

## **S9-A**

### **The context of communication and sustainability in the crafts sector**

The quote, “It is impossible to not communicate“ is from Paul Watzlavick. He points out, that all behaviour possesses communicative character. That is a good starting point for internal and external communication in and by enterprises. In principle, enterprises communicate constantly, both internally and externally through e.g. mission statements, products, employees, managers, outlets, advertising, in everyday communication, and in the usual operational and sales processes.

Corporate communications includes all communication operations undertaken to enhance the status of a business organization and not, only or directly, its products or services. Within the context of sustainability (or Corporate Social Responsibility / CSR), the aim is to construct and convey the identity and business attitude of a responsible, and civic-minded enterprise. That communication measures that may be taken for this purpose are very varied and largely depend on the audience being addressed (public opinion, consumers, wage-earners, owners, shareholders, legislators, etc.). Overall communication is a fundamental principle of business success.

Many enterprises, especially in the crafts' sector possess good, but unused potential where sustainability is concerned. Sustainability and precise sustainable economic activity is defined as achieving economic success in a manner that respects people (employees, suppliers, customers, etc,) the environment and ethical values, thereby creating a careful and prudent way of doing business.

It has been shown; on the one hand there is too little awareness in an enterprise of the potential for sustainability that would have a positive impact on their economic success. On the other hand there is often a lack of options to communicate this potential authentically and effectively to the appropriate target group. This poses an increasing challenge for craft enterprises because sustainability is gaining in importance for consumers.

Over the last few years, sustainability as a management and leadership approach has increased in importance in small and medium-sized enterprises. By implementing sustainability, more accurately, through executed corporate sustainability, the image and brand of an enterprise in the craft sector can be strengthened, as well as gaining access to new markets and target groups.

Sustainability is therefore an appropriate management approach for all those craft enterprises that are not aiming for just short term economic success as their highest priority but embed this aim in a strategy that ensures long-term existential security and social benefits

for the enterprise. This kind of strategy includes additional aims that can be achieved through sustainability management. In particular, these are:

- **Stabilising the Enterprise in a Dynamic Environment**

Through continuous involvement of the most important stakeholders (customers, suppliers and employees) a culture of trust in the business environment is built up that supports and cushions changes in the enterprise.

- **Provisions for Risk**

The need to give attention to future social, economic and ecological changes shows that managerial adaptation strategies have to be developed early enough. Proven responsible, economic activities particularly help craft enterprises to protect their brand comprehensively, to motivate their employees and to reach new customers. Especially when a niche strategy specialising in quality is being pursued, continuous consideration of economic, ecological and social aspects is important in order to achieve good work, develop innovation, and to keep up high standards of quality of goods and services reliably. That those who produce attestable values through responsible economic activity and avoid risks will gain the most in future when in competition for capital and employees, also applies to SME.

- **Utilization of Chances for Innovation**

Emerging, but also in terms of sustainability desired changes in the future, point to new perspectives in development for enterprises.

- **Increased Total Value of the Enterprise**

Entrepreneurial examples already exist. Enterprises that have succeeded in aligning themselves and their products consistently in a sustainable manner have thereby increased the value of the enterprise.

- **Collective Social Transformation Processes**

Through internal and external communication on the subject of sustainability, innovative and sustainable products and services, as well as intensive dialogue with stakeholders, a snow-ball effect develops that gradually leads to a collective social transformation process in the direction of sustainability.

### **Communication on Sustainability and Reporting**

When communication on sustainability and reporting is talked about in this specialisation module then it is not meant to automatically be a sustainability report. A report is one particu-

lar, and under some circumstances, very effective option for an enterprise when communicating sustainability. For many small and very small craft businesses it is not worthwhile to write their own reports. The expenditure for the compilation and the resulting benefits are probably not balanced. Nevertheless there are enough options for communication, as well as for appropriate reporting methods, whereby essential, sustainability activities are made transparent for an enterprise's stakeholders, as well enabling evaluation.

(Note, compiling a sustainability report will be dealt with separately in component C)

In brief, communicating and reporting sustainability means:

- **Determining business goals in terms of sustainability:** Achieving clarity concerning the sustainability of enterprise goals (economic, ecological and social balance in an enterprise's development), and then concluding them.
- **Realising measures:** based on determining the concluded targets, activities are set in the form of concrete projects, processes and measures.
- **Transparent communication:** making this transparent (measurable, comprehensible and examinable, as well as credible) for the stakeholders as well as communicating effectively and appropriate to the targets.
- **Utilising all options for communication:** Communicating with those public groups that are of importance to the enterprise, the so-called stakeholders, in order to serve their interests, needs and options as best as possible, and to be able to implement these appropriately in production and service processes. This means not only giving information to the stakeholders (one-way communication) but having a directed dialogue in terms of involving the stakeholder groups in the various business processes.

## The Role of Reporting

Clear and credible reporting is more than just public relations. It is evidence of a functioning management that conveys the above-mentioned concerns in all areas of the enterprise and/or anchors them in the core business. At the same time planned sustainability reporting reduces the extra effort of answering queries, e.g. from customers, which, depending on the business field, are also increasing for medium-sized businesses. Today, for junior employees responsibility is an important aspect in their choice of employer and sustainability reports and

activities play an important role in promotion. Sustainability reporting is therefore not a luxury but rather an important contribution in avoiding risks and utilizing chances.

In addition, reporting supports the defining of targets in an enterprise's development, determines activities and measures to be taken, as well as monitoring them, thereby creating a definite rhythm of planning, execution and evaluation of an enterprise.

### **Dialogue with Stakeholders**

Reporting is a good basis for holding a dialogue with stakeholders. It has growing importance for the further development of sustainability, i.e. in attaining CR-strategies. Especially in enterprises that operate in ecological and socially sensitive branches, regular exchanges with stakeholders, employees, customers, suppliers, public authorities, politics, NGO's can serve as an early warning system. The exchange serves as a way to build strong, trusting relationships with the stakeholders. It also strengthens existing networks in which an enterprise is embedded, as well as allowing synergies to be detected in order to better bind customers to the enterprise by:

- clear identity of the enterprise (what does the enterprise stand for?)
- transparent communication (what does the enterprise do?)
- qualitative production and service processes (how does it implement these for the customer's benefit?)