



TNM ANDERSON SCHOOL
OF MANAGEMENT

FRIDAY, OCTOBER 4, 2019



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*Bradbury Stamm
Construction*

Getting Ready for B Corp Certification

Our goals for today's discussion

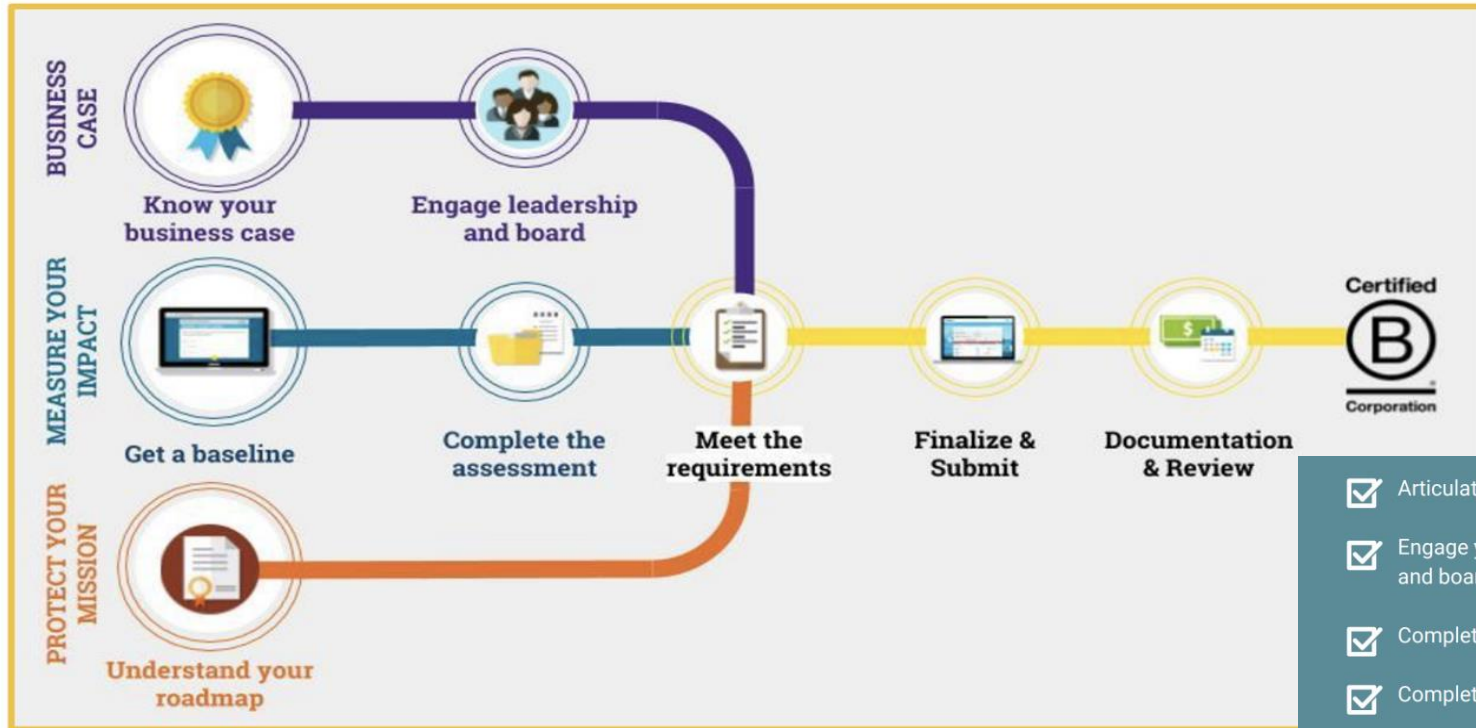
1. Our Journeys Through Certification
2. Starting Off & Gaining Momentum
3. Steps to Certification
4. Approaches for Completing the Assessment (BIA)
5. Mechanics of the BIA
6. The Certification Journey & Verification
7. Timing - How long does it really take?!
8. Things to Have Known Sooner & Roadblocks
9. Recertification
10. Q&A (feel free to ask along the way)

Our Journeys

Why we certified & our current points in the process

1. Cynthia Schultz, CEO, Bradbury Stamm Construction
2. Erin Douglas, Corporate Responsibility Manager, Banyan Botanicals
3. Carrie Freeman, Managing Partner, SecondMuse

Steps to Certification



- ✓ Articulate the business case;
- ✓ Engage your leadership and board;
- ✓ Complete the B Impact Assessment;
- ✓ Complete the legal requirement;
- ✓ Verification

Before You Begin: Get Leadership Buy-in

The B Corp Certification process is comprehensive and will require support from people across your company. Here are some ways businesses find value from the certification.

- Joining the B Corp Community
 - Events, online, collaborations
- Attract Talent and Build Culture
- Education, Benchmark, Improve S&E Performance.
- Build Credibility and Loyalty
- Protect Mission through Capital Raises and Leadership Changes

Starting Off & Gaining Momentum

1. Leadership & Stakeholder Buy-in
 - a. Agree to your “Why” - Business Case
 - b. Annual Certification Fees & Legal Requirements
2. Earning Points - positive scoring system
3. Engage employees
 - a. Surveys
 - b. Form task forces with passionate employees
 - c. Work with department managers to set-goals

The B Impact Assessment is a free confidential online tool to measure and manage a company's social and environmental impact.



Walks through a series of questions to help learn what it takes to build a better business - better for workers, community, and the environment

Compares answers to thousands of other businesses to see how a business stacks up

Creates a customized improvement plan linking to free best practice guides to help implement



About the B Impact Assessment



BIA Sections



Workers

The Workers section of the B Impact Assessment assesses the company's relationship with its workforce. It measures how the company treats its workers through compensation, benefits, training and ownership opportunities provided to workers. The category also focuses on the overall work environment within the company by assessing management/worker communication, job flexibility, corporate culture, and worker health and safety practices.



Governance

The Governance section of the B Impact Assessment evaluates a company's overall mission, ethics, accountability and transparency. It measures whether the company has adopted a social or environmental mission, and how it engages its employees, board members and the community to achieve that mission. This section assesses employee access to financial information, customers' opportunities to provide feedback, and the diversity of the company's governing bodies.



Customers

The Customer portion of the B Impact Assessment measures the impact a company has on its customers by focusing on whether a company sells products or services that promote public benefit and if those products/services are targeted toward serving underserved populations. The section also measures whether a company's product or service is designed to solve a social or environmental issue (improving health, preserving environment, creating economic opportunity for individuals or communities, promoting the arts/sciences, or increasing the flow of capital to purpose-driven enterprises).



Community

Community portion of the B Impact Assessment evaluates a company's supplier relations, diversity, and involvement in the local community. It also measures the company's practices and policies around community service and charitable giving, including whether a company's product or service is designed to solve a social issue, such as access to basic services, health, education, economic opportunity and the arts.



Environment

The Environment portion of the B Impact Assessment evaluates a company's environmental performance through its facilities, materials, emissions, and resource and energy use. Companies answer questions about their transportation/distribution channels and the environmental impact of their supply chain. The assessment also measures whether a company's products or services are designed to solve an environmental issue, including products that aid in the provision of renewable energy, conserve resources, reduce waste, promote land/wildlife conservation, prevent toxic/hazardous substance or pollution, or educate, measure or consult to solve environmental problems.

Two Approaches for Completing the BIA

Convene a team to steward the process

Involve people, either with a formal B Corp Committee or loosely, in the process (and later improvement) of your assessment score. You'll need the documents listed in the right-hand column.

1. Identify the right people (Human Resources, Operations, Finance, Product, etc.) who can help you accurately answer questions on the assessment.
2. Set up meetings to determine a timeline for the certification process.
3. Assign questions and deadlines
 - a. Just as with any cross-departmental project, management will be key in completing the assessment

Gather necessary documents to complete the process yourself

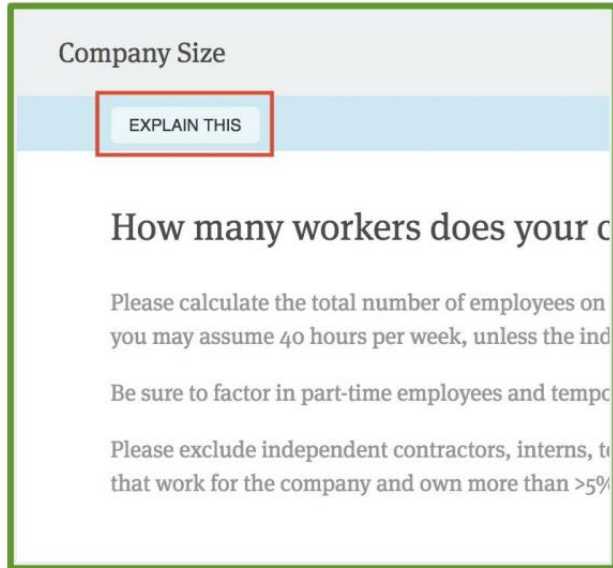
The documentation you'll need to gather. Ask other employees if you don't have the information available (see column at left for ideas).

1. Payroll register/employee roster.
2. Employee handbook.
3. List of your "significant suppliers." If you have more than 10 employees: top 80% of suppliers/vendors by dollar volume; if you have fewer than 10 employees: top five suppliers)
4. Breakdown of revenue from your various products and services
5. Profit and Loss statement
6. Any resource-use tracking (energy, greenhouse gas, water, etc)
7. Any sustainability or corporate social responsibility goals, reports, progress, or tracking documents

Mechanics of the Assessment (BIA)

- Must answer all of the 200+ questions
- The assessment is dynamic - 70+ different versions
- You can export the assessment to share/review across teams
 - Try Smartsheet

Mechanics of the Assessment (BIA)



The screenshot shows a question interface for 'Company Size'. At the top, the title 'Company Size' is displayed. Below it, a light blue horizontal bar contains a button labeled 'EXPLAIN THIS', which is highlighted with a red rectangular border. The main question text reads: 'How many workers does your c'. Below the question, there are three lines of instructional text: 'Please calculate the total number of employees on you may assume 40 hours per week, unless the ind', 'Be sure to factor in part-time employees and tempc', and 'Please exclude independent contractors, interns, to that work for the company and own more than >5%'.

Question Tools:

- Each question on the BIA will have these tools:
 - **Explain This:** provides definitions to explain in detail what the question is asking and provides rationale for why the practice is deemed important. It might also provide specific instructions to help you answer the question more accurately.
 - **Show Example:** provides examples of businesses that are already practicing this topic, so that you can see what this question looks like in practice.
 - **In Practice:** provides links to best-practice guides and implementation tools to help your staff put this topic into practice.
 - **Star:** adds a question to your Improvement Report.
 - **Bookmark:** adds questions to your Revisit Question Report.

A Rigorous Journey to Certification

The B Impact Assessment (BIA) is a rigorous examination. This rigor gives the certification its value.

Often, companies don't make the 80-point threshold on the first attempt. Remember that improvement is a pivotal phase in many companies' journeys to certification.

Here are four top common changes companies need to make to certify:

1. Formalize policies (handbook or shared folder)
2. Adopt a mission-aligned governance structure (earning 5-7.5 points) & amend operating agreements
3. Survey your vendors & supply chain survey in prep for creating a purchasing policy and supplier code of conduct
4. Track impact metrics: It's difficult to gain points if you don't track metrics, such as energy use, employee attrition or waste production

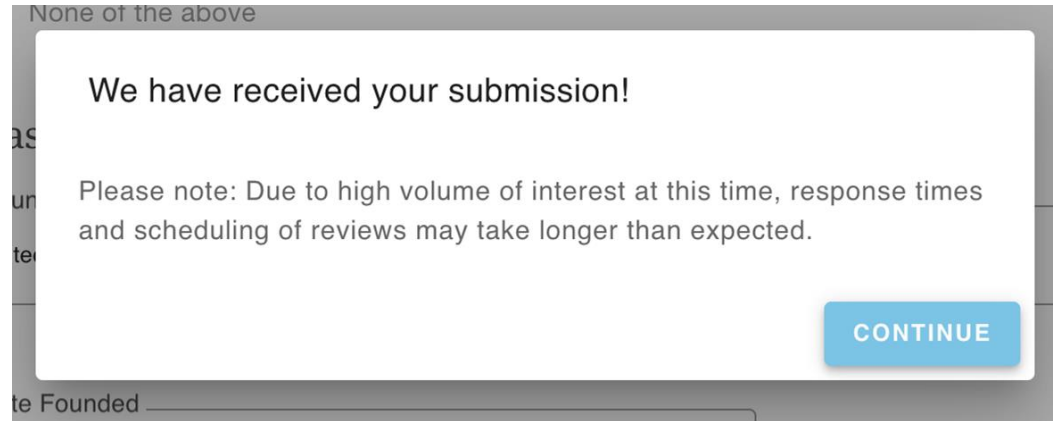
Overcoming Feelings of Being Overwhelmed

- The certification process can be overwhelming
- Answer the questions you can first and mark others to revisit
- Focus on one assessment area at a time (bird by bird)
- Schedule weekly check-ins to move tasks along
 - Set Monthly goals
- Consider hiring a Consultant

Verification Phase

The requirements for the B Corp Certification include a verified assessment score of 80+ points as well as a legal change to your company's governing documents to incorporate **stakeholders**.

1. Once you submit your BIA for verification, you may have to wait up to 90 days before your score is fully verified
2. Pre-Evaluation: Fill out more information about your business, sign-up for a verification cohort with other companies similar to yours



Verification Screen in BIA

Active Assessment



OVERALL SCORE

117.7

OPERATIONS SCORE
65.4

IMPACT BUSINESS
MODEL SCORE
41.0

N/A SCORE
11.2

 Governance **18.5**

 Workers **24.9**

 Community **53.3**

 Environment **10.5**

 Customers **10.4**

 Disclosure Questionnaire **NA**

VERSION
6

COMPLETION
100%

YEAR
2019

Review Summary

COHORT
-

STAGE
Evaluation

OPENED DATE
September 9th, 2019

CLOSED DATE
-

REQUIRED DOCUMENTATION
0.0%

VERIFIED QUESTIONS
0.0%

RATING TYPE
Pending B Corp

EVALUATION ANALYST
-

PRIMARY LEAD
-

SECONDARY LEAD
-

[VIEW](#)

Verification Phase

3. To verify your assessment score, you will be assigned a Standards Analyst for a three-week period. The Standards Analyst does a deep dive review of your answers and asks for verifying documentation.

4. B Lab's Standards team schedules monthly cohorts for Review. The company will need to dedicate 3 consecutive weeks to the process, with an estimated commitment time of 6 hours per week (can vary from company to company). In order to prepare for the verification cohort the company will have to complete the Evaluation step, which requires an initial review of the company and the uploading of necessary documents.

Timing

- Average Time to Certify is 6 months
- Bake into your DNA

Things to Have Known Sooner

- Initial thoughts about the assessment
 - Biggest Challenges, Easiest Points
- Advice on how to respond when the measurement doesn't align with your business 100%.
- Spreadsheet for Tracking
- Engaging your team/employees
- Legal Requirement

Don't leave the legal requirement until the end of your certification process!

Legal requirements vary from state to state, so investigate whether your state has benefit corporation legislation, Social Purpose Corporation-equivalent status, or the option to amend articles via a constituency statute. If it has any of these options, investigate what the requirements are and create a timeline with your leadership to meet the legal requirement. Likewise, if your state does not have benefit corporation legislation, get acquainted with your options and have a conversation with your leadership about what path is best for your company.

Recertification

- Takes place every three years
- Often just as rigorous as first certification

Annual Certification Fees

Alongside this new pricing schedule, new discounts will be available for companies including a discount for companies with greater than 50% business ownership from underrepresented backgrounds. [Sign up](#) to stay informed as the discount structure is released. Refer to the section below to see what your Certification fees cover.

Annual Sales	Annual Certification Fee
\$0 - <\$150,000	\$1,000
\$150,000 - <\$2MM	\$1,100 - \$1,600
\$2 MM - < \$10MM	\$1,800 - \$3,750
\$10 MM - <\$20MM	\$6,000 - \$8,500
\$20MM - <\$175MM	\$12,000 - \$30,000
\$175MM - <\$1B	\$35,000 - \$50,000
>\$1B	Based on size and complexity of your business**

*Starting October 1, pricing for US and Canadian markets will be in local currency with US companies paying in USD and Canadian companies in CAD.

**To learn more about B Lab's approach to pricing for large companies, [click here](#). If your company earns >\$1B, [contact B Lab](#) for more information about associated costs.

Q & A - Audience Questions



“The B Corp movement is one of the most important of our lifetime, built on the simple fact that business impacts and serves more than just shareholders—it has an equal responsibility to the community and to the planet.”

— Rose Marcario, CEO of Patagonia