WHITE
PAPER

Using Next-generation
Auditing to Improve
Corporate Social
Responsibility

✦ rizepoint

Using Next-generation Auditing to Improve Corporate Social Responsibility

THE BASIC IDEAS AND MOTIVATIONS OF MODERN CORPORATE SOCIAL RESPONSIBILITY (CSR) HAVE BEEN AROUND FOR DECADES. HOWEVER, THE WAY BUSINESSES APPROACH GOOD CORPORATE CITIZENSHIP—AND THE POTENTIAL IMPACT IT CAN HAVE ON THEIR ORGANIZATIONS—HAS EVOLVED SIGNIFICANTLY SINCE THE AGE OF THE CARNEGIES AND ROCKEFELLERS. UNTIL RECENTLY, CSR EFFORTS WERE LARGELY SEPARATE AND DISTINCT FROM EVERYDAY BUSINESS PRACTICES, WHICH WERE FOCUSED ALMOST EXCLUSIVELY ON GENERATING REVENUES AND GROWING PROFITS. IN THIS TRADITIONAL MODEL, BUSINESSES WOULD OFTEN DEDICATE RESOURCES TO SPECIFIC PROJECTS AND INITIATIVES AS A WAY TO "GIVE BACK" TO LOCAL COMMUNITIES (AND EARN THE GOODWILL OF IMPORTANT STAKEHOLDERS)

However, over time, businesses have discovered that CSR (or the lack thereof) can have a much broader impact than simply improving public relations or satisfying genuine philanthropic impulses.

Today, the way organizations approach CSR can have a profound effect on everything from brand reputation and product satisfaction to employee well-being and regulatory risk. A number of recent high-profile headlines about poor working conditions and questionable labor practices prove that no successful company can afford to ignore CSR issues and concerns. As a result, more organizations are working to fully integrate CSR principles into their core business practices—rather than viewing CSR efforts as separate and distinct from their moneymaking activities. In other words, CSR has evolved from simply "doing responsible things" to "doing things responsibly."

Of course, weaving CSR into the fabric of a company's operations is much more complex than just creating and funding philanthropic programs. However, with a smart, realistic approach—supported by the right processes and technologies—any organization can build a successful, integrated CSR program that goes beyond meeting basic philanthropic goals to lower business risks and create differentiated value for the entire organization.

CORPORATE SOCIAL RESPONSIBILITY VALUE CURVE
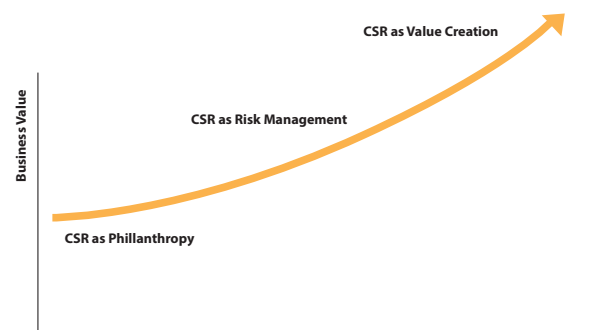
Integrating corporate social responsibility into your core business strategies and practices can turn CSR into a significant new value creation engine for your business

MAKING CORPORATE SOCIAL RESPONSIBILITY AN INTEGRAL PART OF YOUR BUSINESS OPERATIONS

If the right kind of CSR program can lower your business risks and drive differentiated value for your organization, how do you get there? How do you make consistent CSR standards and practices a central component of your business operations—especially in the face of diverse geographies and cultures, multiple locations, competing priorities, and limited resources? The complete answer obviously varies depending on size, industry, and business priorities, but there are a few key concepts and principles that apply to virtually any organization.

DEFINE AND DOCUMENT CONSISTENT CSR OBJECTIVES AND STANDARDS

To a large extent, CSR lacks the type of well-established, broadly accepted standards that govern financial accounting and other traditional areas of business operations. This leaves you more freedom to define CSR principles and standards that reflect your values and make sense for your business. However, this lack of "plug-and-play" standards also creates its own set of challenges—and shifts the responsibility for developing, documenting, and applying clear CSR standards onto your own executive and operational teams.

In most cases, CSR practices and standards begin with established corporate mission statements, codes of conduct, or social responsibility charters. These high-level documents, which most organizations already have in place, can provide a broad framework for defining priorities and focusing CSR resources on areas that matter most to your business. Then, you can use this framework to guide the challenging work of creating detailed, specific CSR standards, practices, and processes for different departments, functional areas, and supplier organizations. In many cases, existing guidelines and standards can serve as valuable starting points for specific CSR areas, including sustainability, social responsibility, fair labor practices, business ethics, and more.

FINDING AND APPLYING THE RIGHT CORPORATE SOCIAL RESPONSIBILITY STANDARDS

Unlike financial accounting, food safety, and other more traditional areas, CSR lacks cohesive, broadly accepted standards. However, that doesn't mean you have to build all of your CSR standards from scratch. As you work to define your CSR program, there are specific standards, guidelines, and checklists that address specific areas that can serve as a useful starting point. Here are a few examples to consider:

- The ISO 14000 Environmental Management Standard
- AccountAbility's AA 1000 standard, which promotes sustainable business practices and corporate responsibility.
- Global Reporting Initiative's Sustainability Reporting Guidelines
- Earthcheck's Standard and Certification for sustainable tourism and research
- Standard Ethics AEI Guidelines for sustainability reporting and rating
- The GoodCorporation's Standard, which was developed in association with the Institute of Business Ethics

CREATE AN ACCURATE CSR BENCHMARK

After you establish your guiding CSR principles, priorities, and standards, it's important to establish realistic benchmarks for how well you're performing and where you need to improve. This exercise involves taking a close look at how well you're living up to your own CSR goals and standards—and finding out where you stand compared to your competition. With a realistic snapshot or your performance and your competitors' performance in place, you can identify what you need to change and improve to turn your CSR efforts into results that differentiate your organization and create tangible business value.

ACCURATELY MEASURE, COMPARE, AND DOCUMENT YOUR CSR PROGRESS AND IMPROVEMENTS

With a clear idea of how you're performing against your own CSR standards and the competition, you can begin actively measuring and documenting your CSR performance and progress. This requires an effective auditing process that can accurately track and measure CSR performance across all of your different locations and functional areas—and measure the performance of key suppliers and vendors who may or may not share your CSR priorities. This crucial auditing function can be performed internally or by a third-party auditing partner. Either way, your CSR audits should be impartial, consistent, and frequent enough to accurately measure your performance and track improvements over time.

IDENTIFY AND ADDRESS CSR ISSUES AND PROBLEMS QUICKLY

Systematically measuring and monitoring CSR efforts across all of your locations, departments, and suppliers are important, but simply being aware of the issues is not enough. To improve performance—and make CSR an integrated component of your business operations—you need an equally detailed and systematic process for identifying and resolving problems quickly, whether it's an isolated issue with one supplier or a systemic, business-wide problem that affects the entire company. This typically involves adding a problem resolution component to your CSR auditing function, so when audits reveal CSR issues, you can quickly identify the source of the problem and initiate corrective action.

With this final component in place, your CSR auditing function becomes part of a continuous self-improvement cycle, where you can consistently communicate detailed, company-wide CSR standards and expectations, uniformly measure performance against those standards, and quickly identify and correct problems.

CREATING AN EFFECTIVE CORPORATE SOCIAL RESPONSIBILITY AUDITING SOLUTION

Developing consistent CSR priorities and standards for your organization is one thing. However, creating an effective CSR auditing system that can accurately measure and track performance across your entire organization—including outside suppliers—can seem like an overwhelmingly difficult and expensive task. So what's the best, most cost-effective way to implement the auditing capabilities you need to meet your CSR standards, continually improve your performance, and use CSR as a tool to drive business value?

Fortunately, the recent convergence of two important technology trends—cloud and mobile—provide intriguing new answers to this question— by making an advanced, next-generation auditing solution affordable and relatively easy to implement. This makes it possible to create a dedicated, comprehensive CSR auditing solution quickly and affordably. It also makes it possible to quickly extend your core quality control,

brand consistency, or financial auditing framework to include CSR standards and initiatives. Whether you choose to build an auditing solution that's dedicated exclusively to social corporate responsibility improvements, or integrate CSR controls into your broader auditing framework, you need an auditing technology platform that possesses some crucial characteristics and capabilities:

- Speed and Mobility—A cloud-based auditing system with a strong mobile component allows your internal or third-party CSR auditors to conduct CSR audits using their smart phones or tablets—and then send the results to a centralized cloud-based engine where they instantly become part of a centralized body of knowledge.

- Intelligence—Collecting and making CSR auditing information available quickly is important, but it's not enough. Your solution should also be able to recognize important information as it comes in, compare results from specific locations to a larger body of company-wide results, and automatically initiate action. This kind of machine intelligence essentially connects individual auditing results to your larger CSR standards and processes, so you can quickly turn raw CSR data into company-wide improvements.

- Flexibility and efficiency—Integrating CSR into your core business practices involves monitoring and tracking hundreds of details across all of your locations and suppliers, which requires an auditing foundation that's flexible enough to accommodate that level of complexity. With the right kind of cloud-based auditing foundation, you make it possible for the appropriate people and teams to quickly create, modify, and manage a centralized collection of highly detailed CSR checklists and instructions, so internal or external auditors always have access to the latest auditing and self-auditing information.

- Control—Every auditing process involves diverse teams of people filling many different roles. For your CSR auditing system to function properly, you need the ability to grant very specific access rights to people and groups based on those roles. For example, with the proper controls in place, your suppliers can gain access to their own, targeted set of CSR tools and information. You can also give people in different departments permission to create and modify CSR questions and instructions that are limited to their job functions. In other words, by building fine-grained access control into your CSR auditing solution, you can easily add questionnaires, reports, and other resources that focus exclusively on CSR issues—without getting in the way of other core auditing functions like product quality, facilities safety, or regulatory compliance.

▶ The bottom line is that when you deploy the right kind of mobile, cloud-based auditing solution, you gain the capability to quickly create customized surveys or checklists, make them easily accessible to specific people or groups in your organization, collect real-time results, and thoroughly analyze the collected data to gain new insights.

This workflow is ideal for monitoring and improving your CSR efforts, and also applying it to virtually any auditing or continuous improvement function.

INTRODUCING RizePoint—YOUR COMPLETE NEXT-GENERATION AUDITING SOLUTION

RizePoint has spent more than a decade designing, building, and perfecting a SaaS solution that includes the characteristics and capabilities you need to bring powerful CSR auditing competencies to your organization quickly and affordably—either as a stand-alone solution or as an extension of a larger auditing framework. The RizePoint solution includes:

- A powerful mobile app that makes it easy for external auditors, employees, and suppliers to conduct detailed audits, assessments, and surveys—and upload the results—directly from their mobile devices.

- A secure and scalable cloud-based engine that stores, processes, and analyzes audit and assessment data in nearly real-time.

- Flexible reporting capabilities that allow you to get the right CSR information to the right people—in the form that's most relevant and meaningful.

- Built-in business intelligence that analyzes and transforms raw assessment data into valuable insights within minutes.

- Advanced survey building capabilities that allow anyone in your organization to create and update sophisticated conditional surveys with more than ten question types—and then make them instantly available to specific users.

- A sophisticated rules engine that carefully monitors incoming data, quickly identifies potential CSR issues and problems, and automatically alerts the appropriate people.

- Granular access control that allows specific people and groups to create, distribute, and access specific CSR surveys, checklists, information, and reports.

- An advanced administration console that brings business-wide access management, survey administration, alerts, filtering, reporting, remediation, and other functions together into one convenient location.

The RizePoint solution includes advanced custom reporting capabilities, so you can always deliver the right information and results to the right people.


The RizePoint Administration Console allows you to manage every aspect of your auditing solution from one location.

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Start Expanding Your Brand Consistency Capabilities Today

Audits and assessments can play an essential role in your efforts to improve the consistency of your brand and the quality of the experiences you provide to your customers. Find out how RizePoint can help—with a next-generation auditing solution that applies the full power of cloud and mobile technology to your brand consistency building efforts.
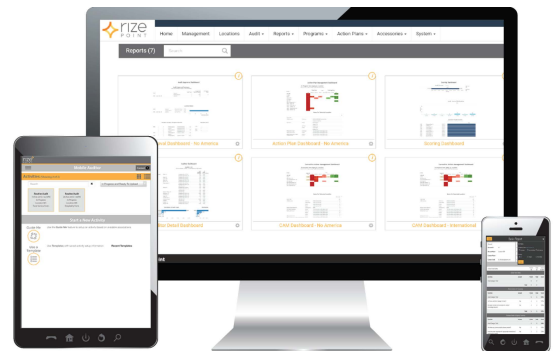
- Over 285,000 users
- 1.67 million audits per year
- 27,000 hotels and resort properties
- 120 countries and territories
- 39 languages supported

FIND OUT HOW RIZEPOINT CAN HELP YOU IMPROVE YOUR OPERATION TODAY.

▶ **Contact us at info@rizepoint.com, call 1.888.313.7095 or visit us at rizepoint.com**