



Social Change Ventures (Part I)

Can business really be done differently to have a significant societal impact? How does it happen? What does it look like?



“There is a bumper sticker that I once saw that said, ‘He who dies with the most toys wins,’ said Jeff Woodward, Attorney at Taylor English Duma LLP, and speaker at BELIEVES on December 9th. “This message may reflect what folks in my generation were often taught to believe in business. But now, a bumper sticker representing this generation would likely read, ‘He who dies having made the greatest impact with his toys wins.’”

Woodward, who was leading Part I of a two-part series at BELIEVES on “Social Change Ventures,” told the audience that the key takeaway from the mention of the two bumper stickers is that reinvestment of money in sustainable causes is central now.

One of many business schools focusing more and more on social enterprise and social change ventures is the Goizueta Business School at Emory. Others also engaging in this space are Notre Dame and Georgia Tech.

In the brief video that Woodward showed from the Goizueta Business School at Emory, Robert Kazanjian, Goizueta’s Vice Dean of Programs stated that Goizueta’s mission is to advance knowledge on how organizations function, and to try to impact practice.

Kazanjian further stated, “Social enterprise as an area of research and outreach, is pretty central to that as we see it.”

“Think about what this generation has to offer, and how it is opening up to this new way of business as social enterprise,” Woodward asked the attendees to ponder.

There are three pillars to think about when it comes to change, Woodward said:

- Volunteerism – How you as an individual can make a direct impact
- Philanthropy – How you as an individual or company empower others to make a direct impact
- Social Enterprise – How you use your business to make a direct impact

Woodward then asked, “How much time do we spend in each of these? If time spent at work could be as impactful as the other two, then we would have change.”

So what is social enterprise? Social enterprise is when a business is used to solve social problems. It is characterized by:

- using market-based solutions, rather than philanthropic solutions
- addressing a social, environmental, or community problem
- creating self-sustaining ventures, and
- focusing on “teaching to fish”

“Traditionally we have two types of entities out there – non-profit or for-profit,” Woodward explained. “In a non-profit, the social mission takes priority over the profit objective, and in a for-profit, the profit objective takes priority over the social objective.”

However, Woodward then stated the focus of social enterprise is to pull the two together and blend profit and mission.

The demand for social enterprise often comes from those who engage with the entity – whether it’s consumers, investors, entrepreneurs, or employee. Though it may seem cliché, this in many ways reinforces that each person has a voice and a choice.

“Who is demanding social enterprise?” Woodward asked. “You are – the consumer by the purchasing choices you make.”

Woodward made a point to emphasize that just because social enterprise is focused on having an impact in society, impact is not going to take away from quality – quality is always first, then it is impact.



From an investor perspective, Woodward indicated that more investors in recent years have become more active in social enterprise investing.

“Investors don’t want 90% of the money they invest going to social enterprise, but what if 5% went to it and you get a report on impact,” said Woodward. “That’s significant.”

One example of effective social enterprise that Woodward highlighted is Project Open Hand’s Good Measure Meals (<http://www.projectopenhand.org/s-nutr-good.asp>), which helps manage chronic disease by providing home-delivered meals and nutrition education – delivering over 20 million meals since 1988.

Good Measure Meals sells good nutritious, ready-to-eat, healthy, gourmet meals to help manage weight loss, diabetes, and hypertension. These meals are sold to paying customers at high-end grocery stores, like Whole Foods. When the business was started, creating quality meals was of highest importance. However, the founders wondered what greater impact the enterprise could have.

“The question they wrestled with was ‘what if we create a for-profit business, sell the meals as high-end, but then provide the same meals for those less fortunate?’ Woodward explained. “What they’ve wound up doing is selling the high-quality meals for \$10-15 each, and then the proceeds from the sale of those meals funds 87% of the program to provide meals for the less fortunate.”

Better World Books is another social enterprise example that Woodward then shared, which has had an equally significant impact, albeit in a different space. The company is a certified B corporation, which donates books or a percentage of its profit to literacy programs around the world – with an estimate of over \$14 million being donated by 2013. Woodward, and the former CFO of Better World Books, Paul Sansone, will share more about Better World Books, during Part II of this BELIEVES series on “Social Change Ventures” in March 2015.

“You could take either one of these businesses – Better World Books or Good Measure Meals – and social enterprise plays a critical role,” Woodward said.

Before inviting the attendees to dialogue about some questions he prepared, Woodward brought up one additional element related to social change ventures – shareholder interest versus stakeholder interest.

“Shareholders we’re comfortable with understanding,” said Woodward. “They seek a higher return on their investment. The stakeholder is a separate concept, and includes customers, employees, supply chain, community, environment, and the ecosystem.”

In the case of the supply chain, Woodward said an enterprise would need to wrestle with “who do I put in my supply chain, where are they sourcing from, and what is the impact.” In the case of community, perhaps the first question an enterprise would wrestle with is “who is my community.”

“Home Depot had a huge issue with this 25 years ago,” stated Woodward. “Initially they were very broadly-focused, and their giving and community engagement reflected this. Now, they are very locally-focused around each store.”

Having gained a better understanding of many elements of social enterprise and social change ventures, the audience was now ready to engage with one another around the questions Woodward had for them.



Woodward shared with the audience, “So in the next 10-15 minutes at your tables I would like to invite you to think about these two questions:

- Who are the stakeholders at your company?
- What are their needs?”

Lynn Clark, a Senior Manager for Deloitte said, “At Deloitte, partners and directors are clearly stakeholders. Staff members come to Deloitte because they are looking for interesting work, but they also want to engage in the community. At Deloitte we write thought papers to push the boundaries for how we do business.”

Susan Jenkins, an Environmental Engineer at Georgia Environmental Protection Division commented, “I have worked for the Georgia Environmental Protection office for over 26 years. One thing I notice of new hires is that they come into jobs with some knowledge, but they want to know how they can have an impact today – not 20 years from now.”

Lynn Clark jumped back in saying that at Deloitte, they see what Jenkins said as well, maybe less of MBAs but more of undergrads.

“The first question they ask after interviews is, ‘Tell me about your pro bono work?’” Clark stated.

The dialogue at this particular table continued with Cathi Athaide, Advancement Director for Sophia Academy, adding, “When we began working, we wanted to work with people we respected, but didn’t really think about the team aspect. That’s a more collaborative focus that exists now than in my generation.”



At another table, Charles Jones, CTK parishioner, said that the business men and women at his table talked a lot about the impact of investing. They also noted that larger companies tend to push non-profits on employees. In contrast, for the self-employed, their clients are stakeholders so they are not too concerned with social enterprise. However, when they are concerned about it, they are laser-focused.

Jeff Woodward re-engaged with the audience directly at this point, sharing the importance and impact of everyone understanding what the mission in order to address the needs of the stakeholders.

“At Springdale, where my kids went, the whole school is focused on environmental impact, which is very evident because of the focus on mission, and is very cool,” Woodward stated.

Guiding the conversation to a different business segment, Woodward mentioned that employee ownership is key – even in restaurants.

“You lose cash out of restaurants all the time,” Woodward said. “We’ve found restaurants now asking the question, ‘What do we do to keep the chef, bartenders, and servers to stay?’ Once they get ownership, things get turned around.”

The session began to come to a close, but Woodward wanted to make sure to intentionally invite the attendees to keep thinking about what they learned so that when Part II of the social change ventures series is held in March 2015 at BELIEVES, there would be the opportunity for them to share their testimony of the changes they’ve seen in themselves and in their workplace.



“Think about three specific steps that you can take to address the needs of the stakeholders you mentioned,” Woodward challenged. “It doesn’t mean that if you do nothing between now and March that you can’t come back for Part II, but it will be interesting to see what happens.”

A few business leaders present went ahead and spoke up to share steps they could already see they wanted to take in the months ahead.

“For me, I deal with investments, so when people are thinking about the legacies they will leave, I can make sure the idea of who you’re leaving things to are well known and the steps are finished,” said Scott Ryll, an Atlanta investment executive and CTK parishioner.

Susan Jenkins closed out the remarks at the session stating, “I work as an engineer and have had the chance to work with students at GA Tech. Students share the holes outside of the curriculum that they encounter. Maybe I can set aside time to help fill the niche with students as they’re saying they need this to get jobs.”

Part II of the two-part series at BELIEVES on social change ventures, will take place on Tuesday, March 10, 2015, featuring Jeff Woodward again, along with Paul Sansone, former CFO of Better World Books and now the current CFO of the Boys & Girls Clubs of America. For more information on this and other future sessions, go to www.believesatwork.org.