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BARCELONA CENTER
FOR THE SUPPORT OF
THE GLOBAL COMPACT

Small and Medium Enterprises and the U.N. Global Compact

V Annual Local Networks Forum
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The Challenge...

- 🌐 SMEs average 90% of all businesses worldwide, and anywhere from 50 to 80% of employment...
- 🌐 Diversity: sector, global supply chain v. local customer base, ownership, size (micro, small, medium), developing economy v. highly-industrialized
- 🌐 Resource constraints: human, financial... focus on short-term survival
- 🌐 Perceptions: “CS... What?” “Corporate Citizenship is for the big guys.” “We *are* a responsible business.” “The GC (CSR in general) is onerous... time-consuming, costly, resource-intensive.” “Social responsibility is a luxury for those who have time and money to spare.”



The Opportunity...

- 🌐 Can be a major source of entrepreneurial skills, creativity and innovation
- 🌐 Community ties, contribution to economic and social cohesion
- 🌐 Shorter lag time between decisions and actions
- 🌐 Direct relationship with stakeholders
- 🌐 Predisposition of many SME owners to make business harmonious with their personal values
- 🌐 SME participation in the global supply chain



The goal...

- 🌐 The GC as a framework and support network for the integration of universally-accepted principles into daily business operations around the world.
- 🌐 The GC calls on business to advance UN goals, and in particular, the Millenium Development Goals.
- 🌐 In other words, the GC is about systemic change within the global marketplace. SMEs, taken together, are a huge portion of the economy (i.e., advancement towards the worthy goal of a “more just and sustainable global economy” won’t happen without SME engagement on some level...)
- 🌐 And, let’s not forget that, currently, 40% of company participants are SMEs



The working group...

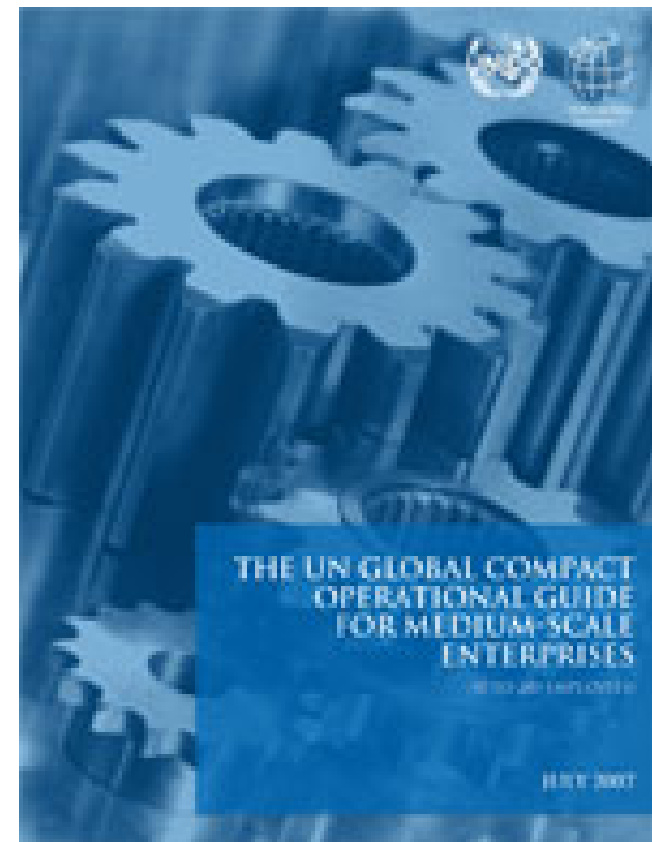
- 🌐 In 2006, the GCO appointed an international expert group under the coordination of UNIDO, with the goal of developing an all-encompassing Operational Guide for Small and Medium Enterprises.
- 🌐 First step to create a space for SMEs in the Global Compact
- 🌐 Objective: increase the number of active SMEs in the Global Compact and provide adequate tools for implementation of the 10 principles.
- 🌐 Reflection, debate and joint preparation of four publications:
 - 🌐 A **Guide for Medium-Scale Enterprises** – (practical aide for medium-sized companies working to internalize the 10 principles)
 - 🌐 A forthcoming **Guide for Managers of Small-Scale Business**
 - 🌐 A forthcoming **Report and Recommendations on SMEs**
 - 🌐 A forthcoming **Resources and Tools Guide**.



Operational Guide for Medium-Scale Enterprises

16 pages, 9 sections...

-  Participating in the Global Compact
-  Preparing
-  Your roadmap in the Global Compact: Vision and Priorities
-  Getting started
-  Building teams
-  Implementing
-  Assessing
-  Communication on Progress
-  Monitoring / Awarding





When working with SMEs...

Remember:

- 🌐 Diversity, resource constraints, perceptions...
- 🌐 Tendency towards a fragmented, informal approach to social, community and environmental activities
- 🌐 The business case needs to be developed...
- 🌐 Differing motivations: issues such as reputation, risk-management and branding may not resonate as much with certain SMEs
- 🌐 The role of the owner / manager's inclination to want to simply "do the right thing"
- 🌐 Share good practice, case studies, but use the "business case" with caution.
- 🌐 Limited impact of CSR "tools": a small proportion of SMEs will use them



Local Networks and SMEs

- 🌐 Keep it simple: message, language, engagement mechanisms...
- 🌐 Recognize what SMEs are already doing responsibly
- 🌐 Be flexible, accept incremental improvement, think creatively about what it means for SMEs to be engaged in the Global Compact
- 🌐 Partnerships, partnerships, partnerships. You're not alone, nor should you be.
 - 🌐 Chambers of commerce, trade associations, business organizations, government, universities, business advisors, financial institutions, CSR organizations...
- 🌐 Work with and through the global supply chain, where relevant and possible



Corporate Citizenship Tools Database

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