

How To Make a Difference

From Spare Change to Real Change

An Interview with Stanley S. Litow,
Vice President, Corporate Citizenship and Corporate Affairs, IBM, and President, IBM International Foundation

EDITORS' NOTE Before joining IBM, Stanley Litow served as the Deputy Chancellor of Schools for the city of New York; founded and ran Interface, a nonprofit think tank; and served as an aide to both the Mayor and the Governor of New York. He currently heads the global corporate citizenship efforts at IBM in more than 170 countries, and also chairs the Global Leadership Network and serves on the boards of the Harvard Business School's Social Enterprise Initiative, the Citizens Budget Commission, and the After-School Corporation.



Stanley S. Litow

COMPANY BRIEF Employing approximately 400,000 people worldwide, IBM Corporation (www.ibm.com) is a leading provider of computing products and services, including mainframes and servers, storage systems, and peripherals. Its service arm accounts for more than half of its revenue, and it is one of the world's largest providers of software and semiconductors. This year, Fortune magazine rated IBM as the number one company in leadership development.

How critical is corporate social responsibility to the culture of IBM?

Corporate social responsibility and community engagement is a critical part of the company's nearly 100-year history. We are focused on innovation that matters for our clients and the world. Innovation that matters to the world is about making the planet more effective, solving social problems, and making the world work better. Essentially, it is a definition of sound social responsibility. That's no different than how we function as a business, because if you want to be effective for your clients, you have to figure out what role you could play in providing effective solutions to their problems. That is how we would approach the company's social responsibility: listen hard to communities and bring effective solutions that address societal problems just like we would address business problems. It's our business culture and our community culture coming together.

How closely related are your social responsibility initiatives to your business strategy, and to be effective in this area, should there be a natural tie-in?

Yes, there should be. If you want to be effective from a societal standpoint, it must be closely integrated within the business. That

doesn't mean you're looking to use your community investments as a way of selling things. What we're trying to do is integrate our work into the business for maximum effect on both.

In the *Harvard Business Review*, Rosabeth M. Kanter described the IBM approach as going from "spare change to real change." With the spare change approach, the company makes X amount of dollars and they give their spare change back to the community, with the goal being generosity. But with the real change approach, you take what is most

valuable to the company – in our case, our innovation technology, and the skill and talent of our people – and contribute it into the community. The real change approach is strategic, it's a systemic part of the way we operate as a company, and that is the case for tie-in to business strategy. In the end, it's even more generous to do it that way.

Education is a key focus for IBM with programs like Transition to Teaching and Reading Companion. Are you happy with the impact IBM has had in this area?

I'm happy with the impact of the programs, and I would join with others in being less than satisfied with the ways in which school systems have been able to improve and urge us to continue to do better. But I'd like to think the things we've been able to do are strategic and are designed to intervene with critical problems, and the results to date have been positive.

We know that early childhood education is critically important, so we developed an early childhood learning system called KidSmart. We've donated 45,000 of those early childhood learning centers around the world, serving millions of children, and we're very pleased that the European Union evaluated it as the finest use of technology in early childhood education in evaluation across five European geographies.

We looked at science education and found that the most effective education was happening outside of school at science and technology centers. So we brought together the best science and technology centers in the world, hundreds of them, in a site online called TriScience that brings the best of their science museums directly into the classroom with special applications for teachers, parents, and students. From an educational science standpoint, it's the most visited science site on the Web.

But most of the people who are teaching science in Kindergarten through 8th grade don't

have any science training at all, and that is why we started the Transition to Teaching program to take IBM employees who are interested in a second career and have strong math and science backgrounds, and we help them by providing financial support for their coursework and time off to get their practice teaching done, and we have been able to move 100 of them into the classroom with a very high success rate and a zero attrition rate. This is real progress.

We've tried to be strategic: How do we use voice recognition to teach children how to read? How do we use the Web to create best practices inventories for teachers? How do we use data warehousing and data mining solutions to give teachers access to the best information for decision-making? We're not yet satisfied with the progress being made. But as far as focusing on changing K-12, we don't have a choice, because if we want to build a business and make a contribution to society, it is almost impossible to conceive of doing that in a community where the schools don't work. We need the schools to work for ourselves so we can get the best employees, for our clients, and to build a strong society. So we're committed to improving education, and we've been involved in it for a long time. We led three national education summits at IBM for the President of the United States, the nation's Governors, and CEOs of the biggest companies around the U.S. and we have tried to exert similar leadership outside the U.S. But if it was easy, it would have been done a long time ago.

How important is partnering in your efforts?

You have to have a close partnership. We're using our expertise to build a humanitarian data system for a variety of nongovernmental organizations, in Haiti and elsewhere. We can't design it and give it to them – we have to listen, and collaborate with them so that we get the greatest affect out of it. After all, no solution will work unless your client or partner embraces it.

After the tsunami, we developed something called "disaster relief in a box," an open source system that would help people in a disaster to strategize, track their medicine, and set up the IT system that can be the building block to move from relief to recovery. We could not have done that if we didn't have a strong partnership with key nongovernmental organizations and government. You simply can't be effective if you're not willing and able to collaborate. ●