing consumer demands—often pushing CSR down the list of priorities. To gain traction, CSR initiatives must not only align with company goals, but also show clear, measurable impact that resonates with key stakeholders.

Amid so many competing demands, how can CSR professionals capture leadership buy-in and prove their initiatives will make a real, lasting impact? The following five questions can help you evaluate your current CSR program, determine whether it aligns with key success markers, and identify ways to adapt if needed.



Five Questions to Assess if Your CSR Program is Driving Value

1. Is Your CSR Program Making an Impact on Your Local Community?

For retailers, restaurant operators, and other locally run businesses, a top concern should be creating programs that resonate with local customers and demonstrate impact on their communities. Businesses can cultivate deeper connections and drive greater outcomes by addressing specific needs that affect their employees, customers, and other stakeholders locally.

"Customers want to feel like they're heard and that the brands they engage with understand them," says Paula Rosenblum, co-founder and managing partner of RSR Research. "Part of that is people wanting to see their dollars staying in their local communities to meet local needs."

However, substantial local involvement is often easier said than done, especially for enterprise brands with a presence in communities across the country and the world. Managing multiple local programs can be impractical.

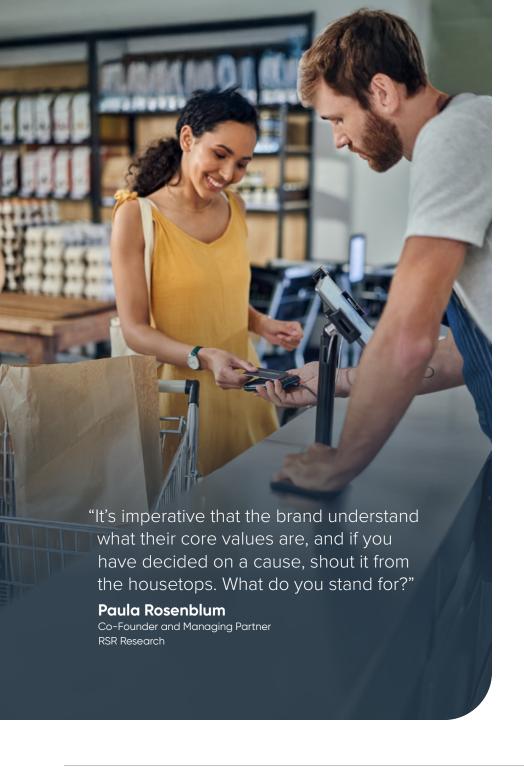
Businesses have successfully navigated this challenge by partnering with organizations that offer national reach "Customers want to feel like they're heard and that the brands they engage with understand them."

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Co-Founder and Managing Partner RSR Research

but share a commitment to local impact. One example is Children's Miracle Network Hospitals (CMN Hospitals). With 170 member children's hospitals that serve 12 million children annually across the U.S. and Canada, CMN Hospitals focuses on addressing local healthcare needs. Funding benefits the hospitals in the communities where the funds were raised and are used to support the priorities that each hospital deems most critical. This approach ensures every dollar goes further by reducing overhead and allowing the hospitals to decide how to deploy funds based on what their community needs most—whether it be research, treatment, medical equipment, or urgent care.

Research from CMN Hospitals shows that a community-centric approach strongly resonates with consumers in the U.S. and Canada who prefer their contributions benefit local hospitals. This underscores the importance of aiding community-focused initiatives alongside national programs to ensure comprehensive support for causes.



2. Does Your CSR Program Align with the Values of Your Employees, Customers, and Other Stakeholders?

Brands invest significant resources in understanding the priorities and concerns of their customers, employees, and communities. Impact work should be no different. Your CSR efforts should align with what you are known for and help your stakeholders understand your role in society as a company. This approach not only benefits the community but also enhances the company's brand identity and purpose.

"Customers always have other choices, so it's imperative that the brand understand what their core values are, and if you have decided on a cause, shout it from the housetops. What do you stand for?" says Rosenblum.

It can be challenging to find a cause that resonates universally with employees, customers, and stakeholders. A good place to start is by considering issues, like children's health, which have been found to resonate across a wide range of audiences.

According to CMN Hospitals' research, children's health is the most popular cause across generations. This broad appeal allows brands to focus on initiatives that can unite their varied audiences while making a meaningful impact.

7-Eleven, Inc. exemplifies this principle by aligning its CSR commitment with its core values to serve its customers, its stores, each other, and ultimately, the greater good.



The company recognizes that CSR is not a separate philanthropic endeavor, but an integral part of a business model centered on being there for the community. Their strategic approach, Good Made Easy, focuses on building thriving communities—and being good neighbors to all—through three priorities: Health, Safety, and Opportunity. These serve as a framework for addressing a wide range of youth-centered community needs, including supporting children's health and well-being, fostering the relationships that make neighborhoods safer and stronger, and ensuring everyone has access to opportunities to realize their full potential.

To further refine your focus, analyze your brand's core mission and identify the causes that align with it. Additionally, consider regularly collecting and analyzing data on fiscal impact, along with feedback from engaged customers, employees, and stakeholders to ensure CSR initiatives are relevant and effective.

Retailers and restaurants should evaluate their CSR programs periodically to ensure they can be customized to meet the specific needs of different communities. This might include conducting local surveys or community meetings to gather feedback and adjust initiatives accordingly.

3. Does Your CSR Program Offer Opportunities for Employee Engagement and Education?

Now more than ever, employees seek a greater sense of purpose in their jobs and expect more from their employers than a paycheck. They want a sense of connection and fulfillment that extends beyond commercial impact. Organizations must recognize and respond to this shift. According to a report by the Business Agility Institute, CSR programs that are authentic and align with company values help attract and retain talent, especially among younger generations who prioritize social responsibility in their employers.

When selecting a CSR partner, companies should focus on those that offer opportunities to engage employees. Involving employees can help boost morale and company culture and enhance the overall impact of CSR efforts, as employees can take ownership and feel pride in their contributions.

And while a CSR commitment must start at the top of the organization, it should involve employees at all levels.

According to a Harvard Business Review article about creating impactful CSR programs, engaging employees across the organization is essential. The article emphasizes, "To mobilize broadly for CSR, it's important that companies nominate CSR champions—employees who care deeply about CSR—in every part of the company."

This level of employee engagement can be fostered by providing comprehensive materials to educate employees about the cause, empowering them to share their enthusiasm

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Harvard Business Review

and encouraging participation. Additional tactics can also be implemented to enhance impact and make involvement more engaging for employees. For example, a few efforts activated by CMN Hospitals and its partners include:

- Point-of-Sale Campaigns: Employees at retailers like Panda Express encourage customers to round up purchases, boosting donations and involvement.
- Employee Giving Programs: Companies can match employee donations to CMN Hospitals, doubling contributions and motivating participation.
- Employee Appreciation: Retailers and restaurant operations can further facilitate employee engagement by integrating CSR goals into their overall mission and offering recognition programs for employees who actively participate in CSR activities.

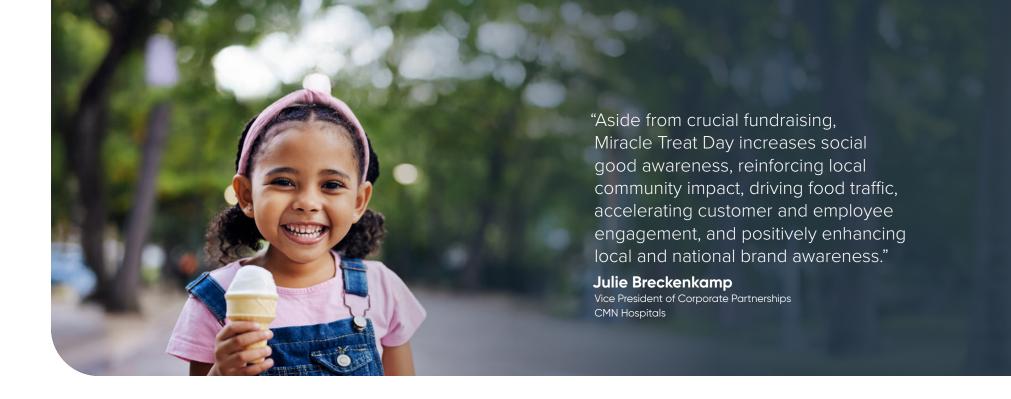


4. Is Your CSR Program Customizable?

One-size-fits-all impact programs rarely meet the needs of an entire business. This is particularly true for companies with large geographic footprints where franchises may have diverse needs and priorities based on their local communities. Tailoring programming to fit the unique priorities and resources of each part of a business is vital to building a successful CSR initiative.

For example, Costco Wholesale, a partner of CMN Hospitals, focuses heavily on small businesses as a core segment of its audience. To better engage this segment, Costco modified a popular CMN Hospitals' fundraiser. Instead of solely offering the standard six-inch cobranded balloon marker, which typically garners \$1 donations from members, Costco also sold 47-inch cobranded balloon icons for \$500 each. This strategic adjustment appealed to small businesses seeking a more substantial way to give. As a result, sales of the jumbo balloons contributed approximately \$1.9 million to the 2023 campaign and \$1.4 million in 2024, representing roughly 3.5% of the total funds raised.

Other businesses have also devised signature events to drive engagement and excitement. Dairy Queen's Miracle Treat Day, for example, is a single-day fundraising event during which each Blizzard treat sale at participating locations results in a donation of \$1 or more to CMN Hospitals. In 2023, over 88% of Dairy Queen franchisees participated, raising over \$1.7 million.



"Aside from crucial fundraising, Miracle Treat Day increases social good awareness, reinforcing local community impact, driving food traffic, accelerating customer and employee engagement, and positively enhancing local and national brand awareness," said Julie Breckenkamp, Vice President of Corporate Partnerships for CMN Hospitals.

Ace Hardware's "Miracle Bucket Days" event, held the first weekend of August, invites customers to donate \$5 to local children's hospitals in exchange for a five-gallon bucket and 20% off everything that fits inside the bucket. In 2023, the initiative raised over \$820,000 for local member hospitals, demonstrating the generosity of Ace Hardware's customers and their willingness to support a worthy cause.

Beyond the significant funds raised, "Miracle Bucket Days" also generated tangible business benefits for participating Ace Hardware stores, who saw a lift in sales and basket size. This underscores how aligning business goals with social impact can create a win-win scenario for companies and the communities they serve.

Ace Hardware also leverages the event to foster employee engagement and team spirit. The annual Miracle Bucket Display Contest encourages stores to highlight their creativity by designing unique and eye-catching bucket displays. This friendly competition not only adds an element of fun but also reinforces the company's commitment to its philanthropic partnership with local member hospitals through CMN Hospitals.

5. Does Your CSR Program Offer Transparency and Accountability?

Transparent reporting—providing insights into how funds are used and the impact on the chosen cause—is essential for sustaining trust and credibility with stakeholders.

To ensure you're partnering with a nonprofit that offers the requisite accountability, consider working with a third-party service like <u>Charity Navigator</u>, a 501(c)(3) nonprofit that analyzes governance practices and financial health to identify transparent, efficient, and sustainable charities.

"CMN Hospitals is committed to transparency and accountability in all our endeavors," shares Breckenkamp. "We measure the impact of our fundraising efforts, the local connections nurtured by our member hospitals, and the responsible management of the funds raised. This data is then shared with our national partners, ensuring they have a clear understanding of how their contributions are making a difference."

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Vice President of Corporate Partnerships CMN Hospitals

When assessing a potential partner's credibility, consider whether they demonstrate the following factors recommended by the <u>ASU Lodestar Center</u> for Philanthropy and Nonprofit Innovation:

- They outline how revenue is earned, how funds are allocated, and the percentage of revenue dedicated to programming.
- They create and publish annual reports that summarize the organization's accomplishments, financial health, and impact.
- They share information about programs, services, and achieved outcomes to give stakeholders insight into the organization's operations.
- They disclose partnerships with other organizations in the nonprofit and for-profit sectors, explaining the finances of the collaborations and how they support the organization's mission.



Is Your CSR Program Making a Real Impact?

Visionary brands understand that today's CSR programs must go beyond surface-level philanthropy. Forward-thinking companies recognize that a genuine commitment to lasting change is both a moral imperative and a sound business strategy.

If you are evaluating whether your program is delivering real impact, consider exploring partnerships that focus on local outcomes, align with the values of your stakeholders, offer opportunities for employee engagement, allow customization across your footprint, and provide transparency and accountability.

Collaborating with organizations dedicated to community welfare can enhance your CSR efforts and create lasting positive outcomes. <u>Learn more</u> about partnering with CMN Hospitals to help you achieve these goals and make a difference in your community.

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Nolan, CMN Hospitals National Champion, and his doctor