Webinar: Business Unusual
How B-Corps Create Shared Value

December 9, 2014
Today’s Panelists

Mark Kramer  Andrew Kassoy  Justin Bakule  Hardik Savalia

Join the conversation!
@SVInitiative  #sharedvalue  @Bcorporation  #bthechange
The Evolution of Capitalism

20th Century
Maximize
Shareholder
Value

21st Century
Maximize
Shared
Value
Who is Sara Horowitz?

Learn more about the independent workforce

Independent workers make up 30% of the workforce...

...but it ain’t easy. Unlike employees they still need:

Insurance for the uninsured
The Context for B Corporations

**The Movement: 100,000+ Entrepreneurs just like Sara Horowitz**

- Government & non-profits necessary but insufficient
- Business can attract capital and talent at scale
- Business is means to solve society’s greatest challenges

**The Problem: System not designed for this**

- [Corporate law](#) is an impediment
- No [standards](#) to distinguish ‘good companies’ from good marketing
- No [norms](#) and no [institutions](#) = no scale
What is a B Corporation?

Certification for companies using business as a force for good

Unlike traditional businesses, B Corps:

• Meet comprehensive standards of social and environmental performance
• Meet higher standards of transparency
• Meet higher standards of legal accountability

A Better way to do Business.
Learn more.
B Corps Are Leading a Movement: 1,100+ B Corps
What is Shared Value?

Shared Value is where corporate assets and capabilities view social needs as business opportunities rather than challenges. Shared Value enhances the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates.

Shared Value operates at three possible levels:

1. Reconceiving Needs, Products, and Customers
2. Redefining Productivity in the Value Chain
3. Enabling Local Cluster Development
What is the Shared Value Initiative?

The Shared Value Initiative is a global community of leaders who find business opportunities in societal challenges. The Initiative connects global practitioners in search of the most effective ways to implement shared value.

THE SHARED VALUE INITIATIVE WORKS WITH PARTNERS TO DELIVER:

**PEER TO PEER EXCHANGE**
Convene global shared value practitioners and stakeholders to support the exchange of ideas and promote best practices

**MARKET INTELLIGENCE**
Drive a customized research agenda for shared value and deliver actionable, practitioner-focused insights at sharedvalue.org

**STRATEGY & IMPLEMENTATION SUPPORT**
Manage a global network of trained shared value professional service providers to deploy tailored services and customized training

**SHARED VALUE ADVOCACY**
Engage idea amplifiers in the corporate, nonprofit, government, media, investor, and academic communities to drive shared value awareness, adoption, and engagement
Shared Value Initiative: By the Numbers

5K Community Members

450K Page views on sharedvalue.org

1M+ viewers of the Michael Porter TED Talk

35+ Funding Partners

50+ Countries Host

2013-2014 Initiative Events

450 Summit Attendees in 2014
Comparing the Communities
What components of shared value manifest within B Corps?

What are key differences in definition and application?
Both Shared Value and B Corp Communities believe:

You can do good and do well.
Key Difference

B Corps illustrate transformation from
shared value initiative to shared value company

B Corps do this by meeting higher degrees of:

1. **Performance** (by meeting 80 on the B Impact Assessment)
2. **Transparency** (by making their B Impact Report transparent)
3. **Accountability** (by expanding their fiduciary duties)

...regarding their shared value initiatives.
What are some examples of SMEs creating shared value?

What strategies are unique to SMEs?
Cascade Engineering: Shared Value Company

Grand Rapids, Michigan
Transitioning 2,000+ jobs from plastics to renewables
Employs welfare to work participants
Greyston Bakery: Shared Value Company

Yonkers, New York
Hires previously incarcerated individuals
Alleviating poverty in supply chain via fair trade
What **tools** help members of the B Corp community balance and manage their impact and returns?

What **lessons** can the shared value community learn from these tools?
B Impact Assessment
Easy, free tool to ‘measure what matters’

Not just for B Corp Certification—any business can use the assessment to measure and improve its impact
The Results

King Arthur Flour Company
B Impact Report

<table>
<thead>
<tr>
<th>Impact Area</th>
<th>Average score of other businesses</th>
<th>King Arthur Flour Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>🍯 Governance</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>🍯 Transparency</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>🍯 Accountability</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>🍯 Workers</td>
<td>22</td>
<td>61</td>
</tr>
<tr>
<td>🍯 Compensation, Benefits &amp; Training</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>🍯 Worker Ownership</td>
<td>2</td>
<td>37</td>
</tr>
<tr>
<td>🍯 Work Environment</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>🍯 Community</td>
<td>32</td>
<td>16</td>
</tr>
<tr>
<td>🍯 Community Products &amp; Services</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>🍯 Suppliers &amp; Distributors</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>🍯 Local Investment</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>🍯 Job Creation</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>🍯 Diversity</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>🍯 Civic Engagement &amp; Giving</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>🍯 Environment</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>🍯 Environmental Products &amp; Services</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>🍯 Land, Office, Plant</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>🍯 Inputs</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>🍯 Outputs</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>🍯 Transportation, Distribution &amp; Suppliers</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong><strong>Overall B Impact Score</strong></strong></td>
<td>80</td>
<td>103</td>
</tr>
</tbody>
</table>
Great for Employee Engagement

West Paw Designs
Pet Products
Bozeman, MT

Cool Energy, Inc.
Engineering Services
Boulder, CO

Etsy
Online Marketplace
New York, NY
Removing Impediments through Public Policy

Benefit Corporation laws
Legal tool giving business operators a way to manage mission-oriented companies

A corporate form (taxed like a C-corp or an S-corp) that has a higher level of transparency, accountability and purpose.

A legal entity that has protection and permission to consider its impact on all stakeholders, not just shareholders
Audience Q&A

Join the conversation!
@SVInitiative #sharedvalue @Bcorporation #bthechange

Mark Kramer  Andrew Kassoy  Justin Bakule  Hardik Savalia
Continue your journey with the Shared Value Initiative:

**Join the Community**
Create a profile at sharedvalue.org. Member benefits include a first look at new research, access to the member database for networking, exclusive event discounts and more.

**Galvanize Your Team**
*Invite your colleagues* to join to build investment in your organization’s shared value journey.

**Follow Us**
Engage with us on social media: @SVInitiative on Twitter, LinkedIn, Facebook, and on YouTube.

**Connect with the Network**
*Search for partners* in your industry or region. *Post and comment* on relevant shared value discussions.

**Share Your Example**
Contribute to the global collection of shared value examples. *Submit your example* and learn from others’ projects.

You are the vanguard.