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2016 CSR Planning at PEMCO Insurance

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CSR Planning at PEMCO Insurance

Michelle Sievers had been at PEMCO Insurance in various positions for 14 years when she was asked to serve a two-year stint as Community Relations Manager. PEMCO is a Pacific Northwest regional property and casualty insurance provider competing in a market with large national providers like State Farm, Progressive, SAFECO, and GEICO. It's now 6 years later, and after building on a strong community presence for PEMCO, Michelle is challenged with integrating the organization's Community Relations/CSR plan with the broader brand image and strategy that the company has carefully cultivated.



The current Community Relations plan is publicly defined as "improving the quality of life in the communities we serve". They do that through employee engagement and corporate giving.

- **Paid time for employees** – PEMCO offers each employee 8 hours of paid time per year to volunteer for a nonprofit of his or her choice.
- **Monthly employee activities** – Employees lead monthly drives to collect valuables (food, clothing, blood, etc.), raise funds (bake sales), gather donations (fun runs), and a range of other charitable activities.
- **Board service** – Employees lend their leadership, skills, knowledge, and experience to serve on boards and advisory councils for nonprofit organizations.
- **Corporate Giving** – PEMCO donates 5% of their increase in surplus to local causes related to: Education, Youth, Public Safety, and Health.

The Brand

PEMCO has nurtured a brand image of being hyper-local, as demonstrated by their "Northwest Profiles" campaign and the tagline, "We're a lot like you. A little different." Competing against the large, national insurance carriers, PEMCO has embedded their competitive advantage (one of us) right into their brand communications and marketing. In preparing for this project, Michelle received the [attached memo from Deanna Dukes \(a\)](#), Brand Manager, regarding the difference between brand, campaign, and strategy.

The Stakeholders

PEMCO directly employs 520 people throughout their region, and works with

PEMCO Background

- [History of PEMCO](#)
- [PEMCO Values Statement \(b\)](#)
- [We're a lot like you...](#)
- [Northwest Profiles](#)
- [NW Profiles Videos](#)

Other Resources

- [What is a Mutual Company?](#)
- [The Cooperative Business Model \(PDF\)](#)
- [Northwest Insurance Council](#)
- [Insurance Companies and Millennials](#)

Strategic CSR

- [Examples of Strategic CSR](#)
- [Corporate Citizen Magazine](#)
- [Corporate Citizenship Strategy](#)
- [Branding and CSR](#)
- [Boston College Community Involvement Roadmap](#)

114 independent agencies that represent their products. They actively encourage employees, in 3 offices spread over 2 states, to be engaged in their communities in a variety of ways. Currently they cover 400K policies in 204K households. Insurance is a highly regulated industry at both the [State](#) and [Federal](#) levels. As Michelle and the PEMCO team work to build a CSR strategy that is integrated with their brand image, they are actively working to think about the perspectives of all their [stakeholders](#).



Through the company’s ethnographic research, they have found that their customer base is fiercely independent, proud of the region, incredibly “green”, and supportive of local businesses, all of which is reflected in PEMCO’s Northwest Profiles campaign.

PEMCO also has a strong set of [organizational core values \(b\)](#) that is stressed internally with their employees. These values are Integrity, Responsibility, and Courage. Each is supported with statements about what they mean and how they are demonstrated in the actions of the organization.

Corporate Social Responsibility is generally defined as the environmental, social, and governance policies, actions, and behaviors of an organization relative to their stakeholders. The challenge for a firm is to create a strategic CSR plan that aligns initiatives with strategy. In PEMCO’s case, they want to create strategic CSR initiatives that leverage the strong PEMCO brand to build value.

Michelle has asked your team to create a new CSR plan for PEMCO Insurance that is: a) better aligned with their image; and b) based on creative new ideas for CSR plans for the service sector. Analyze possible strategies and specific tactics and make recommendations on how PEMCO should move forward.

Consider the risks, rewards, and implications for stakeholder constituencies involved in your recommendations as well as the potential impact on the PEMCO brand and market share.

You have the next 72 hours to develop your presentation for the panel of judges who will represent the leadership of PEMCO. You will have 15 minutes to make your presentation and to convince the panel that your team’s recommendations represent the best course of action at this time. The judges will then have 10 minutes to ask you questions about your recommendations. Be prepared to defend your position in a professional manner. You may use any [publicly available](#) information about PEMCO, CSR strategy, and trends in corporate social responsibility, community relations and philanthropy. You may not contact any other organizations for additional information nor consult anyone outside your team.

This case provides you an opportunity to use your knowledge and research skills to explore the issues related to corporate social responsibility, brand strategy, stakeholder engagement and multiple other related topics.

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