

Bewley's – Communicating Corporate Social Responsibility

The Brief

CSR is about the voluntary efforts of companies to be "good corporate citizens". Taking social responsibilities seriously ensures that the interests of all stakeholders are balanced, with companies giving something back to the society, and others, who support them to be commercially viable. Bewley's is one such company.

Established in the 1840's, Bewley's is Ireland's leading coffee company. In recent years, the company, which is part of Campbell Bewley Group, has completely restructured its operations to focus entirely on the foodservice and hot beverages market (in Ireland, Britain, the United States and Asia).

Among other initiatives, the restructuring involved the closure of the company's cafés chain, most notably Bewley's of Westmoreland Street and Grafton Street, amidst intense media and public interest, and the subsequent re-opening of the Grafton Street premises under a new foodservice model.

Put bluntly, even though it is privately owned, Bewley's is such a high profile brand and company that it cannot "sneeze" but the media and other interests have something to say about it. The closure of the Grafton Street premises involved incredible media interest, petitions by over 22,000 people, a "Save Bewley's Campaign", Dáil discussions and the presence of the Garda Horseback Unit for crowd control on Grafton Street on the day of closure. Re-opening, after all that, also attracted a lot of interest.

The impending sale of the entire Bewley's Westmoreland Street site is also a case where intense interest and emotion will surround what should otherwise be a relatively straightforward business development.

Everybody thinks that they know Bewley's - everybody has a view of one sort or another about Bewley's, but few are aware of the real underlying personality and culture of the company which is reflected in the highly ethical nature of its dealings in coffee and tea markets worldwide. For example, Bewley's was the first company in Ireland to introduce Fairtrade Coffee in the 1990's and has been its most enthusiastic supporter ever since, an attribute which a number of other coffee companies have laid claim to in recent years and which, as a result, people have not automatically tended to associate with Bewley's.

Bewley's was established in the 1840's by Quakers whose ethos of fair play was instilled throughout the organisation in terms of its business dealings and relationships with staff. Today, proud tradition continues, albeit in secular terms and in the mode of "corporate social responsibility". When Bewley's was acquired by the Campbell family in 1986, leading to the establishment of Campbell Bewley Group, one of the primary concerns of the Campbell family was that the culture of Bewley's should be maintained and observed in the future business practices of the company.

With these factors in mind, and following the turmoil of recent years, Bewley's decided in 2005 to begin a process of market education and to signal its credentials in terms of "corporate social responsibility".

Statement of Objective(s)

Re-establish Bewley's credentials as a strong corporate citizen, as an ethical provider of coffee, as a true supporter of Fairtrade and other ethical trading mechanisms, and as a promoter of fair practice in all procurement policies.

Programme Planning and Strategy

It was decided at the outset that the communications process would seek to create awareness around a small number of high profile, deeply credible initiatives, in order to establish Bewley's credentials as a strong corporate citizen that has always practiced corporate social responsibility as a given - not simply because it looks good to do so.

Jim Corbett, managing director of Bewley's, and MRPA KINMAN, decided to concentrate on raising awareness around a small selection of the company's activities, including the following:

1. **Uganda - where Bewley's is mentoring a Ugandan coffee company on the development of its business. The concept here is one of "trade not aid".**
2. **Bewley's sponsorship of Ireland's Biggest Coffee Morning - in aid of the Hospice movement in Ireland.**
3. **Bewley's ethical trading initiatives, concerning which the company decided to highlight its trading activities in Nicaragua - a forthright decision given that this country has been highlighted by Trócaire this year in respect of working conditions on coffee plantations.**

Specific communications plans were put in place for each of the above, primarily involving media relations activity. Nothing had to be invented. All of the company's activities would withstand scrutiny. What was required was to position Bewley's as a company and brand at the forefront of positive initiatives in respect of sensitive subject matters. Careful positioning was needed whereby Bewley's would simply state "we care and we act accordingly", as opposed to any self congratulatory stance.

(1) Uganda

During the year, Bewley's took a leadership role as a member of the Private Sector Forum (PSF) – a small group of Irish companies brought together under the auspices of Development Co-operation Ireland, the third world aid division of the Department of Foreign Affairs. PSF aims to establish trade linkages between Irish firms and developing nations to provide socio-economic benefits to their populations – "trade not aid". With decades of experience of doing business in developing countries, including well formulated ethical trading programmes of its own, Bewley's is now providing expert advice to the Private Sector Forum on the establishment of beneficial trade linkages with developing nations.

Under this initiative, Bewley's developed a unique link-up with a Ugandan entrepreneur, Andrew Rugasira, where the Irish company is mentoring Rugasira and his Rwenzori Coffee Company. Set up in 2002, Rwenzori is a producer of branded Ugandan coffee, but with a difference. The company buys its beans from around 10,000 small farmers, mostly in western Uganda, at above-market prices. Furthermore, it is committed to returning half of its profits to farmers and local communities.

In Summer 2005, a highly experienced Bewley's executive visited to Kampala to advise Andrew Rugasira on the development of a new foodservice solutions business, in addition to a review of cafés and retail product operations. Bewley's also invited Andrew Rugasira to Ireland to see its operations here and to receive briefings from management, at which time we communicated our initiatives to media. Bewley's is also providing barista (coffee service) and other training to Rwenzori employees.

Sales to date at the fledgling enterprise have hit about €1.4 million and, in a major breakthrough, the company recently concluded a deal with the Waitrose supermarket chain in the UK. A similar deal is already in place with Africa's biggest chain, the South African-based Shoprite.

(2) Ireland's Biggest Coffee Morning (with Bewley's)

To signal its commitment to corporate citizenship, Bewley's re-invigorated communications around its sponsorship of Ireland's Biggest Coffee Morning (in its twelfth year in 2005). By agreement with the Hospice Foundation, the event was named "Ireland's Biggest Coffee Morning with Bewley's" for communications purposes.

On behalf of Bewley's, MRPA KINMAN provided a "communications techniques" letter to the Hospice Foundation for circulation to all hospice coffee morning organisers throughout Ireland, providing practical tips in how to promote their local initiatives and seeking their support in acknowledging Bewley's key role. An emphasis was also placed on the fact that "all money raised locally stays locally."

All fresh ground and/or granulated coffee for the day was provided and distributed free of charge by Bewley's to thousands of venues nationwide. A significant cash donation was also made by Bewley's to the Hospice Foundation to defray administrative charges and to ensure that public monies raised would directly benefit the work of the hospice movement.

A photocall was held to launch the national event at Bewley's Grafton Street. The café's newly installed coffee roasting machine was used as the centrepiece of the photocall along with model Corina Grant and Bewley's Master Blender Paul O'Toole, where they roasted the first beans which would be used in the national coffee morning. Bewley's then made its iconic Grafton Street premises available to the Hospice Foundation free of charge for the actual fundraising day. Bewley's therefore made itself synonymous with "Ireland's Biggest Coffee Morning". Media were also invited along with the national host and patron of the event, Marian Finucane.

(3) "Fairtrade"

Bewley's seeks only to purchase coffee that has been sourced from farms where the living conditions of farmers, farm workers and children are protected. As mentioned earlier, Bewley's was the first coffee company in Ireland to introduce Fairtrade certified coffee, Fairtrade being one of many ethical trading mechanisms. For example, Bewley's has a considerable interest and involvement in Nicaragua through the Fairtrade and "Utz Kapeh" certification programmes. Senior management executives have frequently visited Nicaragua. Under the communications plan, Bewley's chose to highlight this aspect of the business.

In November 2005, in conjunction with Development Co-operation Ireland and as part of a visit by Minister Conor Lenihan to Nicaragua, Bewley's arranged a visit by the Ministerial party and accompanying Irish media to view its business interests in that country. During that visit, the company announced a new contract with the Soppexca Farming Alliance - a Fairtrade certified group of 650 small coffee growers in the Matagalpa region of Nicaragua.

Witnessed by the Minister, the company then also signed a further €1 million forward contract with the privately owned Ramacafé coffee company at Jinotega, having previously identified that firm as an appropriate business partner. Bewley's placed certain obligations into the terms of the contract to ensure socially responsible working practices on the company's plantations.

Following an initial meeting with Ramacafé during 2003, conducted by Bewley's most senior coffee purchasing director, a team from Bewley's had visited Jinotega in 2004 and set in train a series of supports for commercial and social development on these farms.

Among the investments completed in 2005, as a direct result of the deal with Bewley's, has been the construction of six new homes for workers, a new clinic staffed by a qualified nurse, and a staff canteen providing wholesome and nutritious food. The farms already have schools in place for children of primary school age. Also in 2005, Bewley's placed an executive on location to assist these efforts and to monitor procurement activities based on ethical criteria.

Arising from this ongoing commitment, Ramacafé has now been certified to the internationally recognised "Utz Kapeh" standard for responsible coffee production. These initiatives are supported in the price that Bewley's guarantees to Ramacafé on forward purchase contracts at approximately 30% above the standard market price for coffee at this location.

In spite of these initiatives, and relative to the coffee giants of this world, Bewley's is a small player. It would be unrealistic to state that their contribution negates the socio-economic ills that are apparent in Nicaragua and other developing nations. However, their commitment to giving people a fair deal is strong. If every coffee company were to support initiatives like Fairtrade and Utz Kapeh, and if they also committed themselves to direct partnerships in coffee growing areas, then this would be a powerful mechanism for better working and living conditions among those who depend on coffee production for their livelihoods. Bewley's will continue to promote this agenda to the best of their ability within the industry.

Measurement

In terms of achieving objectives, items 1 (Uganda), 2 (Ireland's Biggest Coffee Morning) and 3 (Fairtrade) were successfully profiled and communicated in national and trade media.

(1) Arising from press relations activity, Bewley's Uganda connection resulted in an RTE Morning Ireland interview, an interview in The Irish Times and trade media coverage in which Bewley's was cited positively for its involvement in this initiative. Apart from media coverage, the following comment by Andrew Rugasira, the Ugandan entrepreneur to whom Bewley's is providing advice and assistance, should also be considered. "The knowledge, time and expertise we are receiving from Bewley's demonstrates the type of practical initiatives which will help Africa to prosper in the future. Bewley's is an exemplary company for this."

(2) Bewley's involvement in Ireland's Biggest Coffee Morning was successfully re-positioned and communicated and the 2005 event is considered to have been the most successful to date in terms of public support, fundraising (€2 million raised nationwide) and overall awareness of Bewley's association with the event. Significant national and local media coverage mentioned Bewley's involvement including a feature length piece on RTE Nationwide, suggested by MRPA Kinman to include Hospice patients and carers.

(3) Fairtrade - Bewley's procurement initiatives in Nicaragua have yielded prominent media coverage in national newspapers and also involved a feature item on RTE's "The Business" Programme as well as coverage on Morning Ireland's business news.

- Arising from its long standing initiatives in Nicaragua, Bewley's announced on 6th March last that its flagship Grafton Street café will from now on serve only Fairtrade coffee, the equivalent of over 1 million cups or ten tonnes of coffee annually. A major customer of Bewley's - the Thomas Read Group - has also announced it will switch all sixteen of its premises to fairtrade coffee supplied by Bewley's, representing over 500,000 cups of coffee a year, following trade promotions of Fairtrade by Bewley's.

- Independent of Bewley's and by co-incidence, coffee harvesting in Nicaragua was depicted in Trócaire's Lenten campaign this year. However, such is the understanding of Bewley's initiatives, achieved through communications, that Trócaire has invited Bewley's to participate in an event to promote fair trade practices.

- Over 6% of Bewley's coffee is now fairtrade certified. This does not seem like much, but it does in fact represent a major commitment. If every coffee company in the world was to switch just 2% of its purchases to fairly traded mechanisms then the issue of poverty and disadvantage in coffee production, relative to the economic norms of the countries involved, would be eradicated (according to Oxfam: "Mugged 2003").

- The RTE programme World's Apart, produced and presented by Rodney Rice, has approached Bewley's to become involved in a programme to be recorded in Nicaragua during Summer. Bewley's is advising the production team and will arrange visits to the regions where it engages in ethical procurement practices.

Budget

Bewley's retainer arrangement with MRPA KINMAN covers all group communications activities. The retainer is not disclosed here, however, the time outlay by the public relations company in respect of all of the above initiatives taken together amounts to approximately € 12,800 in monetary value and this investment in communications has yielded very positive results for the company. The value of Bewley's sponsorship of Ireland's Biggest Coffee Morning is not disclosed, however, including an annual donation, the value band is €32,000 - €64,000. Overall photography expenditure was €1,355 across all initiatives.

Bewley's Ugandan and Nicaraguan initiatives have involved very considerable inputs of time and energy, most notably by Bewley's Managing Director Jim Corbett and Master Blender, Paul O'Toole, which cannot be estimated in monetary terms. The quality of engagement by Bewley's management team in the company's CSR initiatives is exceptional by any standards. <>