

Jan was in business with The Body Shop and Ben & Jerry's Ice-cream before Corporate Social Responsibility became a buzzword. Anita and Gordon Roddick and Ben Cohen and Jerry Greenfield are nowadays well known not only for their personal fortune – they succeeded in selling their businesses to L'Oreal respectively Unilever – but for being pioneers in what has now become a compelling agenda even for big businesses. 'You can interweave ethical qualities in everything what a company is doing: products, logistics, raw material, marketing sourcing, HR, community work... you name it' says Jan. He has been one of the decision makers and drivers of ethical enterprises. With 30 years experience in business he can share a few secrets about what makes corporate responsibility work.

When he became involved with then still unknown 'The Body Shop' the sceptics used to think: 'ethical choices are for the government to make, that's not what business is for'. Then and today he opines 'You can bring ethical considerations into everything you do. A product has to deliver what it promises, have functional quality, of course, it also should look appealing and attractive nice, that is essential for success, but just as it has these vital quality elements you can grab or see, it should also contain quality ethical dimensions, although intangible and invisible, but nevertheless real and essential. These three quality elements, functional, esthetical and ethical actually herald and redefine a superior form of product quality. This ethical quality is a choice of the company. And of course the ethical quality has to be communicated well to the marketplace. It enhances the product and consumers need to be informed about it.'

He is convinced the product will become the vehicle of communication for what a company wants to be with regards to their social stance. 'When I read first about The Body Shop I was motivated by their ideas of producing soaps without animal testing. I thought, if that appeals to me, I would expect many reasonable and caring people to be drawn to it as well. We don't need to do harm to animals in order to produce cosmetics'. So he joined forces with The Body Shop and started his chain of shops in Germany, Austria, France and the Benelux countries. For 10 early years he also joined the Roddicks in the board of the The Body Shop International.

Jan admits, when a business is founded the financials are a core concern. But, he reasons, an enterprise always has another purpose as well, a reason for being, and this is moulded by the founder/s, just as like a piece of clay is moulded into art by an artist. Every company incorporates a set of values. Think 'mafia', this is a business with values. Think 'Enron', this was a business with values. A producer of light bulbs may just care for cost effectiveness, market access, name recognition and functional quality. Once the firm adds eco-friendliness to this set of concerns the products would still be produced in a cost effective way and still go for profit, but they might target different customers: those that are willing to pay more for a light bulb that consumes less energy in the long run. By aligning a mundane thing like a light bulb with a cause that is dear and important to – at least some – people, one can elevate the mundane thing to a worthy product, one that appeals to buyers or users and motivates the people who produce it.

A company has the discretion to bring ecological and social values to their value chain. In the not too distant future any company may well be forced to do this by insistence of a rapidly growing group of informed citizens. Often this results in extra cost, so there needs to be a market and a customer base willing to pay for these quality ingredients. Often, however, these

values help save money. Or they come at no extra cost but advance a worthy social cause and by connecting the name of the company with that cause it creates a positive image in circles of the public where the company looks for customers.

Jan insists that back in the founding days of both The Body Shop and Ben & Jerry's these utilitarian considerations were secondary. First came the innate conviction of the founders that an enterprise does have a role in society and this has implications. Both companies preferred to be involved with small businesses and local communities. They initiated purchases from local suppliers, from mainly small companies and later from organic producers. A bias against 'Big Business' was one of their values. They wanted to foster ethical ways of doing business and figured out how they could do it being profitable and growing.

Traditional business is concerned about functional, technical and user-friendly qualities of a product. Recently, concerns for social values and for protecting the environment are fast entering the product developers mind. Obviously there are customers who care about these things. Even if they are only a minority, they count in today's cut-throat competition. And they might even represent the future. To the degree that social and environmental degradation, climate change and horrendous treatment of animals become household topics top management will face questions of shareholders about the sustainability record of the company.

Big, shareholder owned companies have their own logic. Top management can easily be replaced and they fear the financial community. Attention is nearly totally focused on financial criteria. Business leaders like to play it safe. If one company adopts Six Sigma as methodology to drive cost out and increase quality, this is observed by competitors. Once a method proves successful, it is peddled by the huge consulting industry and decision makers can play it safe by buying this method. Initially, this conservative, risk averse approach stifled creativity and innovation to support ethical values. Also, ethical criteria sounded terribly anti-capitalistic. Today, all this is changing fast. Global warming is accepted as mayor threat, sustainable raw material and sources of energy are embraced, even consideration for human rights is acceptable in top management circles. Now, the risk averse, conservative character of big business can become an advantage: everybody will imitate successful leaders. As pioneering businesses adopt a 'greening strategy', more will follow and it will become a no-brainer for CEO's to launch their own 'eco-magination' (General Electric) campaign.

Pioneers like The Body Shop and Ben & Jerry have shown that responsible management and financially successful management are not a contradiction. They have also shown that top management needs to take the initiative to integrate and embrace ethical, value based decisions. They have found a dormant large customer base who cared enough to buy their products. Of course the products worked in the first place. The ice cream tasted well and organic versions were carefully tested and well received. Body Shop stores look nice and buying there is a pleasure – to be ethical does not mean a business could neglect usual success factors. But the message today is: being ethical and value based is becoming a success factor.

The Body Shop and Ben & Jerry's grew so big and so fast that the management skills of the founders were often stretched to and beyond the limit. Selling the businesses became an option for Anita and Gordon Roddick to escape the demands of corporate life. They looked for a buyer who promised to continue the value based course they had started. Maybe they found it in L'Oreal, a company many times bigger than The Body Shop. The jury is still out at

the moment of writing this article. But it seems that ethical business has become a strong niche and is perhaps the future mainstream business – setting the trends and innovations along the moral compass that seems to catch on with many people, young and old, in today's media-savvy, globally aware society. So big business is taking lessons from early adopters.

L'Oreal keeps aligning the business with social themes like a campaign against domestic violence and awards prizes to employees who come up with projects of their own making. Enthusiasm of employees seems still thriving. Customers are watching wryly what happens in the stores but are still buying loyally. Top management of L'Oreal seems committed to a value driven, socially responsible way of doing business. A 'Director of Values' has been nominated at board level.

At Ben & Jerry we have seen a different story on the owner's side. They went public first to allow businesses and people in their communities buying a share of the company. Their intention was inviting the community into their business. And when the company was public the genie was out of the bottle. A publicly traded company can be bought by whoever is interested. And it so happened that Nestle and Unilever took an interest in the valuable brand of Ben & Jerry's and Unilever won the bidding war. Ben could not prevent this and walked away a rich but reluctant seller of his shares.

Again, what is interesting for the larger public: what happens to the company in the hands of big business? Hard to tell, yet. Unilever bought Ben & Jerry's six years ago and have since introduced eco-friendly solutions to the lifecycle of frozen ice-cream. That required an investment where the financial clout of Unilever was useful. They have also struck an alliance with the World Wildlife Fund. There is an emotional connection between ice-cream and ice in the arctic, and Ben & Jerry's under Unilever's reign have alerted their customers to climate change, consequences for ecosystems and wildlife and have promoted sustainable energy.

What attracts Big Business to become seen as socially responsible? One reason seems to be that values like nature conservation care for the environment, support for human rights on one hand matter to a big enough sector of customers. On the other hand the image of Big Business as being greedy, bending and circumventing laws, avoiding paying taxes and destroying communities create risks for the future of business. Maybe some people in high places also are attracted by values of good corporate citizenship and are more and more willing to start the balancing act of respecting two bottom lines: the financial and the ethical one.

Anita Roddick used to say 'the bottom line (financial) should remain on the bottom. It should not be on the top of our decisions of how we want to shape and run our business.' Jan also coined the term that The Body Shop aims for a positive double bottom line, the financial and the ethical, equivalent and to be achieved simultaneously to be called successful. Business leaders know the advantage of the first mover. They know how important it is to have an edge, an advantage compared to their competitors. Ethical business, sustainable value chain, eco-friendly products have become accepted as drivers of competitive advantage. This is the business way of thinking about it. Who cares, as long as it helps save the planet and contributes in positive ways to civilized societies?