

LAUNCH OF DOUGHTY CENTRE RESEARCH ON SUSTAINABLE ENTREPRENEURS AT RESPONSIBLE BUSINESS WEEK FORUM: MONDAY APRIL 24TH 2017

Cranfield University's Doughty Centre for Corporate Responsibility launched its latest research at an event co-hosted with B Lab UK and Business in the Community at the headquarters of Aviva in central London on the opening day of Responsible Business Week 2017.

The new research focuses on sustainable entrepreneurs: - 'men and women creating and running businesses which focus on creating both societal as well as business value - so called blended or shared value: integrating profit with purpose as a single organising idea.'



Melody McLaren (left) - lead researcher on the project - introduced the Occasional Paper about sustainable entrepreneurs. She highlighted what makes sustainable entrepreneurs different from other entrepreneurs. This can be summarised in the mnemonic 'C.A.R.D.S.':

Coherence of commercial and societal purpose. Our interviewees spoke of a holistic business purpose, with their commercial and societal aims as having equal value or not being separate at all. At an organisational level, this encompasses coherent alignment between the aims of the business and for example a large corporate client.

Authenticity of personal purpose. This encompasses the multiple triggers and mindsets which preceded the business startup phase that led to founding the sustainable enterprise. Examples include a change in health status; disillusionment with an employer or an industry; or more generally, disillusionment with wealth creators following the 2008 financial crash. Other examples include a desire to find a personal and business purpose, leading to a quest for new options; a desire to reduce waste and increase efficiency, leading to creation of "green" businesses.

Relevance to all key stakeholders. This encompasses enablers and disablers which shape the startup and development of an enterprise which takes all its key stakeholders into account, including mentors and role models; business partners; informal contacts and networks; and family and friends. Other enablers include the track record, skills and experiences brought from previous enterprises. Development of stakeholder relationships creates the 'social capital' needed to sustain the enterprise over the long term.

Dynamism in building and leveraging social and intellectual, as well as financial, capital. This iterative process of building and leveraging social and intellectual, as well as financial, capital is the 'heart' of the sustainable enterprise. Inside the firm, this encompasses business partner relationships and human resource management practices that build relational and cognitive capital; management structures and processes that create structural capital and social impact; networking which creates relational and cognitive capital; scientific behaviour such as research, experimentation and measurement as well as collaborative experimentation to co-create new products, processes and business models that achieve societal, as well as commercial, goals.

Sustainability of the enterprise over time. Taking the long-term view, our sustainable entrepreneurs worked to achieve both commercial viability and organisational longevity as well as sustained social/environmental impacts. Many hoped to reproduce their sustainable business model through teaching, consultancy, franchising and coalition-building. Some talked not only about sustaining the longevity of their own firms through 'manageable' growth but their hope that the sustainable business movement – as embodied in B Corporations - should grow and spread.

HOW SOME OF THE INTERVIEWEE BUSINESSES SEE THEMSELVES IN C.A.R.D.S.

The workshop then heard from three businesses interviewed for the research, who referenced how they see attributes of C.A.R.D.S. in their own circumstances.



Jessica Long (left, centre) a solicitor with law firm and early UK B Corp **BWB - Bates Wells Braithwaite** - explained how coherence of commercial and societal purpose: an integration of business and societal purpose had been the basis of the firm's formation in 1970: Justice in the public interest. The firm was founded on a very distinct set of values which are as strong as ever today and make them unique. BWB is proud to have been the first UK law firm to certify as a B Corp. Certification ratifies a commitment to doing business in the best way possible for people, community and the environment. Jessica spoke of how BWB's purpose

has helped with staff engagement. Employees can and do call out any behaviour they see which they consider in contradiction with BWB's purpose. There is also an opportunity to align personal and organisational purpose. www.bwbllp.com

Harriet Kelsall (right) created her bespoke jewellery business over twenty years ago. Harriet also confirmed that coherence of commercial and societal purpose is at the heart of her business: "I don't know what are the things I do for business and those that I do for sustainability!" The business has won over 20 UK and International awards for Design, Business, Ethics and Innovation. Harriet Kelsall were the first UK Independent Jewellers to be awarded Responsible Jewellery Council certification and the first in the world to be both certified by the RJC and licensed by the Fairtrade Foundation. The RJC certification involves a comprehensive audit to ensure our business processes meet the highest possible ethical, environmental and social standards. Harriet picked on authenticity of personal purpose. She explained her own formative experiences, growing up as the daughter of a GP where "it was very normal to be in a family where you put the interests of others (patients) first". www.hkjewellery.co.uk



James Perry (left) is now non-executive chairman of COOK, a fast-growing premium prepared food manufacturer that became one of the first UK B Corps in 2013. COOK now have 850 employees and are explicitly committed to creating value for all. James firmly believes that COOK's double-digit, like for like sales growth is the result of employees feeling that they can be 100% human at work and can relate to COOK as a sustainable enterprise and B Corp.

www.cookfood.net/



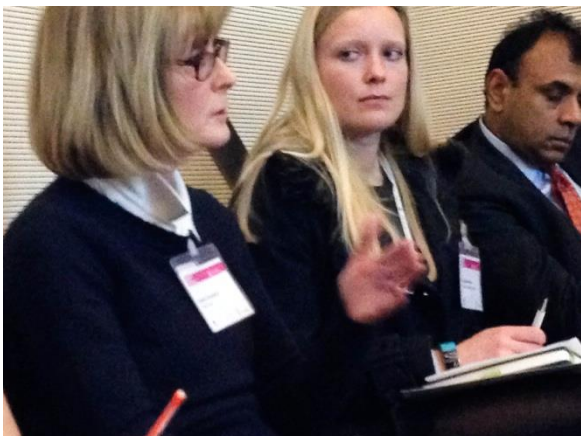
HOW CAN THE UK ENCOURAGE MORE SUSTAINABLE ENTERPRISES?

James Perry, also a director of B Lab UK, suggested that sustainable enterprises are counter-cultural and there should be a formal legal status in English Company Law for B Corps as is already the cases in 30 individual US states and Italy.



Fellow B Lab UK leader **Charmian Love** (left) drew an analogy from botany: the concept of Heliotropy, whereby plants grow towards the sun. Can we make the “purpose” sun stronger, so that we as individuals and organisations grow towards the sun? Is there potential for a network of networks supporting purposeful, sustainable entrepreneurship?

Serial entrepreneur and supporter of several enterprise start-up projects such as Start-up Britain and Make Your Mark with a Tenner, **Oli Barrett** (right) argued that rather than setting up new schemes from scratch, focus should be on how to tweak or stretch existing initiatives to encourage sustainable entrepreneurship.



Dr Dawn Cranswick (far left), CEO of local enterprise and development group PNE Group built on Oli’s suggestion and talked about how PNE’s start-up courses have a section on sustainable entrepreneurship. There will now be some action-research in the form of a longer break-out session with those participants who are interested to learn more.

Dawn Whiteley, Chief Executive of the National Enterprise Network, described research conducted by NEN with UnLtd in 2015:

[https://unltd.org.uk/wp-](https://unltd.org.uk/wp-content/uploads/2015/09/Spotlight-Paper.pdf)

[content/uploads/2015/09/Spotlight-Paper.pdf](https://unltd.org.uk/wp-content/uploads/2015/09/Spotlight-Paper.pdf). This showed that 27% of NEN member clients surveyed of respondents stated they are starting and/or managing a business that has a particularly social, environmental or community objective.

Cranfield Visiting Fellow **Anita Hoffmann** (right) speculated as to whether networking sites like LinkedIn might in future offer services such as marrying those seeking advisers, mentors, Non-executive directors and those seeking such roles; and if so, could there be a sub-section for sustainable entrepreneurs looking for advisers, mentors, NEDs with similar business values?



Katie Hill (far left), executive director of B Lab UK summed up the workshop with three take-aways:

- Policy: The recent Mission-led Business Review provides a robust work programme and B Corp status gives interested entrepreneurs a road-map
 - People: Intermediaries need to offer practical how-to advice and tap in to peer-to-peer mentoring
- Practice: Could the new craze for hackathons be stretched or tweaked to include hack-a-thons on Sustainable Development Goals and business opportunities with students and entrepreneurs?

Closing, **David Grayson** from the Cranfield Doughty Centre repeated the challenge to think about how existing schemes and projects could be tweaked/stretched better to incorporate sustainable entrepreneurship. He encouraged organisations championing businesses with purpose such as B Lab UK, Business in the Community, Blueprint for Better Business, Tomorrow's Company and Responsible Business to pick up Charmian Love's heliotropy; and invited everyone present to continue the dialogue electronically.



Thanks to Aviva (www.aviva.co.uk) for hosting; Business in the Community (www.bitc.org.uk) for organising as part of Responsible Business Week; B Lab UK (www.bcorporation.uk/meet-b-lab-uk) for co-hosting; participants attending; and those who had generously given their time as interviewees.

Learn more about the Doughty Centre (www.doughtycentre.info) and our Work Focus on the sustainable enterprise at <https://www.cranfield.ac.uk/som/research-centres/doughty-centre-for-corporate-responsibility/work-focus-on-the-sustainable-enterprise>.