

Strategies for SMEs to overcome current crisis and future challenges

Round Table

1-2 June 2010

Host partner: GILDE - Gewerbe- und Innovations- Zentrum Lippe-Detmold GmbH

Host Coordinator: Thorsten Brinkmann

CLIQ Participants:

Andrea Rubini	Chief European Projects Office, Cremona Chamber of Commerce
Thorsten Brinkmann	Member of Management Board, GILDE (Detmold)
Rolf Merchel	Managing Director, GILDE (Detmold)
Laura Ahonen	CLIQ Project Manager, City of Jyväskylä
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Carola Wictorsson	Marketing Director, Jyväskylä Innovation Ltd
Wim Huizinga	Senior Advisor, Municipality of Leeuwarden
Annakarin Swärd	Municipality of Eskilstuna
Helena Ribacke	Head of Trade and Industry, Municipality of Gävle
Kenny Sjöberg	Head of unit, Labour market and family welfare administration, Municipality of Eskilstuna

Local presentators:

Maria Klaas	Chamber of Industry and Commerce Lippe CCI
Uwe Gotzeina	GILDE
Guido Röcken	Interakteam GmbH
Andreas Trotz	Sparkasse Detmold
Heinrich Hansmeier	Volksbank Paderborn-Höxter-Detmold
Wolfgang Keck	GILDE
René Schmidpeter	Bertelsmann Foundation
Stephen Westerdick	Unirez
Rainer Heller	Municipality Detmold

Evaluator:

Monica Falk Evaluator, Mälardalen University

All PowerPoint presentations from the two day exchange can be found at <http://www.cliqproject.eu>

Day 1: at the GILDE Centre

Presentation of Lippe Region, City of Detmold and GILDE Centre by Thorsten Brinkmann

(See presentation: Lippe.Detmold.GILDE)

Thorsten gave an overview of the region, the city and the hosting organisation.

Nord-Rhine Westphalia (NRW) is the biggest federal state in Germany with 18 million people. Detmold is the capital of the county of Lippe. Big cities such as Düsseldorf and Hannover are rather far from Detmold. Detmold, the city of culture in the Teutoburg forest, has 73 000 inhabitants two universities (for Music and architecture and interior design) and a lot of cultural institutions.

Centre for Trade and Innovation GILDE (Gewerbe- und Innovationszentrum Lippe-Detmold) has a huge network behind: in addition to the service sector, the region has a strong background in processing industries, especially in electrical engineering, furniture industry and mechanical engineering. Total turnover in processing industries is about 5.000 million €. There are a lot of medium-sized companies & family-based businesses with a long tradition. Only 10 companies in the region have more than 500 employees.

GILDE GmbH is a public-private partnership owned by the Municipality of Detmold, Sparkasse Detmold & Chamber of Commerce and Industry. GILDE provides services and tailor made office space for companies at normal market price. It has 5.000 intensive contacts with companies each year and it also participates in and runs local, regional & international projects. At the moment there are 44 companies located in the GILDE Centre, and the space available is 95% booked.

The aim is to use the GILDE Centre for the growth of jobs and economic development in the area. The CLIQ group learned how the results correlate with the aim: The success rate of start-up companies is 95% after 3 years (normally around 50% in Germany). GILDE has provided space for about 150 companies with more than 500 jobs from 1993 to 2010 (more than 50% of them are business starters).

Exchange of experience:

CLIQ participants wanted to learn, if the legislation in Germany or in the federal state is especially entrepreneur-friendly.

Statistically the number of start-ups is low compared with many others countries (like e.g. Greece). Participants agreed that in their countries the attitude for entrepreneurship still needs improving and that the attitude "get up and start again if you fail" is missing. Sometimes the failures can follow to the next or even to the 3rd generation.

Even though there is a long family-based business tradition in the Lippe region, the challenge to find somebody to continue the work after retirement of the entrepreneur is the same in all participating regions and all over Europe.

Attitude towards entrepreneurship should still change:

- In many partner countries the problem is that you are considered a loser, if you are not a manager of a big company. Manager post is admired and estimated positively - this is a general mindset.
- All the businesses need some sort of education, more and more so, and it is considered a mark of a success.
- The pressure to acquire (high) education should not kills the entrepreneurial spirit

- Key to success: You have to make it “sexy” for the young people.

SUPPORT TO CURRENT CRISIS

Project “Fit für alle Fälle” - Risk-prevention and crisis management for SMEs

This Roundtable section consists of 3 different presentations:

- Maria Klaas, IHK Lippe zu Detmold (Chamber of Commerce and Industry), Shareholder of GILDE
- Adnreas Trotz, Sparkasse Detmold, Shareholder of GILDE
- Uwe Gotzeina, GILDE

1) General presentation of the project by Uwe Gotzeina, GILDE GmbH

The project “Fit für alle Fälle” started already in 1999 to support SMEs up to 25 workers through the difficult times and to give them success tips. The project consists of:

- Individual crisis consulting for SMEs in the region
- Further education and seminars free of charge on questions that are important to SMEs. (marketing, accountancy, tax regulations ...)

During the years the project has succeeded in maintaining 1700 jobs and 182 enterprises. The success rate of saved enterprises is 85.%. Project costs 90.000 € per year and the City of Detmold & County of Lippe carry the main costs of the project, and GILDE carries the office costs.) CLIQ participants considered the cost effectiveness of the project to be good.

“Of each euro we have invested in this project, we have got 32 € out!” said Thorsten regarding the saving of social transfers for unemployed people..

Exchange of experience

The success factors of the project:

- One of them is naturally the timing – the earlier the companies seek for help, the easier it is to support them. Some of the companies come so late that they have already big problems.
- It is also about the feeling, what is possible to achieve. Also self-motivation is important: does the company want this, are they willing to work hard to overcome the crisis situation?
- The personality of the crisis manager is crucial: At first he must have a certain "standing" as a neutral consultant and the credibility of small companies/ entrepreneurs - and the acceptance of the banks and public institutions on the other hand.

How the help is organised?

Andreas Trotz pointed out that the secret of the project is the cooperation of the organisations. Sparkasse Detmold (a bank) knows the companies and their problems, and they give them tips to take part in the project. Sometimes this also means that the companies are taking part in the program quite/too late, when looking for help from the bank to the liquidity problems. Companies are members of the Chamber of Commerce, so the contacts are there. The tools of the Chamber of Commerce (see below) help the companies to go further.

CLIQ participants discussed the big country-specific differences. The role of the banks varies in different CLIQ countries. In Detmold the Savings Bank is directly involved in the regional development and in supporting businesses. In the Round Table participants learned that also in Detmold it has taken a long time to set up the process and to get the banks on board. Today the

cooperation is working very well.

GILDE sees two different success factors for the project:

- there must be a good network to work with.
- good quality of the consultancy in economic issues is essential.

It is difficult to admit on time that you have problems – how to get companies to seek for help early enough?

During the first year the project did very much marketing. However, it was learned that you cannot market it too openly: It might harm the customer relations, if it is common knowledge that a company is taking part in a project offering help in a crisis. Nowadays the emphasis is on work done in advance to avoid the crises. This means e.g. seminars, visits to the companies and training sessions.

The key in marketing the seminars and training sessions is to do it in the right way. It is not always easy to speak the same language with SMEs to attract them to participate.

Challenges

- Uwe Gotzeina stated that most of the cases come in to the project in liquidity crises phase (see Uwe's presentation).
- Thorsten Brinkman pointed out that the question is who feels responsible for the development and wellbeing of SMEs. They are not in the radar of the media or the politics, because the effects on the employment statistics are almost non-existing. "Normal" consulting companies do not work with them – it is too expensive for small businesses. Does the public sector have the responsibility for carrying out the process? The CLIQ partners came to the conclusion: Yes, it has.
- Andreas Trotz reminded the CLIQ participants that understanding the economic structure of the area is very important in a project like "Fit für alle Fälle". In Detmold there are lots of small businesses, which have direct contacts to bigger companies – the crises can have mutual influence. Also the family businesses can give certain character to the support processes: When it is own business, it can be even more difficult to search help ("share the baby with someone else").
- Many small- firm owners are strong/unique personalities and very proud; it makes the project even more challenging. Then the question is also about good relationships, and trust in the person who is helping you.
- CLIQ learned that trust can be created only through long-time relations. As to the personal relationships, in Detmold the process experience has showed that sometimes it is good to restart a process with a 3rd person.

2) The role of the Savings Bank Detmold in "Fit für alle Fälle" **by Andreas Trotz**

Andreas Trotz introduced the Savings Bank Detmold (Sparkasse), which is the biggest bank in Detmold and closely working with the project.

Savings Bank Detmold is also the oldest savings bank in Germany, founded in 1786. The bank has 149 314 customers, and 35 branches. The bank is one of the biggest employers in the region. Small and medium-sized companies (note, the bank has an own measurement for SMEs) are the most important clients, that is why Sparkasse is involved in the project.

In addition to the “Fit für alle Fälle” project, the Savings Bank also delivers consulting services for SMEs. The consulting is done from the Bank’s point of view, on the basis of the balance numbers.

Exchange of experience

Internal interest?

CLIQ partners discussed the ‘internal’ interest of the bank: what kind of consulting is the bank able to do, if they have already invested own money in the companies?

In those cases in Detmold they also consult some 3rd partners to get an opinion (if they should give money or not?).

CLIQ discussed also financing: the project runs on public money, which is always challenging to get. The group suggested that EU- money could be a way to increase the volume of the project, if the bureaucracy is tolerable and the results of the project worth it. For example in Gävle a similar project aiming to support companies in crises is financed 100% by ESR. 1 million € is allocated for 3 years. Some more bilateral exchanges on this subject among CLIQ can be made possible, if requested.

3) The role of the Chamber of Commerce. What does the IHK do against the crisis? (IHK = Industrie- und Handelskammer /Chamber of Commerce) by Maria Klaas

Maria Klaas presented the work of the Chamber of Industry and Commerce Lippe CCI in the “Fit für alle Fälle” project and their general role in supporting SMEs through crises.

Detailed information is available in her presentation: “ What does the IHK do against the crisis?”
Several instruments can be used.

3.1. Round table instrument

There are 80 chambers of commerce in Germany, and around 10 are using the instrument of a "round table". Detmold has been using it for 10 years.

The instrument is for SME’s which are in difficulties, although they have good chances in the market.

- overview of the economic situation in a short time
- concept of changing the situation
- getting into contact with IHK on time is important
- no financial restriction

The consultants work on voluntary basis, wanting to do something good for the economy. In many cases they come from the region (mainly due to the travel expenses), but if needed, from other parts of the Germany, too.

The Consultant works out the company’s strengths & weaknesses in max. 10 days. He/she develops solutions, even speaks with the banks, if needed. Afterwards there is a possibility for discussion with a moderator. The time is limited: 6 months.

3.2. Turn-around-consultancy

'Turn-around-consultancy' instrument works in the same way as the Round table, but always by written request and on more detailed level. The costs of the consultancy are max. 400 € per day and max. 4.000 € in total (financed by the European Social Fund).

3.3 Senior-Expert -Service

The third instrument presented by IHK is using senior mentors, who work unpaid to give good advice to companies. The circle of mentors consists of 40 men and 1 woman who are retired businessmen & woman. The chamber of commerce looks for a suitable mentor, when a company is interested in the service. The service is only short-term consultancy, as the free competition in the consultation field should not be disturbed.

In the year 2009 the Chamber of Commerce received 75 offers for consultants from companies. During the 2 first years it was time-consuming to find voluntary mentors, but nowadays seniors approach IHK and no one is returned from the door.

Exchange of experience:

The challenge with the Senior Experts is the same as with crises support in general – timing of the help is important.

The companies can seek advice also when they are not in crises. In the Chamber of Commerce the companies are asked "what is your question/need?" Sometimes they have questions that the seniors in their mentor role are not allowed to answer, and some other instruments will be provided for companies in those situations. The help needed can vary a lot: once a senior spent 2 days in helping the entrepreneur to organise his desk papers!

Meeting the needs

Maria Klaas explained how sometimes entrepreneurs request another expert after the first one proposed by the chamber of commerce. The problem might be that sometimes it is difficult to understand what kind of help and expertise is actually needed, when the companies don't realize it by themselves.

How to make the Network of Senior Experts a success?

The group discussed their own experience on experts groups, and challenges related to forming them and keeping them alive.

In Detmold the social aspect and a pleasant atmosphere is important, when creating a mentor network: The seniors meet 4 times a year, and often bring new ones along.

In Eskilstuna there is a so-called "Shadow Board" of 7 senior advisors whom the young entrepreneurs could use (all of them). In Jyväskylä as well there is a so called "Business Godfathers' Network", where network of 31 business seniors help companies unpaid.

The group was interested to know, if Detmold has ever tried "matching events", where the entrepreneurs can choose the seniors? According to Maria Klaas this is something Detmold could try in the following years.

Senior mentors – an approach to Quadruple Helix?

The CLIQ group discussed how the senior expert service is related to the Quadruple Helix concept. The service constitutes a Triple Helix: the citizens, the business and the local authorities.

The seniors are citizens, and this is involvement of citizens in a productive activity. It has got further influence: seniors feel needed, and their mental power is being used for the good of the local economy. It's rewarding to both.

Talkie-Walkie-Act: Good practice on support for innovative business starters

Guido Röcken, Interakteam GmbH
Reiner Heller, Bürgermeister Mayor of Detmold

In the afternoon of the Day 1, The CLIQ Round Table did a field study trip to visit a Tree Climbing Park run by the company Interakteam GmbH, where Guido Röcken told about the business and support possibilities for innovative business starters.

Mr. Rainer Heller, the Mayor of City of Detmold (also Head of the Supervisory Board of GILDE) was also on the spot and the Round Table discussed, how politicians and the City of Detmold can support starters in cooperation with GILDE. The city supported the idea of creating the Climbing Park and the GILDE Centre worked as an incubator for the company, as this company offers an future-minded and innovative service for tourists in a former, rather conservative surrounding.

According to the Mayor, Detmold is looking for their own kind of companies to start business, the "Detmold companies", knowing that the logistic situation of Detmold (slogan: "city of culture") is not favourable for everyone. Mr. Heller also emphasized the importance of culture for the companies, stating clearly that the logistic situation is not the reason why export companies would want to stay in Detmold. Detmold wants that their companies can be proud of the city.

DAY 2: at the "Haus der Immobilie Detmold"

Heinrich Hansmeier, director of the Volksbank Paderborn-Höxter-Detmold welcomed the participants on behalf of the Volksbank, the owner of the premises. The bank is 150 years old and currently works with numerous projects. Volksbank wants to support especially youth and culture actions. They support for example the Academy of Music and help the students create a career as an artist.

Corporate Social Responsibility (CSR) – An Overview by Wolfgang Keck

Wolfgang Keck, the Leader of a CSR project Project „InnoTrain CSR“ in GILDE, gave an overview presentation on CSR.

Usually when SMEs hear about CSR for the first time, they ask:

1. How to pronounce it?
2. What does it mean?
3. Does it affect me at all? Why should I bother about it?

European Council has defined CSR as ***"a concept whereby companies integrate social and environmental concerns in their business operations and in their stakeholders on a voluntary basis"***. CSR consist of 3Ps: People, Profit and Planet are the 3 sides of it. As a company you are not only responsible for maximizing the profit, but also for maximizing the value to the people & the planet. Sometimes the difference between Corporate Citizenship and CSR concepts is not quite clear, as companies are corporate citizens. However, CSR can be seen as a more strategic part, Corporate Citizenship more as a practical part of it.

"It's not about how you spend the money you make, it's more about how you make the money you spend!" CSR shouldn't be just "green washing". CSR works on a voluntary basis as it is about engagement above legal regulations.

CSR influences almost all company activities such as leadership, environment, market, community etc. There can be many economic drivers which motivate companies to do CSR:

- Improve and keep a good image and reputation.
- Foster the relations to stakeholders, e.g. customers.
- Dialogue with the stakeholders: create trust. The more critical the fields you operate in, the more trust it needs (e.g. waste management).
- Increase trust into the company and its products.
- Raise the motivation of employees. Enhance the attractiveness of the company for high performers. It is a "soft" thing, but may influence the choices of those who can choose in which company they would like to work.
- Reach new customer groups throughout sustainable diversification.
- Decrease costs for emissions, e.g. reduction of waste.
- Better financial position through better ratings at banks and insurance companies.

98% of companies in EU are SMEs. There are still many typical arguments against and for the CSR also in Germany:

- "My company is too small" (scarce resources).
- The company has a long tradition. On one hand: this means acting in a responsible way, as the company has been able to exist for a long time. On the other hand, it might be difficult to come up with new ideas.
- Many SMEs are family-owned businesses. They are often more value-based, as they get the values from the family. Family-owned businesses have often a personal ethical attitude.
- Close-to-home (entrepreneur often feel as citizen and people know each other: such a company-owner really profits from the CSR instruments, gets a deeper picture about the real situation).
- Down-to-earth (resistance to consultancy, very pragmatic people)

SOLUTION: Offer SME's a tailor-made CSR!

2 PROJECTS

Wolfgang presented two different CSR projects implemented in Detmold. The first european project "Zukunft Mittelstand! – Erfolgsfaktor gesellschaftliches Engagement" finished in 2008 and concentrated on mainstreaming CSR among SMEs. The project consisted of the following steps:

1. Primary research (where SME's are right now?)
2. Consulting SME's in the field of CSR.
3. Promotion of successful medium-sized CSR-companies (best practices in a database).
4. Development and use of teaching material on CSR for universities & adult training centres.

The second project called "InnoTrain CSR" concentrates on integrating CSR into vocational education and training. It is a follow-up project of the previous one trying to transfer the missing CSR knowledge into enterprises by qualifying trainers in SME's and training institutes. Project enables involvement of all employees in CSR issues by integrating CSR in vocational education and training.

CLIQ participants wanted to know if the projects use social media instruments for companies to discuss things related to CSR? - The project doesn't have such a platform, as there are many other forums already to be used. "The project can address the company-owners, but even more we address the trainers." CLIQ partners also asked, if in addition the universities could be involved in

research. – “The previous project was based on a survey, but InnoTrain doesn’t focus on research, as it is a product-oriented and not so much research-oriented project. In the CSR project it is important to be near to the daily business of SME’s & the entrepreneur.” Education is obviously part of the InnoTrain project, but partners were wondering, if there might be also new ways of engaging research. Interactive research including action research could be something that can be combined with a practical, product-oriented project.

Exchange of experience

Origin of the projects

Originally GILDE started the projects as they were considered useful for SME’s. At that time CSR was discussed in bigger companies only. The aim was to **get SMEs to use CSR as a strategic option**: a lot of companies were doing things in accordance with CSR, but it was not called by that name and not used strategically.

Differences between sectors, companies etc.

CLIQ partners considered eventual differences between business sectors in the results of the CSR survey presented, as the use of the CSR can be seen very differently in different business fields. Detmold has not studied the results of CSR by sectors.

The early-stage research of the project asked, if the companies have even heard of CSR. Sometimes part of the problem of promoting CSR (as a general concept) is that companies don’t understand what it is.

75% of SMEs think that CSR will gain in significance, thus seeing CSR as a strategic option. GILDE was surprised that the main argument against CSR was not “we have no financial resources” argument. It was “we have not the practical know-how, we are not qualified enough”. This correlates with the survey findings: less than one third (28%) of SMEs has already dealt with CSR.

Resources:

CLIQ discussed the resources needed for CSR.

CSR outside the market involves companies acting as corporate citizens. CSR is an investment that enables the company e.g. to test new partnerships, engage in serious dialogue with stakeholders, gain insight into stakeholder interests and acquire new expertise.

Within the market CSR means sustainable organization of a company’s core business. It is a challenge of creating a sustainable business along the whole supply chain, taking into account the life cycle of products and services, affecting all levels of the company structure.

Wolfgang pointed out that even after the two projects, Detmold is still developing basic ideas of CSR. The aim is to guide companies to apply gradually more and more CSR strategy. “We are still on that level: what CSR can mean, where it can help etc. We are still in the development phase.”

CSR – high performers for companies

GILDE pointed out, that one of the company-owners’ perspectives to CSR in Detmold is acquiring high performance workforce. They need these “high performers”, top experts to work for their companies.

CLIQ participants wondered, if the companies in Detmold with a long tradition have been acting in accordance with CSR for a long time. Are the CSR principles perhaps so much “inbuilt” in them that they do not recognize it in terms of consultant brains? Are they so much involved already that

they do not see the added value of the concept?

Wim Huizinga pointed out that they may be part of a supply chain, where a big company is doing a lot of CSR. That is perhaps the point to take it to the SME strategy as well.

Companies and Civil Society as partners in the region – new approaches to initiate regional partnership

by Dr. René Schmidpeter, Bertelsmann Foundation

Dr. René Schmidpeter gave an interesting presentation on CSR's role in the society and also on the pilot projects the Bertelsmann Foundation is currently running. He pointed out that the most important question right now in Germany is "how much trust in business we have?". The result in Germany is lower than in EU, but the NGOs are still trusted partners. The trust in Germany is however going to a better direction due to the recovery from the economic crises.

There are many different global issues such as financial systems or mega trends, but also actions of companies which address the medium and long-term consequences of financial and economic crises. Dr. Schmidpeter gave two main messages in his presentation: A) small things can have big influence on the society, B) economic crises deeply change the societies.

According to Dr. Schmidpeter, majority of business leaders believe that they have higher responsibility than the others. It is estimated that economic value of social engagement is up to 10 million € in Germany. The crisis situation has for the first time provided evidence on sustainable business strategies being more competitive. Non-sustainable companies have had bigger losses than sustainable ones. Also the capital costs have been higher in non-sustainable companies. Non-sustainable companies lost 50 % of their market capitalization, while sustainable companies lost only 43 %. (A sustainable company is defined by Down Jones sustainability index.)

The corporate responsibility consist of economic (investor relations, risk management etc.), **ecological** (energy use, climate protection etc.) **and social responsibility** (diversity, supply chain etc). Dr. Schmidpeter underlined the importance of considering always also in CSR the economic perspectives.

"Partners in responsibility" programme

Dr. Schmidpeter presented a programme, the idea of which was to bring innovative solutions to regional problems on a long term. The programme tackles urgent regional issues in cooperation with several partners. The core of the work is community involvement on local level and capacity building for SMEs.

There are seven regions in the pilot project altogether with 400 organisations included. Lippe is one of the regions. Bertelsmann Foundation is planning to create a national network of (local) civil society networks. The approach is bottom-up: everything starts in the region. The role of the region in promoting CSR is crucial.

Education, community involvement, family-friendliness, social inequalities and cultural heritage are the five most common CSR issues addressed by German SMEs. One of these projects, a good practise case of corporate citizenship education project, in which integration of immigrants was promoted through education, was presented in more detail.

The CSR is shifting from a basic engagement to a more strategic one. There is a clear shift from a pure business perspective to a more societal-oriented approach.

“Partners in responsibility” method

Key elements of “Partners in responsibility” process/method include:

- structured process
- mutual decisions
- bottom-up process
- business-driven network approach (business does not appreciate philosophic talks, they need to be able to define their role in the region)
- offering peer to peer learning for business about social engagement
- creation of a network for bundled community investment
- creation of a win-win situation for business and society

Process consists of 3 stages:

- **Preparation stage:** to have firsts a general topic, and then a kick-off event engaging different stakeholders in the region.
- **Working stage:** business is working together in working groups/sub projects. During the working stage there are 3 milestone meetings to check the quality of the work and to increase communication across the whole process.
- **Institutionalisation:** Presentation of the working results

The case of Saarland was presented. The goal of the process was to support social change towards a high-tech region, to support youth and to invest in the future of Saarland.

Sometimes the regions say: we are already doing so many/too many projects. It might be more important that the local authorities provide a platform, and let the others run the projects.

Learnings from “Partners in Responsibility” programme summarized:

- Currently SMEs are much more engaged in CSR than before - most important. There are many examples of businesses’ role as a driver for social innovation.
- Social entrepreneurship is a good start to make social change happen.
- Many problems cannot be tackled by one organisation – partnership concepts between business, politics and civil society are needed.
- A message to local authorities: regional problems can be better addressed, if the politicians and local administration work together with private and civil society actors.

Exchange of experience

How do you engage and motivate actors to the process?

Dr. Schmidpeter underlined the fact that every region is different, so there is no one solution.

- You need right people, who understand how the region is working, to get started.
 - the topics in the region
 - who are the right people and what are the main issues in the region?
 - what has been already developed in the region?
- It is also important to bring transparency to the process.
- As important (as the previous point) is to write the right niche – that the proposed approach (local projects) can bring some added value to the already existing ones.

Responsibilities

- One entrepreneur is always responsible for the project, and others are supporting him/her. Also cities are in a supportive role.

- the Bertelsmann Foundation pays often the moderation of the process (5.000-10.000 euro per project).
- The main financing comes from the business itself.

The Bertelsmann Foundation is the facilitator of the process, pushing and bringing the people together. Altogether more than 100.000 people are working for Bertelsmann, and 300 are working for the Bertelsmann Foundation, one of the most renowned think tanks in Germany. Image of Bertelsmann is good, which has made it easier to sell the project to the local level e.g. in Lippe.

“This is also a pilot project, and business-oriented as such. If you can show this, it has an influence on political discussion. Our mission is to show that the projects have a real value to the society.”

QH perspectives

The role of academia – how could the pilot project benefit from the research?

According to Dr. Schmidpeter, local universities can have a strong role in the process. In some cases they are moderating the processes. The role of education and research in CSR can be approached from different points of view:

- Universities are educating people; this is their most important role. Students are very much interested in CSR, but sometimes it is difficult to get the theme accepted by the university (professors: it is not a business topic).
- It is also a question of autonomy of the universities and of their responsibilities.
- Addressing regional development issues is an external dimension to a university.

Lippe as a CSR Model Region by Stephan Westerdick, Unirez

Mr. Stephan Westerdick, General Manager of Unirez Company, presented how & why companies are involved in CSR in the Lippe region. Stephan underlined that usually the actual work is really far away from the theoretical or political discussion of CSR, it is just practical cooperation and work in the way business works.

According to Stephan, his own solution to start with the CSR as an entrepreneur was an easy one: “I was asked, and I said Yes. Like when you start the discussion, and you never know how it will end. It could be very interesting, a new way to do something important for the area, not for the company only. It is important to find people with the same kind of ideology, people who are already working in the same way.”

Stephan gave some practical advice for companies interested in CSR:

- You need people who want to be active and start something. They have seen a problem and they have a question: how can I do something for this region? As always in life, you find a small group who will do it, and a big group who is enjoying it.
- You need bigger names to get people together for the first meeting (it is difficult for the first time). 68 people arrived to the starting meeting in the GILDE-Centre to discuss what to do in CSR.

Working in the groups

For the first milestone meeting (see Dr. Schmidpeter’s presentation) Detmold created 4 smaller groups to think of local problems. The group of Stephan Westerdick concentrated on finding out how education and business can be connected more closely.

- Other groups are working on following issues:
 - how employers are able to work when they are 65 or 70 year old?
 - how to manage immigration, and to find good qualified workforce for the region?
 - how to organise a One-stop-agency to serve the companies in supporting families, when e.g. the kids are sick and parents need to work.

Lessons learned from the group Business & Education:

Point 1: Collect information of projects to the web.

At first the group wanted to learn what already exists. They went to the universities and schools, and found out that there are lots of initiatives and projects in the schools, but no one was aware of them. These projects were built "top-down" by the North Rhine Westphalia state, but they did not really work. A lot of money was invested, but the results were not too good. The group found out also that sometimes the projects were not working together, but against each other.

Point 2: Bottom-up

The main idea of the project is the bottom-up approach: To listen the schools and kids. To put the schools, businesses and small towns together to create something of common interest. In this way you get an area small enough to start.

Point 3: Financing

The question of money always exists. Look first at what to do, then how to do it, and finally how much money is needed. You may be able to work with little money, when lots of small business are working together to the same direction. In that way everyone is part of the bigger process.

Point 4: Leverage:

At the beginning it is important, that quite soon you have already something to show to the companies. In that way you are able to reach more companies make them join the process.

- You need good people to start with, even if you do not have a clear concept.
- Keep it simple and non-theoretical!
- You have to show practical results, so that the CSR approach can be adapted to other cases or a wider area locally.

Point 5: Situation today

After working for one year with the project, it might be too early to show the results. However, the general feeling is that they already know that they are long-lasting processes. Stephan also pointed out how important it is that the CSR actions are free of political involvement. Politicians and politics are changing too often, but the CSR projects should be lasting long.

Exchange of experience

CLIQ participants pointed out, that having 68 people already in the first meeting in Detmold is a good result, as well as the creation of 4 working groups.

CSR is about integrating external factors (family etc) to your work and business. Communication is a crucial part of CSR, not "green washing", but real communication and transparency. It is important to show to the people that you are engaged.

Summary by the CLIQ team:

Good Practices studied in Detmold:

- “Fit Für alle Fälle” project, including
 - Work done by the GILDE Centre
 - Tools used by the Chamber of Commerce
 - Role and engagement of the banks in regional development
- CSR as part of finding new ways to meet the future challenges, including
 - Project “Zukunft Mittelstand”
 - Project “InnoTrain”
 - Practical experience on supporting and running CSR

Quadruple Helix:

Governments’ or local authorities’ role in a Quadruple Helix type of partnership in CSR can mean many things such as carrying own responsibilities, enabling CSR activities of companies or providing an environment for innovative CSR to flourish by enforcing regulatory pressure.

Corporate social responsibility can be seen as one way of making companies part of the Quadruple Helix type of partnerships, where businesses, public authorities, civil society and perhaps even education & research can have their own roles. In Detmold the CLIQ participants learned how CSR can help to transform social challenges into strategic opportunities. The CSR process can be a good model for implementing QH also from another point of view: it may create both social and business innovations.

“ CSR allows companies to join with governments and civil society in a process of negotiation aimed at solving society’s problems, with all involved offering the benefit of their core expertise. The ability of all three sectors to work together is the key to solving the complex problems we face. The ability to cooperate is a core competence if companies are not only to survive the crisis, but to emerge from it with renewed strength.

Together with their partners, they can shape a sustainable future for themselves and society. The ability to work together means more than polite interaction. Exchanging views and networking are a constructive part of the management process – which is no longer characterized by steep hierarchies and longstanding prejudices, but by equal participation. This also means the freedom and the ability to consider unconventional solutions, an openness to new insights, transparency, an ability to assess the feasibility of new ideas and the courage to think ahead to the future. By choosing this path, companies will become trailblazers in the effort to achieve a sustainable society.”

(Anna Peters: “Pathways out of the crises: CSR as a strategic tool for the future”)