MORE THAN PROFITS:
Supporting Small Businesses in their Pursuit of the Triple Bottom Line

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Submitted to the Department of Urban Studies and Planning
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More than Profits:
Supporting Small Businesses in their Pursuit of the Triple Bottom Line

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Abstract

There is growing recognition of the importance of triple bottom line (TBL) strategies that address economic, social, and environmental impacts. Cities and regions need to respond effectively to the challenges posed by increasing fiscal constraints and environmental degradation. Given their large share of the U.S. economy both in workforce and number of establishments, small businesses are an important part of any TBL solution. More broadly, there is popular interest in sustainability and the triple bottom line, but there is little consensus on how to specifically support such outcomes in small businesses and who should be concerned with their implementation. Small businesses are studied less often than large corporations, and there may be a tendency to underestimate their contributions to social and environmental objectives due to their small scale and limited capacity to publicize their efforts. While support for TBL businesses exist, it varies by provider and many efforts continue to remain localized and small scale without wider regional economic development goals.

This thesis investigates a range of perspectives on and experiences with TBL companies. Through interviews with leading TBL small businesses and business assistance providers, I aim to understand the unique challenges TBL small businesses face, the types of assistance they currently seek, how support organizations view the importance of mission driven entrepreneurs, and what opportunities exist to better support them. This research suggests that TBL companies face many of the same challenges as any small business, but that there are also unique challenges related to their TBL focus, namely the complexities of operationalizing and communicating their TBL practices and obtaining information on and influencing their supply chains. Business assistance organizations can play an important role in helping TBL businesses address these challenges as well as expanding the pool of small businesses that think about their environmental and social impact. By highlighting these challenges and opportunities, I hope to assist in identifying how existing organizations might design future research and better support TBL businesses in the process.

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Introduction

There is growing recognition of the importance of triple bottom line (TBL) strategies that address economic, social, and environmental impacts. Cities and regions need to respond effectively to the challenges posed by increasing fiscal constraints and environmental degradation. Communities that innovate and adapt to build more equitable and sustainable economies stand to reap the benefits of such resilience. Small businesses (those with less than 500 employees)\(^1\) are an integral part of federal, state and municipal efforts to increase environmental and social sustainability given their share of the U.S. economy and their role in job creation. More broadly, there is popular interest in sustainability and the triple bottom line, but there is little consensus on how to specifically support such outcomes in small businesses and who should be concerned with their implementation.

Small businesses are studied less often than large corporations, and there may be a tendency to underestimate their contributions to social and environmental objectives due to their numbers and their limited capacity to publicize their efforts. Many businesses have significant positive social contributions, but they may not be counted or described under traditional frameworks.

Economic development practitioners, financial institutions, business networks, and governments all have an important role in developing strategies that sustain the environment, improve human welfare and build stronger communities. For many of them, small businesses are key to that effort. Support for TBL businesses exist, but it varies by organization and many efforts continue to remain localized and small scale. Some economic development organizations, already committed to social improvement and addressing inequality, have attempted to bring environmental goals into their work with varying degrees of success. Sustainable business networks have developed to support and connect like-minded organizations. While these networks and organizations are robust themselves, they often lack coordinated implementation with wider regional economic development and goals.

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\(^1\) In this thesis, I define small businesses as those with fewer than 500 employees, the same definition as the U.S. Small Business Administration. [http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf](http://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf)
Research objective

This thesis explores the factors that enable and support small businesses that are committed to triple bottom line outcomes. The single-case methodology covers the nature of existing TBL businesses in the Boston area, the challenges these existing businesses face, and ideas to improve and expand support for them. My initial analysis focuses on the businesses themselves through interviews of existing TBL businesses. I then use interviews with five business support organizations to present a range of perspectives on and experiences with triple bottom line businesses.

Any small business faces challenges, but TBL small businesses may face specific challenges as they seek non-economic returns in addition to financial success. This thesis considers several, interrelated questions:

- Do TBL small businesses experience unique challenges, and if so, what are they?
- What assistance do these businesses require, how do they secure help, and who assists in this effort?
- What is the ecosystem of support for these businesses?
- How can business networks, non-profits, and government agencies work together to better provide support to existing TBL businesses? How can they nurture TBL results in all businesses?

My goal is to explore these questions and help inform the debate about how municipalities and regions can use small TBL businesses to address the growing challenges of income inequality and environmental health. This study does not generalize findings to a broader community of TBL businesses, nor make definitive claims about the small business ecosystem in the Boston area. Instead this thesis is exploratory in nature. I attempt to understand how the successful TBL businesses I interviewed define their successes and challenges and how existing organizations might design additional research to improve support for similar businesses in the future.

Context and background: why TBL and why small?

This section traces existing literature and research on sustainability, the triple bottom line, and the importance and nature of small businesses. It discusses the link between small businesses and triple bottom line outcomes, why they are important, and some of the factors in their success.

Sustainability and the emergence of triple bottom line thinking

Growing inequality and environmental degradation challenge the current economic paradigm, creating market externalities that require new approaches. John Elkington first coined the term triple bottom line (TBL) to mean approaches that value economic, environmental, and social outcomes also known as the people, planet, profit paradigm. Part of this approach is the recognition that each goal is inherently linked. While TBL was defined in the late 1990s, it built on a long history of environmental and social movements. From Thomas Malthus’ writings about overpopulation in the 1800s to Rachel Carson’s Silent Spring published in 1962, many writers have fostered a growing awareness of finite resources, environmental degradation, and inequality. Increasingly, communities recognized that when environmental practices are unsustainable, low-income communities often suffer the most, whether

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due to lack of access to clean water or air, or ownership and control of natural resources. This linking of social and environmental goals manifested in the Bruntland Commission's definition of sustainable development, as well as the emergence of the environmental justice movement.

The importance and nature of small businesses

Small businesses are an important part of the economy contributing more than 46% of American nonfarm private gross domestic product and employing half of all private sector workers. There is less certainty on small businesses' impact on job creation, with some studies showing that small businesses account for over half of new net jobs created, and other studies showing that the age of a firm is more important to job growth than its size. Additionally, this contribution is not distributed evenly; many businesses remain small with one or two employees. In understanding small business success, the entrepreneur or manager is critical. These individuals are more integrally tied with business activities and founding principles.

Despite their relative importance, small businesses face unique challenges accessing capital, obtaining technical support, and achieving long-term survivability. One study finds an average survival rate of less than 40% past six years for businesses with less than 500 employees. Unique challenges include barriers to financing, and a heavier reliance on debt and personal equity than larger companies. They also face challenges in defining business structure, accessing technical training, affording health insurance premiums, and addressing leadership gaps. Economic development practitioners, financial institutions, business networks, and governments all have an important role in supporting small business health.

Small businesses and sustainable outcomes

There is growing recognition that cities and regions need to respond effectively to the challenges posed by fiscal constraints and environmental degradation. Given their share of the U.S. economy and their role in job creation, small businesses are an integral part of any meaningful effort towards environmental and social sustainability. New market opportunities exist for businesses including in green building, e-waste, recycling, renewable energy, and conservation to name a few. Some companies recognize that addressing social and environmental concerns through their business

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6 Ibid.
models, can lead to better growth, cost savings, improved brand and reputation, and resiliency to long-term impacts. As customers increasingly demand products and services that are sensitive to sustainable goals, businesses engaged in triple bottom line activities may have a competitive advantage in the marketplace. In addition to this market share gain, businesses that engage in environmental activities often see positive economic returns; social activities, however, are not as often associated with cost savings.

Compared with large companies, however, small businesses are recognized less for sustainability and TBL efforts. Some argue this may be because larger firms tend to be more susceptible to public scrutiny and thus are more likely to be environmental leaders. Others cite lack of management and financial resources to invest in non-essential projects beyond day-to-day operations. Where large companies can use certification programs, annual reports, and other formal means to document activities, small businesses often face challenges in operationalizing and documenting their TBL activities. Defining TBL concepts that are not quantitative is inherently tricky and standard definitions do not exist. This makes it difficult to report and interpret non-financial business activities, especially for small businesses with limited capacity. These observations, however, may simply point to a tendency to underestimate small businesses' contributions to social and environmental objectives due to the sheer number of organizations and their limited capacity to advertise their efforts.

Incorporating TBL and the role of networks

Due to the challenges noted above, many small businesses require tools and guidance on how to incorporate and report on TBL practices. Even if businesses are deeply engaged in TBL practice, there is value in connecting businesses to share lessons learned and practical experience in social responsibility. One way to foster TBL development is through small business networks. These networks offer business support, connect like-minded owners, and bring different industries together to assess needs. Businesses gain from moving outside the confines of their own business and capitalizing on local assets and institutions. Associations and networks provide opportunities to

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exchange ideas and overcome obstacles, both for individual businesses and for the network as a whole. Many offer peer learning opportunities, common marketing efforts, broader advocacy efforts, and workshops and conferences. A large national organization, called the American Sustainable Business Council, has 78 member organizations that represent more than 200,000 businesses (of all sizes) that support “sustainable development, socially responsible business practices, and strong local Main Street economies.” This likely does not capture the true potential and interest of businesses in TBL outcomes. In addition to networks, small businesses may rely on business assistance organizations for capital support and technical help. Mapping such an ecosystem of support provides insight into the needs of an organization or system. Businesses also need to collaborate with vendors and industry partners to influence supply chains. Internal assessments are not enough to impact the triple bottom line. Rather, collaborative partnerships are necessary for change.

Critiques of TBL approaches to business

Despite research on the value of TBL approaches to business, there are those who critique the use of the triple bottom line in evaluation of performance. Some critics argue that corporate social responsibility efforts and TBL tracking build a culture of business-as-usual hidden under clever slogans and marketing materials. Milne and Gray argue that sustainability reporting allows companies to cherry pick which efforts they want to highlight. They posit that the idea of TBL is different from and confused with advancing a just and sustainable world. Similarly, some critique TBL theories as one of two inadequate options: 1) the controversial task of assigning dollar values to environmental and social activities, or 2) reporting vaguely on social and environmental outcomes with little meaning. TBL rhetoric detracts from the more urgent issues of environmental degradation and social challenges. These are important considerations in any discussion of TBL approaches to business. This thesis acknowledges (through literature and interviews) the variety of interpretations and applications of TBL as well as the difficulty in tracking progress. While these challenges are difficult, if not impossible to solve, they do not negate the importance of taking steps towards more sustainable practices. Many of the interviewees did not discuss their activities in the terms of the “triple bottom line,” but rather view them as holistic efforts towards something more impactful and unique to their own business.

Research methodology

This section covers the major research decisions and methods employed in this particular study to understand triple bottom line small businesses and their support networks. It also describes the theoretical basis for selection, interviewing, and analysis methods and mentions potential shortcomings of the research.

25 ASBC website, http://asbcouncil.org/partners
Case study method and sampling strategy

This research evaluates the factors that enable and support small businesses committed to triple bottom line outcomes. A case study is relevant in this context because it offers a way to "investigate a contemporary phenomenon in depth and within its real-life context." My approach included an embedded, single-case design that focused on more than one unit of analysis (firms and business support organizations). The single-case covered the nature of TBL businesses in the Boston area, the challenges existing businesses face, and ideas to improve and expand support for these types of businesses. My initial unit of analysis focused on the businesses themselves through interviews of eight existing TBL businesses. My second unit of analysis involved interviewing five business support organizations to obtain a range of perspectives on and experiences with triple bottom line businesses.

In order to yield the most relevant data given my topic of study, I used a purposive sampling approach for the businesses. I limited my sampling to members of the Sustainable Business Network (SBN) of Massachusetts, a member driven organization that engages business owners in "building economies that are local green and fair." Of the more than one hundred members, I filtered potential businesses to those in the greater Boston area. Additionally, through online research and referrals from SBN staff, I narrowed the list to approximately thirty businesses that focused on both environmental and social outcomes and had reputations as leaders in the local business community. By interviewing leaders in the field, I hoped to understand the role of and challenges faced by more successful businesses and the lessons they might offer for enabling more TBL businesses to thrive. The eight businesses I ultimately interviewed (due to response rate) represent a wide variety of industries, size and maturation providing a more robust picture of the perspectives on the triple bottom line. This variety within a specific subgroup is an important consideration in qualitative research.

For the second unit of analysis, I interviewed five small business assistance organizations that reflect a diversity of organizations from the dozens operating in the region. One of them, the Sustainable Business Network, offered a view of the larger TBL-business community. The other organizations provide more general technical assistance and support to small businesses regardless of their mission. Two of the organizations (Interise and JPNDC), were mentioned by interviewed businesses as important resources for assistance. The other two offer a broader perspective of the challenges facing small businesses and an outsider’s view of the impact and role of TBL small businesses. These five interviews cover a mix of organization type, scale, and reach, creating a more complete picture of the business support system in the region.

Interview process and analysis

Interviews with businesses lasted approximately one hour and were conducted with either a founder or key leader. Organization interviews ranged between thirty minutes and one hour and were conducted with staff members and directors. Two questionnaires were used, one for businesses and one for organizations. While the interviews were conversational in nature, I asked many of the same questions in order to draw comparisons across interviews.

The analysis process largely followed the method described by Miles and Huberman consisting of three

11 Ibid.
14 Yin, 2011.
parts: data reduction, data display, and conclusion drawing/verification. As research and interviews progressed, I proceeded through cycles of this type of analysis going through each of the three stages several times. Data was distilled via targeted coding of interview transcripts, short summary development, and cross comparisons. Data display involved putting interviews in context via tables, charts, and other simplified comparisons to assist with analysis. Conclusion drawing and verification flowed from the first two parts. To place interviews in the proper context, I complemented individual case studies with a review of existing literature, website materials, annual reports and publications.

A note on bias

All research contains inherent methodological and researcher bias. Using a purposive sampling approach may have biased my results because the business interviews only capture companies that choose to have a membership role in the Sustainable Business Network and to publicize their TBL activities. There may be other important TBL businesses that fall outside these categories. The small sample size makes it difficult to draw conclusions. Additionally, recording interviews and sharing questions with interviewees ahead of time may have influenced the nature of the responses. Finally, the definition and manifestation of triple bottom line practices is broad and varied. Each business and organization interprets TBL differently; while I made every effort to clarify these differences in my research, there were likely times when assumptions went unaddressed or were misinterpreted. For these reasons and based on my chosen methodology, this thesis is exploratory in nature and attempts to understand how these eight businesses define their successes and challenges and how existing organizations might design future research to better support similar businesses in the future.

Remaining structure of the thesis

The second chapter provides an overview of the small business population in Boston and the TBL businesses studied for this thesis. I describe the key role small businesses play in the region and describe how they vary across industry sector. I then provide an overview of the eight businesses researched and discuss how they compare to the business sector as a whole. After describing the history, motivations and nature of each of the businesses, I analyze several attributes. These include how the business leadership decided to pursue TBL outcomes, the importance of the founder and ownership structure to the mission, and the motivations to continue to lead with a mission. I end with defining the major categories that businesses use to operationalize their non-financial practices.

The next major section of the thesis addresses the challenges TBL small businesses face and discusses the types of assistance they seek. Based on interviews with each of the businesses, I identify two challenges universal to many small businesses and three that appear to be unique for TBL focused companies. I then discuss how most businesses are not afraid to seek assistance and have done so throughout their evolution, seeking support for a variety of services, including financial, technical, industry-specific, and even TBL assistance. While some of businesses needs are being met, there are a few outstanding challenges for businesses that are not sufficiently addressed such as supplier information and sufficiently communicating TBL value to customers and the public.

The fourth chapter changes scales to explore the ecosystem of support for businesses in the Boston area, and identify ways it can better serve TBL businesses. I describe the five business assistance
organizations researched and their place in the broader system of support. I catalog their views on TBL small businesses and how they engage (or not) with them through their services. I then analyze ways in which the small support business system can enhance support for existing businesses through strategies to communicate TBL practices. I also suggest several ways in which organizations and partnerships can build and nurture a more robust population of small businesses thinking about their triple bottom line.

The concluding chapter summarizes the research and findings.
Overview of Businesses in Boston and TBL Businesses Studied

This chapter describes the small business composition in Boston, summarizes the specific businesses included in this study, and elaborates on their history and characteristics. The small business environment in Boston is large and varied, and it makes up 84% of the companies in the metro area. Across and within industry sectors the importance of small businesses differ, suggesting that specific sectors should be targeted before others, and that different approaches may be necessary. The businesses interviewed for this study reflect a diversity of industry sector, but healthcare and construction companies are not represented. Finally, the importance of the founder is critical for many of the businesses as is their decision to focus on TBL outcomes. They are motivated by many factors including a sense of responsibility, their role in the community, and the importance of collaboration.

The next section analyzes eight ways in which businesses operationalize their triple bottom line activities. All of them pursue TBL through their supply chain and vendors which also highlights one of the major challenges they face: getting information on the TBL activities of their vendors. Other ways businesses define TBL is through employee policies, hiring practices, community efforts, philanthropy, advocacy, and organizational structure. These varied definitions show the complexity of measuring TBL outcomes, and as a result, many businesses have turned to third party certifications to validate their efforts. In a later chapter, I consider whether these certifications account for the categories I found in my research.
State of small businesses in Boston

There is a robust small business climate in the Boston area consisting of thousands of businesses employing a significant portion of the population. Interpreting the business climate at different scales (urban and regional) compared with the United States helps to illustrate some of the unique local factors at work. As shown in Table 1, the urban core (as represented by Suffolk County) \(^{36}\) has a higher percentage of small businesses than the metropolitan statistical area (MSA) or the United States as a whole. The urban core also has the highest minority- and women-owned percentages of businesses (Table 2). The greater MSA has a higher percentage of women-owned businesses but lower minority ownership rates than the country as a whole. This indicates that Suffolk County is home to a smaller and more diverse business segment than the U.S. average.

Table 1: Composition of Businesses by Size in Suffolk County, Boston and the U.S., 2011\(^{37}\)

<table>
<thead>
<tr>
<th></th>
<th>Suffolk County</th>
<th>Boston MSA</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Businesses</td>
<td>19,436</td>
<td>121,796</td>
<td>7,354,043</td>
</tr>
<tr>
<td>&lt;20 Employees</td>
<td>81.4%</td>
<td>69.7%</td>
<td>70.2%</td>
</tr>
<tr>
<td>&lt;100 Employees</td>
<td>96.1%</td>
<td>78.9%</td>
<td>79.0%</td>
</tr>
<tr>
<td>&lt;500 Employees</td>
<td>99.4%</td>
<td>83.8%</td>
<td>84.0%</td>
</tr>
<tr>
<td>Percentage of Employees at Small Businesses (&lt;500 ppl)</td>
<td>----</td>
<td>45.1%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Table 2: Composition of Businesses by Ownership in Suffolk County, Boston and the U.S., 2007\(^{38}\)

<table>
<thead>
<tr>
<th></th>
<th>Suffolk County</th>
<th>Boston MSA</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned</td>
<td>25.1%</td>
<td>11.8%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Women-owned</td>
<td>29.5%</td>
<td>30.2%</td>
<td>28.8%</td>
</tr>
</tbody>
</table>

\(^{36}\) Suffolk County is comprised of four cities and towns: Boston, Chelsea, Revere and Winthrop. The city of Boston accounts for over 80% of the area of Suffolk County (Wikipedia). As a result, it is a good proxy for the urban core.

\(^{37}\) 2011 County Business Patterns, U.S. Census

\(^{38}\) 2007 Survey of Business Owners, U.S. Census
This outsized share of the number of small businesses holds true when looking at specific industry sectors (Fig. A), but their impact varies across industry types. Construction companies are overwhelmingly small, whereas large firms take up a larger portion of the Finance and Insurance sector. This has practical implications for supporting TBL businesses where strategies might differ across industries. For example, an expertise in construction waste recycling for construction firms may have bigger impacts on environmental outcomes than in-office energy efficiency with a small staff.
The distribution of small businesses (those under 500 employees), as shown in the Fig. B, also highlights important considerations. Professional Services and Other Services account for 26% of the small businesses in the other. These service industries may have similar TBL gaps and solutions. Retail Trade, Construction, and Healthcare also represent a significant portion of small businesses.

![Diagram showing distribution of small businesses by industry](image)

**Figure B: Businesses in the Boston MSA: Distribution of all Small Businesses by Industry, 2011**

Small is defined as those with less than 500 employees.

Source: 2011 County Business Patterns (U.S. Census)
Overview of the businesses studied

The research process included eight interviews with TBL small companies in the Boston area. They are all members of the Sustainable Business Network of Massachusetts and have an overt commitment to social as well as environmental outcomes in their mission. Beyond these similarities, the businesses vary widely. Industries range from food based companies to business services. The youngest was founded three years ago and the oldest over thirty five years ago. They also range in size from only a few employees to nearly two hundred. Figure C provides an overview of the business size, founding, and industry.

Figure C: Businesses Interviewed by Size, Age, Revenue and Industry
Since a typical firm (whether TBL or not) does not exist, it is important to research across a diverse group of firm characteristics. This variety provides a range of perspectives on what it takes to operate a triple bottom line company, what factors contribute to their success, and what challenges they may face.

The business interviewees represent six major industry categories and cover both products and services. Two of the industry sectors that contain large numbers of small business in the Boston MSA are missing from the interview pool: construction and health care, (though Boston Building Resources represents construction materials in the retail trade sector). This lack of representation could reflect the self-selection patterns of businesses who choose to obtain membership in the Sustainable Business Network or who choose to pursue TBL outcomes. In terms of size, the interviewees reflect the proportion of small businesses that have less than 100 employees well (75% compared with 79% for the Boston MSA). However there are fewer interviewees with less than 20 employees compared with the Boston MSA average. Revenues range from less than $1 million to over $50 million. The business types also range from cooperatives to for-profits and non-profits reflecting the diversity in how businesses prioritize financial outcomes in their approach to TBL. Table 3 provides basic details on the businesses with a brief summary of each business in the subsequent section.
<table>
<thead>
<tr>
<th>Company</th>
<th>Year Founded</th>
<th>Primary Industry</th>
<th>Product or Service</th>
<th>Business Type</th>
<th>Total Employees</th>
<th>Revenue</th>
<th>Interviewee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston Building Resources</td>
<td>1978</td>
<td>Retail Trade</td>
<td>Building materials</td>
<td>Cooperative and Non-profit</td>
<td>14</td>
<td>$2,000,000</td>
<td>Matthew St. Onge, President and Executive Director</td>
</tr>
<tr>
<td>Equal Exchange</td>
<td>1986</td>
<td>Wholesale Trade</td>
<td>Fair Trade food products</td>
<td>For-profit, worker owned</td>
<td>140</td>
<td>$56,000,000</td>
<td>Rodney North, Public Relations</td>
</tr>
<tr>
<td>Dancing Deer Baking Company</td>
<td>1994</td>
<td>Manufacturing</td>
<td>Baked goods</td>
<td>For-profit, some worker ownership</td>
<td>65 year round, 120 seasonal</td>
<td>$15,000,000</td>
<td>Frank Carpenito, President and CEO</td>
</tr>
<tr>
<td>Tech Networks of Boston</td>
<td>1994</td>
<td>Professional Services</td>
<td>IT services, onsite support, and training</td>
<td>For-profit</td>
<td>50</td>
<td>$4,000,000</td>
<td>Susan Labandibar, President and CEO</td>
</tr>
<tr>
<td>City Feed and Supply</td>
<td>2000</td>
<td>Retail Trade</td>
<td>Independent grocery store</td>
<td>For-profit</td>
<td>48</td>
<td>$5,000,000</td>
<td>David Warner, Founder</td>
</tr>
<tr>
<td>Haley House Bakery Café</td>
<td>2005</td>
<td>Accommodation &amp; Food Services</td>
<td>Wholesale bakery, catering and café</td>
<td>Non-profit</td>
<td>25</td>
<td>$2,000,000</td>
<td>Bing Broderick, Executive Director</td>
</tr>
<tr>
<td>Savorii</td>
<td>2009-2011</td>
<td>Retail Trade</td>
<td>Fashion accessories and art</td>
<td>For-profit</td>
<td>4 partners + vocational workshops</td>
<td>N/A</td>
<td>Pat Gorham, Founder and Partner</td>
</tr>
<tr>
<td>Somerville Sustainable Cleaning</td>
<td>2010</td>
<td>Administrative &amp; Waste</td>
<td>Janitorial Services, restoration, facilities inventory control</td>
<td>For-profit</td>
<td>5 full time, 21 part time</td>
<td>$300,000</td>
<td>Marc Silva, Principal and Operations Manager</td>
</tr>
</tbody>
</table>
Boston Building Resources

Boston Building Resources opened in 1978 in response to the energy crisis in order to help Roxbury/Dorchester residents with energy efficiency in their homes. The cooperative grew and expanded over time and now sells new building materials with an environmental focus and through a non-profit affiliate, reused building materials. The concept of TBL is rooted in how the coop was founded- both as an attempt to reduce energy consumption, and a desire to help inner-city residents improve their own homes and build value where they live. Boston Building Resources focuses their TBL efforts in several ways. Environmentally, they remain committed to selling products that help homeowners save energy and live more sustainably (i.e. rain barrels, weatherization, recycled and local products), and by saving and repurposing building materials in the reuse center. They are a certified Sustainable Business Leader through the SBN and regularly conduct workshops and outreach to educate customers on more sustainable home practices. Socially, they remain committed to staying in Roxbury and helping underserved communities access building resources. They offer reduced annual fees and lower prices in the reuse center to low-income members. Their cooperative structure also highlights their social mission, because community members take a role in the success of the organization.

Equal Exchange

Equal Exchange was founded in 1986 as an effort of three coop store managers who wanted to have an impact on global food distribution. They began by sourcing Nicaraguan coffee as a political statement (President Reagan had an embargo on the country), to build on the growing specialty coffee market, and to align themselves with labor and Fair Trade issues. That mission is largely the same today, with more variety of products and suppliers (chocolate, avocados, bananas, etc.), but the same commitment to Fair Trade and natural, organic products. They are the largest business interviewed with over $50 million in revenue and an international focus. Equal Exchange defines its social mission through being a worker-owned cooperative and supporting worker coops and Fair Trade policies for the farmers and suppliers that they work with. They also engage in the global discussion around Fair Trade and consider themselves activists for more equitable food production. They admit that their focus on the social side of TBL is stronger, but they do promote environmental practices through the sale of organic products and measuring their own carbon footprint.

Dancing Deer Baking Company

Dancing Deer began with the effort of three individuals to create high quality baked goods to sell in local coffee shops and businesses. The business has transformed over the years to solely retail, mail-order, and corporate gifts. Growth and impact have been key goals for the company since the beginning. Leaders have sought impact investors, national certifications (B Corp) and national networks to scale up over time to $15 million in revenue. They have continued to work on transparency and measurability with clear employee, company, and product policies around social and environmental goals. Environmentally, they produce natural, non-preservative products with minimal packaging. They are also a certified Sustainable Business Leader and a Massachusetts Benefit Corporation. On the social side, they participate in several philanthropic activities, provide partial ownership to employees, are committed to an inner-city workforce, and offer employees flexible time off and low hourly requirements for benefits.

Tech Networks of Boston

Susan Labandibar founded Tech Networks in 1994 originally to sell used computers on college campuses. Though always an activist dedicated to environmental and social causes, Susan did not
realize until a few years into the business that it was possible for entrepreneurship to be a conduit for change. The company now provides IT services, training, and support to non-profits and small businesses in Boston. Tech Networks also works to spawn 100% mission driven organizations like Southie Trees and the Climate Action Liaison Committee that advocates on behalf of businesses. Tech Networks is a certified Sustainable Business Leader and a certified B Corp. They increasingly offer customers green IT equipment procurement and server virtualization as a method of climate change preparedness. Internally, they focus on local procurement, diverse hiring policies and high minimum wages.

**City Feed and Supply**

City Feed and Supply was founded in the 1990s initially to fill a market gap in the JP neighborhood. The founders sought to create a convenience/grocery store where you could “get a cup of coffee and buy food you actually want to eat.” The mission has always included striving to be a community gathering place. Now the primary reason for the business is not food sales, but rather “community building through service.” Their vehicle happens to be food. Their TBL mission is focused locally, via the regional sourcing of products, and via advocacy, primarily in Jamaica Plain. They are a certified Sustainable Business Leader, have in-store compost and recycling programs, source over 3,000 local and regional products annually, and incorporate many green building practices into their stores. On the social side of TBL, they are active in many community groups, support dozens of local farmers, and sponsor many local events.

**Haley House Bakery Café**

Haley House’s roots go back to 1966 when Kathe and John McKenna, inspired by the Catholic Worker movement, offered shelter to homeless men. Soon after, they developed a soup kitchen to serve more people. The organization developed permanent housing for people transitioning from homelessness, a larger soup kitchen and a bakery over time. It wasn’t until 2005, that the Bakery Café opened as a nonprofit in Dudley Square. The Bakery Café also serves as expansion space for the wholesale bakery business. Haley House defines its TBL mission in its commitment to the transition employment program (training formerly incarcerated adults in food service), healthy eating courses for kids and adults, sourcing local ingredients, and its role as a central player in the community. They are a certified Sustainable Business Leader and have worked to reduce waste, provide healthy food options in the neighborhood, and remain active in local causes.

**Savorii**

Founded between 2009 and 2011, Savorii continues to define its mission, strategy, and focus, but 2014 hopes to be a year in which consistent operations allows the company to focus on growth, marketing, and gaining new customers. The company uses leftover and recycled materials to create handbags and other fashion accessories. Materials have included leftover coffee sacks, remnant leather, and reclaimed boat canvas and sail materials. Savorii defines itself beyond selling products; it is about people and the synergy from working collaboratively to create. They contract with four local workshops (a homeless shelter and organizations working with developmentally disabled adults) to create the products. In return, they assist with job skills and training and include the workers heavily in the design process. For some products, they have also commissioned local artists.

**Somerville Sustainable Cleaning**

Somerville Sustainable Cleaning (SSC) was founded by Marc Silva in 2010, to provide an alternative to the traditional, primarily low-wage cleaning industry. Silva continues to run the business without any
outside financial support, believing strongly that this independence is the only way to avoid pressures to cut corners or wages. SSC strives to incorporate environmental practices in much of their work, using green and recycled products and minimizing waste, even if that means more labor may be involved. They scrutinize every decision, from what type of can liners to buy to calling companies to confirm product ingredients. Silva and his brother run the company with core full and part time staff and offer what he describes as an average Massachusetts living wage ($11.62 an hour) for all employees. Many make above this amount. They define their TBL mission in providing safer and environmentally-friendly cleaning services, supporting higher wages and increased benefits for employees, and supporting local economies whenever possible through partnerships and procurement. They also work to educate the public and their clients of the benefits of safer products and services.

These next sections discuss trends among the businesses in establishment, ownership structure, and motivation for TBL practices. It then highlights several ways in which businesses apply these factors in defining their approach to TBL.

**Decision to become TBL and the role of the founder**

Many of the businesses were founded with TBL missions. Some emerged out of the existing role of a non-profit organization in the communities where they established. Haley House Bakery Café emerged out of its parent non-profit after staff realized the lack of options for healthy food and employment opportunities in Dudley Square. Boston Building Resources was founded by an employee of a Roxbury non-profit that helped low-income families purchase homes. He realized that families were being “left at the threshold” in terms of future needs such as access to building materials, home repairs, and energy efficiency upgrades.

Other companies describe TBL as being part of their “DNA” (Dancing Deer) or “interwoven” (Savorii) into their mission. Founders had a desire for social and environmental impact and chose business to pursue that passion. Others had experience in a particular industry, but saw a more sustainable path to delivering a product or service. Marc Silva worked in the janitorial industry for over ten years before he founded Somerville Sustainable Cleaning. He saw the impact of poor wages and harsh chemicals and chose to create an alternative business model. Similarly, the founders of Equal Exchange had been part of the local coop food movement, when in the 1980s they realized the effort to create Fair Trade products did not extend to international producers.

Though a majority of businesses began with TBL principles, some learned them along the way. Susan Labandibar originally founded Tech Networks to fill a market gap and make money in order to be a philanthropist later in life. It wasn’t until she connected with other business leaders at a Chamber of Commerce meeting and a Responsible Business Alliance meet up (the precursor to the Sustainable Business Network), that she realized businesses could be a force for good. For her it was a moment of “lifting [her] head up” and realizing that she could own a business and pursue sustainable outcomes. David Warner, of City Feed and Supply, describes the transition as more gradual. David and his wife opened the first store to offer “food you actually want to eat and a good cup of coffee.” They envisioned it as a community gathering place, but it wasn’t until a few years in that they realized that the work they were doing was really about community building directly, both locally in Jamaica Plain, and regionally with the farmers and producers they source from.

In all of these examples, the founder is a critical part of the creation, development, and institutionalization of sustainable practices. This is corroborated by other studies that find a link
between the founder or manager’s values and the pursuit of TBL goals. At Dancing Deer, the three founders are no longer involved in day-to-day operations, but the current president cites their role in laying the groundwork for creating the culture that exists today. Even in businesses where the founder is still involved, many cite the importance of continually working with employees to share the mission, create common values, and build a culture of TBL. David Warner and Kristine Cortese issue a regular internal newsletter to communicate mission-based activities and values to City Feed and Supply employees. Susan Labandibar recalled a new hire that was offered an $11 an hour salary by her human resources staff. When she found out, it sparked a conversation about wages that led to institutionalizing a $14 hourly minimum wage for all Tech Networks employees. Without her commitment and oversight, this may not have occurred. In any small business, the role of the manager or founder is critical to a business’ success, but in mission-driven organizations they also play a pivotal role in defining success itself.

Importance of the ownership structure to the mission

The businesses are structured in a variety of ways including coops, for-profits, worker-owned businesses, non-profits and hybrid approaches. For some, the ownership structure was extremely important to a business’ identity and mission, while others did not mention it as a factor.

A coop model was integral to Boston Building Resource’s establishment. The original organizers did not seek profits and saw an opportunity in community ownership. Matthew St. Onge, though not involved at the founding, cites the popularity of coops in the 1970s as another factor in Boston Building Resource’s decision, saying that the structure of a coop aligned with the founders’ goals. Members buy into the coop at a regular rate of $25 per year, or a reduced rate of $10 for low-income customers. Each member has a vote in governing decisions of the coop. Even today, St. Onge values the coop model. All of the members who run into him want to know, “How are we doing?” They care about the success of the business and recognize that the community is in it together.

Similarly, Equal Exchange, even as a company that does business with farmer cooperatives all over the world, felt it was imperative to be a worker-owned cooperative. They believe that this not only attracts like-minded employees, but also contributes to a robust culture of democratic decision making, shared value and greater impact. Rodney North also credits this structure for many of their other TBL outcomes. He feels that maintaining independence has allowed them to raise capital on their own terms, build trust with the cooperatives they source from, and send a message to consumers and others that they walk-the-walk when it comes to social mission. This is an example of debunking the view of many (including an assistance provider) who believe that cooperative ownership is less profitable and subtracts from a business’ bottom line. Equal exchange finds that this structure adds to their appeal with customers and investors alike.

Contrast this with Savorii, who made a conscious decision to establish as a traditional, for-profit company. A non-profit structure did not fit their business model nor their product image. They have an impact on several organizations by contracting out manufacturing rather than employing individuals in-house. Some of the workers are adults with disabilities, others come through a homeless shelter. Pat

Gorham says that these employees do not want handouts nor to be seen as charity cases. Additionally, customers have mixed reactions when they hear Savorii's story. Some customers are wary of the quality of product made at a homeless shelter even though they pass rigorous quality control checks and are constructed by skilled workers. The for-profit model helps Savorii attract customers that are excited about their mission, but also attracts a wider audience who views their products as competitive, high quality, and well made.

Another for-profit company, Dancing Deer, has some characteristics of worker ownership. “All Dancing Deer employees are stakeholders in its profitability and share in the rewards of a well-run, growing company.” Full time employees automatically get stock options in the business and this begins on the first day of employment with a grant. While this is not the one-vote model that worker coops often have, the company believes that this creates a community of stakeholders and sends a message that everyone in the company is important.

**Primary motivations for pursuing TBL outcomes**

While all the businesses cared about social and environmental issues, each business had unique overarching reasons for pursuing TBL outcomes and defining success in non-financial ways. Some viewed TBL in the context of community, others viewed it as a responsibility, and some saw it as a way to connect with people in a more meaningful way. This highlights the broader benefits and challenges of having a moldable definition of TBL without universal interpretation.42

Both Haley House and City Feed and Supply are motivated largely by the opportunity to use TBL practices for community building. For Haley House, TBL practices mean providing healthy food and jobs in an underserved community. The executive director, Bing, says however, “that as much as our mission is about healthy food, if we were to close tomorrow, what people would miss the most, is a place in their community where they could go and run into friends.” They describe the Café as a place of possibility, and home to many community events, most of which are created by local residents, not Haley House. It is this deeper community change that motivates their day-to-day work. In the same regard, City Feed provides local and sustainable grocery options to the Jamaica Plain neighborhood, but the founders see their work on a deeper level. They think the most powerful influence of the business is their mission of “community building through service” by supporting local efforts.

Other businesses have a sense of responsibility to tackle social and environmental issues. Marc Silva, of Somerville Sustainable Cleaning says the “company is based on the idea, that I, as a business owner, I am taking personal responsibility for my social, environmental and economic actions.” He says that it’s important to take the opportunity to make changes and set proper examples for future generations. It is this philosophy that guides the company’s decision making process. Matthew St. Onge echoes this sentiment. When asked what motivates Boston Building Resources to apply TBL concepts to their business, he replied “a sense of fairness...we recognize that this community has been disproportionately marginalized...we’re here to share knowledge, share ideas, and help people improve their homes, make them more valuable, [and] more energy efficient.” This thinking is rooted locally, in the Roxbury community and the challenges this area of Boston faces.

A third way that businesses identified the value of and driving force behind pursuing a TBL mission is

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42 Slaper and Hall, 2011.
through collaboration and engagement with others. Savorii strives to focus on people and the synergy created when individuals work together. Whether this is collaboration through design, building technical skills for those that need them, or celebrating diversity, Savorii sees themselves as much more than the products they generate. Tech Networks of Boston is also motivated in applying TBL principles for the shared connections it creates. Susan Labandibar explains this as showing others that we put forth a heartfelt effort to elevate the discourse and create a shared understanding of helping people and making a difference.

**Operationalizing the Triple Bottom Line**

Each of the motivations discussed above have lead the businesses to their own personal definitions of triple bottom line. Among the eight businesses, I identified nine areas in which businesses operationalize their triple bottom line activities as well as a tenth category as to whether they seek certification to validate their efforts (see Table 4).
Table 4: How Businesses Operationalize Triple Bottom Line Activities and Outcomes

<table>
<thead>
<tr>
<th>Categories in which Businesses Operationalize TBL</th>
<th>Boston Building Resources</th>
<th>Equal Exchange</th>
<th>Dancing Deer Baking Co</th>
<th>Tech Networks of Boston</th>
<th>City Feed Supply</th>
<th>Haley House Bakery Café</th>
<th>Savorii Cleaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Incorporated into services and products</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>2-Pursued through supply chain and vendors</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
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<tr>
<td>3-Addressed in building/physical space</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-Embedded in the organizational structure</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5-Accounted for in hiring practices</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>6-Linked to employee policies</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>7-Defined by community role</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8-Within philanthropic efforts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9-Associated with broader advocacy work</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 Defined through third party certification</td>
<td>x</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

43 This chart reflects categories cited by business leaders in interviews and addressed in reports. A particular category may be missing if a business did not clearly identify it as a priority.

44 Many of the businesses use certifications for their products (e.g. Fair Trade, organic, etc.), but for the purposes of this section, I only consider organizational certifications which reflect broader practices.
1- Incorporated into services and products

All of the businesses pursue TBL outcomes in the types of services and products they offer to customers. This is not surprising given that products and services are at the core of any business, and this sends the clearest message to consumers that a business is interested in TBL outcomes. Products and services may have environmentally sensitive attributes such as recycled content, organic ingredients, or help to minimize consumption. On the social side, businesses sell products that support Fair Trade, commit to working with specific types of clients or create products that support jobs for traditionally underserved populations. Some of these services and products address both environmental and social goals such as selling locally-sourced products.

2- Pursued through supply chain and vendors

Closely related to products and services, supply chains are also an important way for all of the businesses to address TBL goals. Many of them, such Tech Networks and Dancing Deer, consider surveying vendors on their sustainable practices an important effort. Equal Exchange has expressly committed to only work with farmer cooperatives. Somerville Sustainable Cleaning reviews all janitorial products for safety and environmental impact. These vendor relationships are important to all the businesses, but getting information from them is also one of the major challenges businesses face, as discussed in the next chapter.

3- Addressed in building/physical space

Some businesses look to their physical spaces to identify ways in which they can reduce environmental impact and save energy. Boston Building Resources constructed their current store using green building techniques that also highlight many of the products they sell in the store. Equal Exchange has explored many options to make their headquarters environmentally friendly and more efficient. Similarly, Dancing Deer minimizes environmental impact in their production process and worked with their landlord to install the largest solar panel installation in the City of Boston. Finally, City Feed and Supply obtained free green building technical assistance from the Boston Redevelopment Authority's GreenTech Initiative for their newest store. Both stores use comprehensive recycling and composting programs to reduce waste.

4- Embedded in the organizational structure

A few businesses define their TBL outcomes in their business organization, as also discussed above. Boston Building Resources and Equal Exchange are both cooperatives that spread ownership to either the community or to employees. Dancing Deer also provides an ownership stake for all employees. All the companies believe that this ensures that the business remains more democratic, brings stakeholders together on the company’s mission, and builds capacity for broader impact.

5- Accounted for in hiring practices

A majority of the businesses emphasize the importance of hiring practices to their triple bottom lines. Both Tech Networks and Dancing Deer are committed to hiring a predominantly inner city workforce. Haley House has a program to train formerly incarcerated adults in their café and is an “openly CORI-friendly organization,”45 while Savorii’s model is based on contracting with homeless shelters and vocational workshops for adults with disabilities to manufacture their products. They both believe that

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45 CORI refers to Criminal Offender Record Information. Many businesses conduct background checks on potential employees and will not consider anyone with a criminal record, regardless of the circumstances. Haley House’s CORI friendly policy means that they are open to hiring employees with records based on their situation.
these hiring practices provide important skills for those who traditionally face challenges in job markets. While Equal Exchange does not have a particular type of employee that they target, they have an extensive interview process and yearlong trial period before an employee can become a member of the cooperative to ensure that employees’ goals align with the company’s mission.

6- Linked to employee policies
Businesses also define their TBL mission with how they institutionalized certain policies for employees. Equal Exchange, as a worker-owned cooperative affords meaningful opportunities and benefits for employees. These include an equal vote on important company decisions, the ability to run for a board seat, and to take an active role in the company. Employees at Dancing Deer, in addition to an ownership stake, have more flexible paid time off, lower limits to access benefits, and generous extended leave opportunities for immigrant employees to visit their home countries. This emphasis on policies is also seen in Tech Networks and Somerville Sustainable Cleaning who offer high minimum wages to all employees among other benefits.

7- Defined by community role
Many businesses feel that a broader commitment to the community is an important piece of TBL work. Both Haley House and City Feed and Supply, as discussed above, see themselves as community centers within their neighborhoods, and a large part of their mission is bringing people together around food and building community. Boston Building Resources emphasizes their community role in their commitment to working in Roxbury and their member coop structure which brings nearby residents into the business. Tech Networks, on the other hand, views its role as more entrepreneurial, supporting and spawning mission driven organizations to plant trees and combat climate change, to name a few.

8- Within philanthropic efforts
Three businesses identified their philanthropic efforts as important parts of their TBL mission. Dancing Deer highlights the donations they make to community causes in their annual benefit report. They also promote a line of baked goods in which the proceeds from sales are donated to a local non-profit. Similarly City Feed and Supply support several organizations in Jamaica Plain with donations of time, products and money. Finally Somerville Sustainable Cleaning often sponsors events for advocacy groups aligned with its mission, such as the Sustainable Business Network and Local First Organizations. Equal Exchange donates more than 10% of their net profits annually to philanthropic causes, but did not highlight this as an important piece of their TBL identity.

9- Associated with broader advocacy work
Several interviewees mentioned their role in advocating for causes they care about as an important corollary to their TBL practices. Equal Exchange is vocal in the international discussion of Fair Trade policies, and sees itself as the “mosquito on the back of the elephant.” They serve as a vector for new ideas to change the policies of big multinational companies in tea, coffee, chocolate and other industries. Tech Networks actively campaigns for climate change causes, and Haley House often holds educational events to spread awareness about issues in the Dudley Square community. Somerville Sustainable Cleaning advocates for minimum wage policies, and David Warner mentioned that City Feed has advocated for affordable housing and other issues in Jamaica Plain.
10- Defined through third party certification

Some businesses choose to communicate and define their TBL practices on their own terms. Others look to third parties to help them define their impact and advertise their efforts to the public. Five companies have pursued Sustainable Business Leader Certification and two have sought out B Labs for B Corp certification. These will be discussed further in the next chapter in addition to how well the attributes defined above fit into the two certification structures.

These categories highlight the complexity of measuring triple bottom line outcomes. Businesses choose to operationalize their efforts in different ways that are not consistent within a sector or across businesses. They point to some of the challenges businesses face in communicating impact, influencing their supply chain, and having clear objectives. These challenges are discussed and analyzed in the next chapter.
What Challenges do TBL Small Businesses Face, and What Types of Assistance do They Seek?

With an understanding of the participant businesses and the ways in which owners pursue TBL outcomes, this section turns to some of the different business challenges interviewees faced and the types of outside assistance they have sought. Small businesses face many challenges in achieving stability and success. Several studies highlight barriers to financing, limited access to technical resources, leadership gaps and administrative capacity as issues for small businesses. While interviewees mentioned some of these challenges, only a few were repeatedly mentioned. Some of these seem to be universal challenges that businesses face regardless of mission, while others appear to be uniquely related to businesses’ focus on the triple bottom line. Table 5 summarizes the challenges cited by each of the businesses and discussed below.
Table 5: Challenges cited by the Businesses

<table>
<thead>
<tr>
<th>Challenges to achieve goals</th>
<th>Boston Building Resources</th>
<th>Equal Exchange</th>
<th>Dancing Deer Baking Co</th>
<th>Tech Networks of Boston</th>
<th>City Feed and Supply</th>
<th>Haley House Bakery</th>
<th>Savorii</th>
<th>Somerville Sustainable Cleaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Health</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Managerial capacity constraints</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communicating the value of TBL</td>
<td></td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Getting information from vendors</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staying focused on the business</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

One challenge noticeably lacking amongst the participating businesses was access to outside financial resources. Often an issue for small businesses, only one business in the study cited financial access as a challenge to their development. City Feed and Supply mentioned their plans to open a third store, but they have been constrained by lack of financing options. They believe this is primarily due to the nature of their business; they are more cash-flow dependent with little collateral to offer banks despite showing years of successful operation. Most other companies did not even mention financing during interviews. Others pointed out that their TBL focus made it easier to obtain investment. Dancing Deer was able to attract a social mission investor out of San Francisco who not only provided financial support, but also helped them cultivate and deepen their mission. Their partnership, started five years ago, continues today. Rodney North at Equal Exchange says “we’ve been very successful in raising capital on our own terms that doesn’t threaten our independence,” even turning some interested investors away. This sheds light on the common perception that financing must be difficult for businesses with a social mission. Rather, the interviewees’ experiences suggest that access to capital may be tied more to industry and business age than whether a business dedicates itself to a particular mission.

**Universal challenges**

Despite the lack of need for access to financial capital to expand, many of the businesses still claim that making enough money inherent to the business is a challenge for pursuing desired activities. Haley House would like to pay their staff some form of a living wage, but current financials do not make this possible. They currently rely on grants for 8-9% of their operating expenses and this outside support gets them closer to providing better options for staff. Marc Silva similarly cites the importance of staying cost competitive in a bid-for-service market and the need to convince clients that the extra cost for Somerville Sustainable Cleaning’s services is worthwhile for their own employees’ health (using environmental products) and for the social mission of paying employees better wages. The younger businesses cited this challenge suggesting that age may play a role in financial health, and that as a
business matures, this challenge becomes less of an issue.

In additional to financial challenges, almost all of the businesses cited managerial capacity as an issue to growth and impact. Savorii has scaled back on the number of partners and artists they work with because the founding partners are “spread thin.” Tech Networks, despite focusing on several environmental and social initiatives in addition to their IT business, find it is often hard to stop and think about the big picture with customers relying on them every day for service. Equal Exchange struggles with the ability to build up its existing managerial staff so that people with knowledge, authority, and time can move the company’s sustainable and ethical priorities forward. They can effectively manage their current activities, but it is often hard to add or expand priorities. This is echoed by similar studies that find that leadership capacity and time to devote to non-essential activities is a challenge for many businesses.47

**Challenges unique to a TBL approach**

Some of the challenges cited by businesses appear to be related to their TBL mission. That is, these challenges would not exist if the business did not pursue social and environmental outcomes in addition to achieving financial success. These include difficulty in tracking internal, non-financial returns, getting information from vendors, and staying focused on developing the business.

*Communicating the value of TBL and tracking non-financial returns*

Businesses committed to triple bottom line outcomes focus on many variables that often are difficult to measure. This makes it difficult to track progress but also to communicate value to customers and other stakeholder groups. Additionally, these measures are often not universal or standardized across companies.48 Dancing Deer agrees that the financial and resource commitment they make to practices is hard to measure, but that they try to tell a consistent story to customers. David Warner of City Feed also tries to tell a story to customers about the important non-financial impacts of the business. Despite many who shop at the store for these reasons, he says that “people have pretty much complained about our prices for fourteen years. How great our mission is and how active we are in the community is not a complete antidote to that complaint.” They consistently educate customers about the work they are doing and why it is integral to their mission. However, both companies say that a TBL focus differentiates them from competitors and on net, contributes to their financial success.

Several businesses have tried to address this challenge through third party verification. Five of the businesses, including Dancing Deer and City Feed have obtained a Sustainable Business Leader designation from the Sustainable Business Network. This certification requires improvements across seven categories: energy efficiency, water conservation, waste management, pollution prevention and safe alternatives, transportation, local purchasing and local food, and sustainability management. Valid for three years, it helps business owners show they are committed to specific practices and outcomes. Tech Networks and Dancing Deer have also sought certification as a B Corp through the B Lab organization.49 This certification scores businesses in four categories: governance, workers, community and environment, (see page 42 for more details on B Lab and B Corp certification).

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47 Thorton, 2013.
48 Slaper and Hall, 2011
49 See www.bcorporation.net/quick-faqs for more information.
**Getting information from vendors**

Once businesses address their own internal processes, many want to influence existing vendors or select them based on their environmental and social practices. This proved difficult for many businesses. Susan Labandibar of Tech Networks mentioned a survey they completed a few years ago asking vendors about their sustainable purchasing habits. She lamented that most people were unable to respond to basic questions about what they purchase and where they get it from let alone address the environmental impacts of these decisions. Surveying accounting and sales staff turned up little in sustainability knowledge. She described it as asking vendors to “translate something from Sanskrit.”

Marc Silva, of Somerville Sustainable Cleaning, often procures facilities products for clients. He constantly finds products touted as sustainable but making dubious claims. He also struggles with the lax disclosure requirements inherent in the federal Toxic Substances Control Act that allows producers to hide many of the ingredients in cleaning products. To address this, he primarily purchases Green Seal certified products that have been vetted for environmental and safety benefits, but also relies on calling manufacturers directly when necessary. Savorii focuses a lot of attention on the types of materials used in their handbags and fashion accessories. Almost all of the materials are recycled or reused, and this criteria adds extra time and energy into sourcing products. Not only is it difficult to find materials initially, but oftentimes the source of a reused material may not be available on a regular basis. As a result, they have to be pickier about the vendors they work with, often relying on their own judgment to determine whether a material meets their criteria. Dancing Deer is currently planning a survey of their vendors around sustainability to try to better understand their supply chain. For all of these businesses, it is important to think about the impacts of suppliers and inputs, often making it difficult to obtain information or requiring additional staff effort.

**Staying focused on the business-side**

In addition to focusing on their supply chains, another challenge echoed by nearly all the businesses is that focusing on the triple bottom line often requires extra effort to focus on the economic pillar of the equation. People who care about environmental and social causes are often attracted to these types of businesses and Matthew St. Onge of Boston Building Resources says “I think that it’s easier for people to wrap their heads around and support the environmental and social mission. Trying to elevate the economic mission in a good way without it seeming like a dirty word…has been a challenge.” This was a universal sentiment echoed by the other businesses. David Warner at City Feed says it is important for TBL businesses to remember they are often for-profit entities and that it is necessary to keep a balanced focus on the mission as well as a business’ sustainability via revenue. When asked what lesson they would have for other TBL businesses, nearly all of the interviewees mentioned that being a business first was critical to success.

Boston Building Resources has addressed this through periodic meetings that stress the role of all employees and board members in the health of the business. They also sought assistance with an outside non-profit group (Community Action Partners), who helped them build capacity around these issues. Similarly, City Feed publishes a staff newsletter to make sure everyone is on the same page with the goals and activities of the business.

**Challenges Summary**

TBL small businesses may face unique challenges related to their social and environmental focus. Though my research did not uncover many unique challenges, the three I note above (communicating

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50 [http://www2.epa.gov/laws-regulations/summary-toxic-substances-control-act](http://www2.epa.gov/laws-regulations/summary-toxic-substances-control-act);
[http://www.saferchemicals.org/resources/tsca.html](http://www.saferchemicals.org/resources/tsca.html)
the value of TBL, getting information from vendors, and focusing on the business side) seemed to be consistent challenges for many of the interviewees. Third party organizations exist to assist businesses with communicating the value of TBL and many have taken advantage of their certifications. Beyond recommendations from the SBN if going through the Sustainable Business Leader program, interviewees have to work directly with vendors to tease out information about their sustainable practices, which they often do not track, making this a challenge for many. Finally, focusing on the business side may be a challenge for many businesses who lack technical assistance, but for mission driven organizations, additional effort is required to keep focused on the business and not let the mission cloud sound financial decisions. The next section discusses, in more detail, how businesses reach out for assistance for these and other challenges.

Seeking assistance

To address the above and other challenges, many business interviewees have sought out assistance over the years. Few businesses claimed that they sought out or received no support at all. Those that did qualified their comments by mentioning minimal support or partnerships that were not perceived as seeking support, but nonetheless help the businesses in some way. Rodney North, of Equal Exchange, stated that the company has sought relatively little assistance over the years, but did reach out on some specific occasions. Marc Silva, of Somerville Sustainable Cleaning, mentioned lack of time as a major barrier for seeking out assistance as well as lack of specific needs. Despite this view, Silva participates in two local first organizations that promote independent businesses, but emphasizes his support for them, rather than receiving assistance back. In seeking support, each story was unique, and there were many types of assistance and assistance providers mentioned. Despite this variety, several themes emerged from the discussions regarding specific resources and their effectiveness. Table 6 summarizes the assistance pursued by each of the businesses and discussed below.

<table>
<thead>
<tr>
<th>Assistance Businesses Pursue (as mentioned)</th>
<th>Boston Building Resources</th>
<th>Equal Exchange</th>
<th>Dancing Deer Baking Co</th>
<th>Tech Networks of Boston</th>
<th>City Feed and Supply</th>
<th>Haley House Bakery Café</th>
<th>Savorii</th>
<th>Somerville Sustainable Cleaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seeking support early on in business creation</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seeking support once established</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assistance across scales (national &amp; global)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importance of peer networks</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certifications for validation</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Seeking support early in business creation

Many of the businesses sought assistance early in their company’s creation for business planning, loans, or technical assistance. Savorii and City Feed sought out organizations to help with business planning like the Jamaica Plain Neighborhood Development Corporation and the Enterprise Center at Salem State University. Boston Building Resources and City Feed reached out to banks and community development financial institutions for business loans and building mortgages. Others, like Tech Networks, found events, such as chamber of commerce meetings, helped expose them to new ideas early on that shaped their business practices.

Seeking support once established

Most of the businesses continue to reach out for assistance once they are better established and more mature. Half of the businesses have participated in Interise’s Streetwise MBA program, which focuses on business owners’ skills and vision once a business is up and running, addressing growth barriers, skill gaps, and long-term planning.

On the financial side, Haley House continually seeks grants and philanthropic donations to maintain their mission based work at the café. They generate 91-92% of their operating needs from the Café, but the rest comes from grants and donations. As traditional capital became harder for City Feed to access (due to the financial crisis), David Warner reached out to the Social Innovation Forum to get assistance on alternative financing mechanisms such as impact investing and crowd sourced funding. Root Cause runs the Social Innovation Forum program to improve the performance of non-profits and businesses dedicated to social causes.

Both Boston Building Resources and Equal Exchange mention the importance of their outside board members who bring expertise and critical connections. One particular member at Boston Building Resources works for a large non-profit that provides access to their HR department and helped craft the store’s employee handbook.

City Feed continues to work with the Jamaica Plain Community Development Corporation for assistance and partnerships. Similarly, Boston Building Resources has engaged with the Community Action Partners program at Harvard Business School (HBS) on two occasions to identify weaknesses in their operations, branding, and strategy. This service is provided by HBS alumni who provide management expertise to Boston area non-profits.

Assistance across scales

The organizations mentioned above are all locally based in the Boston area, but some businesses focused more broadly on reaching support through national or international organizations. City Feed participates in the Business Alliance for Local Living Economies (BALLE), the Independent National Food Retailers Association, and the American Independent Business Association (AMIBA) to name a few. These organizations connect City Feed to like-minded organizations across the country with similar philosophies and industry focus. These organizations provide peer support through online discussions and an annual conference. David Warner sees value in this memberships from the community of people he can reach out to for resources or advice.
Dancing Deer also looks nationally for assistance. They sought out impact investing from a firm in San Francisco and look for peer support in the natural organics product community. Frank Carpenito also mentioned the importance of national conferences, like the Conscious Capitalism one he attended last year that allowed him to meet other companies that Dancing Deer aspires to emulate such as Patagonia and Whole Foods.

Equal Exchange also looks outside the Boston area for support, but focuses more on global networks associated with w movements. Rodney North mentioned partnerships with several organizations such as La Siembra (Canada), Ten Thousand Villages (US), Fullwell Mill (UK), and Traidcraft (UK). These connections help them build momentum around Fair Trade practices, generate ideas, and share resources. Equal Exchange also obtained a USAID grant to provide technical assistance to coffee and cacao farmers in countries where they source product from. This international focus makes them an active participant in the conversation around global supply chains.

**Importance of peer networks**

All of the interviewees mentioned the importance of peer networks to their growth and development. Some felt that they had established effective systems of support; others confessed that they could do a better job of finding peer support and making effective use of it. For many, peer networks are rooted in the community, through Local First organizations. Both City Feed and Somerville Sustainable Cleaning find value in participating in their neighborhoods' Local First programs. These networks connect them with independent businesses and to local customers. David Warner of City Feed sees benefits from the Jamaica Plain Local First organization. "It is businesses working together...in your community with a singular focus- How can we help each other and promote the local economy?" Others find value in peer networks within their own industry, like Dancing Deer's and Equal Exchange's involvement with specialty food producers, or Haley House with other socially-motivated non-profits. Interviewees also found personal support with other business leaders through the Interise program mentioned above, or organization roundtables set up by the Sustainable Business Network. These roundtables, once established, are run by the business leaders themselves and content and focus is determined as a group.

**Certifications as third-party validation**

As previously discussed, many of the companies pursue third party certification for validation of their sustainable practices.

**Sustainable Business Leader Program**

Some have received certification through the Sustainable Business Leader Program (SBLP) created by the Sustainable Business Network. This six-step program focuses on internal environmental practices to help businesses save resources and energy, connect to local economies, and create lasting cultural changes for their business and employees. It begins with a site visit, audit, and questionnaire. SBN staff make a "recommendations and resources" report, tailored to the business, which provides a list of action items as well as a vetted vendor list drawn from SBN members, SBLP graduates or other local businesses. The recommendations fall into seven categories: energy efficiency, water conservation, waste management, pollution prevention and safe alternatives, transportation, local purchasing and local

food, and sustainability management. The next steps involve creating an action plan to address the recommendations and establishing an in-house green team. After a period of implementation, SBN makes a final site visit and graduates the business after reviewing the actions taken and the creation of a final, long-term action plan. The SBLP program is not simply a stamp of approval, but rather a process by which the SBN staff work with businesses to improve their outcomes across the seven measures. They feel that this direct technical assistance, behind-the-scenes legwork, and detailed support sets them apart from other certifications available. Certification is good for three years, and businesses must complete at least 80% of the action plan (out of 30-35 total recommendations). To-date, over 120 businesses have been certified as a Sustainable Business Leader. Five of the interviewees have certified: Boston Building Resources, City Feed and Supply, Dancing Deer, Haley House and Tech Networks.

**Benefit Corporation Status**

Others have reached out to B Lab to become benefit corporations or certify as a B Corp. B Lab is a nonprofit organization that advocates for more holistic business practices. Existing and new businesses become benefit corporations by voluntarily meeting "higher standards of corporate purpose, accountability, and transparency." Twenty three states have passed legislation recognizing benefit corporations, and B Labs is helping to expand access to other states. Benefit corporations are required to consider how their efforts impact community and the environment in addition to shareholders and employees. To improve transparency, benefit corporations must publish an annual benefit report that discusses their social and environmental performance using a third party standard. B Lab provides a list of eleven approved standards including a free impact assessment tool they have developed (over 15,000 businesses worldwide have filled out the free impact assessment). Over 500 businesses are listed as benefit corporations, but reporting requirements vary by state, so there are likely additional benefit corporations not counted. Dancing Deer is currently a Benefit corporation and publishes an annual benefit report that details their social and environmental activities.

**B-Corp Certification**

In addition to promoting state legislation, B Lab also administers the B Corp certification, a fee based program that scores and verifies businesses on their triple bottom line performance. There are currently 990 B Corps in 32 countries. They describe the B Corp certification to business as what Fair Trade certification is for coffee. In order to become a B Corp, businesses must 1) receive a score of 80 or more points (out of 200) on the B Impact Assessment, 2) meet a legal requirement such as becoming a benefit corporation or revising the legal structure of a business, and 3) sign a Declaration and a Term Sheet. The certification is good for two years, and based on business sales, annual fees range from $500 to $25,000 per year. B Lab conducts random on-site reviews of 10% of Certified B Corps annually. The assessment is based on four categories that include governance, workers, community and the environment. Questions are tailored based on a company’s size, sector and geography. A sample assessment for a wholesale/retail business in the U.S. with 10-49 employees contains 63 pages of questions across the four categories. Dancing Deer is working with B Lab to certify formally as a B Corp. Tech Networks has already gone through the certification process with a current score of 118 out of 200. These third-party certifications signal a business’ commitment to social and environmental causes and validate their practices from an outside source.

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52 For more information on the difference between a benefit corporation and a B Corp, see: [http://benefitcorp.net/quick-faqs](http://benefitcorp.net/quick-faqs) and [http://www.bcorporation.net/](http://www.bcorporation.net/)
53 [http://benefitcorp.net/quick-faqs](http://benefitcorp.net/quick-faqs)
54 [https://www.bcorporation.net/what-are-b-corps](https://www.bcorporation.net/what-are-b-corps)
55 [http://bimpactassessment.net/how-it-works/assess-your-impact](http://bimpactassessment.net/how-it-works/assess-your-impact)
Ineffective support

Only a few businesses mentioned ineffective support, and interviewees described more general issues over the years as opposed to problems with specific instances of assistance. Savorii described the discouraging advice from some business professionals that they should not focus on triple bottom line outcomes since many felt it could not be profitable. Rather than listen to their suggestions to either give up or develop as a non-profit, Pat Gorham and the other partners continued with their vision for a sustainable, for-profit company. They sought out different advisors for guidance along the way. Boston Building Resources expressed concerns with board members who don’t bring some sort of expertise to the table. Matthew St. Onge described that “Cheerleaders are great, but not that helpful.” Because of that experience, Boston Building Resources has learned to be strategic about who they reach out to for board leadership. Finally, Tech Networks founder, Susan Labandibar, cited the negative attitudes toward business when she founded the company in the early 1990s. Though not necessarily a type of assistance, Susan felt that this prevailing attitude delayed her acknowledgement that business could be a force for good.

Tying challenges to assistance

The business interviewees sought assistance for many reasons, both for general challenges as well as for TBL challenges. For many, the assistance was helpful but not difficult to obtain, such as business planning advice, financial capital in the forms of loans or grants, or finding industry and peer groups for support. These helped several businesses build a solid business model for success; an important point made by all of the interviewees who argued that mission driven entrepreneurs need to remain focused on business principles in addition to their long term social and environmental goals.

Another common challenge, managerial capacity, is less addressed through assistance. While Boston Building Resources has had successful engagements with the Community Action Partners to work on management issues, none of the other businesses directly sought assistance for this issue. Many business leaders view this as simply a time management issue, and may not realize that there are resources to help expand capacity.

Businesses do not only reach out for general business assistance, but have also identified ways they have sought out support for the TBL aspects of their company. A key challenge is communicating and quantifying their TBL efforts, and many of the businesses have utilized third party certifications to help operationalize their activities. Businesses have used both B Lab’s and SBN’s certifications to help communicate their accomplishments to employees, customers, and the general public. How well do these certifications address the nine principles of TBL that businesses identified? Table 7 evaluates whether the nine categories are reflected in the two certifications.
Table 7: How third party certifications align with interviewees definitions of triple bottom line

<table>
<thead>
<tr>
<th>Categories in which Businesses Operationalize TBL</th>
<th>SBN’s Sustainable Business Leader Certification</th>
<th>B Lab’s Impact Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Incorporated into services and products</td>
<td>Yes, covering environmental and local factors</td>
<td>Yes, questions about types of products and services and their attributes</td>
</tr>
<tr>
<td>2- Pursued through supply chain and vendors</td>
<td>Some, including environmental and local factors</td>
<td>Yes, whether business screens suppliers, how they structure their company, hiring, etc., whether local, and how business minimizes impact from supply chain</td>
</tr>
<tr>
<td>3- Addressed in building/physical space</td>
<td>Yes, to extent business can impact their building or office space</td>
<td>Yes, questions about land, offices and manufacturing spaces for both renters and owners</td>
</tr>
<tr>
<td>4- Embedded in the organizational structure</td>
<td>Does not address overarching organizational criteria apart from creating a green team and institutionalizing a sustainability management plan</td>
<td>Some questions about worker ownership and cooperatives, but not other organizational types</td>
</tr>
<tr>
<td>5- Accounted for in hiring practices</td>
<td>Some recommendations include placing sustainable policies in job descriptions, but hiring policies not specifically addressed</td>
<td>Yes, weights hiring from disadvantaged groups, employees from local area</td>
</tr>
<tr>
<td>6- Linked to employee policies</td>
<td>Some, such as encouraging incentives for employees to purchase green vehicles or subsidize transportation passes</td>
<td>Yes, considers wages, insurance, hours, retirement plans, training, education, and manager communication</td>
</tr>
<tr>
<td>7- Defined by community role</td>
<td>None, beyond green signage or customer education</td>
<td>Some questions concerning partnerships, but not broadly about community stakeholder role</td>
</tr>
<tr>
<td>8- Within philanthropic efforts</td>
<td>Not addressed</td>
<td>Yes, accounts for volunteer hours, product and monetary donations in addition to sponsorship of events</td>
</tr>
<tr>
<td>9- Associated with broader advocacy work</td>
<td>Recommend engagement in larger sustainability movement</td>
<td>Some reference to whether a company has worked on a local, national or international issue (one question)</td>
</tr>
</tbody>
</table>

The SBN's Sustainable Business Leader certification primarily emphasizes environmental outcomes in products, services, and in-house practices. The only social issues addressed by the program deal with including employees in the process through establishment of a green team and educating customers and the public via their mission statement, mass communication, and signage. As such, the certification helps businesses with communicating only a portion of what they include in their TBL activities.

On the other hand, B Lab's Impact Assessment appears to be more comprehensive and based on dozens of questions slightly tailored by industry type. These questions address at least some of each of the nine attributes identified by the businesses, and the assessment is free to use. If filling it out as part of B Corp certification, then B Lab staff are on hand to help businesses with the process. Given the complexity of the questions, it is likely that businesses need substantial tracking measures in place before they can accurately fill out the assessment. These include specific waste volumes, percentages of suppliers that...
meet certain criteria, and detailed employee data. Without this existing tracking, it would be difficult to obtain an accurate picture of how a business fares on the assessment tool.

The final TBL challenge that businesses identified was getting information from vendors and on their supply chains about environmental and social attributes. This is a persistent and difficult challenge for many businesses. The Sustainable Business Network provides vendor recommendations during the Sustainable Business Leader certification process, but none of the businesses mentioned this in interviews. Unless a vendor tracks its own TBL activities or obtains third party certification, it is very difficult to access this kind of information.

The next section takes a step back from the business interviewees to analyze the broader ecosystem of support for small businesses in Boston, understand organizations’ views on TBL small businesses and how they do or do not support them, and identify how the ecosystem can better serve existing and new TBL businesses in the future.
What is the Ecosystem of Support for Small Businesses, and How Can it Better Serve TBL Businesses?

The ecosystem of support for small businesses in the Boston area is complex and well established. A hodge-podge of educational institutions, non-profits, public-private agencies, governments and private companies offer services to businesses in a variety of ways. Some assist aspiring business owners, others focus on mature companies. Organizations may specialize in specific technical skills or assistance such as financing, management, or legal compliance. This assistance is sometimes focused, intended for minority or women entrepreneurs but, there is little direct support specifically for TBL small businesses. The Sustainable Business Network is the largest organization dedicated solely to supporting small businesses with a sustainable focus, though admittedly, they emphasize environmental impact and local economies most. Other organizations may have a program that helps businesses save energy or think about impact, but these are one-off programs with limited reach.
Overview of the organizations interviewed

In order to get a better understanding of the support organizations for small businesses, I interviewed five organizations across scales of focus (see Figure D). Jamaica Plain Neighborhood Development Corporation (JPND), a non-profit community development corporation focuses at the smallest geographic scale, the neighborhood. The Office of Business Development (OBD), an arm of the Department of Neighborhood Development represents a city agency. The Massachusetts Small Business Development Center Network (MSBDC) Boston Regional Office and Minority Business Center assists businesses in thirty-two cities and towns in addition to the City of Boston. The Sustainable Business Network is a non-profit that serves businesses across Massachusetts. Finally, Interise, a Boston based non-profit, works with technical providers and businesses across the country.

![Figure D: The five business support organizations interviewed in this study represent different scales of focus.](image)

While interviewees focus on a variety of geographic scales, they represent only a small portion of the many types of organizations that exist. Figure E diagrams the major categories of business assistance providers and the more specific organizations within each category. Each organization interviewed is also shown in purple to provide a sense of the variety of interviews conducted.
Figure E: Some of the many small business assistance providers by major category. Purple fields identify the specific organizations interviewed for this study and their focus in the broader ecosystem of support.

One of the interviewees, the Sustainable Business Network, offers a view of the larger TBL-business community and represents the only organization in Boston that focuses solely on businesses committed to sustainable pursuits. The other organizations provide more general technical assistance and support to small businesses regardless of their mission. Two of the organizations (Interise and JPNDC), were mentioned by interviewed businesses as important resources for assistance. The other two offer a broader perspective of the challenges facing small businesses and an outsider’s view of the impact and role of TBL small businesses. Table 8 provides more detail on each of the five organizations with a brief summary of each provider in the subsequent section.
<table>
<thead>
<tr>
<th>Organization</th>
<th>Scale</th>
<th>Type</th>
<th>Reach</th>
<th>Businesses Served</th>
<th>Business Services Offered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamaica Plain Neighborhood Corporation</td>
<td>Neighborhood</td>
<td>Community based non-profit</td>
<td>&gt;500+ businesses since 1997</td>
<td>Independent &amp; locally owned, Up to $1 million in revenue, Requirements flexible, but seek out businesses founded by or serving low-mod. income people</td>
<td>Technical assistance, Help securing loans, Workshops/Trainings, Childcare business assistance, Business incubator (the Brewery)</td>
</tr>
<tr>
<td>Neighborhood of Boston</td>
<td>City</td>
<td>City government agency</td>
<td>2,000-2,500 businesses annually</td>
<td>Boston-based, but otherwise no other criteria, Some specific programs have suggested business size or characteristics</td>
<td>Administer Boston Main Streets, Info on permitting, licenses, Storefront improvements, Women entrepreneur support, Hands-on business assistance, Collective energy purchasing</td>
</tr>
<tr>
<td>IC: Boston Regional Office Minority Business Network</td>
<td>Regional office (part of a national and state network)</td>
<td>Federal, state and university partnership</td>
<td>500 clients annually, 500-600 workshop attendees annually</td>
<td>Based in Massachusetts, Exploring locating in MA, Also have a minority business center in addition to general business services</td>
<td>Business advising, Training/seminars, Financial assistance, No direct funds</td>
</tr>
<tr>
<td>Sustainable Statework of Massachusetts</td>
<td>State</td>
<td>Statewide non-profit</td>
<td>&gt;120+ certified businesses, &gt;100+ active members, &gt;7 local first networks, 1000+</td>
<td>Independent, Locally owned, Identify as a sustainable business in some way</td>
<td>Sustainable Business Leader Prog., Local food and business networks, Leadership exchanges, Networking events, Entrepreneur roundtables</td>
</tr>
<tr>
<td>Rise</td>
<td>National</td>
<td>Locally founded, national non-profit</td>
<td>&gt;2,000 businesses nationally since 2004, Of those, 257 in Mass. and 156 in Boston</td>
<td>Existing business (3+ years), Hit a growth barrier, $250,000-$10 million revenue, At least one paid employee, Seek businesses in, or hiring from low-moderate income areas but not required</td>
<td>Advanced management training, Peer learning, One-on-one coaching, Networking, Produce research on inner-city businesses</td>
</tr>
</tbody>
</table>

Interviews: | 
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Alison Mc Business Developer Director</td>
<td>Rafael Carbonell Deputy Director</td>
</tr>
<tr>
<td>Mark Allio, Regional Director</td>
<td>Laury Har Executive Director &amp; Alex Barb SBLP Program Coordinator</td>
</tr>
</tbody>
</table>
Jamaica Plain Neighborhood Development Corporation
The Jamaica Plain Neighborhood Development Corporation (JPNDC) was founded in 1977 to “promote equitable development and equal opportunity in Jamaica Plain (JP) and adjacent neighborhoods.” JPNDC accomplishes their goals through workforce development, community organizing, small business support, affordable housing development, services for children, and asset building programs for families. The small business development program has provided one-on-one technical assistance with marketing, pricing, record-keeping and business plans to over 500 businesses since 1997. In addition, JPNDC developed sixteen buildings beginning in 1983 into the Brewery Small Business Complex, which houses 50 businesses employing over 250 people. They serve a large population of Latino immigrant business owners, and while they focus on JP, they also have partnerships to provide business assistance in other communities nearby. They try to work primarily with independent and locally-owned businesses and emphasize support for low-income entrepreneurs or businesses that will serve the low to moderate income population in the community. They will also assist an existing business if it is in danger of going out of business to help stabilize and retain local jobs.

Office of Business Development, City of Boston
The Office of Business Development (OBD) is located within the Department of Neighborhood Development in the City of Boston. OBD provides aspiring and existing business owners with access to financial and technical resources, including help with navigating the licensing and permitting process in other City departments. They also oversee the Boston Main Streets program, which focuses on revitalization of the City’s commercial districts. OBD has many specific initiatives like a collective energy purchasing program called Boston Buying Power, the Neighborhood Restaurant Initiative, and Women on Main, a program to support women-owned businesses. In partnership with private consultants and business students, they also offer access to intensive technical assistance to a small number of existing businesses through a program called Main Street Partners. OBD directly assists 2,000-2,500 business annually, mostly those with less than ten employees. Half are minority and immigrant and many are women. As a government service, they do not have limits on who they help, but utilize a needs assessment form and intake survey for more accurate referrals and assistance.

MSBDC: Boston Regional Office and Minority Business Center
The Boston Regional Office and Minority Business Center is one of six regional offices in the Massachusetts Small Business Development Center Network (MSBDC). The MSBDC is a three-way partnership between the U.S. Small Business Administration, state government, and the academic sector (University of Massachusetts). Every state has a small business development center in some form. MSBDC works with existing and new business owners, and while the Boston office has a minority business center in addition to offering general business services, they work with anyone located in or planning to establish a business in the State. They see approximately 500 clients annually for one-on-one counseling, and 500-600 attendees at workshops and events. The Boston Regional Office provides business advising, training and seminars, and financial assistance. They do not lend or invest directly, but offer assistance with financial statements, preparing loan applications and helping to secure financing options.

56 http://www.jpndc.org/about_jpndc.html
57 https://dnd.cityofboston.gov/#page/BusinessDevelopment
Sustainable Business Network of Massachusetts

The Sustainable Business Network of Massachusetts (SBN), founded in 1988 as the Responsible Business Alliance, is the most prominent organization dedicated to expanding businesses committed to sustainable outcomes in the Boston area. They define triple bottom line as promoting a local, green, and fair economy. They host the Sustainable Business Leader Program, a three year renewable certification that helps businesses improve across seven categories, such as energy efficiency, local procurement and sustainability management. To date, over 120 businesses have been certified. They also focus heavily on supporting local movements through the Boston Local Food Program and seven Local First networks that connect independent businesses and spread awareness about the importance of local economies. These networks have over 1,000 affiliated businesses. SBN works with businesses of many sizes and across industries; their only requirement is that they be local and independently owned. SBN hosts several networking events and festivals throughout the year and has an active membership base of over 100 businesses.

Interise

Interise is a non-profit business assistance organization that focuses on established businesses in low-income communities. Their curriculum, known as the StreetWise ‘MBA’™, offers existing business owners (with specific revenue thresholds and at least one additional employee) training in finance, marketing, human resources, capital access and business development strategies. The program began in Boston, but has since rolled out to communities across the country through the licensing of the curriculum to partner organizations. They have assisted over 2,000 businesses since 2004 and more than 90% of them are located in low-income communities. Interise supports both peer-to-peer learning and one-on-one coaching, networking opportunities, and research on inner-city economic development.

Assistance organizations’ views on TBL small businesses

Each of the organization interviewees had a variety of thoughts on what constitutes a TBL business, their unique challenges, and how they might think about success. Some felt that TBL businesses did not have distinct challenges as long as they focused on the business fundamentals before any sustainability activities. Mark Allio, at the MSBDC Boston Office, says businesses put themselves at a disadvantage when they try to differentiate themselves solely on their sustainability. He emphasized that owners have to stress the basics of running a business and only then decide if green or TBL is part of the equation. Jean Horstman of Interise echoed this thought when she explained that social good can be an outcome, but not a business process. Owners have to pay attention to market factors that influence success. That being said, Interise sees many businesses thriving because of their commitments to TBL principles once they have a good business foundation in place. Laury Hammel, executive director of SBN and founder of the Longfellow Clubs (a local health club) says that customers seek them out because of their environmental and social commitments. They feel that their commitment to TBL and the community makes them an attractive choice. Rafael Carbonell, of the Office of Business Development agrees that TBL businesses should be able to differentiate themselves from competition and achieve greater success as a result.

Organizations cited a variety of factors that they felt prevent businesses from incorporating more TBL practices into their business models. Alison Moronta, of JPNDC, sees the major challenges as cost and education. She believes that many businesses don’t know how to start making changes and how much

58 http://www.interise.org/about_us/our_mission_and_values
it will cost them. While she sees value in businesses pursuing TBL outcomes, she finds that a lack of a shared understanding also limits uptake. Mark Allio agrees, saying that there is a cost for being socially conscious that may put businesses at a price disadvantage. On the education side, Rafael Carbonell says that many entrepreneurs do not naturally think about TBL. “So many people are drawn to business from the financial side. I still think there is an untapped awareness for the smaller businesses that we focus on.” Alex Barber says that businesses come to them for the access to education and information. He also thinks that time is a key impediment to owners already limited by the significant resources needed to run a business.

Some interviewees saw another challenge for businesses in the incentives to pursue TBL activities. Alison Moronta acknowledged that many businesses have been in the area for years and have well established client bases. They do not necessarily see the value in changing business practices, and thus for many businesses there is a lack of interest. Rafael Carbonell cited the same issues of incentives and reflected that it may involve socioeconomic considerations. While some businesses cater to more informed or savvy customers, customers at many smaller, neighborhood level businesses do not demand changes in business practices yet.

**How assistance organizations engage (or not) with TBL small businesses**

JPNDC, Interise, and the Boston Regional Office of the MSBDC offer general technical assistance to businesses. As a result, they do not have specific services for TBL businesses. They enjoy when they can work with businesses that have those values, but they focus on more general business strategies. While Interise does not alter its services for different business types, they assist businesses in low-income census tracts, and Jean Horstman says that these businesses tend to be more socially conscious and active in their communities.

The Office of Business Development also exists to provide general small business support, but they do have a couple of programs that promote green practices. Their biggest one is called Boston Buying Power, and OBD helps businesses collectively bulk purchase energy on the deregulated market. Not only does this save businesses money, but a certain portion of the energy is allocated from renewable sources. Additionally OBD supports the City’s Office of Environmental & Energy Services in their Renew Boston program. Businesses are eligible for a free energy audit. Utility rebates and grants from the government cover 70% of the suggested improvement expenses. The other 30% can be financed with 0% interest for one year, and many customers are able to pay off the improvements within the first year through on-bill financing. This program has been very popular since its launch in 2008.

The SBN naturally focuses all of its services on sustainable businesses through networking events, festivals, certification programs, and technical assistance. Alex Barber believes that their efforts are successful from a local and green standpoint, but that the SBN is trying to think more about incorporating equity into their work. They recently surveyed members about their views on proposed state legislation to raise the minimum wage and whether SBN should become more engaged in policy discussions.

One other sentiment around engagement included organizations’ views that services should reflect clients’ requests. JPNDC regularly assesses what businesses are concerned about, and people have not cited TBL or sustainability to-date. JPNDC must be sensitive to providing services based on identified
needs. Rafael Carbonell also feels that there are so many areas to focus on that OBD must respond to people’s existing needs. OBD recognizes the value for TBL, but cite challenges in getting businesses the basic business services to focus on the profit side, let alone other values. They don’t come across many businesses that prioritize TBL values but for the “rare entrepreneur who sees it as a personal belief, a business belief or the intersection of the two.”

**Tying the ecosystem to the needs**

The small business assistance ecosystem in Boston offers many disparate programs for businesses to obtain support. There are free and fee-based services, one-on-one options, group workshops, and peer networks. It is unclear how easily businesses can access each of these services, and most of them focus on the basics, such as licensing, business planning, loans, and technical assistance. The organizations interviewed approach TBL from a variety of perspectives ranging from prominent supporters and advocates (e.g. the Sustainable Business Network) to hopeful skeptics of TBL’s widespread adoption beyond the occasional, committed entrepreneur with a good business model. In addition, many of the organizations seem to be at capacity helping businesses with the basics, so it’s important to recognize the unique role that SBN can play for TBL businesses since that is their primary focus.

Based on the discussions with organizations and general research, there seems to be a lack of coordination (or potentially competition) among the business assistance providers. However, more research is needed to determine if there are opportunities for additional collaboration. Among the more general business assistance organizations, there seems to be consensus that there is not enough demand from businesses to offer services to promote and support triple bottom line thinking just yet. In that sense, the SBN may be sufficiently filling a market gap.

The existing organizations address, partially, some of the challenges cited most often by the TBL businesses interviewed. Interise’s curriculum helps businesses expand capacity after hitting a growth barrier and helps owners identifies ways to increase their impact. SBN helps businesses communicate and quantify their TBL operations but only on the environmental side. B Lab’s impact assessment is a broader, more encompassing tool, but without paying for certification, businesses would receive little support in assessing their business’ impact. B Lab has staff in New York, Pennsylvania, and San Francisco, but no staff on the ground in Boston. Table 9 highlights each organization’s services and how they meet the cited businesses’ challenges.
### Table 9: Highlights of Organizations' Services that Align with Businesses' cited Challenges

<table>
<thead>
<tr>
<th>Business Challenges</th>
<th>JPND</th>
<th>OBD</th>
<th>MSBDC</th>
<th>SBN</th>
<th>Interise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Health to achieve goals</td>
<td>Assist businesses with securing financial resources</td>
<td>Offer some grants and technical assistance around financial health</td>
<td>Assist businesses with securing financial resources</td>
<td>No specific services offered</td>
<td>Offer finance and management training opportunities</td>
</tr>
<tr>
<td>Managerial capacity constraints</td>
<td>Provide technical assistance for business planning and management</td>
<td>Act as central hub for the City's small business services and offer programs for business planning</td>
<td>Provide technical assistance for business planning and organizational challenges</td>
<td>Offer support and assistance for deepening sustainable practices amid capacity constraints</td>
<td>Focus on strategic planning, business development and human resources support</td>
</tr>
<tr>
<td>Communicating the value of TBL</td>
<td>No specific services offered</td>
<td>No specific services offered</td>
<td>No specific services offered</td>
<td>Offer through the Sustainable Business Leader program and other events</td>
<td>No specific services offered</td>
</tr>
<tr>
<td>Getting information from vendors</td>
<td>No specific services offered</td>
<td>No specific services offered</td>
<td>No specific services offered</td>
<td>Provide some recommendations during the SBLP process</td>
<td>No specific services offered</td>
</tr>
<tr>
<td>Staying focused on the business side</td>
<td>Provide technical assistance for business planning and management</td>
<td>Offer programs for business planning via workshops and one-on-one technical assistance</td>
<td>Offer several programs for business advising and financial assistance</td>
<td>No specific services offered</td>
<td>Include support for business planning, finance, sales, and strategic planning</td>
</tr>
</tbody>
</table>

Getting information from vendors is largely unaddressed by business organizations (with the exception of SBLP's recommendations of affiliates), unless they themselves pursue certification or publish data on their efforts themselves. Without direct consulting services to research a business' supply chain, this may be difficult to address. Similarly, a formal disclosure policy might be too onerous for small suppliers.

Despite these hurdles, there are some ways that the TBL businesses and the ecosystem could be addressing the cited challenges more broadly and effectively. The next section describes opportunities for existing TBL businesses and to expand their numbers.
Recommendations for existing TBL focused businesses

For TBL businesses, an oft cited challenge that is also an opportunity is quantifying the benefits and impacts of TBL businesses. Many TBL businesses attempt to communicate their efforts either through their own measures or through third party certifications, but there is a sense that these efforts fall short of customers' expectations, or that businesses do not always know how to sufficiently communicate their activities. As discussed above, SBN's Sustainable Business Leader certification covers the environmental aspects of sustainability and their implementation, but not the broader social side. B Lab's impact assessment is broader, addressing many of the issues that businesses care about. The impact assessment is freely available, but may be onerous and difficult for many businesses to complete. In addition, it is not clear that there is consumer recognition of the assessment, so if a business were to publicize its score, it may not have any practical significance.

Three levels of action could be effective in addressing this challenge: at the business level, at the business network level (e.g. SBN), and at the city or regional level with a more established business assistance organization (e.g. Office of Business Development).

On the business side, some TBL businesses may have enough capacity to complete the assessment on their own, in full or in part, and identify some metrics with which they can report on their activities. Both Dancing Deer and Tech Networks have gone through the process successfully, and others may have the time and expertise to do the same. To address the issue of whether the impact assessment score is relevant to consumers, businesses could use parts of the assessment to create marketing materials, newsletters, or a simple fact sheet (online or in print) to identify ways in which they address triple bottom line outcomes. These could include attributes of their workforce, specific raw material information, or governance strategies. By using the assessment as a framework, not an end in itself, it could help businesses overcome some of the obstacles to reporting on and operationalizing their efforts.

To help businesses that are capacity constrained, a business network like SBN could expand their Sustainable Business Leader program to incorporate the social impacts of businesses in addition to environmental ones. Tracking employee practices, hiring policies, community work, and philanthropic efforts would create a more robust framework and recognize businesses for additional activities. This could also be created as a different certification. If that is not feasible, a business network like SBN could offer assistance to businesses in filling out the existing, free impact assessment from B Labs. This could be in the form of one-on-one coaching or a series of workshops designed to help businesses navigate the assessment.

Finally a regional partner, like the City of Boston could support a program like this on a trial basis to see if there is interest and enough need among businesses. The Office of Business Development already has the Main Street Partners program which provides one-on-one technical assistance to businesses around different needs they have, whether they be financial, technical, etc. OBD could sponsor SBN or another organization to consult in the same way, but around TBL issues. Additionally the general business assistance organizations could jointly sponsor classes or workshops to help businesses go through the assessment or think more broadly about assessing their activities and setting goals without a tool.

In addition, business assistance organizations can help to build demand for more transparency in vendor activities around social and environmental outcomes. For example, many communities are paying more attention to the role that anchor institutions, such as schools, hospitals, etc. play in
economic development. Business assistance organizations can work with these institutions to use their influence to change purchasing policies and supplier relationships based on considering TBL outcomes. These anchor institutions have a role to play in building local wealth and assets.

**Recommendations to expand the community of TBL businesses**

In addition to existing TBL businesses, there are opportunities to grow the TBL business community by expanding outreach, bridging leadership gaps and advancing partnerships. The next sections describe the potential growing gap between TBL businesses and non-TBL focused businesses and identifies a couple of ways to address this gap.

**Growing gap between those that do and do not engage with TBL practices**

Many of the businesses collaborate and partner with the other interviewees. For example, City Feed and Supply sells Equal Exchange Coffee and Dancing Deer baked goods. Matthew St. Onge, Susan Labandibar, and David Warner were in the same Streetwise MBA class at Interise. Some of the businesses source cleaning products from Somerville Sustainable Cleaning. Haley House’s original muffin recipe for their wholesale bakery business came from a connection through David Warner. While these partnerships may reflect the broader community of SBN (all interviewees were chosen from this membership network), they also point to the tendency of local networks of similar businesses to flock together.

It is possible that businesses that already have an interest and focus on triple bottom line outcomes create tight and valuable networks to grow together, but that those who have not self-selected are not getting exposed to the same messages and assistance. These closed circles of activity could be creating gaps in capacity between those that show an interest in TBL and those that have not engaged in the same networks because of other factors (lack of interest, time, capacity, or understanding of value).

The Sustainable Business Network has many events and programs that are open to anyone and conducts marketing and outreach. However, Alison Moronta sees a gap in JP between businesses that are clearly TBL-focused, like City Feed and others that don’t really engage. Business assistance providers of all types need to think about ways to bring more businesses into the conversation. Without expanding the pool of businesses involved in TBL activities, there will be limited growth in impact or expansion of consumer demands for these types of services.

**Influential leaders who cut across networks**

One potential way to bridge the divide between TBL-leaning businesses and those that need more coaching or education is through influential leaders that cross many local networks. This was evident for some of the interviewees and their business activities. Equal Exchange, now well established as a 28 year old business, finds itself regularly in a mentorship role. Entrepreneurs often approach them interested in both Fair Trade as well as worker-owner cooperatives. While this type of mentorship is important, there is still the issue of motivation and self-selection in reaching out for information. The question is how to reach the businesses that are not already thinking about TBL issues.

One way is through leaders who are involved in a variety of different networks. For example, David Warner plays an active role in the newly formed Jamaica Plain Local First organization. Also supported
by SBN, these networks are geographically focused, and involve minimal dues ($10 a month), so there is a low barrier for businesses to get involved. Warner describes the meet ups as an opportunity for owners to get together and share stories and support each other on a monthly basis. These organizations attract all types of independent businesses and could expose owners to different models of operation and missions. If there are similar, more broadly focused groups that could be a potential platform to discuss pursuing TBL outcomes, businesses may get exposed that otherwise might not have had previous exposure to TBL.

Another example, is Susan Labandibar who, among other activities, is on the board of Interise. During the interview with Interise, Jean Horstman mentioned that businesses that join a Streetwise MBA class are often thinking about the larger social good they can do, given their low-income locations, but that once they meet Susan, they often think about what they can do environmentally as well. Opportunities to create these relationships are important for spreading the power and payback of TBL activities. It may be possible to set up a formal mentorship process by pairing experienced and non-experienced businesses together to provide the guidance and jumpstart that some businesses may need.

**More structured partnerships to advance impact**

While many organizations know about SBN and make referrals (and vice versa), there are few structured partnerships to advance impact. Many organizations are capacity constrained, but opportunities to collaborate may exist. In the past, JPNDC worked with SBN to advertise the sustainable leader’s business program to businesses, but the cost of certification was a non-starter for many. Alison Moronta feels that some sort of matching grant might be helpful to get new businesses into the program. The Office of Business Development has the Main Street Partners program to provide free technical assistance to businesses through partner consultants. It may be possible to establish something similar for building TBL capacity (in addition to supporting existing TBL businesses as mentioned above) through mentors, or consultants such as the SBN who work one-on-one with businesses to think about their social and environmental impact. To be successful, it would require researching whether there is enough demand in the small business community for a program like this. As both Rafael Carbonell and Alison Moronota reiterated, they try to offer services that businesses request since there are so many needs and existing gaps for businesses. It might require an educational component to get businesses interested in requesting these types of services.

Existing technical assistance providers help small businesses think more effectively about their hiring decisions and their supply chain management. Given that these aspects of business management are a part of general planning, organizations can play a role in making it easier for small businesses to make these decisions thoughtfully. Many providers are supported with government funds, grants or donations. These organizations have an opportunity to think more creatively about the services that they offer businesses beyond what businesses directly request.

There is a limited but growing community of small TBL businesses in the Boston area. Business assistance organizations can focus on opportunities to both support existing TBL businesses and expand the community of businesses engaged in TBL activities. By doing so, they can take on a greater role in helping businesses impact local economies, generate environmental benefits, nurture community investment, and build a healthier, more inclusive workforce.
Conclusion and Summary

This research explores the nature and scope of triple bottom line-focused small businesses in the Boston area. Because small businesses employ half of all private sector workers and encompass over eighty percent of all businesses, they are an integral part of efforts to increase environmental and social sustainability. More broadly, there is popular interest in sustainability and the triple bottom line, but there is little consensus on how to specifically support such outcomes in small businesses and who should be concerned with their implementation.

Small businesses are studied less often than large corporations, and there may be a tendency to underestimate their contributions to social and environmental objectives due to their small scale and their limited capacity to publicize their efforts. Support for TBL businesses exist, but it varies by organization and many efforts continue to remain localized and small scale. Some economic development organizations, already committed to social improvement and addressing inequality, have attempted to bring environmental goals into their work with varying degrees of success. Sustainable business networks have developed to support and connect like-minded organizations. While these networks and organizations are robust, they often lack coordinated implementation with wider regional economic development and goals.

Through interviews of existing TBL businesses and local business support organizations, this research presents a range of perspectives on and experiences with triple bottom line businesses. This effort is an initial attempt to understand the unique challenges of TBL small businesses, what assistance they currently seek, how organizations view the importance of mission driven entrepreneurs, and what opportunities exist to better support TBL businesses.

Interviewees covered a range of industry types, size, maturation, and focus. Despite this variety, several themes emerged. The founder is often critical to establishing a TBL mission early on, and many

59 Mills, 2013.
60 2011 County Business Patterns.
businesses see their organizational structure as key to their mission. Businesses have a range of motivations for pursuing TBL outcomes including building community, taking responsibility for their actions, or connecting with people in a more meaningful way. They also define their TBL activities in different ways including through their products and services, hiring and employee practices, physical space, and community and philanthropic accomplishments.

The TBL small businesses face some of the same challenges as any small business and sought out traditional assistance for these issues. This included help with financial assistance, business planning, expanding capacity, and connecting with industry and peer networks. However, they also experience challenges unique to their TBL approach. The first is operationalizing their TBL activities and communicating them to customers. The other related challenge is getting information on and influencing their vendors around their own TBL practices.

Some businesses have pursued third party certifications to assist with these efforts such as the Sustainable Business Network’s Sustainable Business Leader program (SBLP) or B Lab’s impact assessment. While the SBLP focuses solely on environmental outcomes (and the resulting cultural and social changes associated with those goals), the impact assessment encompasses nearly all of the issues that businesses mentioned as important to their mission and identity, making it a better tool for TBL-focused companies. Still, the assessment covers several, complicated metrics that businesses may have difficulty measuring or reporting on. Businesses have also sought out general planning and technical advice which is more readily available through existing business services. The interviewees sought out assistance at different points in their development, through local, national and even international networks, and through peer networks of like-minded businesses. All of these types of assistance have helped businesses develop and succeed.

The Boston area ecosystem of small business assistance organizations contains many stakeholders. From non-profits, to government agencies, to hybrid affiliates, organizations offer a variety of small business technical assistance. These include financial planning, business management, marketing, local capacity building, and growth strategies.

These organizations are well positioned to assist in supporting small businesses with their unique TBL challenges as well. Through workshops and sponsored partnerships, they can help companies navigate the available but complex assessments or help them define their own. To expand the broader community of businesses focused on TBL outcomes, organizations can support influential leaders who cross business networks in sharing their experiences establishing a successful mission driven company. In addition, there are opportunities for partnerships across organizations to build momentum among businesses that don’t already think about TBL practices.

There are a significant number of small businesses establishing successful models for triple bottom line and mission driven products and services. Through their experiences, and the involvement of economic development organizations at all scales, it is possible to further expand the TBL business model. The business interviewees demonstrate that they can achieve financial success, but also build community assets and environmental wellbeing at the same time.
Appendix A: Works Cited


Roberts, Sarah, Rob Lawson, and Jeremy Nicholls. "Generating Regional-Scale Improvements In SME


Appendix B: Interviews Conducted

Allio, Mark. Regional Director, Massachusetts Small Business Development Center. Interview by author. February 27, 2014.


Carbonell, Rafael. Deputy Director, Office of Business Development, City of Boston. Interview by author. March 14, 2014.


