



Responsible for success

As I see it **John Kelleher**

*President and CEO, R.J. McCarthy
Toronto, Ontario*

Even though R.J. McCarthy, the country's leading retailer of school uniforms, is a privately-owned company in an industry where there's been little push for corporate social responsibility (CSR) by suppliers, the company has in recent years embarked on an aggressive CSR strategy, complete with formal measuring and an accountability report.

"CSR is either washing across every industry or it's going to wash across every industry," says John Kelleher, the company's president and CEO. "I think every company has to ask itself if they want to be ahead of it or if they want to lag behind. But they should keep in mind the advantages of leading in CSR are numerous; lagging can put you in danger. Sooner or later, your customers are going to ask really tough questions about where the products are being made and under what conditions and what your company is doing to be a responsible corporate citizen."

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This sea change that has swept across the public sector, says Kelleher, is now starting to hit the private sector too.

“None of my competitors are making it a serious priority and I absolutely love that,” says Kelleher. “I would even go as far as to say that many of my peer companies in the US actually think it’s not important. It is something that in my mind gives me a five-year advantage in the industry, so it has made me want to run faster and harder and has convinced me further that this is a competitive advantage for our company.”

Leaders have to appreciate that in order for CSR to give their companies a competitive advantage, it has to go well beyond compliance. “If you see CSR as a must do, not a want to do, you might as well not even bother because you’re going to be chasing your tail,” say Kelleher. “CSR has to be championed from the top because this is what will change the mindset and culture.”

Kelleher also credits numerous forward-looking leaders within the education community for making CSR a priority. “Our customers are schools – and there have been many strong voices within that community who have served as a catalyst to make CSR a top priority in the vendor community. I would really credit these courageous individuals for standing up and putting CSR front and centre.

R.J. McCarthy has now changed its mission to incorporate CSR as part of its very foundation. Today, its mission is to create the world’s highest quality uniforms in a socially responsible way. “It’s one thing to say you are committed to CSR, it is another thing to take the concrete steps to make it really happen,” says Kelleher. “We did that.”

For example, R.J. McCarthy manufactures a significant portion of its uniforms in overseas locations. “I made a pledge. I said, we’re going to inspect every one of our major factories, regardless of where it is in the world, with third-party, independent inspectors,” says Kelleher. “We’re going to go in and make sure the working conditions are appropriate. To my knowledge, we’re the only company in our industry to have done that. We started that a year and a half ago. And we’ve completed all of those reports. Those inspections confirmed there were no offensive violations in our factories such as child labour. Where there were other issues that required remediation, as there are in any factory anywhere in the world, we’re working cooperatively with our factory partners to address them.”

The company also conducted a large study to identify its greenhouse gas emissions and took a variety of steps to try to minimize emissions. It switched its fleet of vehicles to hybrids and reduced its packaging needs to further minimize its footprint.

R.J. McCarthy’s journey is about being proactive and taking a leadership role. “We’ve really engaged our customers on this issue,” says Kelleher. “I’ve travelled across the country to talk with them about this and to excite them about what we’re doing and why it’s important. I’ve done the same with our staff. I’ve also become very serious about public accountability. I brought a team of MBA students in to work with our staff for about six months and we created the first accountability report in the history of the student uniform industry. It lays it all out transparently and I’ve committed to doing that every two years.”

What’s more, Kelleher himself has become a sought-out think leader on CSR and recently presented one of the major presentations at the 2011 Ethical Sourcing Forum in New York City.

“In terms of walking the talk, we went through it all. I believe this strategy has been absolutely crucial to renewing a huge number of our contracts and I think it has helped us gain new business.”