

TAKING HEART

SMEs adapt their giving-back activities as businesses scale back

With Covid curbs disrupting operations and choking income, CSR activities are taking a hit

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TABLES that were once surrounded with people making soap are now empty, due to Covid-19.

Diana Ong, founder of Soap Ministry, said that their CSR activities have been somewhat restricted during this period of time.

"Moreover, during the implementation of the tightened measures, business revenue dropped 40-50 per cent."

Lee Haoming, managing director of Huggs Coffee, faces a somewhat similar predicament.

He said that Covid has taken the challenges faced by the food and beverage industry to a whole new level.

"On average, our revenue dropped by 70 per cent during the pandemic. Since our give-back activities are very much funded by our profit margins, it has been difficult for us to manage such initiatives."

Kenneth Goh, Singapore Management University's Assistant Professor of Strategic Management (Education) and Interim Academic Director of the Business Families Institute, V3 Group Fellow in Family Entrepreneurship, echoed these sentiments.

"The effect of Covid on small and mid-size enterprises' (SMEs) giving has manifested in different ways and those facing a tougher business climate are pulling back to channel resources towards sustaining the business and retaining staff."

"In addition, many face logistical

difficulties in organising volunteers due to safe distancing measures."

SMEs face unique challenges on their giving-back journey, and the pandemic has further thrown a spanner in the works. How then do they ensure that the current situation doesn't sound the death knell for such initiatives?

Tess Mackean, founder and CEO at talentTrust, said that unlike larger companies, SMEs' team members are often double-hatting in order to research and implement projects.

Hence, "our advice would be to get strategic. Define your goals and focus on one area or partner. Start small and set achievable goals."

"The measurement of CSR activities can be quite challenging so it's important to be realistic about what sort of data can be measured. Firstly it's important to understand how the charity measures their own impact. Then you must decide how you're going to measure your business's impact on your partner charity."

Asst Prof Goh added that during a pandemic where social needs become more pronounced, some SMEs are also taking the opportunity to rethink their engagement in these initiatives.

"Just as businesses have to adapt to new consumption patterns, behaviours, and restrictions, so too do social initiatives – perhaps even more so ... SMEs' social engagement and initiatives build stronger bonds within the society, which businesses will eventually benefit from in the long term."

Given the headwinds facing businesses, Quek Shiyun, head, Company of Good, National Volunteer & Philan-



Frontliners at Tan Tock Seng Hospital getting their cuppa at Huggs' TTSH outlet. Huggs Coffee offered the seating areas of their outlets to delivery riders to rest while waiting for delivery orders. PHOTO: HUGGS COFFEE

thropy Centre, said that SMEs would find it even more sensible and strategic to focus on leveraging their key assets and core competencies to give back.

"For example, Huggs Coffee offered the seating areas of their outlets to delivery riders to take a break while they wait for delivery orders."

Mr Lee from Huggs Coffee said: "We should not change our core values just because times are bad. Spreading 'wealth' ultimately will assist in creating a more stable economy." The managing director also saw the benefit of building partnerships with like-minded companies during this period.

The team therefore joined Pause To Care, a joint community initiative by Women in Asia – together with The Majority Trust and SG Strong – to gift assorted pastries and muffins at Huggs Tan Tock Seng Hospital outlet from June 7-18, 2021.

In a similar spirit, Soap Ministry's Ms Ong managed to rally her staff to

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create handmade soaps for the migrant workers staying in the dormitories, to show that they are "not forgotten especially when they were quarantined".

Opportunities are still to be found amid the pandemic, and Ms Quek from NVPC said that as companies and individuals bear the brunt of the impact of Covid-19, small businesses should deepen their engagement with the community in a sustained manner.

"It's strategic for organisations to have a business purpose, with social causes as a pillar. This ... could even be the seeds of business transformation for some SMEs. It will show that your business truly cares about the well-being of your customers, and strengthen relationships that will last beyond the pandemic."