

***mch consulting***

**Corporate Social  
Responsibility  
Report**

**2005/6**



## **About mch**

mch is a management consultancy firm which assists organisations to increase the positive impact they have on the communities in which they operate and have influence.

We mainly work with non-profits and social enterprises and help them identify and master the intrinsic issues which make an organisation successful. We also work with the public and private sector in areas such as community development and corporate social responsibility.

Our offices are based in Chippenham, South West England. In addition to clients based in the South West of England, we have worked throughout the U.K., and provided advice to several international organisations.

## **About this report**

This Corporate Social Responsibility (CSR) Report is intended for those with an interest in our approach to sustainable development. It describes the progress we are making in managing our CSR responsibilities as an integral part of our business.

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## Highlights

Within the context of CSR, we monitor our economic contribution to society, our client, supplier and employee relations, our community involvement and environmental impact. Key achievements for 2005/6 include:

### Financial and Economic

- Profit before tax = £3,439
- Value of dividends awarded = £5,000
- Estimated taxes to government = £2,664
- Investment in pension fund = £2,250

### Stakeholders

- 80% of clients were satisfied or very satisfied with our services, 0% were dissatisfied or very dissatisfied and 20% were neutral
- 122 hours per employee invested in staff training
- 100% of supplier invoices paid on time
- Key suppliers notified that their own commitment to CSR is a key factor in retaining our custom

### Community Involvement

- The equivalent of 21% of pre-tax profits were donated to charitable causes.
  - This compares with a private sector average of only 0.2%
- 28 community hours per employee
  - This compares with an average of 7.5 hours per employee for organisations with a volunteering scheme

### Environmental Impact

- mch produced an estimated 1,501kg of carbon dioxide/employee.
  - Analysis of the Financial Services sector (the closest comparable sector for which data exists) shows an average of 2,545kg of carbon dioxide/employee
- Initiatives used to reduce our environmental impact include:
  - Use of public transport
    - 92% of mch travel was conducted by public transport.
  - Buying supplies locally
    - 69% of mch supplies were bought locally, with travel to and from the supplier being on foot

## **Business Description**

### **Our Vision, Mission, Values and Guiding Principles**

mch's vision is to assist organisations to increase the positive impact they have on communities in which they operate and have influence.

We aim to achieve this vision by conducting engagements:

- (i) where our expertise can be of significant benefit
- (ii) that can be completed to the highest standard
- (iii) which improve the quality of life of our employees, beyond just the material

As a young organisation, our values and guiding principles are still emerging from this vision and mission. Emerging values include:

- Provide clients with a truly independent and professional perspective
- Develop an environment which respects individuals as people and not just employees

Emerging guiding principles include:

- Put the client's interests ahead of our own commercial interests
  - Only undertake work which is necessary, will have the greatest positive impact and which mch has the expertise to deliver
- Ensure all work adheres to the highest ethical standards
- Build and retain trust with stakeholders
- View client issues from an organisational-wide perspective, not in isolation
- Use an iterative, fact based approach to problem solving
- Develop the skills and experience of employees
- Strive to make work challenging and enjoyable
- Conduct work in a socially and environmentally responsible way

During the coming year, these values and principles will be applied and tested during the course of our work with clients. Such a process will allow us to renew or iterate our values and principles as required.

## Strategy and CSR

We currently have 4 main strategic priorities:

- Ensure financial sustainability through generating new clients
- Develop internal finance and legal systems which are efficient and cost effective
- Conduct relevant personnel development
- Embed Corporate Social Responsibility (CSR) into mch operations

CSR involves operating a business in a manner that meets the ethical, legal, commercial and public expectations that society has of business. It also provides a framework to ensure that a company's economic activity and development is sustainable.

We have devoted a significant amount of time to CSR and the following organisations have been researched to obtain a good understanding of CSR theory and practice:

- International Chamber of Commerce
- Accountability
- Forum for the Future
- The Department of Trade and Industry
- SMEKey
- CSR Europe
- Business in the Community
- The Small Business Service
- The Small Business Council
- Co-Operatives UK

In addition, the CSR reports of a number of private sector organisations have been examined. We believe our CSR practices adhere to many of the best practice frameworks developed by the above organisations.

Within the context of CSR, we monitor our economic contribution to society, our client, supplier and employee relations, our community involvement and environmental impact using key performance indicators. Where possible, these indicators are then compared with external benchmarks, so our performance can be directly compared with other organisations.

Since mch was founded in 2005 this represents our first CSR report.

## **Structure**

mch was founded by Dr Mark Hughes. Mark is currently our primary consultant, although we also have arrangements with other non-profit and social enterprise specialists. mch is a private company limited by shares. There are currently only two shareholders, Mark Hughes and his wife Sophie Hughes.

mch is registered at Companies House as M.C. Hughes Consulting Limited.

## **Business Description**

We help organisations identify and master the intrinsic factors which make an organisation successful. Often, we help clients tackle an issue they have already identified as important. Equally though, we can work with clients to assess their current performance and determine key areas for improvement.

The most common types of work conducted include:

- Business and strategic planning
- Staff development
- Project design and evaluation
- Assessing organisational performance
- Reducing grant dependency, especially through the development of social enterprises

## **Customers**

We primarily serve non-profits and social enterprises, but also work with the public and private sectors in areas of social benefit. We have worked with clients over a wide range of sectors, including community development, education, international development and health. We also work with the public and private sector in areas such as community development and CSR.

## **Corporate Governance**

Corporate governance is designed to ensure we meet our legal and strategic responsibilities, which includes CSR. From a legal and financial liability perspective, insurance has been taken out to cover the following issues: professional indemnity, public liability and employer liability.

## **Regulatory Compliance**

mch consulting has complied with all relevant legislation under the Companies Act 1985. It has also paid all PAYE, National Insurance and other taxes on time.

## **Investments**

Our company pension scheme represents the only current investment made by mch. GAEIA, an independent financial adviser, which specialises in ethical investments, was contracted to identify the most suitable socially responsible pension fund. A fund was duly chosen which only invests in companies which have a commitment to a truly sustainable society.

## Managing Our Environmental Impact

### Key Performance Indicators and Benchmarks

#### Carbon Dioxide Emissions

- mch produced an estimated 1,501kg of carbon dioxide/employee
  - Analysis of the Financial Services sector (the closest comparable sector for which data exists) shows an average of 2,545kg of carbon dioxide/employee (1)

#### Utilities Usage

- Annual office energy costs of £4.7/m<sup>2</sup> of office space
  - This compares favourably with typical annual office energy costs of £6.3/m<sup>2</sup> and best practice costs of £3.8/m<sup>2</sup> (2)

### Initiatives to Reduce Environmental Impact

We have developed a number of initiatives to reduce our environmental impact including:

- Use of public transport
  - 92% of mch travel was conducted by public transport
    - This compares with 53% of small businesses who stated that they did **not** use public transport at all (3)
- Buying supplies locally
  - 69% of mch supplies were bought locally, with travel to and from the supplier being on foot
- Maximising paper usage
  - mch uses scrap paper for draft copies, thus ensuring both sides of a page are used
- Using utilities only when needed
  - The lights, computers and printers in mch's offices are switched off upon finishing work
- Recycling
  - mch uses recycled paper for its working documents
  - mch recycles non-confidential documents and its printer cartridges

Our policies to reduce our environmental impact compare favourably with the statistic that only 36% of small businesses take action or expect to take action to reduce their environmental impact over the coming year. (3)

### **Commitments for 2006/7**

- mch will investigate whether it can obtain its gas and electricity from renewable sources
- mch will ascertain whether to invest in a separate heating system for its offices, rather than a central heating system

## **Stakeholder Engagement**

### ***Employees***

#### **Overview**

mch recognises that the quality of service we provide to our clients is directly linked to the skills and experience of our consultants. This is why training and development is a key strategic priority.

In addition to their skills and qualifications, we also believe that consultants with high energy and enthusiasm also deliver better results. Consequently, we try to operate a flexible and genuine balance between a consultant's work and the rest of their life.

In practice, this takes the form of keeping the number of weekends worked to a minimum. We have set a target that no consultant will have to work more than 5% of weekends during any given year.

### **Key Performance Indicators and Benchmarks**

#### Training and Personal Development

- The total amount of training and personal development over the last year = 122 hours/employee
  - This compares favourably with the statistic that only 25% of small businesses have a training plan and only 51% had arranged or delivered any staff training during the course of the year (3)

#### Balancing Work with the rest of life

- % of weekends worked in 2005/6 = 2%
  - No external benchmark was obtained, although an internal benchmark of 5% was set during the year

### **Commitments for 2006/7**

- Maintain commitment to existing training plan
- Maintain policy of striving to work less than 5% of weekends

## **Associates**

### **Overview**

We have started to develop associate arrangements with other specialist non-profit and social enterprise consultants. This allows good practice to be shared and larger engagements to be conducted.

To date, we have focused on identifying suitable consultants with whom to generate associate arrangements. The key suitability criteria include:

- A commitment to assisting the non-profit and social enterprise sector
- Proven experience/skills which suggest that high quality work can be delivered
- A level of rapport which suggests good working relations between the two consultancies can be developed

As these associate arrangements develop, so will a more formal set of criteria and this will aim to include social responsibility issues.

### **Commitments for 2006/7**

- Develop guiding principles which include social responsibility issues for any formal associate arrangements with other consultancy firms

## **Clients**

### **Key Performance Indicators and Benchmarks**

#### Customer Satisfaction

- 80% of clients were satisfied or very satisfied with our services, 0% were dissatisfied or very dissatisfied and 20% were neutral
  - No external benchmark was obtained, although this data will be used as a benchmark for next year

## **Comment**

The above percentages were drawn from five pieces of anonymous client feedback and illustrate how a low number of responses can lead to a single response having a dramatic impact on the overall percentages. Consequently, we believe that measuring a cumulative client satisfaction, will prove to be the most meaningful and reliable indicator in future.

## **Commitments for 2006/7**

- Continue to measure client satisfaction and endeavour to improve upon current levels

## ***Interest Groups***

We have become members of a number of voluntary and public sector support organisations. While this assists in keeping up to date on the latest policies and initiatives, it also provides a means of meeting with social enterprises and non-profit organisations. This in turn helps to ensure the services we provide are those that are most needed.

## ***Suppliers***

### **Key Performance Indicators and Benchmarks**

Ensuring suppliers know the importance of their own CSR in retaining mch's custom.

- To date, mch's bank, HSBC, and its pension fund have been informed

Respecting the financial needs of suppliers

- 100% of supplier invoices were paid on time

No external benchmarks for either performance indicator could be found.

## **Commitments for 2006/7**

- Extend CSR scrutiny to telecommunications and utilities suppliers
- Maintain 100% on time payment levels

## **Community Involvement**

mch supports the communities in which we operate both through donations and the involvement of our employees.

### ***Corporate Donations***

#### **Key Performance Indicators and Benchmarks**

Corporate Donations

- Our donations to non-profits were the equivalent of 21% of our pre-tax profits
  - This compares favourably with average UK company donations of 0.2%-2% of pre-tax profits (4)

#### **Commitments for 2006/7**

- Maintain actual amount of money donated

### ***Volunteering***

#### **Key Performance Indicators and Benchmarks**

Company time spent volunteering

- mch gave 28 community hours per employee
  - This compares with an average of 7.5 hours/employee for organisations with a volunteering scheme (5)

#### **Commitments for 2006/7**

- Volunteer at least 20 community hours/employee

## References

1. The carbon dioxide emissions per employee were obtained from the Corporate Social Responsibility Reports of the following banks: HSBC (CSR Report 2004), Barclays (CSR Report 2005) and LloydsTSB (CSR Report 2005). The individual values were combined and then averaged.
2. 'Energy Consumption Guide 19 – Energy Usage in Offices'. Printed by Action Energy, which is now part of the Carbon Trust.
3. Annual Small Business Survey 2004/5, Small Business Service, Department of Trade and Industry.
4. The Guardian, 7<sup>th</sup> February 2001 and Forbes Magazine, 14<sup>th</sup> November 2005.
5. Home Office Citizenship Survey 2003.