

# Making a Difference

## Innovation that Matters

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



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



Stanley S. Litow

**COMPANY BRIEF** International Business Machines (IBM) Corporation is a leading provider of computer products and services, including mainframes and servers, storage systems, and peripherals. Its service arm accounts for more than half of its revenue. IBM is also one of the world's largest providers of software and semiconductors. The company ([www.ibm.com](http://www.ibm.com)) employs more than 355,000 people worldwide.

### Can you highlight the importance of corporate responsibility and community involvement to the culture of IBM?

Corporate responsibility and community involvement are embedded in the IBM culture and have been since the creation of the company. In fact close to 100,000 of our employees worldwide currently engage in community service and have contributed more than 6.6 million hours of service. As evidence that service to the global community is embedded in the company culture, when the current company values were established, in a collaborative way through an electronic conversation involving our global workforce, "innovation that matters for the world" was embraced as one of three core company values.

### Can you give an overview of the focus areas for community involvement for IBM?

IBM's global focus is on the use of innovation technology, largely coming from IBM's world-class research laboratories, as a critical means of addressing the most pressing educational and societal problems. The use of voice recognition technology to help children and adults around the world learn how to read, the use of automatic language translation tools as

a way of promoting cultural dialogue and understanding, and the use of digital imaging tools to aid in the preservation of water quality in the nation's great rivers are but three examples of how IBM's global technology innovations are being applied to the problems people face in their daily lives.

### How do your efforts and programs align with your business strategy?

IBM's programs are totally aligned with its business strategy. By developing cutting-edge technologies to solve

problems of critical need in the community, we refine and improve the kinds of technology tools we can offer to our customers, and by engaging so much of our top talent in community service, we build a more effective global talent pool. Let me provide a specific example: This year, we launched the IBM Corporate Service Corps, which trains 600 emerging leaders in our company by offering them opportunities to contribute to the economic growth and vitality of communities in key emerging geographies in the world. Our employees get skills that they need to become global leaders, communities get access to the most advanced technical and consulting talent applied against community needs, and the company gets a deep and complete understanding of how to be successful in the global economy.

### How do you evaluate the success of your efforts to ensure maximum impact?

We undertake independent research and evaluation studies that examine the degree to which our programs are successful. For example, in our education programs we look at the effect on standardized test performance, attendance, and teacher skill levels. In environmental programs we look at their impact on our environmental footprint. We also examine the impact on our workforce, in terms of its performance and impact on recruitment and retention. In the technology area, we examine the impact on intellectual capital and patents.

### How important is it to partner in your efforts? Can you highlight some of the organizations that you work with?

Effective partnerships are critical to everything we are able to accomplish worldwide. In the area of advancing cultural awareness and understanding, our partnership with the Smithsonian's National Museum of African American History

and Culture allowed us to create the museum on the Web eight years before it physically opened on the mall in Washington, DC, thus allowing individuals an opportunity to contribute their treasures and memories to the virtual museum. Working with the National Center for Learning Disabilities and with the LightHouse for the Blind and Visually Impaired, we were able to develop innovative open source technologies to better meet the needs of young children. Working with the Scripps Research Institute, we were able to create a virtual supercomputer from the combined power of nearly one million PCs to speed its HIV/AIDS research.

### IBM is a global company. Is it important for your efforts to be global?

As a global company operating in nearly 170 different countries, we think it is vital for our corporate citizenship programs to be global in nature. We are pleased that nearly 40 percent of our \$160 million in annual community investments are made outside of the United States and that more than 55 percent of our volunteer hours are contributed by employees who work for us outside of the United States. We were pleased that our community service and corporate citizenship efforts have received prestigious awards in the United States, where we received two Ron Brown awards from the President of the United States. We also received awards in Brazil, China, and India, and many other local geographies.

### What do you see as the key priorities for IBM in regard to corporate responsibility in the coming years?

In a recent article in the *Harvard Business Review*, Dr. Rosabeth Moss Kanter referred to the IBM approach to corporate citizenship as going from "spare change to real change," meaning that IBM, rather than using checkbook philanthropy to donate our spare change, uses our most valuable assets – our innovation technology and the best talent in the company – to solve critical societal problems. One problem we are working on is the challenge of global literacy, because we see it linked to economic growth and vitality. We are addressing critical health and environmental challenges, such as water quality and humanitarian research in areas such as HIV/AIDS, cancer, and dengue fever, and enhancing local and global understanding by promoting broader understanding of history, art, and culture. ●

Stanley Litow receives a Corporate Citizenship Award in 2001.