

# Beyond the numbers: why “doing good” makes a great business strategy

A company's social reputation, in many cases overlooked in the past, has become one of its capital assets in the modern digital era. The expectations customers have surpass the traditional business model and require companies to rethink their strategies and to consider their social or environmental impact. This mind shift redefines the roles of the marketing and PR department. We talked to Lenka Surotchak, Director of Pontis Foundation, to what extent have these changes taken place also in the Slovak business environment.



**LENKA SUROTCHAK**  
Director, Pontis Foundation,  
Slovakia

**Over the years, The Pontis Foundation has found a stable cooperation partner in businesses. How would you describe the evolution of this relationship?**

I would put this differently. Our foundation has managed to prove we are able to create great partnerships with business in bringing positive changes not only in our country but also abroad. We focused on managing relationships between organizations that help people, solve social causes, and change the environment or society as such, and companies that search for ways to assist with this process as well. Today, things have changed profoundly and business no longer asks How much can we give but rather What difference can we make.

Thanks to our know-how, experience and our people we help companies maximize the real impact of their programs. In Slovakia, we are the driving force behind corporate social responsibility development, corporate and individual philanthropy, corporate volunteering and pro bono services. Together we address the most pressing problems Slovakia faces: eliminating corruption and lack of transparency, improvement of education, overcoming poverty and unemployment, and improving the lives of people with disabilities.

We understand that we alone would not manage to change anything. We need the trust of

companies, our donors, NGOs and other partners and I sincerely hope that we will manage to keep them more than satisfied and truly happy with the results of our cooperation in the years to come as well.

**The Pontis Foundation was a pioneer in our country when it comes to promoting CSR. Was it difficult to gain support for the idea that a positive impact on society belongs among company goals?**

Corporate responsibility is about the long-term journey and gradual development. Of course, at the beginning, many businessmen, the public as well as the media were skeptical. Some still do not believe that a company can maximize its value and also contribute to the wellbeing of society and the generation of common good.

When we were starting, very little data and few studies were available to prove the meaningfulness of CSR in financial terms. We tried our best to show how CSR might work and what it can bring. In 2004, before we established the Business Leaders Forum (BLF), an association of companies which pledged to become leaders in asserting the principles of corporate responsibility in Slovakia. We had teamed up with some well-recognized international partners and organized a visit in the UK with Prince Charles, who is well known for his responsible business network.

Thanks to the tireless efforts of my colleagues, as well as our corporate partners, to bring the stories of companies which decided not to do “business as usual” and highlight the impact they have, more and more companies understand the value of responsibility and transparency, and we are slowly changing the Slovak ecosystem.

The attitude of consumers is evolving as well. They want quality products and services from companies that are fair, transparent, eco-friendly and employee-friendly.

Although it is not an easy and quick path, slowly but surely things and the attitudes of people are changing. Today, Slovakia has its own new generation of self-made entrepreneurs who are embracing ideas of CSR in a very natural way.

**How do businesses in Slovakia perceive CSR today and what kind of projects are they mainly interested in?**

As I already mentioned, it is great to see that many managers and CEOs already see CSR as something inevitable. They are mindful about the way they create profit and they want their daily operations to be responsible. It is not only about money. Successful businesses need educated, healthy and satisfied employees, stable and trustworthy partners, the availability of resources, and a transparent and predictable business environment. And CSR is about all of this.

## BIOGRAPHY

### WORK EXPERIENCE

- Pontis Foundation, Slovakia, •  
Director (2002 - present)
- The Foundation for a Civil Society, New York, Senior Program Officer (1999 - 2002)
- New Community Corporation, New Jersey, USA, Consultant (1999)
- New York University, USA, Center of Excellence for Teaching and Research on the Management of International Nonprofits, Research Assistant (1999)
- The Foundation for a Civil Society, Slovakia, Program Officer, Program Assistant (1995 - 1998)
- Slovak National Agency for Foreign Investment and Development, Slovakia, Project Manager, Public Relations Manager (1992 - 1995)
- Slovak Television, Slovakia, Reporter (1992 - 1993)
- The Slovak Press and Information Service, Slovakia, News Analyst (1990 - 1992)

### EDUCATION

- New York University, USA, Robert F. Wagner Graduate School of Public Service Master of Science in Management (1998 - 1999)
- Comenius University, Slovakia, Master of Science in Journalism, Faculty of Arts (1989-1993)
- PDCS / ETP and University of Minnesota, Slovakia (1997)



However, several times we have witnessed that responsibility is still not an integral part of companies' DNA. There are many enthusiastic people who, unfortunately, hit the wall of unengaged employees or senior managers. We therefore try to work closely with all departments of the companies so they understand the CSR concept and its benefits.

On the other hand, many of micro businesses and start-ups appear in the market and bring social and environmental solutions and innovations to society. Their whole line of business is responsible. Many SMEs also have enlightened owners who are naturally fair to the people and protect the environment around them.

I would say that all of these companies react to the same challenges, of course at a different scale. The most pressing issues companies do address are unemployment and social exclusion, ineffective education system, corruption and environmental damage.

**In its 16th year, the Via Bona Slovakia award is a recognized brand in itself and winning it brings prestige, media attention as well as respect and recognition in the business environment. Do you feel that it has become a very attractive goal for companies?**

Indeed, to win the Via Bona Award brings prestigious recognition for every responsible company. We are delighted that every year there are many great competing business stories and dozens examples of responsible companies that can inspire other businessmen in Slovakia.

However, Via Bona is also a huge commitment for the winners to live up to their reputation. And the same goes for us, as we need to keep pushing the CSR movement forward and to continue to educate ourselves in the newest trends.

**It is natural that profit-oriented businesses seek direct or indirect benefits in all the activities they undertake; CSR not being an exception. To what extent do you feel this when working with businesses in Slovakia?**

Exactly, it is very natural also for companies in Slovakia. The business of a business is to do business. But if you want to have a successful business in five or ten years, you need to look at how you do business. In the long run, it is more profitable to do "good". There are many proofs that sustainability pays off and, at the same time, the people and the planet are better off. It is crucial that companies share their experience and best practices with their peers.

**Do you think there is a point where the connection between CSR and marketing becomes counterproductive and may damage the values that The Pontis Foundation tries to promote?**

When I simplify it, there are two types of companies. Those which truly care about the impact their business is having, with several sustainable programs and strategies in place. These companies should communicate it very intensively. Otherwise, how are we — customers, and other stakeholders — going to find out?

On the other hand, there are companies that have massive campaigns on how green and people-oriented they are, but in reality it is quite the opposite. This is called "greenwashing" or "pinkwashing" of their customers. The tricky part is that people can easily find out that the company is not being honest and its communication is not authentic. In our open and globalized world of digital information, no one can hide the truth for very long. All you need is an employee, partner, or customer who has had a bad experience with your business. A reputation is very fragile. It takes years to build up trust, and only seconds to destroy it.

At Pontis and Business Leaders Forum, we always insist that companies remain transparent, honest and ethical.

**From your specific point of view, what creates the brand of a company?**

I personally believe that the most important essence in any company's brand is the set of values that the company stands for. The communication of the company should be focused on the most valuable thing that its brand brings to the people and society. Does your brand make me happier or healthier? What does it bring me? For example, for Volvo it is safety, for Apple innovation and for Patagonia a quality that lasts years.

**Can CSR become an integral part of a company's brand identity and shape its public image?**

It surely can and in some companies it has already become a reality. And at the same time it really pays off. "Sustainable living" brands of Unilever are more profitable to the standard ones, contribute to 50% of the growth of the company and their growth rate is two times higher. We see that customers are keen to choose the more sustainable option if the price difference is not very big.

**Can you think of any specific examples, from Slovakia or abroad, where a meaningful involvement in CSR also positively impacted the company's public image in an important way?**

For me the strongest example from Slovakia is Lunter (former Alfa Bio). Last year, the company was accused of selling harmful chickpea spread. Earlier that year, the company was awarded the Via Bona Slovakia for Small and Medium Company. We knew that the company's production is of the highest quality and they would never knowingly gamble with the health of their customers. Thanks to our experience and our foundation, many individuals on social media, as well as organizations such as Foxford

or O2, stood up for Alfa Bio. I believe that the communication of the company was excellent, as well. They did everything possible to help to investigate whether there had truly been any problem in their production line. Of course, their reputation still suffered, especially abroad. But it does not happen every day that customers publicly support any brand to such an extent.

**How do you think CSR may develop over the next decade? What role will it play in the overall strategy of businesses?**

I truly hope that sustainability and responsibility in business will become something natural and mainstream. Our planet faces many challenges and business, in collaboration with other partners, has the unique opportunity to be a part of the solution.

**Can you mention any goals that you would like to accomplish with the Pontis Foundation in the years to come?**

In Slovakia, I wish that, together with the companies engaged in the Fund for Transparent Slovakia, we will manage to lower corruption and those seeking to enrich themselves at the expense of the people or the environment will become outsiders with no business opportunities. I would like to see companies such as Váhostav out of the game.

We also want to contribute to changes in our education system and support innovative people and organizations that have proven, inspiring methods on how our kids might get 21st century skills and be prepared to make a significant contribution to Slovakia — as active, valued, qualified, open-minded individuals. Our research shows that our country needs great talents and if we want them to "rise and shine" and create something new, we must make Slovakia a better place to live, work and do business. I am looking forward to partnering with accomplished individuals, other organizations and with the business sector to achieve this.