

COMMUNITY INVESTMENT

a moving story

Whitbread is reinvigorating its community investment programme to achieve more impact for its partners and greater business benefit. The Whitbread Care programme links its charitable giving to its group-wide refurbishment schedule for hotels, restaurants and sports leisure clubs

Last June, contractors moved hundreds of desk lamps, sofas, chairs, coffee tables, beds, carpets, hairdryers and conference tables out of the former Swallow International hotel in London's Knightsbridge. The huge array of unwanted furniture could have presented a large potential problem to its owners, Whitbread. It had recently acquired the Swallow chain of hotels and had a tight schedule for converting them to its Marriott brand.

MATCHING SUPPLY AND DEMAND

Whitbread is the UK's second-largest hotel operator. It is in the leisure business – not the second-hand furniture business. In accounting terms, these items had a book value of zero. The simplest solution would have been to throw the whole lot into a fleet of skips. But the furniture was only a few years old and in good condition. It had value to someone, though not to Whitbread. From its point of view, giving the furniture away was more cost-effective than throwing it out.

Whitbread's Care (Community Action by Recycling Equipment) programme acts as a matchmaker, bridging the gap between the supply and demand for reusable furniture. This is not philanthropy. Indeed, it is a good example of best practice in

the company

Whitbread runs the UK's largest restaurant business, is the second largest operator in the UK hotel market and also runs 48 health and fitness clubs. Its restaurant brands include Beefeater, Brewers Fayre and Pizza Hut and its hotel chains include Marriott and Travel Inn. Whitbread employs more than 60,000 people nationwide. The company had pre-tax profits of £292million on turnover of £3.095billion in the year to February 2001. It:

- directly invested £2.1m via its community investment programme in the year to February 2001.
- The value of Whitbread's total community contribution has been independently estimated at £4.8m
- raised over £100,000 for the National Society for the Prevention of Cruelty to Children via the Whitbread Hotel Company Millennium Appeal
- encourages hundreds of staff to mentor schoolchildren each year on an individual basis
- aims to reduce the mileage of its 1300-strong vehicle fleet by 10 per cent by 2003 and to improve its fuel consumption from around 35mpg to 40mpg.

the background Furniture represents five per cent of all UK domestic waste by weight and only six per cent of this is recycled or reused, according to the Furniture Recycling Network, the national umbrella body.

■ the Whitbread community investment team maintains a database of 600 charities and identifies suitable recipients by postcode, says the team's director Jerry Marston (pictured)



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corporate responsibility precisely because the scheme is integrated with the operational needs of the business.

The scale of the refurbishment presented the biggest challenge. 'Our contractors are usually clearing anything between 12 and 20 rooms at a time', says Jerry Marston, Whitbread's community investment director. 'In this case we had 90 rooms to clear over a two-day period. We had to find a charity capable of taking all the unwanted furniture.'

The charity to benefit in this instance was the YMCA, the country's largest provider of supported housing for young people. The items were quickly found homes at nine YMCAs, replacing worn-out furniture and as starter packages for young residents who have found themselves new accommodation and are moving out.

'We have all sorts of furniture coming out of our business. When a hotel, restaurant or sports club is being refurbished, as that equipment comes out, we look for a home for it', says Marston. 'And we achieve added value by combining Care donations with cash and other support and by promoting projects working with young people, who are our single focus.'

If the economy slows, charitable giving is often

Whitbread's Care scheme is integrated with the operational needs of the leisure business

the first area to be looked at for cuts, as this area of expenditure then becomes harder to justify to shareholders. In a slowdown Whitbread's refurbishment programme might likewise slacken, but the economic rationale for Care's matchmaking role would remain.

'We maintain a database of 600 charities which have written to us asking for equipment', says Marston. 'When we hear what's coming up, we identify by postcode the nearest charities who have asked us for help and who meet our youth criteria. From our point of view it helps that we can deal with a single charity – and being local they can send representatives around quickly to check the quality of what is coming out.' Whitbread also maintains a schedule of future refurbishment work throughout its businesses. This allows the company's community investment department, which runs Care, to identify possible recipients as far ahead as possible.

The YMCA is not the only charity to benefit from Whitbread's Care scheme. Other projects include a charity run for homeless young people in Birmingham that received 120 chairs and sofas along with 30 tables to furnish its six sites across the city. These came from the refurbishment of the restaurant area of a David Lloyd Leisure club in the West Midlands.

Blaire Kessler, head of public relations for St Basil's, the charity involved, says: 'The Whitbread Care scheme has enabled us to provide much



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needed furnishings for many of our resettlement centres and other projects, and it is only through donations like this that St Basil's can continue its work.' Links with youth charities help Whitbread to fulfil its core community investment strategy of 'helping young people to achieve their potential'.

Many large companies have recycling programmes, but Whitbread's proactive scheme is particularly impressive. In the year to February 2001, 117 different charities benefited and saved themselves £1.9m.

Aside from the operational advantages, Marston says the charity link brings other benefits. 'It's an opportunity to demonstrate our commitment to recycling and the environment and to chosen charities within local communities. There's a reputational benefit too, which is valuable for our existing and prospective customers and of course, for our staff, who are closely involved. All the charities have to do is turn up and collect the furniture – and they can make use of the money saved in other ways.'

■ furniture donated by the Whitbread Care scheme was put to good use by 117 UK charities last year, including St Basil's, a charity run for homeless people in Birmingham. The picture shows St Basil's resettlement centre user Karen Burnett (centre) with staff from the Whitbread company David Lloyd Leisure, which donated furniture to the charity following a restaurant refurbishment

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ibc comment WHITBREAD

Recycling of fibre-based products – paper, cardboard and clothing – is reasonably well developed in the UK. But clearing unwanted furniture and equipment from hotels is a regular and often wasteful business. Whitbread maintains a nationwide database of 600 charities which can use second-hand equipment and furniture. The charities are contacted when a refurbishment is to take place. The YMCA in London took furniture and other items from 90 hotel rooms to use for its support houses and starter packages – and Whitbread did not have to call in the skips.

Some outstanding features are:

- Cost effective recycling
- Charities enabled to meet genuine need with little financial outlay
- The Whitbread Care scheme is implemented nationwide
- The company has taken a strategic approach to community investment by closely aligning the Care scheme with its operational activities.

SIMON WEBLEY, INSTITUTE OF BUSINESS ETHICS