

# Sustainable business in India

Linking business development with corporate responsibility



A PARTNERSHIP PROJECT FOR DANISH AND INDIAN FIRMS

SUSBIZ INDIA – A DANIDA SUPPORTED PROJECT IN INDIA  
FOR INCREASED SOCIAL RESPONSIBILITY

“Besides being a competitive parameter, CSR may also contribute positively to the business environment of the Indian suppliers in terms of operational cost savings. Operational cost savings typically result from environmental process improvements such as less waste, less energy and material inputs, increased resource efficiency, etc. Other positive effects of CSR are enhanced staff loyalty, improved government relations, etc.”



**Henning Høy Nygaard**  
Project Director of 'SUSBIZ India'  
Danish Federation of SME's



# A partnership project for Danish and Indian firms

## Business development and improved CSR activities goes hand in hand

The purpose of this project is to demonstrate, that there is a clear coherence between improved social and environmental conditions and running a modern business in a global world.

For the Indian companies a partnership with a Danish company will give them the possibility of planning longer-term strategic measures instead of constantly thinking in economic survival. Upgrading the quality of products, management, and marketing are pressing concerns, and linked closely to the importance of social and environmental concerns, from which everybody will gain general efficiency measures; enhanced reputation and increased ability to recruit and retain staff, among other things.

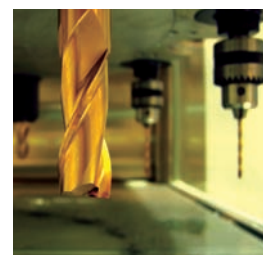
A buyer-supplier partnership for sustainable business development is beneficial for both buyers and suppliers. Better conditions for workers can help suppliers boost productivity, improve quality and cut delivery times. Also, higher workplace standards can help attract business from buyers who are concerned about social and environmental conditions in their supply chain. The buyers may then pass on information to consumers, who demand to know about the conditions for the production.

## The promoters

The Danish Federation of Small and Medium-Sized Enterprises (DFSME) and the Danish Centre for CSR at the Danish Commerce and Companies Agency are heading the partnership project "Partnerships for Sustainable Business Development in India" (SUSBIZ). In the project, initiatives aimed at improving social, environmental and business conditions at the Indian suppliers of Danish companies are implemented in a partnership between Indian and Danish companies, a business association and a public-sector centre of CSR expertise, and the Ministry of Foreign Affairs of Denmark. Activities will run from January 2007 to June 2009.

## Our philosophy

The purpose of the project is to identify and implement win-win situations that benefit buyers and suppliers alike and can lead to greater work satisfaction, higher productivity, better quality and resource efficiency, which are all important parameters in customer relations. Focus is on achieving dialogue and development rather than on control and undifferentiated audits. Moreover, implementation takes place on a voluntary basis.



# Activities and Achievements

The project facilitates collaboration between Danish enterprises and their Indian suppliers during the implementation of corporate social responsibility (CSR) initiatives. Participation in this project entails that the **Indian companies** will strengthen their social initiatives and business performance. The Indian companies will become more competitive, improve their position in society, and ensure long-term profitability. The **Danish companies** will strengthen their ability to address social concerns as part of their supply chain activities and thereby enhance their global competitiveness.

The project coordinators will facilitate the partnership and assist the participating companies through activities including assessment of sustainable business development potential, preparation of action plans, workshops and on-site training, and individual consultancy assistance. During the project, the buyers and suppliers will be able to engage each other on key elements of CSR and business through exchange and sharing of knowledge and experience with other companies and experts within their business area.

The intentions of the project are to initiate best practices and create public debate and awareness, to be reached through on-going dialogue with representatives from business, researchers and public institutions.

*The CSR initiatives, to be implemented by the Indian suppliers, will be closely related to the principles and standards as formulated in the UN Global Compact and to the contents of SA 8000.*

## The process

### Needs assessment and action plan



### Training in key CSR issues



### Implementation of action plan



#### **ACTION PLAN:**

Define focus areas, goals and milestones

#### **ACT:**

Implement the plan

#### **CHECK:**

Assess the results

#### **ADAPT:**

Decide on changes needed to improve the process

### Network activities in Denmark and India



## Needs assessment and action plan

- All the Indian suppliers are provided with an analysis of sustainable business development potential. The purpose of the analysis is to identify synergies between CSR improvements and business development improvements. Experienced Danish and Indian consultants will respectfully analyse the enterprises during two on-site visits.
- The analysis constitutes the basis for the development of an action plan for improvements at each supplier's facility. In this process, the suppliers will be assisted by the Danish buyers and project coordinators, as well as Indian consultants.

*SA 8000 is a management system for companies designed to embrace existing international agreements, including International Labour Organization conventions, the Universal Declaration of Human Rights, and the UN Convention on the Rights of the Child.*

“Despite the potential benefits of pursuing CSR initiatives, many developing country firms lack tools to manage and monitor their own CSR performance and continuously improve that performance. This partnership project will provide Indian firms with the opportunity of getting access to technical and managerial support to upgrade, monitor and continuously improve their CSR standards, while also enhancing their business environment. We hope many other companies in developing countries will find inspiration and be able to learn from this experience.”

**Charlotte Laursen**  
Deputy head of the Embassy  
Ministry of Foreign Affairs of Denmark



## Training in key CSR issues

- Training modules on key focus areas as identified during the Needs Assessment will be developed and implemented at a series of workshops in India. The Indian companies will be invited to all the workshops, and in one of the workshops, the Danish companies will participate as well.
- The Indian suppliers will receive on-site training and assistance in improving their operations in the focus areas identified in the action plan. The companies will moreover learn how to work with sustainable business development on a continuous basis.
- The Danish companies will follow the implementation of their suppliers' action plans, thereby learning how to work with sustainable business development and improved supply chain management.
- In addition to these activities, a SUSBIZ India Extension Programme will be launched, not only for the benefit of the Indian companies directly involved in the training programmes, but also for other SME's in India. The aim of the Extension Programme is to broaden the knowledge about the advantages of implementing CSR, and in various one-day seminars the information along with good examples are to make the SME's in and around Delhi aware of their possibilities for improvement in both production as well as social and environmental conditions.

*The Global Compact is an initiative of the United Nations designed to encourage companies to advance ten universal principles in the areas of human rights, labour standards, the environment and anti-corruption.*

## Implementation of action plan

- The implementation of the action plan at the suppliers' factories will achieve great attention in order to provide visible improvements. During the implementation process, the suppliers will receive individual and tailor-made assistance from the Danish and Indian project team as well as their Danish buyer. The implementation will be monitored closely throughout the process; hence the synergies between business development and CSR improvements will be evident to the suppliers as well as the buyers.

## Network activities in Denmark and India

- A project website with project information, newsletters, company descriptions and project results is available at [www.susbizindia.org](http://www.susbizindia.org).
- Network activities in India among Indian suppliers will be organised. Activities will include joint workshops as well as matchmaking with appropriate resource organisations.
- Network activities in Denmark among Danish companies will be organised. Activities will include workshops in responsible supply chain management, where experts and frontrunner companies will be involved.
- A report on best practice and tools regarding synergies between business development and CSR improvements will be published by the end of the project period.



# Organisations behind the project

The Danish Federation of Small and Medium-Sized Enterprises (DFSME) is a private non-profit organisation for small and medium-sized companies in Denmark. Its main objective is to advise companies and obtain the best growth and development conditions for small and medium-sized enterprises. The DFSME is lead organisation for the project.

The Danish Commerce and Companies Agency (DCCA) under the Danish Ministry of Economic and Business Affairs is committed to improving conditions for business in Denmark. DCCA's Danish Centre for CSR is engaged in various CSR activities that contribute to Danish companies' responsibility and competitiveness in Denmark and worldwide.

An Indian programme coordinator will ensure dialogue and information about the project to all Indian stakeholders. The project team will furthermore be assisted by Indian CSR experts in the implementation of project activities

Cooperation with Indian business associations will be established in order to promote dissemination of project results and experiences to a broader number of Indian companies.

More information about the project and the project coordinators can be found at the project website: [www.sustainableindia.org](http://www.sustainableindia.org)



*"The Danish Commerce and Companies Agency actively promotes the concept of strategic CSR. By integrating ethical, social and environmental concerns into their core business, companies can gain competitive advantages and growth opportunities, while at the same time contributing to a sustainable society. A key element in strategic CSR is sustainable supply-chain management creating value not only for Danish companies, but also for their supply-chain partners"*

**Carsten Ingerslev**  
Chief of Division  
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