



# THE SUSTAINABILITY OF AN ORGANIZATION DEPENDS ON THE DEVELOPMENT OF THE COMMUNITY

Going beyond techniques like focus groups, this new approach proposed by the School of Management and Business at the Universidad del Rosario highlights the leading role communities play today for business organizations. The sustainability of these organizations in times of crisis will depend to a high degree on their close relations and cohesion with communities.



← The INDUPALMA case reflects a strategic relation between the community and the organization.

**D**ue to the opening of markets and falling prices of palm oil in the 1990s, INDUPALMA was on the verge of bankruptcy. But a creative alternative put forward by the management and workers was able to rescue it. And today it is a benchmark for the business world. The saving grace for this business was based on a combination of factors: several associated work cooperatives (made up of workers who became owners of land and equipment) and a strategic relation between the community and the organization.

“This can only take place when there is a strong emotional connection between the community and the organization, strong enough to achieve a genuine transformation,” explains Fernando Juárez, director of the Finance and Marketing Research Line of the Business and Management Research Group of the School of Management and Business at the Universidad del Rosario, and leader of the research project Strategic Relations of Organizations with the Social Environment and Marketing.

“The principal goal of the project is to provide a singular and strategic sense to marketing activities in such a way that the organization may be seen as a member of the community. After all, its development depends on the development of the community; these are things that can’t be separated,” says the professor.

## A SUSTAINABLE ORGANIZATION

New entrepreneurial and business tendencies have demonstrated that a business that does not concern itself with its surroundings and with the needs and potentials of its different interest groups –employees, investors, customers, allies, etc. – will not survive. In other words, the sustainability of an orga-



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In addition, we understand today that marketing tools not only boost product sales and impact markets, but also allow for a more direct and human relationship with the communities where organizations are located.

As Juárez notes in one of his articles on this topic, it is not possible to have a relationship with a community without knowing what kind of community it is, and marketing tools help in discovering this. In the same sense, it is not possible to find solutions for a community without knowing what its real problems are—not only its needs—and this means becoming a member of the community. And it is not possible to become a member of a community without using tools focused on community actions. “To overcome these barriers, community concepts and strategies are necessary for finding marketing solutions and the relationship of organizations with the community,” he explains.

**IT'S A GOOD TIME FOR ORGANIZATIONS TO GIVE THE COMMUNITY A MORE LEADING ROLE, WITHOUT NECESSARILY NEGLECTING THEIR OWN SURVIVAL**

**WHERE THE DIFFERENCE LIES**

Professor Juárez recognizes that organizations have always had some interest in communities, and from a marketing point of view they communicate with them to find out what they think as consumers regarding their products and services, and what ideas they have for improving them. The proposal is to incorporate communities, but in ways less based on exploiting their utility as consumers.

“It’s a way to relate to all kinds of communities, not only communities of customers or consumers but in the widest sense possible. The organization should have a very clear and sincere interest in the problems that communities face, and should help resolve them. The organization should be a good neighbor like any other; that’s the idea.”

While these proposals could be associated with the concept of corporate social responsibility, Professor Juárez points out where the difference lies, stressing a focus more on community possibilities and potential rather than on insufficiencies and vulnerabilities. “The strategies, tactics, and operations of the organization focus on positive characteristics, even when trying to eradicate poverty. It is a relationship between businesses and communities to promote programs



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of interest to both, involving impacts, operations, and relationships with many groups within the community,” he explains.

### THE CASE OF INDUPALMA

INDUPALMA, in Colombia, is a business that reflects exactly this kind of relationship, and for this reason it is one of the cases that most interests Professor Juárez today. In his words, the company very successfully transformed itself into an organization that provides a service to the community. Thanks to the support of the employees and of the wider community, the organization came to understand the community’s needs and potentials.

“Social and community marketing does also exist, but this approach is much broader, much more oriented to the real problems that are important to communities. Organizations should develop strategies not only to offer products and services to their communities, but also problem-solving solutions based on the conviction that resolving these community problems is fundamental for the survival of the organization. This is not utopian,” he says.

The project has sparked interest among his students, and in their work, they have ana-

### SIZE IS NOT IMPORTANT

Professor Fernando Juárez says that the new marketing approach is useful for any business, whether it is large or small, or even for an individual with a neighborhood business. “An organization is always going to be embedded in a community; that’s inevitable. It’s completely different if the organization doesn’t want to see it that way. If it thinks only of customers rather than communities, that’s a different question.”

From the point of view of the organization, it doesn’t matter if the community is understood as the neighborhood where it is located or even as a whole country. Every community is going to have its own problems, its particular culture, and its kinds of relationships.

“Organizations should form an idea of that community and understand the key dynamics of where it is working, and then it should use a number of community strategies and techniques as the bases on which marketing actions will be generated. Bringing these elements together allows us to create these ties with the community,” explains Juárez.

Actions decided on can lead to community development programs that include elements of both marketing and community building such as the establishment of communities for learning, communities for practical skills, work communities, the creation of social capital, leadership capacities, or community empowerment. “All of these will help the organization to gradually take on that symbolism, those cultural and emotional mechanisms that will make it feel like a member of the community,” he says.

lyzed the experiences of different kinds of companies to determine if this is a relevant approach.

“We have observed that greater cohesion with the community has permitted organizations to overcome periods of crisis in some markets,” he says. “It is an approach that requires much greater development, and with the changes that are taking place all around the world, this is a good time to put it into practice. It’s a good time for organizations to give the community a more leading role, without necessarily neglecting their own survival.” ■