

The business case for becoming a B Corp

26 November 2017

Forget the triple bottom line or corporate social responsibility, all the cool kids are becoming B Corps

It's a dream that's been around since, well, forever. Why can't businesses make a healthy profit while still treating their staff, suppliers, community and the environment well? Given widening wealth inequality, the growing impacts of climate change, the rise of populist political movements and the spectre of automation creating widespread unemployment, it's a question that's acquiring a sharper edge.

"There's justifiable cynicism about the claims businesses make. That is something the B Corp certification process seeks to address."

There's a long history of not particularly successful attempts to civilise capitalism. Nonetheless, Charlie Syme, the Marketing and Community Manager for B Lab Australia (<http://bcorporation.com.au/>), is optimistic that the B Corp movement can succeed where others have failed. "Nowadays, there's an expectation businesses should be good corporate citizens and most try to create the impression that they are," he says. "Of course, there's justifiable cynicism about the claims businesses make. That is something the B Corp certification process seeks to address."

Delivering for all stakeholders

That process involves a business providing extensive information about its governance, labour practices, environmental policies, community involvement and how it treats customers. B Corp certification is only granted once the business attains enough points to prove it's making a sufficiently positive social and environmental contribution. This certification must be renewed every two years.

Business of any size are welcome to apply for B Corp certification and smaller business are held to somewhat less exacting standards than big ones. The certification process for SMEs involves filling out an extensive online questionnaire (this typically takes around three hours) then doing one or more follow-up phone interviews with a B Lab employee (B Lab is the non-profit organisation that certifies B Corps). All this is free and businesses who want to see how they can be more socially or environmentally responsible are encouraged to do the questionnaire (<https://beta.bimpactassessment.net/get-started/bcorporation>) even if they don't intend on becoming B Corps. See here (<http://bcorporation.com.au/become-a-b-corp-1>) for more about the certification process.

"It's a way of baking in an ethical framework to the business and making it clear to everyone that the business is committed to delivering for all its stakeholders, not just the owner or shareholders," Syme says.

Globally, there are around 2300 B Corps spread across 50 nations and 150 industries. Ben & Jerry's (<http://www.benandjerry.com.au/about-us/b-corp>), Kickstarter (<https://www.fastcompany.com/3068547/why-kickstarter-decided-to-radically-transform-its-business-model>) and Patagonia (<https://www.bcorporation.net/community/patagonia-inc>) are all B Corps. "It's early days in Australia but we've got a range of B Corps ranging from banks to consultants to retailers to coffee roasters," Syme says.



Tap to find a Steadfast insurance broker (<https://www.steadfast.com.au/find-an-insurance-broker?detect-location=1&location=Australia>)

Do well by doing right

Here are some of the potential advantages to becoming a B Corp.

- Quality job applicants and more engaged staff:** "Businesses that get certified often start getting application letters saying, 'I want to work here because it's a B Corp,'" Syme says. "Most people, especially younger people, want their work to have some meaning. The fact B Corps get plenty of job applications and have above-average retention rates indicates getting certified allows business to attract and keep quality staff."
- Networking opportunities:** "There are regular local, national and international B Corp meet-ups," Syme says. "These events facilitate businesspeople meeting a whole lot of other businesspeople with a similar mindset. That can lead to commercial relationships developing."
- Positive publicity:** "B Corps are still novel enough in Australia that they are of interest to the press," Syme observes. "If a business becomes a B Corp, that will often provide a compelling story angle that can attract media attention."

Aither tests the B Corp waters

Chris Arnott is a co-founder of Aither (<https://www.aither.com.au/>), an advisory firm that values water for corporations and government. Aither was launched in 2012 and certified as a B Corp in 2014.

Well Covered (<https://www.steadfast.com.au/well-covered>)

"When we started Aither, our vision was to deliver better outcomes for communities, for the environment and for businesses that are dependent on the world's finite water resources," Arnott says. "So, becoming a B Corp was a natural fit."

Arnott says it's often difficult to quantify the difference becoming a B Corp has made to Aither's burgeoning success, but there have been clear upsides. "First, going through the certification process forces you to run a microscope over your business in a comprehensive way and think about your performance well beyond just the profit dimension," he observes. "Second, you'll get more, and more impressive, applicants when you advertise positions. Access to high-quality applicants with an aligned value set has certainly supported Aither's rapid growth."

Arnott says that it is still early days in using the B Corp certification to generate business, but there are certainly some green shoots. "I attend the networking events and always come away energised and inspired by the work of the B Corp community," he says. "Aither's B Corp certification is a great way to show prospective clients and that we have been through a rigorous, third-party audit and that we are deeply committed to delivering positive outcomes for people and planet."

SHARE ARTICLE

(mailto:?subject=The%20business%20case%20for%20becoming%20a%20B%20Corp&body=covered%2Fbusiness-edge%2F2017%2F11%2Fthe-business-case-for-becoming-a-b-corp.aspx)

Article brought to you by **Steadfast**. Learn more here. (</well-covered/sitecore/content/global/inactive/consumer-site/steadfast/about-us.aspx>)

You may also like (<https://www.steadfast.com.au/well-covered>)

29
March

How partnering with a charity can be good for your business

(</well-covered/strength-and-community/2017/03/how-partnering-with-a-charity-can-be-good-for-your-business.aspx>)

16
March

The balancing act of creating diversity in the workplace

(</well-covered/business-edge/2017/03/the-balancing-act-of-creating-diversity-in-the-workplace.aspx>)

Sitemap (</well-covered/supplementary-pages/sitemap.aspx>)

© 2016 Steadfast Group Ltd All rights reserved.

Important disclaimer - Steadfast Group Limited ABN 98 073 659 677, its subsidiaries and its associates.

The views expressed are those of the author only and do not necessarily reflect those of Steadfast.