



CSR Strategy Roadmap

A Step-by-Step Guide
for CSR and Corporate Foundation Executives

Introduction

In today's social and political context, expectations for companies to contribute to social change are high and continue to grow. A range of stakeholders—consumers, employees, communities, and even increasingly investors—demand that corporations reconceive their role as social change actors.

For CSR and corporate foundation executives, such demands elevate the relevance and resonance of the company's CSR platform and heighten its visibility within the executive suite. It's no longer sufficient to provide generous support to local nonprofits and United Way campaigns. Today CEOs are asking questions that would not have been on their radar just five years ago:

- *How can we lead on climate change mitigation?*
- *What are we doing to address racial and gender inequities in our communities and business?*
- *What can we do about the future of work?*
- *What can we do to meaningfully reduce harm from our business operations?*

As a result, CSR executives are transforming their portfolios, shifting from a focus on broad generosity to a focus on addressing specific social problems. This shift challenges legacy behaviors that typically herald large donations but eschew understanding and tackling the root causes of social problems. This new approach requires proactively shifting systems that are holding inequities in place. And it necessitates multi-stakeholder approaches that are informed by voices of those most marginalized.

Is your company seeking to advance social purpose through its corporate foundation and corporate giving? Are you feeling pressure internally to deliver on these significant expectations? Are you struggling with how to lead and navigate this process?

If this reality sounds familiar, you are not alone. The good news is that the path to addressing these challenges is well-traveled. Based on FSG's two decades of experience advising companies on societal engagement, we have codified key steps and case examples to help you transform your CSR strategy.

How to Use This Guide

This *CSR Strategy Roadmap* provides practitioners with a multi-step guide for initiating and leading a strategy transformation process. It is divided into three modules:

1. Alignment and Visioning
2. Strategy Development
3. Measurement and Learning

Each module has one or several steps that can help guide a portfolio overhaul or can be used as stand-alone approaches to address narrower strategic questions.

MODULE 1: ALIGNMENT AND VISIONING

Common Challenges

- » Lack of common understanding of the current portfolio
- » Limited alignment on a future vision or strategic focus

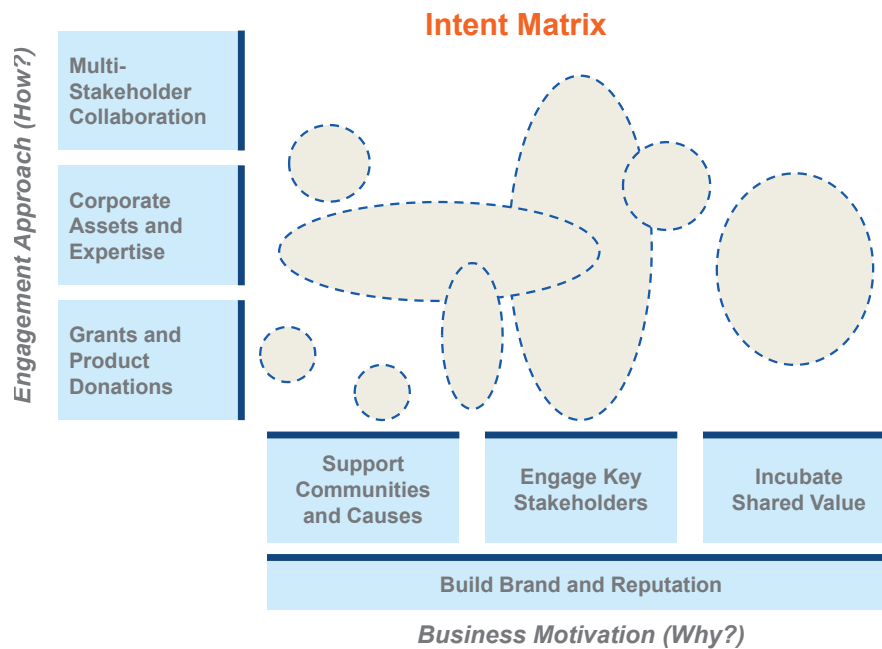
At the outset of a strategy engagement, we find key internal stakeholders begin with different mental models and assumptions about the company's engagement in societal issues. Rarely do internal stakeholders understand the full breadth of all the company's societal engagement activities. Also, some stakeholders have fairly traditional mindsets focused on generously supporting worthy nonprofit organizations that have limited alignment with the business. Others embrace aligning CSR approaches more closely to the assets, expertise, and interests of the company. This first module provides an efficient approach to establish heightened clarity on the current state and establish alignment on the future state.

Step 1A: Current-State Assessment

A critical initial step is getting your arms around the current state of your overall CSR portfolio. Typically CSR portfolios are a collection of legacy funding decisions that often have been made by previous leaders and teams. Due to organizational inertia, many programs and partnerships continue from year to year whether or not they together constitute a cohesive or coherent portfolio. A current-state assessment serves as a starting point for understanding how and in what ways you might make changes.

HOW IT WORKS

- Conduct a current-state assessment workshop with 8–12 internal stakeholders by facilitating a generative discussion that rates key portfolio elements across 12 different dimensions.
- This interactive workshop can typically be completed in 2–3 hours using sticky notes to create a visual assessment matrix on the wall.
- Then the results can be synthesized by plotting key dimensions on a customized version of the **Intent Matrix** strategy tool.



KEY RESULTS

- Improved awareness and understanding of the strengths and weaknesses of the current portfolio of programs, grants, etc. among all the participants
- Self-assessment of the depth and breadth of social impact and the nature of business impact of each element of the portfolio
- Identification of the financial and human resource investment in each element of the portfolio

Client Example



FSG facilitated a current-state assessment workshop with **3M's** corporate giving team, 3Mgives, to assess its global philanthropic portfolio including 16 different programs spanning education, environment, community, and employee programs. This assessment highlighted an opportunity to shift 3Mgives resources to more directly align societal engagement efforts with 3M's business priorities, including customer needs, attraction and retention of employees, and addressing business-critical community-level issues. Additionally, the assessment identified the opportunity for 3M to move from supporting broad, thematic issues to supporting more narrowly defined and focused priorities that could achieve measurable social impact.

Step 1B: Visioning

Another critical strategy step is a facilitated visioning process. This enables the stakeholder team to imagine a revised portfolio unencumbered by the realities and constraints of today's portfolio. When properly facilitated, this exercise unleashes creative and positive energy about the potential impact of the company's future efforts and provides guidance for the strategy development module.

HOW IT WORKS

- Conduct a two-part **Appreciative Inquiry (AI)**¹ exercise. The AI methodology is a powerful interactive exercise that explores, identifies, and further develops existing strengths within organizations and communities in order to envision and create a better future. While AI as an approach to problem solving has existed for over two decades, FSG has adapted it for use with CSR teams to catalyze new and creative thinking about future possibilities.
- In the first part, each participant recalls a powerful memory of a time when their company successfully worked to address societal impact and at the same time achieved powerful business results. A series of customized questions and facilitation approaches illuminates the individual and collective responses.
- In the second part, participants are prompted to envision the company's societal engagement 5 years in the future through generative role-playing and interactive discussions.



Appreciative Inquiry explores, identifies, and further develops strengths in order to envision and create a better future.

1. Visit <https://www.fsg.org/tools-and-resources/guide-appreciative-inquiry> to download FSG's *Guide to Appreciative Inquiry*.

KEY RESULTS

- Bold and innovative ideas untethered to the constraints of the company's current reality
- Vision elements that help shape and inform the strategy development process
- Positive energy and alignment among the team from co-creating elements of the future

Client Example



FSG conducted a visioning workshop for **Cargill's** Corporate Responsibility team that identified common aspirations among the team, including increasing business alignment, fostering collaboration, deepening impact, and improving team engagement. In particular, the team highlighted the need to define a consistent set of societal goals and outcomes and an opportunity to proactively partner with Cargill's range of businesses and functions to advance Cargill's corporate responsibility and sustainability objectives.

MODULE 2: STRATEGY DEVELOPMENT

Common Challenges

- » Lack of strategic clarity and business alignment
- » Diffuse and unfocused efforts
- » Limited leverage of company assets and expertise
- » Difficulty achieving tangible results for business and society

Developing or transforming a CSR strategy requires readiness to make decisions about strategic priorities. Strategy is about making choices—being clear on what to do and what not to do going forward. Building on the previous module, the Strategy Development module explores both internal and external dimensions to clarify the company's distinct goals for impact.

Step 2A: Issue Selection

CSR strategy processes typically require researching and identifying priority social issues to consider for a signature initiative. While a range of worthy social causes exist to support, identifying those issues with high strategic alignment with the company enables the company to leverage its assets and expertise to achieve greater social impact and desired business results.

HOW IT WORKS

- Conduct internal and external research through interviews, benchmarking, and data analysis.
- Capture internal dimensions of unique assets, expertise, and values as well as business opportunities and constraints.
- Codify external dimensions of prevalent issues and agenda of other peers, partners, and funders.
- Synthesize findings using the **Issue Monitor** strategy tool.
- Conduct strategy workshop to assess different strategic options using jointly identified criteria to narrow to prioritized choices.



FSG partnered with leadership and staff at **Toyota Mobility Foundation** to develop a business-aligned social impact portfolio focused on various aspects of mobility—personal mobility, green mobility, and urban mobility.

FSG also worked with leaders across various business units at Toyota Motor North America to develop a strategy that could advance mobility—a business goal—while also creating social impact for communities that needed it the most.

Throughout this work, FSG engaged global, national, and local experts in mobility, and conducted discussions with Toyota executives from across business units to better understand the company's journey, evolving corporate vision, competencies, and assets, as well as employee passions and capabilities. FSG mapped these insights to identify specific strategies, assign business units to lead the work, and suggest social and business metrics that the company could use to measure performance. Finally, these strategies

were also vetted with regional communities where Toyota was considering implementation, as well as with brand strategists to better understand how consumers might respond to this shift.

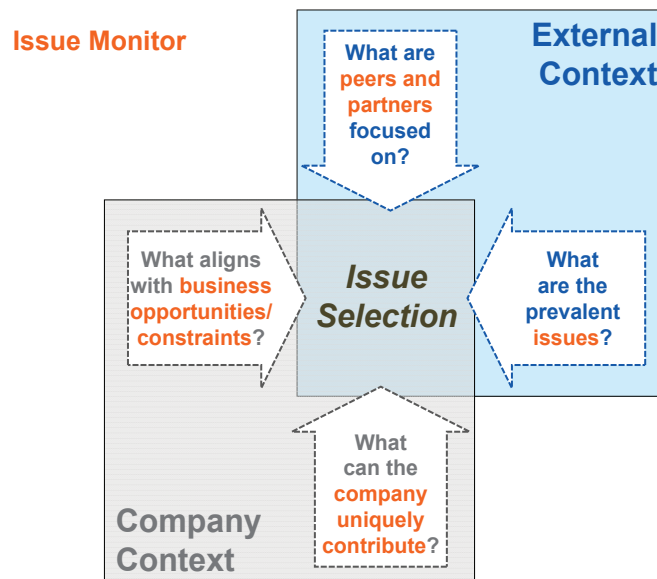
One of the critical success factors for this work was Toyota executives' commitment to the potential social and business impact they could create. In team meetings, FSG and Toyota executives discussed the questions that all organizations seeking to create social impact should consider: How might we make progress against this issue? What could be the business case if we did this work well? How might we engage in authentic partnerships to do this work more effectively?

This focus on impact helped Toyota's team create a coherent vision and strategy across its functions and geographies to guide its work. Today, Toyota continues to make progress toward its goal to lead innovation in the mobility space.



“The FSG team is different from other consultants. They don’t just throw out a bunch of recommendations and leave; they really care about helping us make an impact in the world and in our business. The team members all have the same values, passion, and dedication, and they guided us consistently through every step of the project.”

— Latondra Newton, Former Group Vice President, Social Innovation, Toyota Motor North America, and Former Chief Program Officer, Toyota Mobility Foundation



KEY RESULTS

- Structured codification of internal values, assets, and expertise as well as the landscape of external players, needs, gaps, etc.
- Identification of the priority issue areas and signature initiative(s) for the future portfolio
- Development of overall portfolio allocation including signature initiatives, national vs. local giving, employee programs, etc.

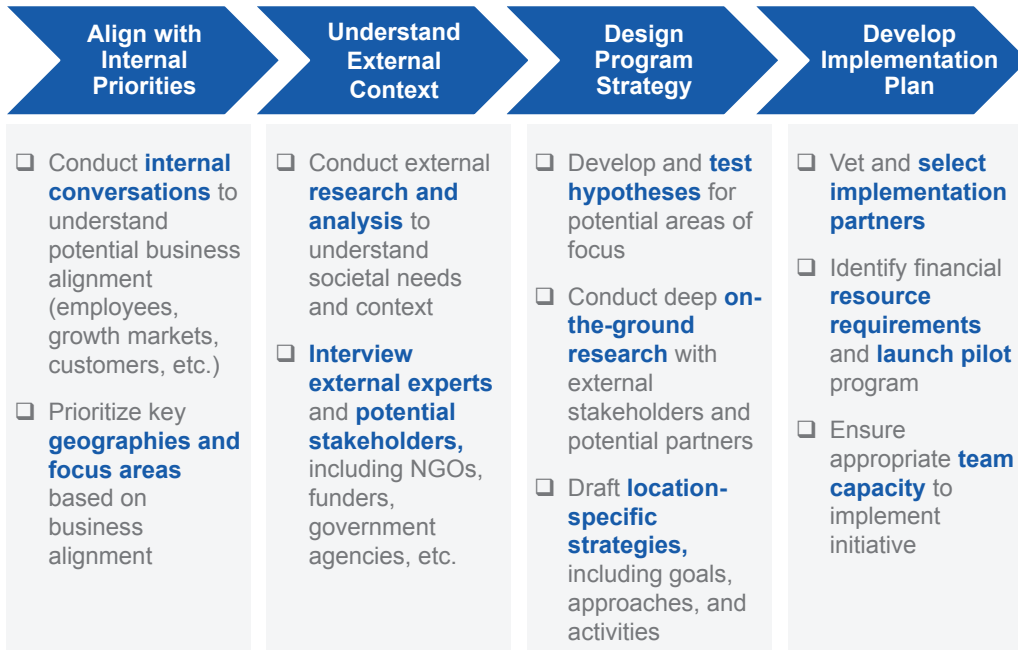
Step 2B: Signature Initiative Design

A signature initiative refers to a dedicated, multi-year effort that seeks to achieve pre-defined societal impact goals in one or several specified geographies. The benefits of a well-designed signature initiative are an improved ability to achieve, measure, and communicate results as well as an increased potential return on investment for society and the business.

HOW IT WORKS

- Follow FSG's four-step **Signature Initiative Design** strategy tool to 1) align with internal priorities; 2) understand the external context; 3) design the program strategy; and 4) develop the implementation plan.
- To frame research findings and make initiative design choices, populate and utilize the **Intervention Matrix** strategy tool.

Signature Initiative Design



Intervention Matrix

<i>Potential interventions</i>	Safer Roads & Vehicles		Safer Driving*		Safer Systems		
	Roads	Vehicles	Prevent accidents	Mitigate harm	Enforcement	Response	Alternatives
Advocate for policies that promote road safety	Safe road design (e.g., sidewalks, guard rails, bike lanes, lighting)	Safe vehicle design (e.g., airbags) Interlocks (e.g., advance passive technology, advocate for interlocks for repeat offenders)	Rules of the road (e.g., drunk driving, speeding, texting)	Helmet, seatbelt, and child restraint laws	Enforcement capacity and penalties for road violations	Safety response capacity (systems, funding, etc.)	Access to public transit, rideshares, etc.
Promote technology innovations & solutions	Road safety technology (e.g., traffic cameras, light sensors, traffic monitoring)	Intelligent Transportation Systems (ITS) technology (e.g., connected vehicle/mobility tech or apps focused on road safety) Personal breathalyzers			Technology for enforcement (e.g., sensors, radar, breathalyzer donations)	Road safety response technologies (e.g., 9-1-1)	Technology to support expanded ridership
Support improved data collection	Collection of data on road conditions, road safety indicators, traffic accidents, etc.						N/A
Change behavior through awareness campaigns	N/A		Awareness and adoption of safe driving practices (e.g., through awareness campaigns, drivers' education)		N/A		Awareness of and use of public transit
Change behavior through education and training	N/A		Awareness and adoption of safe driving practices (e.g., through awareness campaigns, drivers' education)		Awareness and adoption of best practices in enforcement and response		Awareness of and use of public transit

KEY RESULTS

- Identify the specific goals, beneficiaries, activities, geographic focus, and partners for the signature initiative
- Consider trade-offs of different investments and plot a multi-year plan



FSG partnered with **Sleep Number** to develop the company's social impact mission and strategy. Through a combination of internal interviews, external research, and partner assessments, FSG helped Sleep Number translate its mission of improving lives by individualizing sleep experiences into the commitment to improving the overall well-being of one million youth through better sleep by 2025. This multi-year commitment uniquely leverages Sleep Number's sleep expertise and biometric sleep database with a three-pronged approach: research & data sharing, training & advocacy, and sleep innovation donations.

Step 2C: Local Giving Transformation

Companies' local giving portfolios typically include a large volume of small contributions allocated across multiple operating communities. In our experience, local giving is an often-overlooked area of the foundation or CSR portfolio, representing decades-old decisions and legacy assumptions about the role of the company in a given community.

HOW IT WORKS

- Analyze current local giving allocations, motivations, and opportunities for improvement through data analysis, interviews, and internal focus groups.
- Incorporate findings into FSG's **Local Giving Segmentation Model** to create structured allocation by prioritized criteria.
- Build capacity of local teams to meet local giving objectives.

KEY RESULTS

- Enterprise-wide clarity on past local giving allocations, motivations, and expectations
- Realigned local giving principles and priorities to meet more clearly defined objectives
- Reallocation of local giving commitments to align with principles and priorities

Local Giving Segmentation Model

Inputs

Local Giving Total Budget and Allocation by Tier

Enter total local giving budget amount. Adjust the percentages of funding going to each tier of communities

Total Local Giving Budget	Percentage Allocation	
\$\$	Tier 1	20%
	Tier 2	50%
	Tier 3	30%

Weighting Factors for Community Criteria

Assign each community criteria a weighting factor from 1 to 3 (1 = least important; 3 = most important)

Community Criteria	Weighting Factor
1. Headcount	3
2. Local Importance	2
3. Community Need	2
4. Growth Potential	1

Outputs

Suggested Funding Allocation per Location

Model generates the number of locations per tier and the funding per location

	# of Locations	Funding per Location
Tier 1	XXX	\$
Tier 2	XX	\$\$
Tier 3	X	\$\$\$

This illustrative model is intended to help guide funding allocations for a company's local giving portfolio.

Users can enter information in the yellow input cells resulting in actionable outputs.



GENERAL MILLS FOUNDATION

FSG worked with the leadership and staff of the **General Mills Foundation** to update its "Hometown Giving" portfolio, which included clarifying local community giving parameters and prioritizing among General Mills' range of communities around the world. FSG conducted interviews and focus groups with General Mills' employees in local communities to inform the strategic and operational choices for its future portfolio.

Specifically, General Mills' updated local giving strategy recognized the strategic importance of identifying locally relevant giving priorities in each community that at times may differ from its global priorities. For example, General Mills' plant in Cedar Rapids, Iowa, is one of the company's largest plant locations, where the company is one of the top 20 largest employers locally.

Employees frequently cite the sense of pride they have in working for a company that generously gives back in their community. Given the number of people General Mills employs relative to the overall size of the community, for all practical purposes this is a General Mills "company town." General Mills is important to the community's overall vitality, so the visible and generous role it plays in supporting local education events, Heart Walks, playground restoration, and environmental stewardship is essential for General Mills to preserve the company's local reputation.

Client Example

MODULE 3: MEASUREMENT AND LEARNING

Common Challenges

- » Difficulty measuring tangible results for business and society
- » Lack of processes for learning and continuous improvement
- » Suboptimal communications to internal and external stakeholders

Measurement and learning is a commonly expressed challenge facing CSR executives. Despite a strong desire to demonstrate results, leaders are often hamstrung by not having the right resources and processes in place to track, evaluate, and report those results. Additionally, CSR teams often lack intentional approaches for learning and improvement that can increase their effectiveness and impact.

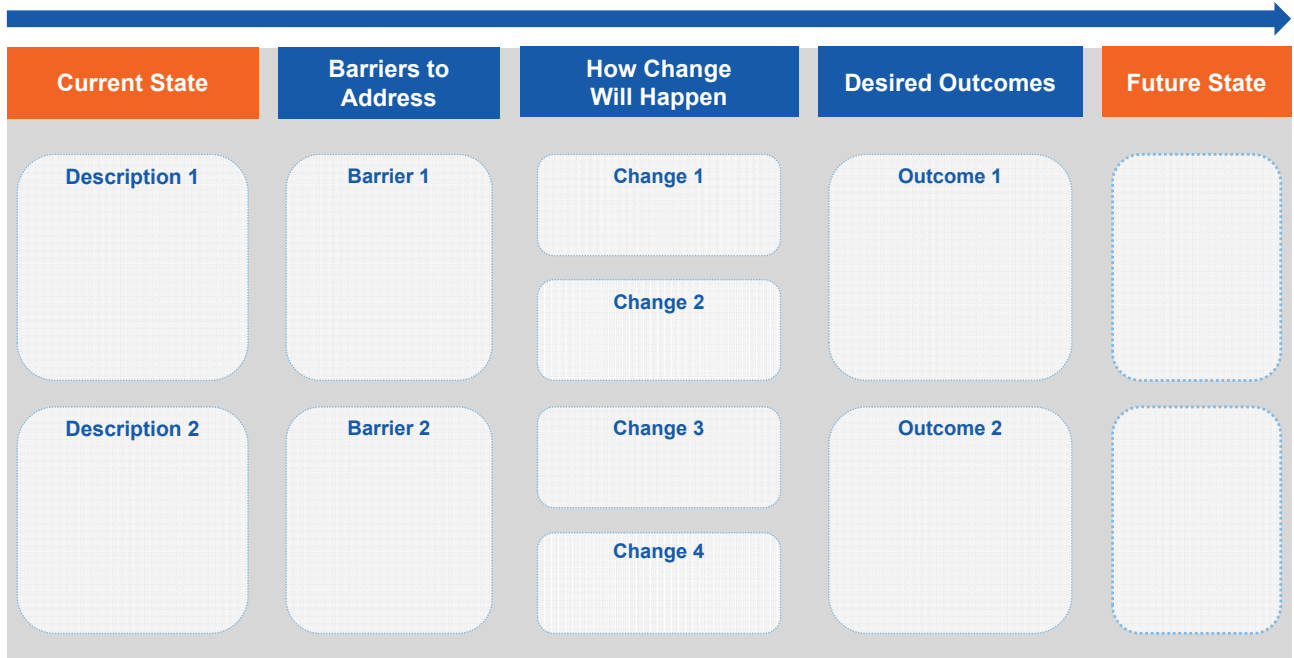
HOW IT WORKS

- Develop a **Theory of Change** that provides the current state, barriers to address, how change will happen, desired outcomes, and the future state.
- Develop an **Outcomes Map** that includes the near-term outcomes and long-term outcomes desired for each key strategy. The outcomes map can then be used to inform the development of indicators as well as what data need to be collected, when, and by whom, to track progress.
- Identify learning questions to ask and answer that will inform strategy refinement.

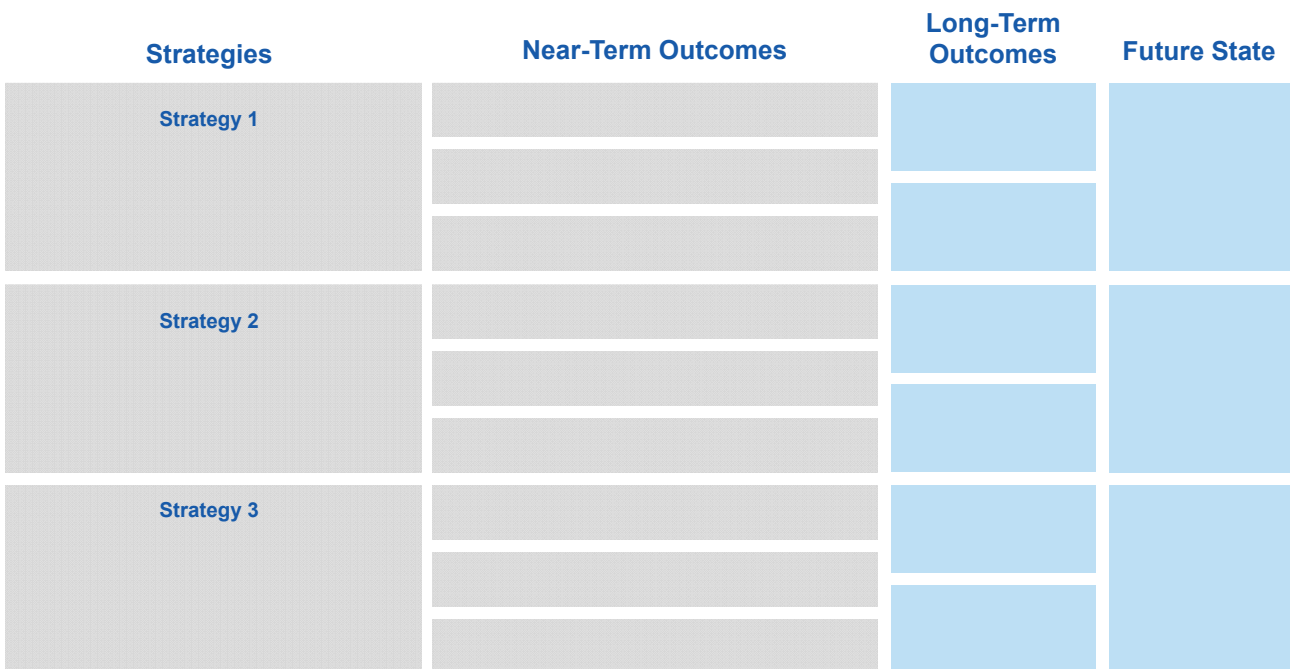
KEY RESULTS

- Clarity on tangible results from CSR investments, including both the social and business impacts
- Improved program strategy by using learning questions to identify opportunities for continuous improvement
- Improved communication of results to both internal and external stakeholders

Theory of Change



Outcomes Map





FSG advised **lululemon's** Here to Be program team on developing a measurement and evaluation approach to enable lululemon to track its impact, learn from its work, and evolve its approach over time. As part of this work, FSG created an updated theory of change, strategic framework, and outcomes map for the initiative. FSG's measurement and evaluation recommendations highlighted near-term and long-term outcomes for each pillar of lululemon's strategy, key indicators to track, and robust learning questions to foster continuous improvement.

CONCLUSION

While each company has unique needs and aspirations, FSG's work with hundreds of clients over the last two decades informs key patterns of what works in the strategy development process. We hope this *CSR Strategy Roadmap* provides inspiration and guidance in addressing your company's strategy challenges.

For detailed explanations and examples of the CSR strategy tools included in this guide, please see FSG's publications, created in partnership with CECP, *Simplifying Strategy: A practical toolkit for corporate societal engagement*² and *Advancing Strategy: How to lead change in corporate societal engagement*.³

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2. Available for download at <https://www.fsg.org/tools-and-resources/simplifying-strategy>.
 3. Available for download at <https://www.fsg.org/tools-and-resources/advancing-strategy>.

How FSG Can Help CSR and Corporate Foundation Leaders

- **Develop and strengthen strategies for corporate social responsibility, corporate philanthropy, and sustainability efforts.**

Analyzing and improving CSR and societal engagement portfolios, and identifying goal-oriented investment and partnership opportunities. We also work with companies to design “signature initiatives” that position companies as leaders in creating business-aligned societal impact.

- **Develop and implement shared value strategies.**

Developing strategies to increase profitability and drive growth while addressing societal problems. Services include identifying shared value opportunities, building the business case, designing the change management process, and building partnerships.

- **Define purpose-driven positioning and develop transition plans to enhance company purpose.**

Supporting companies in identifying an enterprise-wide societal purpose, and developing strategies that embed that purpose across the company.

- **Build collaborative efforts to help solve complex social problems.**

Advising companies on how to tackle complex social problems that require broad cross-sectoral collaboration.

Contact

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About FSG

FSG is a mission-driven consulting firm supporting leaders in creating large-scale, lasting social change. Through customized consulting services, innovative thought leadership, and support for learning communities, we help businesses, foundations, nonprofits, and governments around the world accelerate progress by reimagining social change.

Learn more about FSG at www.fsg.org.



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