Amway & UNICEF - a socially responsible partnership

Key Learning Outcomes

- Direct Selling
- Corporate Social Responsibility
- Amway’s partnership with UNICEF

Curriculum Links

| Business (Unit 6) | Transition Year |

Introduction

Corporate Social Responsibility (CSR) is a new name for an existing concept – that a business can serve its interests best by behaving in an ethical and socially responsible manner. Being a socially responsible corporate citizen is reassuring for customers, improves employee morale, generates stakeholder interest and may ultimately lead to increased profits.

A CSR strategy can also have a positive effect directly on the local communities where a business operates or its employees live.
CSR strategies

Businesses have a responsibility to conduct their work ethically. They are responsible to their boards, employees, customers and to society as a whole. In recognition of this fact, some companies, including Amway, have developed an official Corporate Social Responsibility (CSR) strategy.

Most companies make philanthropic contributions to charities at the end of the financial year, but a CSR strategy goes much deeper than this. It defines how the company will conduct its business throughout the year. It states the values of the company, its executives, and its employees, and it sets forth a strategy to make sure that the business is living up to those values. A CSR strategy might focus on engaging and improving local communities or on supporting global causes.

At the same time, companies are not charities – if they were not making profits, they would not stay in business. A CSR strategy must reinforce the company’s profit-making strategy. Amway’s global CSR strategy is called the One by One Campaign for Children and refers to the way in which individuals can make a real difference collectively to the lives of children around the world, one by one.

Companies have CSR strategies for many reasons. Some companies are owned/operated by individuals who have strong principles and want their businesses to reflect that.

Stakeholder expectations

Stakeholders today are holding companies to high standards of social responsibility. Stakeholders do not want to do business with companies that pollute the environment, harm communities, or exploit impoverished workers in third-world countries. They want to feel that their money/business is making a positive contribution to their communities and the world as a whole, and more and more, they are spending their money in accordance with these values. As a result, corporate social responsibility is becoming a progressively more important component of good business practice.

Here is an overview of some of Amway’s stakeholders and what they expect from the company:

- **Amway Global HQ/Amway Europe** – Foremost, Amway expects a good return on investment. It expects the company to act in a socially responsible way to benefit the business and its IBOs; and to provide a high quality business opportunity with high value for money.
- **Staff** – The people working for Amway want fair wages and good working conditions for themselves, but they also want the company to show care, concern and support for the charities and causes that they themselves support. If they feel that they are working for a socially responsible business, they will have improved morale and generate better revenue.
- **Consumers** – Primarily, they want consistently high quality products and value for money. When making a purchase, consumers base their buying decisions on many tangible factors, such as product appearance, price and quality. However, intangible factors are also important. An intangible factor is something that cannot be perceived by the senses, i.e. by sight, sound, taste, feel or smell. The intangible in this case is the influence Amway’s...
association with UNICEF can have on consumers. Those who are impressed by such a socially responsible arrangement are more likely to buy from Amway than from a competitor.

- **Suppliers** – Suppliers expect prompt payment, fair terms, and a reliable relationship based on solid business ethics.
- **Community Partners** – Amway’s community partners want the company to show respect, interest, and concern, and for the company to promote and support community initiatives.

### Amway and UNICEF partnership

One effective model for CSR is when a company partners itself with a charity or humanitarian organisation. Joint enterprises of this type are useful for building the reputation of a company while supporting its partner. Amway’s support for UNICEF is an example of a socially responsible partnership that illustrates how companies can make a difference in the world.

### What Amway is doing to help UNICEF

In 2001, Amway decided to support UNICEF as a major part of One by One, its CSR Strategy. Since then, Amway, its staff and IBOs have been raising money for UNICEF across 25 European countries. Amway has pledged long term funding focus and commitment. In 2005, Amway raised more than €320,000 in response to the Asian tsunami disaster.

Amway’s financial contribution to UNICEF comes from five sources:

1. Corporate donations
2. Staff donations
3. Sales of UNICEF greeting cards
4. Donations from IBOs
5. Sales of the exclusive Amway UNICEF Partnership pin – Billy.

Donations from IBOs are facilitated by special Amway order numbers that allow distributors to make a contribution by logging it on a purchase order. Order numbers are useful as unique identifiers for products because they eliminate the need for long-winded descriptions. Those donations help support UNICEF and its ongoing programmes including the Kids Helping Kids campaign, which is this year focusing on the importance of water in emergencies.

### About UNICEF

The United Nations Children’s Fund (UNICEF) provides assistance for the world’s poorest children by raising funds for UNICEF programmes and advocating for change on their behalf.

UNICEF is the world’s leading organisation working specifically for children. UNICEF work with local communities and governments in 155 countries to provide emergency relief and run long-term development programmes in areas such as health, education and child protection.

All UNICEF programmes are entirely dependent on voluntary contributions. UNICEF Ireland raises funds for these programmes through donations, the sale of cards and gifts, partnerships with Irish companies and special fundraising events i.e. 2006 European Premier of the Irish Film Breakfast on Pluto. UNICEF Ireland also works to raise awareness of issues affecting children around the world and lobby government to support children’s rights.

### What UNICEF does to help

UNICEF works in more than 90 countries around the world to improve water supplies and sanitation facilities in schools and communities, and to promote safe hygiene practices.

UNICEF sponsors a wide range of activities and works with many partners, including families, communities, governments and other organisations. In emergencies it provides urgent relief to communities and nations threatened by disrupted water supplies and disease.

### UNICEF – Water issues

Water, sanitation and hygiene are the basic essentials of life. More than 2.6 billion people – 40% of the world’s population – lack basic sanitation facilities, and over one billion people still use unsafe drinking water sources.

Every day across the world, 4,500 children die from diarrhoea and other water, sanitation and hygiene-related diseases because of unsafe water and a lack of basic sanitation. Many more suffer and are weakened by illness.

The UNICEF Kids Helping Kids campaign will highlight the importance of water in emergencies. The campaign focuses on three key areas where clean water is essential but not always available to millions of children around the world.

Water in emergencies includes – water in times of war, the importance of water during a drought and water after a natural disaster.

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www.business2000.ie
Water in Emergencies

War

IRAQ: By late April 2003 in Iraq, children – who make up half of the population – faced major threats to their survival, health and well-being, in the immediate aftermath of the war. Ongoing fighting and looting prolonged many of the rehabilitation efforts. Severe damage to the water and sanitation system had created widespread health hazards. Hospitals and health centres lacked essential medicines, supplies and personnel. During the war, more than 200 UNICEF national staff continued to distribute food, blankets and other essential supplies to civilians, drawing on thousands of metric tonnes of medical, nutrition and water-related supplies pre-positioned inside Iraq and neighbouring countries.

Since the war has ended, UNICEF has delivered millions of litres of safe water, as well as equipment, fuel, water purification tablets and chlorine gas to re-start collapsed water and sanitation systems.

Drought

HORN OF AFRICA: Low levels of rainfall for the past several years have resulted in a widespread water scarcity across the Horn of Africa. Crops have failed and livestock are dying everywhere. Often, low water table levels mean that the available drinking water is contaminated with deadly diseases.

Every cent raised from UNICEF’s Horn of Africa Water Appeal provides 4-5 litres of safe drinking water - enough to save a child’s life! Money raised from this appeal is used to provide tablets that make water safe to drink. These tablets cost little more than one cent per tablet.

Aquatabs are self-dissolving tablets which, when added to unsafe drinking water, make it safe to drink. They kill micro-organisms in water to avoid diseases such as cholera, typhoid, dysentery and other water-borne diseases. They can be used to protect the lives of millions of families and children during drought, when families resort to drinking any water available.

Natural Disasters

PAKISTAN: On Oct. 8th 2005 a terrible earthquake struck Pakistan. Within hours UNICEF was emptying its Pakistan warehouses and distributing blankets, nutritional biscuits, water cans, children’s clothing, shelter supplies, and medical equipment.

UNICEF supplied safe water storage units for people displaced by the Pakistan earthquake. UNICEF also supplied 17 tanks, each with a 700-gallon capacity, to various camps. UNICEF also provided families with 10-litre plastic jerry cans and has supported the construction of 16 community latrines.

Immediately following the earthquake, UNICEF worked with the government, National Government Organisations (NGOs) and other UN agencies to provide health, shelter, food, safe water and sanitation, and education services for children and their families.

Within a few weeks, six 10,000 litre motorised water tankers, more than 1,000 water storage tanks, 20 water quality test kits and two mobile water testing units were secured. UNICEF was able to save many children’s lives by providing these communities with safe drinking water.

Conclusion

Amway’s global One by One Campaign for Children and its European partnership with UNICEF is an example of how a CSR Strategy can work in the interest of all of Amway’s stakeholders. By supporting UNICEF, Amway is associated with a well-respected organisation while benefitting its stakeholders and communities around the world. It illustrates how companies can make a real difference in the world.

Activity

| Activity | Find out more | Amway’s global One by One Campaign for Children and its European partnership with UNICEF is an example of how a CSR Strategy can work in the interest of all of Amway’s stakeholders. By supporting UNICEF, Amway is associated with a well-respected organisation while benefitting its stakeholders and communities around the world. It illustrates how companies can make a real difference in the world. | www.unicef.ie | UNICEF/HQ/030515/Shahzad Nourani. |

CSR is an acronym for? Find the words. (9, 6, 14)
1) People/organisations affected by or involved in the day to day running of a business. (12)
2) A long term plan of action designed to achieve a particular goal. (8)
3) The sales model that cuts the ‘middleman’ out of the distribution process. (6, 7)
4) Amway’s IBOs are? (11, 8, 6)
5) Something that cannot be perceived by the senses is known as an ______________ factor. (16)

Find out more

Visit: www.amway.co.uk

www.unicef.ie