

The (CS)²V – Cross Sectorial Collaborative Shared Value – Strategy

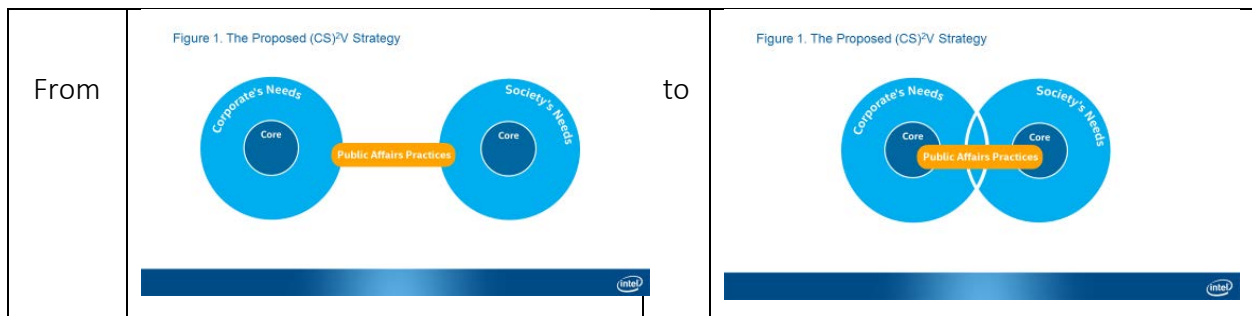
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Introduction

This essay proposes a new strategy – Cross Sectorial Collaborative Shared Value - (CS)²V – which aims to increase the impact of the organization’s social investments and the effectiveness of Corporate Social Responsibility (CSR) divisions, whose traditional role is to bridge between the corporate and its external environments (i.e., other first, second and third sector organizations). The (CS)²V strategy directs CSR divisions to connect the corporation’s core business needs, from the corporate perspective, with the society’s core needs, from the social and/or government perspective. This is done by addressing *a national social problem that intersects with a business concern*. In other words, CSR divisions can adopt the (CS)²V strategy to fulfill their goals more meaningfully, by tightly and clearly connecting the corporation’s core business, from the corporate perspective, with a society’s core need, from the social perspective (See Figure 1).

Figure 1. The (CS)²V Strategy



We illustrate the (CS)²V strategy by Intel’s Public Affairs (PA) division in Israel, which is responsible for Intel Israel’s external noncommercial relationships, with a focus on philanthropy and social investments. The PA division has recently changed its strategy in a way that enables it to increase

Intel's benefits, as well as those of the society within which it operates. In general, the (CS)²V strategy guides organizations how to be meaningful for the communities and increase their social impact.

The (CS)²V strategy

The Cross Sectorial Collaborative Shared Value – (CS)²V – strategy proposes a variation of Porter and Kramer's (2006) perspective on Corporate Social Responsibility (CSR), by *expanding the shared value concept (beyond the corporation between the industry and the society), to a whole ecosystem benefiting from the collaboration.*

The (CS)²V strategy guides organizations in choosing the social issue on which the CSR division focuses, by considering five conditions:

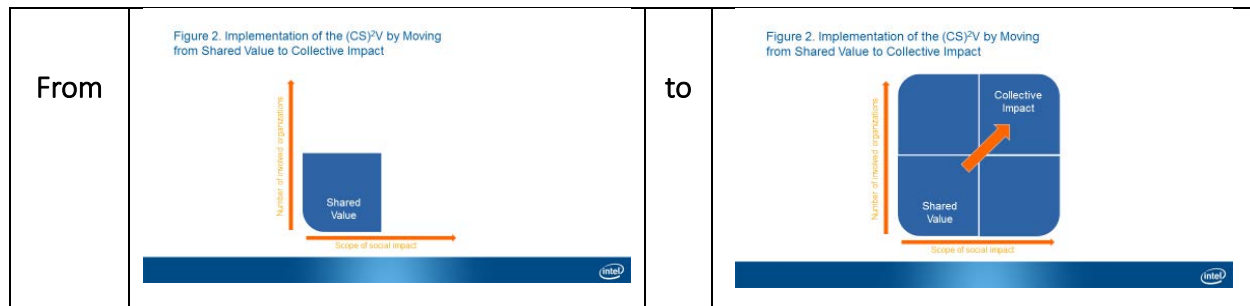
- 1) An external social problem, defined and recognized by the government/authorities;
- 2) relatedness to the business value;
- 3) ability to contribute added-value to the problem solution that goes beyond budget investment;
- 4) an opportunity to leverage organizational capabilities;
- 5) potential partner organization, that bring professionalism and missing capabilities.

An illustrative practice for the application of the (CS)²V strategy is the shift from the Shared Value concept to the Collective Impact¹ concept. Such a conceptual change, which is based on increasing the number and diversity of the involved organizations:

- a) *expands the social impact* (compared to local and limited impact, see Figure 2);
- b) *ensures the sustainability of the collaboration* between all organizations, both public and private;
- c) *benefits* more organizations through the collaboration (including first and third sector organizations).

¹ Collective impact occurs when organizations from different sectors agree to solve a specific social problem using a common agenda, aligning their efforts, and using common measures of success. Source: <http://www.fsg.org/approach-areas/collective-impact>

Figure 2. Implementation of the (CS)²V Strategy by Moving from Shared Value to Collective Impact



Benefits of the (CS)²V Strategy

In addition to benefits that the society gain from the (CS)²V strategy, the organization and its employees, as well as first and third sector organizations, gain both direct and indirect core-business benefits. From the organization's perspective, as is described below, different players gain value, since:

- The (CS)²V strategy allows *organizations of all kinds* to invest the millions of dollars, allocated for social and philanthropic activities, in an alternative and more effective way that amplifies the social impact;
- The (CS)²V strategy supports the *organization* in achieving its financial and operational targets, by serving a need of the society and local economy that is strongly related to national imperatives, thus contributes back to the organization;
- The (CS)²V strategy illustrates *managers* that by collaborating with experts and organizations with a different orientation, strengths and skills, they can improve the organizational results both from the business and philanthropic perspective;
- The (CS)²V strategy fosters *employees'* satisfaction and motivation and enables them to exhaust their professional skills that once again, contribute back to the organization;
- The (CS)²V strategy positions *CSR activities* within the framework of a structured strategy connected to that of the organization, and therefore, becomes one of the core elements of the organization management and of its managerial goals;
- The (CS)²V strategy ensures *the sustainability of the social investments & CSR activities* by aligning them organically with the organization's strategy.

Illustration: Intel's Public Affairs Division

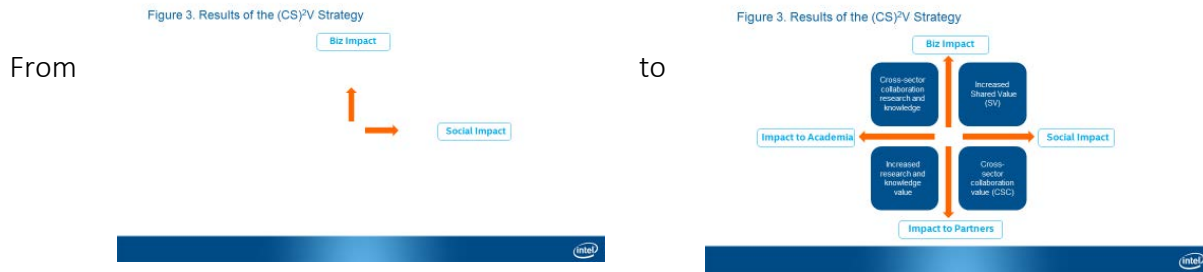
The (CS)²V strategy is illustrated by Intel Israel case, that due to its significant position both globally and locally could extrapolate its business practices (e.g., risk management, motivational leadership, strategic thinking, project management) to its social activities in a way that fosters collaboration between the first, second and third sectors. We focus on the case of STEM (Science, Technology, Engineering and Mathematics) education and show how Intel Public Affairs (PA) division in Israel, which is responsible for all Intel Israel's external noncommercial relationships, with a focus on philanthropy and social investments, applied the (CS)²V strategy in a way that served Intel's core business.

In 2011, it was identified that the declining numbers of students in STEM subjects was becoming a major risk for the future of the economy and society of Israel - *the Start-up Nation* (Senor and Singer, 2011). Consequently, the critical importance of investing in STEM education in the whole country was observed and aligned with the Ministry of Education's goals. Intel Israel's PA division and its partners gradually shaped the (CS)²V strategy.

Specifically, the influential position of Intel in Israel (in terms of economy, regulations, and culture) allowed to apply the (CS)²V strategy by expanding the definition of the Shared Value concept to the Collective Impact one, i.e., from a two partners' win-win relationship to an eco-system mutually-beneficial relationship. While Shared Value is a well-known concept, the shift to Collective Impact, as one application of the (CS)²V strategy, extends the yielded business value of three impact-dimensions, additional to that of the social dimension which is originally targeted: the organization, the partners from the cross-sector collaboration and academia.

The quadrants of Figure 3 describes the kind of business value that the (CS)²V strategy generates: From 2 dimensional moderate-impact to 4 dimensions higher impact. As can be seen, from the eco-system perspective, the (CS)²V strategy yields an all-win situation.

Figure 3. The (CS)²V Strategy's Impact and Values



In more details, the application of the (CS)²V strategy led to the foundation of a National Coalition (named "5*2" – <http://www.5p2.org.il/about-the-5x2-initiative/>) that includes organizations from the hi-tech industry, academia, the public (first) sector and the third sector, where each sector brings its own knowledge, skills and strengths, and all express similar concerns with respect to STEM education. This national initiative shifted the partners from a passive position to an active one, where some of them had to focus their social investments in relation to this initiative. The collaboration brings high value to all parties, including breakthrough and proven improvement in the social problem that each organization has not succeeded to solve alone for many years.

REFERENCES

Porter, M. and Kramer, M. December 2006. Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility, *Harvard Business Review*.

Senor, D. and Singer, S. 2011. *Start-up Nation: The Story of Israel's Economic Miracle*, Twelve.