

# **CSR for SMEs: Lessons from Mexico**

***By Wayne Visser***

In a country where more than 95% of businesses are micro-enterprises, how do you make CSR relevant? Well, you start by replacing the corporate C with an enterprising E. In Mexico, as in all of Latin America, CSR translates as RSE - Responsabilidad Social Empresarial, or Social Responsibility for Enterprises.

You also figure out how to turn social, environmental and ethical responsibilities into a business model, rather than a peripheral add-on. This is what the IDEARSE Centre for Enterprise Sustainability & Responsibility at Anahuac University has done, as part of the government's SME Accelerator programme (Aceleradora de Negocios IDEA-Anáhuac).

I had the chance to learn more about this pioneering programme at the 7th International CSR Conference in Mexico City on 9 October 2009, hosted by COMPITE in partnership with IDEARSE, among others, where I was delivering the keynote address on "The Future of CSR".

The IDEARSE Acceleration Business Model - which strives to support businesses growth through a CSR business administration model that develops competitive advantage - is based on 6 principles: Self regulation (governance), human rights, stakeholder engagement, labour responsibility, environment (eco-efficiency) and social & community impact.

Working with this framework, IDEARSE takes SMEs through an 18 month process of establishing baseline performance, completing a CSR diagnostic, doing a gap analysis, coming up with an action plan, executing it, establishing a new baseline, evaluating impacts and writing up the case study. To date, 76 SMEs have been taken through the process.

What is the result? SMEs that scored an average of 23% on IDEARSE's comprehensive CSR diagnostic before the intervention almost doubled their CSR performance to 43%. Some of the biggest improvements were on self regulation/governance (17% to 48%), process improvement (26% to 47%) and stakeholder engagement (32% to 52%).

Importantly, improvements also show up on the bottom line. The SMEs in the Acceleration programme showed a 30% annual sales growth, and 19% growth in employment, creating 675 new jobs (pre-financial crisis). This is an iterative model, so once the first round of actions have been implemented, the cycle is repeated, leading to continuous improvement.

In developed countries, we have become arrogant about being leaders in CSR. But I believe that many of the most interesting and important innovations - like the IDEARSE Business Acceleration Model - are happening in developing countries. To give another example, Mexico is one of the only countries I know that has a national certifiable CSR standard.

It is time to recognise that CSR is no longer a standardised, Western concept. It has globalised, and as it has done so, it has diversified to meet the needs of the countries, cultures and communities where it finds itself. This is good news. We must hang onto universal CSR principles, but learn to let go of any pre-conceived ideas of what CSR must look like in practice. For to really change the world, CSR first has to become a grassroots movement.

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For more information about the IDEARSE Business Acceleration Model, contact Jorge Reyes-Iturbide on [jreyes@anahuac.mx](mailto:jreyes@anahuac.mx).

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