



GoodCorporation launches its new assessment for small organisations



GoodCorporation has launched an on-line assessment for small organisations; giving those with fewer than 50 employees the chance to become accredited GoodCorporations in a cost-effective and time efficient manner.

As with the main audit, the Small Organisation Assessment obtains feedback from customers, employees, shareholders and other stakeholders, providing an invaluable insight into the way in which an organisation conducts its business.

Leo Martin from GoodCorporation said: "Smaller organisations often out-perform their larger rivals when it comes to responsible business practice. They tend to be more flexible and are able to respond quickly and well to the needs of their various stakeholder groups. Our on-line assessment has been developed to enable smaller organisations to obtain an accreditation for their responsible practice that can help them win business. Our clients tell us that they regularly use the feedback from GoodCorporation assessments as part of their sales presentations and marketing activities."

In recognition of the fact that many small organisations are time-poor, this assessment can be completed, from initial

meeting to results analysis, in less than four weeks. To see how your organisation might fare, click on www.goodcorporation.com and complete our free self-assessment questionnaire.

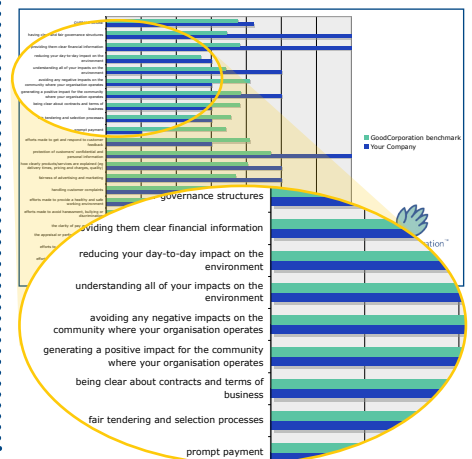
Organisations that score highly in the assessment become accredited GoodCorporations and will be entitled to use the GoodCorporation accreditation logo. Their accreditation will be valid for three years. Any organisation working towards assessment will be entitled to use the new 'working with GoodCorporation to become a responsible business' logo. If you are interested in finding out more about this or our other assessments, please [contact us](#).

Leo Martin added; "There are 4.5 million small and medium sized business in the UK accounting for just under 60 per cent of the private sector workforce. When we conducted an Employment Fairness Index Survey with GfK, smaller organisations scored very highly in a number of key areas:

- 60% of employees working for companies with fewer than 10 employees felt that their employer was fair or very fair to the community where it worked, compared to just 37% of large company employees (more than 250 employees).

- 79% of small company employees (<10 employees) felt that their employer was fair in treating employees with a problem, compared to 62% in (>250 employees) large companies.
- 84% of small company employees felt that their employer was fair or very fair in dealing with customer complaints, compared to 78% for large companies.

We are confident that our new accreditation scheme for small businesses will enable smaller organisations to achieve the recognition they deserve for their good business practices."



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Is it really so hard to treat customers fairly?

The immediate focus of the financial crisis has quite rightly been on saving the financial system overall. However as the rebuilding gets underway the area that will soon take centre stage is the responsible sale of financial products.

Already we have heard calls from unions in the UK for the government to intervene to stop house repossessions from our partly state-owned banks. If we are not careful we are going to see a set of knee-jerk decisions by governments and regulators which will create an overly restrictive environment which will inhibit sales of financial products to the detriment of consumers and the financial sector.

What is perhaps surprising to learn is that the UK has developed an excellent framework for the responsible sale of retail financial products. This is the Treating Customers Fairly (TCF) framework that the FSA is currently half-heartedly putting in place. It has features that we all professed to support; light touch, principles-based, easy to understand, allowing banks and insurance providers to innovate and sell, while providing consumers with apparently solid protection.

Why hasn't it worked? The answer is the way in which TCF is being implemented. Banks and insurance companies are building up mountains of data to 'prove' to the FSA that their behaviour is fair. However a skin-deep scratch by a moderately intelligent consumer

will tell you that the TCF principles are regularly being flouted. Worse news is that the FSA has recently announced that it is putting TCF on the back-burner while it focuses on bank recapitalisation issues.

The underlying problem with TCF is that quantitative data on product performance is being used to measure qualitative issues about fair behaviour. For example banks are reporting on number of complaints, time taken to respond, profitability rates by product and a whole lot more. But even the best brains at the FSA find it impossible to look at this complex pile of information and decide whether the banks and insurance companies are being fair to consumers.



When an auditor signs off a set of accounts the words used are that the accounts are "a true and fair view" of the state of the finances of the company. This requires judgement that goes beyond the numbers and says to the shareholder that they are not being hoodwinked. In the same way we need to develop an independent audit system for TCF that has the courage to make a judgement about whether a particular product is sold fairly or not. This system could save the sector a small fortune collecting unnecessary data. It might also provide

the clear guidance that many in the sector feel they currently lack. Most importantly it might provide consumers with some much needed, robust protection.

If we cannot develop such a system then we risk re-building a house of cards with the same flimsy foundations.

New logos

Organisations that are successfully accredited can now use the new accredited logo, with the year in which accreditation is achieved. This can be used for as long as the company wishes. As soon as a company commits to being assessed it can use the new 'working with GoodCorporation to become a responsible business' logo. This can be used while the company is actively working towards accredited GoodCorporation status.



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GoodCorporation at the House of Lords



This Autumn, GoodCorporation hosted two debates at the House of Lords. The first took place on November 13 and tackled the problem of miss-selling. John Fingleton, Chief Executive of the Office of Fair Trading, led the debate which kicked off with a straw poll of those present to see if the problem is perceived to have improved, stayed the same or got worse? Interestingly, the poll split the room into equal thirds.

John began the debate by highlighting the complexities that surround the issue of miss-selling. In an ideal world, market forces and competition should deliver consumer protection. If Price, Quality, Range and Service are all right, there should be no need to resort to miss-selling for commercial gain and no need for regulation to ensure consumer protection. Yet the briefest glance at the business pages reveals that the commercial world is far from ideal. And ironically, competition, which should by its very nature ensure consumer protection, can also lead to miss-selling. Where pricing is fiercely competitive, there can be a greater incentive to miss-sell in order to steal market share,

on-line sales of airline tickets being a case in point.

Some problems are inherent in the market. Credence goods such as home maintenance or car repairs, where the consumer has no idea if it is right or wrong, have been beset by roguish behaviour.

Broader aspects surrounding the problem of miss-selling were examined, including why the prospect of reputational damage does not lead to self-regulation; the extent of individual consumer responsibility and the potential for customer complaints to dictate good corporate behaviour.

The second debate looked at the topical issue of 'What is a responsible media company?' Lord Michael Hastings of Scarisbrick led the debate, which was a breakfast event held at the House of Lords on November 26.

Russell Brand and Jonathan Ross were unable to attend!

If you are interested in finding out more about our House of Lords debates, please contact Alison Sellers on 020 7736 7379

For more information about any of the articles featured here, please contact

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