

CSR 2.0

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With rise of unprecedented stakeholder pressure leveraged by new web technologies, a new approach to Corporate Social Responsibility (CSR) is called for. Especially consumers are now well informed and aware, used to being heard, form online communities almost instantaneously, and have an audience of millions on the web. Does that sound scary or exciting to you? It depends on whether you fight it or ride it. CSR 2.0 is a new opportunity to join forces with the new empowered stakeholders.

CSR at the tipping point

After years of resignation, mockery, and stagnation several indicators points to a tipping point for the societal and environmental engagement of companies which we shall refer to as 'CSR' throughout the paper. Most sceptical voices criticising CSR for being mere lip service are silencing. The 'responsibility' of CSR is transforming into 'opportunities' of CSO¹ as evident convergence between economical performance and strategic CSR implementation is emerging. A culture for more embracing business leadership is growing among young entrepreneurs. 'Awareness' and especially 'green' has become trendy with young hipsters replacing baby boomers as the primary target for sustainable companies witnessed by the number of glossy magazines with 'green' cover issues the last 6 months. Transparency is increasingly the formula of winners in a market based on affect and sympathy.² High profile corporate scandals and environmental issues linked to production and consummation have left the socio-economic responsibility of companies beyond questioning. At the same time, the

conviction that sustainable business holds the key to solutions is also growing. Investors turning to companies proven to be on top of CSR pressure have taken Social Responsible Investment from ideology to a profitable investment strategy in few years. And we could go on. CSR is back – and stronger than ever.

New social infrastructure: WWW

A lot of different economical, social, and business related factors helped this comeback. However, one factor stands out as both cause and medium for the second coming of CSR about to take off: the rejuvenation of Internet technologies and social dynamics called 'Web 2.0'.³ Actually the web has become a social dynamo of such importance that CSR officers might as well start sharpen their web skills. Let's take a look at some of the most important Web 2.0 features in relation to CSR.

Web 2.0

Although 'Web 2.0' might sound a bit technical it actually denotes broader social dynamics facilitated by the Internet. Coined by technology Guru Tim O'Reilly in 2004⁴ to capture new empowered forms of online collaboration and sharing, Web 2.0 has come to denote more fundamental trends. The term Web 2.0 refers to the enumeration used to signify significant

¹ David Grayson & Adrian Hodges: *Corporate Social Opportunity! Seven Steps to Make Corporate Social Responsibility Work for Your Business*, (2005), Michael E. Porter & Mark R. Kramer: *Strategy and Society. The link between competitiveness advantage and Corporate Social Responsibility*, (2006) http://harvardbusinessonline.hbsp.harvard.edu/email/pdfs/Porter_Dec_2006.pdf

² Don Tapscott & David Ticoll *The Naked Corporation* (2003), http://www.wired.com/wired/archive/15.04/wired40_ceo.html

³ For different perspectives on this see: *Leading Perspectives, Business for Social Responsibility* (winter 2007) http://www.bsr.org/CSRResources/LeadingPerspectives/2007/2007_Winter.pdf

⁴ <http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html>

changes in a software upgrade applied to the web as such. The expression instantaneously hit a chord as many believe Web 2.0 is the first realization of the Internet; mass-collaboration, collective intelligence, knowledge sharing, global democracy, and inclusions of niches and edges was always the intention of the WWW so the arguments goes. The rhetoric surrounding Web 2.0 sometimes gets a little revolutionary, but even criticsers admit that new social and economic phenomena are emerging due to very powerful ways of sharing, caring and co-creating.

It's all about co-creation

A salient feature of the new web is how content is created and shared. New powerful ways of producing and re-producing content have consequences for innovation and production such as massively distributed development of products - from computer games to Hollywood movies - to new demands for the transparency and 'humanisation' of marketing. This last trend most famously expressed in the 1999 book *The Cluetrain Manifesto*.⁵ The manifesto argued how one-way marketing had been replaced by two-way conversations and strategic branding undermined by real PEOPLE talking and acting as HUMAN BEINGS. People are no longer merely 'consumers', 'end users', or 'spectators'; they are the beginning, middle and end of many commercial and cultural processes.

Actually, the Cluetrain manifesto was a couple of years ahead of its time. But its 'theses' was quite accurate. Since 1999 we have seen an explosion of blogs, online social communities, wikis and other user engaging media mediating the voices of amateurs. Business leaders and employee write diary like lightly edited notes online as 'corporate blogging'. 'Social software' aimed to bring together people with intersecting interests through personal profiles with their interest, music and friends have gathered millions and millions of users and turned out as prime commodities for marketers and media conglomerates. Unthinkable experiments such as making readers write their own encyclopaedias as

⁵ <http://www.cluetrain.com/>

so-called 'wikis' with democratic editing have turned out surprisingly successful. The Wikipedia⁶ is today preferred encyclopaedic reference for a whole generation. Other civic wikis like Washington-Watch⁷ covers the relevance and consequence of bills in congress for individual citizens. Howtopedia⁸ share best practice on sustainable lifestyle and Wikileaks⁹ provides an accessible platform for dissidents and whistleblowers to undermine oppressive regimes with documents on the wrongdoing. Business wise, the wiki format is being deployed in companies like Nokia, VW and Pepsi for dynamic and engaging knowledge sharing.

When Microsoft hired a well known IT blogger to blog uncensored on their products and created a TV show dedicated to unveil the inner workings of the corporate giant, the former 'dark empire' suddenly rose remarkably in public perception. Not because Microsoft turned out to be very different than other companies. Quite the opposite, Microsoft cleverly removed parts of the curtain to reveal that Microsoft populated by humans during their jobs without malicious intentions or agendas. Microsoft simply softened the membrane for humanity to shine out to allow user affiliation to flow in.

Stakeholder dynamics has changed

Wikipedia defines CSR like this:

*A concept that states that organizations have a duty of care to all of their stakeholders in all aspects of their operations. CSR goes beyond charity and legislation compliance by requiring that a responsible company take into full account its impact on all stakeholders and on the environment when making decisions. This requires the company to balance the needs of all stakeholders, including shareholders.*¹⁰

⁶ <http://en.wikipedia.org/>

⁷ <http://www.washingtonwatch.com/>

⁸ <http://www.howtopedia.org/>

⁹ <http://wikileaks.org/>

¹⁰ http://en.wikipedia.org/wiki/Corporate_social_responsibility

Although balancing the need of all stakeholders has been part of CSR efforts all along, the dynamics has changed radically. Apart from really strong and organized stakeholder groups powerful enough to raise awareness through campaigns, companies had to ask for stakeholder input through surveys to acquire knowledge on sentiments, needs, and wishes. This procedure was heavily biased against heterogeneous stakeholder groups, like citizens and consumers, with highly varying needs, background, geographical context etc. Hence, consumers and citizens have historically had little power towards companies except 'political consumption' that did not provide with companies clear directives. The combination increasing critical awareness and decreasing political regulation of markets this lack of influence led to a widespread feeling of frustration and resignation. Consumers could only put their faith in the press or join an NGO with a related focus. This left the business-public relation at hit rock bottom during the nineties with Nike's sweatshops and Shell's Brent Spar and culminated around the new millennium with high profile corruption cases of Worldcom, Enron and Arthur Anderson.

The new power elite

Web 2.0 has turned the power relation between companies and consumers upside down.¹¹

For the first time the consumer is boss, which is fascinatingly frightening, scary, and terrifying, because everything we used to do, everything we used to know, will no longer work, Kevin Roberts, chief executive of Saatchi & Saatchi.

Consumers are not only technologically empowered by the Internet, they are also

¹¹ *The Power Of Us*. Business Week (2005)

http://www.businessweek.com/magazine/content/05_25/b3938601.htm, *Crowned at last*. The Economist (2005)

http://www.economist.com/surveys/displayStory.cfm?story_id=3785166

socially and psychologically empowered and ethically aware. New online media are so efficient at structuring dialogue, connecting edges, and handling different opinions, that consumers no longer depend on homogeneity or numbers to gain leverage. They merely need flair for the workings of the new media and the proper engagement. A single vocal blogger with a big silent readership can be a serious problem to a company if he hits a cord with his readership about his own experience with an unethical or social irresponsible act by the company.

Like a bootstrapping, the new infrastructural power has bestowed a different self-perception on consumers and private investors. They know their choices are part of the overall equation. They cry 'foul', 'hail' or 'be aware' in blogs and forums and if more people agree, the Internet is a very powerful platform for grouping. Petitions are formed in minutes, failing social and ethical are filmed and shared on video channels with millions of users.

Even Apple, one of the most adored and hailed brands currently, swiftly posted a position for Global CSR manager when the blogosphere started rumbling with stories about Chinese labour. Today a green apple is featured prominently on their webpage.¹² Even Greenpeace made a campaign about 'greening the apple'. Not that Apple's products was manufactured differently than other computer makes, Apple's own perfectionist branding just came back to bite them on CSR issues.

Due to this and numerous similar incidents, Forbes magazine have since 2005 included hate-blogs and similar forms of expression of consumer discontent as significant parameters in the public perception and stock prices of global brands.

Not optional! But an opportunity

All this might portray the web as an untamed jungle with laws almost lost to the apparent complexity of tribal warfare or upright anarchy. Faced with such dynamics of sentiment, companies seem forced to

¹² <http://www.apple.com/>

abide by the old stoic wisdom: You can either follow your fate voluntarily by the hand or get dragged behind.

True, parts of the power shift facilitated by the web are frightening for some companies. Especially those fighting entire on-line communities, websites or YouTube campaigns dedicated to document and discuss every little misstep they make.¹³ But instead of fighting, such companies should rather listen to identify the discontent and turn all this attention into dialogue. You cannot beat the web population through marketing. Those days are over. And even

Even if the days of CSR as ‘nice to have’ is gone and replaced by a sharper line between those knowing how to navigate stakeholder pressure and those who fail there is plenty of room for pro-active leadership. It is not all ‘push’ of demands. There are many motivational ‘pulls’ and reasons to embrace an invigorated approach to CSR. Especially when integrated with business strategy, CSR will have impact on competitiveness.

More and more companies have realized the innovative potentials of tapping into lead-user knowledge and opinions.

The new breed of naked executives also discover that once people are interested in you, they're interested in helping you out - by offering ideas, critiques, and extra brain cycles. Customers become working partners. Clive Johnson¹⁴

Likewise actively engaging stakeholders on CSR issues to identify better ways of reducing waste, identifying unmet needs and changed consumer preferences is likely to be accepted. But it must be done fair and sincere far away from old-fashioned one-way marketing. Many

stakeholders have a very real interest in a company’s operations; stakeholders inhabit the very same threatened globe and would rather have their consummation part of the solution than part of the problem. Besides, stakeholders might have special knowledge on specific issues from chemistry to local demographics in southern American mountain villages. Or the next visitor to the company website might simply have witnessed breaches to the company codes on a factory during travels in India and help conduct supply chain management by letting the company know.

The ‘war on talent’ has not ceased - quite the contrary. A study performed by the Aspen Institute shows that 75% of candidates avoid employers without clear ethical profile.¹⁵ Other studies point to the crucial importance of affinity for retaining skilled employees.

On the productive side, McKinsey estimates up to 10% productivity improvement in organizations managing invariability in perception of corporate values and goals¹⁶.

CSR 2.0

Now we can start seeing the contours of CSR 2.0 as the convergence of the two trends presented. On the one hand the comeback of CSR due to shifts in the public mindset and convincing business cases. On the other hand unprecedented levels of public involvement and co-creation in on-line innovation processes as captured by the term Web 2.0. Combining these you get ‘CSR 2.0’.

But what is so qualitatively different by CSR 2.0 from traditional CSR? Let us try to pin down the 10 changes to the CSR landscape that we believe will accelerate over the coming years.

1. Inclusiveness – involving stakeholders directly from beginning to end

¹³ The May 2007 trend report from Trendwatching features a list of rather unpleasant web-presence for some companies:

<http://www.trendwatching.com/briefing/>

¹⁴ *The See-Through CEO*, Wired News April 2007

http://www.wired.com/wired/archive/15.04/wired40_ceo.html

¹⁵ *Deriving Value from Corporate Values*, The Aspen Institute (2005)

¹⁶ McKinsey Quarterly, no. 2, 2006

CSR 2.0 is all about turning stakeholders into partners through the co-creative means of web 2.0. It is no longer advisable let alone smart to try to uphold a thick membrane around companies and only reach out in carefully planned CSR projects designed for PR. Stakeholders will increasingly 'move in' and the smart company turns the new intimacy into cooperation. Cherish the fact that your stakeholders care for you and empower them with a say whenever they have something to contribute. You'll be surprised to see how willingly they'll help you. And stakeholder goodwill translates into:

- Evangelists: distributed 'sales force', loyal commentators in the blogosphere
- Early warning: Supply chain breaches, products used to harm, changing markets
- Stakeholder-led innovation: 'Expert' solutions to concrete challenges, new needs
- Talent attraction and retention: better positioning and stronger affiliation

2. *Cut the middlemen – the diminished role of NGO's and CSR consultants*

Because Web 2.0 facilitates and structures the direct engagement between companies and stakeholders, raising issues, discussing priorities, solving, and implementing CSR initiatives will naturally involve stakeholders directly and dynamically. Consequently, the role of formal stakeholder representatives like NGO's and external consultants will change. NGO's are losing ground as by being bad at harnessing the public sentiment on the web. The blogosphere notoriously distrust 'institutionalized voices' and NGO's has been bad at learning the new personal way of communicating on the web. Moreover, consultancies and large stakeholder groups will pose an unnecessary 'lag' to burning matters and be too general for concrete solutions. Just like journalists and mainstream media are being supplemented by

many-to-many information flows through blogs, wiki's and file media sharing media, formal middlemen and third parties will be left to deal with top-level strategy and campaigning partnerships. According to a recent survey by Edelman, 70% of CSR influencers in the blogosphere are individuals, not institutions.¹⁷

3. *Innovation – winners turn market pressure into stakeholder led innovation*

Individual customers and investors empowered by unprecedented levels of information, channels to influence and a new confidence claiming to be heard might be your biggest threat. Bringing them onboard is your biggest opportunity. Web-technologies make it possible to engage directly with people themselves and attribute them due credit for helping out. Chances are they have special knowledge, geographical presence where your partners or suppliers operate, or simply like the attention given to stakeholders adding value to CSR efforts. Stakeholders putting you under pressure means stakeholders interested in your company. Given a sincere invitation and community (peer) credit, such stakeholder pressure can be turned into market intelligence and stakeholder led innovation

4. *Sincerity – be real*

Be who you are in everything you do and make sure to align actions with values. Base your strategies on your actual values, neither those of your sector nor those of your most vocal stakeholders. If you don't, you'll be caught being inconsistent by someone somewhere at some point and broadcasted globally. The same goes for everyone else having a stake in your brand. This provides you with a 24/7 stakeholder watch of violations by

¹⁷ Edelman and First&42'nd: *Corporate Social Responsibility and Sustainability in the Blogosphere*, (March 2007)

your suppliers, replacing the ineffective annual control visits to their sites.

5. *Co-ownership – a truly embedded value-based culture happens through involvement*

Your employees' actions ARE the company values - no matter what the corporate values might be. Living your values is crucial in a connected age, so embedding a value-based performance culture is essential. New web-tools makes it easier and significantly cheaper to involve all employees in developing the values, sharing perspectives, and turning values into concrete actions for each individual. Keywords for embedment within CSR 2.0 are co-creation and co-ownership.

6. *Dynamics – standards being replaced by 24/7 engagement*

Cumbersome and politically driven standards, code-of-conducts, and charters, are off beat to the pace of today. As people are becoming more and more aware and empowered, they want to be engaged and make a difference themselves. Organizations merely showing the world that they are doing their share by living up to a set of standards, does not engage or make individuals feel that they are heard, that they can participate, and that they make a difference. Companies need to be pro-active and establish structured many-to-many dialogues to obtain intelligence on pressing matters relating to their specific business, early warning about emerging issues and continuous dialogue with stakeholders.

7. *Quality - CSR as immersive business strategy*

As part of the changing view on CSR, from defensive risk management to strategic business innovation, CSR will also transform from an add-on to a fundamental strategy guiding all parts of business. Ethical values are immanent in agents and present in all

actions. Ethics is the inter-human qualities that governs our empathy and affiliation to another agent (whether human being or an organisation). Hence, ethics is not something you demonstrate in a single or even a string of CSR projects, but is present in everything you do as a company – something you live and breath. Companies that learn to manage and embed ethical quality processes in operations will gain market shares through greater alignment, robustness in a fluctuating world and greater loyalty.

8. *Trust your values - Move first, move alone*

As empathy and affiliation are the new competitive parameters for e.g. client loyalty and attraction and retention of employees, complying with a standard and signing-up for universal values do not cut it. Who are you? What are your own ethics? That is what matters to people today. And stakeholders are much more tolerant to actions performed according to a belief than conduct formed by haphazardness or negligence. Lastly, the effect of being first mover on issues is not only a strong positioning tool. It is also quite hard for your competitors if you set the bar higher as voluntary and planned organizational change is much more easy and likely to succeed than a forced one.

9. *Pluralism – number and nature of CSR projects will increase dramatically*

With the possibility of anyone communicating with anyone and being organised in a split second, the general ethical issues determined, NGO's, and authorities, will be replaced by a plurality of issues. Together with the global reach of small initiatives, it becomes more ethical to be creative and find personal ways to make the greatest impact, given your resources. Going from doing the 'right' causes to doing it your way. And it's much better positioning!

10. *Proximity - local impact is global*

With the rise of reputation technologies and the global reach of the Internet, what is locally considered unethical behaviour can hurt the brand globally. In fact, most issues start locally and then scale. Lots of cases demonstrate that. If a coffee bar brand manipulates or indirectly bribe local authorities to take over the premises of a former shirt shop, even though the local urban plan does not permit more cafés, what can the local residents do? They can petition it by collecting signatures from as many residents as possible and hand it to the local authorities. Besides being a cumbersome data gathering exercise, it will probably also be in vain. Alternatively, they can put their case in the hands of newspapers and hope that the story has general interest. Today, an organiser can establish the profile of the particular brand a reputation web services, and make it available not only for his local residents but for a global audience. Where the social irresponsible act of a company emerges has become impossible to predict, no matter how many standards, charters, and code-of-conducts the company has signed up to. Proximity to what matters locally has become an art to learn and being in touch with communities can be crucial.

Get started with CSR 2.0: tools to know

The most important tools to know in order to embark on a CSR 2.0 strategy belong to the realm of social media and participatory software. Generally it is online software that allow for users to actively create and shape the content of the medium. Rule of thumb is that users must be empowered by the medium and credited for contributions to become engaged. Interaction should be sincere and transparent to evoke interest and not to backfire. Social media might very well have a centre (the company, a concrete issue or a product), but formal hierarchies kill the dynamics. Besides, social media takes patience and openness.

Social media are often fruitful like a rain forest - not instrumental like a plantation. Companies need to gear relevant parts of the organization to operate with greater unpredictability and vulnerability to make stakeholders believe the relationship to be truly two-way. And company representatives must involve themselves personally with the resources it takes. Social tools are only marginally value creating if conceived as a sandbox for the 'children' to take care of themselves. Real value can only be created through engagement – both ways. Settle on a level of openness and style natural your company culture, but remember that transparency and openness is most often credited with greater engagement and goodwill. Structuring means picking ways to engage with your stakeholders that makes the engagement productive. Allowing people to engage in company conduct doesn't mean chaos. If you invite them to feedback on your conduct, motivate feedback to be action oriented towards improvements rather than mere expressions of discontent and design ways to measure the feedback provides for quite operational input for management. Credit the stakeholders creating most value through their ideas and encouragement, either personally or through social reputation mechanisms allowing for quantitative and/or qualitative documentation of their contributions. Let fellow stakeholders judge those only complaining with no constructive aim through social filtering mechanisms such as entry ratings and flagging of inappropriate content. All these parameters mean that healthy communities are quite hard to obtain but they are very socially self-managing when established.

Blogs – get comments from stakeholders to your thinking

Blogs is the best known social corporate media and has been used for years by progressive companies to engage in continued dialogue. A blog is a simple platform to post lightly edited and typically personal opinions and perspectives. Corporate blogs are normally written by one or more employees and allow for readers to comment directly under entries. Blogs are good at conveying a humane impression of the

organization to allow for greater affiliation, as proper blogging is always personal. In a CSR perspective interesting variants of corporate blogging is to blog about concrete challenges in your CSR strategy or to let certain stakeholders write about their perspective on and input to CSR initiatives. Blogs are easy to set up, but their CSR value relatively vague. However McDonalds quite ambitious CSR blogs is a inspirational example of this.¹⁸

Wikis – co-create knowledge with your stakeholders

Wikis is a platform allowing anybody involved to create article-like entries and edit all entries. All editing is tracked for better versioning and identification of authors. Corporate Wikis are mostly for internal use or in fairly demarcated groups and deployed by a wide variety of organizations today, from Motorola to FBI. And consultancies servicing the establishment of wikis are growing in numbers.¹⁹ Wikis are great for sharing knowledge and good for sharing e.g. knowledge on how to deal with concrete CSR challenges or to share best practice among colleagues operating in cultures with child labour, bribery or extreme social inequality. Being more about information than social interaction than other media, wikis gain most of their value from the quality of the information shared and less from the affiliation resulting from interacting with stakeholders. But faced with very concrete CSR challenges across a distributed workforce already aligned on the ultimate goals, wikis represent a very powerful tool.

Reputation management – allow stakeholders to share their perception of your company

Basically the entire web is spun as a reputation system. In a wired world, search-engines like Google are the most important regulators of reputation by powerfully

punishing or rewarding conduct by the way future searches on your company, products or employees turn up. But more specifically ‘reputation management’ is a term for a range of new services aimed at measuring and managing the public perception of companies or public figures. Used by investors to probe the intangible assets of companies as forecast of financial performance,²⁰ to test the public perception of politicians in between elections,²¹ or simply by individuals and small companies to verify their commercial credentials.²² This notion of reputation management doesn’t include services designed merely to provide companies with intelligence on the public sentiment in order to respond strategically or communities of stakeholders just criticising companies for perceived insufficiencies (the first is dangerous and prone to backfire and the other just unconstructive). CSR 2.0 reputation management means taking feedback openly and engage with stakeholders in improving the perception. Such reputation management tools are simple ways to measure, and display stakeholder perception in real time as focus for broader dialogue. A kind of dynamic certification tool, from your reliability or trustworthiness in commercial relations (eBay seller rating) to general company perception measurement. Customers, partners or other stakeholders rate you and the dynamic result is shown publicly or to relevant business partners. Such transparent publicity is off course a vulnerable situation as some stakeholders might be discontent or even malicious. However, experiences from e.g. eBay have showed that people are generally fair and positive when given the power of public feedback. Most existing tools are designed for individuals or SMEs but new enterprise solutions have surfaced as well like the suite of tools from Actics.²³

¹⁸ <http://csr.blogs.mcdonalds.com/> For a overview of CSR and blogs see Edelman and First&42’nd: *Corporate Social Responsibility and Sustainability in the Blogosphere*, (March 2007)

¹⁹ Social Text is a prominent example <http://socialtext.com/>

²⁰ <http://www.fastcompany.com/investing/>

²¹ <http://www.thegorb.com/index.gorb> and <http://newpoliticalreview.com/poll.php>

²² <http://www.ikarma.com/> and <http://www.rapleaf.com/>

²³ <http://www.actics.com> (both authors are involved in Actics)

Online communities - integrate and engage you stakeholders around you

More and more companies are going community. Mostly companies like Lego,²⁴ Unilever,²⁵ and campaigning politicians like Barack Obama²⁶ and Ségolène Royal²⁷ are using communities to tap knowledge, creativity and affiliation for direct use in innovation and marketing. Other new communities are less directly tied to the operation of an agent. Canadian credit union Vancity have simply created the social community ChangeEverything to provide a platform for people wishing to make positive change.²⁸ With the blooming of communities, consultancies specialising in helping companies create online communities have emerged.²⁹ A brand community is by far the most difficult but also potentially most rewarding social medium that often implements one or more of the other forms mentioned. Creating communities mean providing a platform for your stakeholders to discuss, share, learn, meet like-minded and - perhaps - help the company. All due to shared interests, values, objectives and the possibility to earn social reputation for contributing. Growing a vibrant community depends on real value for the members, careful design, patience, tolerance and some luck. Rewards include an army of evangelists, early warning, mitigating misunderstood criticism, supply chain management with numerous scouts, product and business model innovation and other things you never expected. Communities take dedication, patience and sincerity. Consultants can help you design and ignite the community, but making it grow depends on true engagement from the company.

Crowdsourcing – turn your stakeholders into CSR innovators

Crowdsourcing is a new form for community and a quite potent ‘long-tail’ tool to take your innovation to the proper people all over the web. Crowdsourcing means

outsourcing any innovation challenge to the millions on the web that together make up an enormous bank of knowledge and skills. Concretely, crowdsourcing consists of three elements. 1. Ideas for things or services to be invented. 2. Filtering of ideas. 3. Development, typically collectively, of the solution. Some services allow companies to post concrete problems to be solved by anybody with an access to a computer³⁰. Others make the community submit ideas for improvement and collaborate to come up with solutions.³¹ All though so far mainly deployed to supplement inhouse R&D with global knowledge connected by the internet,³² or as marketing community like Dell’s Ideastorm³³ there’s no reason not to deploy it to solve concrete CSR challenges such as achieving sustainable production, reaching the proper stakeholder through design or come up with high impact initiatives. This is exactly what IBM has done by broadening their ‘Innovation Jam’ to include “new ways of transforming business and society”.³⁴ If provided proper social or monetary credit for contributions and ways to profile themselves to fellow members, crowdsourcing make up for a powerful and enriching way to engage a community.

Perspectives – CSR in 10 years

In 10 years, we believe that CSR 2.0 is fully integrated into business and the term ‘CSR’ left to history and replaced by its more proactive child ‘Corporate Social Opportunity’ (CSO). Most brands not delivering both quality AND design AND ethics will loose out. They cannot compete on the market, their brand value is low and investments next to none existing, and they have a hard time recruiting and retaining staff. They are - in short - facing a very tough uphill battle. It is not a far shot to claim that in a world facing global

²⁴ <http://www.lugnet.com/>

²⁵ <http://www.campaignforrealbeauty.com/>

²⁶ <http://my.barackobama.com>

²⁷ <http://www.desirdsavenir.org/index.php>

²⁸ <http://www.changeeverything.ca/>

²⁹ <http://www.socialsignal.com/>

³⁰ <http://www.innocentive.com/>

³¹ <http://www.cambrianhouse.com/>

³² For a list of crowdsourcing initiatives see <http://www.crowdsprite.org/2006/11/27/test-yoyo/>

³³ <http://www.ideastorm.com/>

³⁴ http://www.globalinnovationjam.com/get_start_ed2006/

warming, armed cultural frontiers, and huge developing nations entering the consumption race, 'meaning', 'matter' or 'purpose' are probably the most critical aspects of any product or services tomorrow. CSR 2.0 will become the historic term for how innovation on these parameters originated as co-creation together with stakeholders.

More resources:

The Social Software for Social Change Wiki:

http://www.levjoy.com/essaywiki/index.php/Main_Page

Web 2.0 and the New Corporate Watchdogging:

<http://www.worldchanging.com/archives//004025.html>