July 23, 2019

To: County Council

From: Sue Richards, Senior Legislative Analyst
Office of Legislative Oversight

Subject: **Social Business Partnerships**

Montgomery County is home to roughly 33,000 business establishments and 5,400 nonprofit organizations.[1] Thanks to the efforts of these private entities and many public sector entities, the County can point to multiple examples of people working together to either tackle an urgent issue or test out a creative response. Over time, the County's collaborative spirit and its commitment to inclusiveness have built a resilient social floor and a sturdy economy.

Social partnerships, broadly defined as collaborations that leverage the shared expertise of for-profit, nonprofit and public sector entities to solve a wide range of social problems, have grown significantly since the 1980s.[2] In the last two decades, the dynamics of these partnerships suggest a shift toward higher levels of social awareness and community engagement, including more socially engaged businesses.[3]

Examples of socially engaged small and medium-sized businesses are found in the rise of social enterprises and sustainable business communities. Examples of socially engaged large corporations are found in more robust corporate social responsibility programs and large businesses that are reshaping philanthropy. Understanding the characteristics of these new business models, including how these

[1]In 2017, the County's total employment was roughly 717,000 jobs which included 511,700 wage and salary jobs. According to the Montgomery County Economic Development Corporation (MCEDC), the County's business profile includes 115 corporate headquarters with 100+ employees and 18 major federal agency headquarters. Nonprofits employ roughly 10% of the County's workforce and 556 nonprofits have annual budgets of over $1 million. See https://thinkmoco.com/key-industries/nonprofits

[2]Crane and Seitanidi define a social partnership to mean the joining together of organizations from different sectors of society to tackle social problems. According to Crane and Seitanidi, early examples of social partnerships were public private partnerships and other arrangements that promoted private sector involvement in local economic development and urban renewal in the 1980s. Since then, social partnerships have "become both more encompassing in terms of sectors and issues involved, and more expansive in terms of their global reach. Today, social partnerships cross public, non-profit and private sectors in a range of ways and have been used to tackle everything from climate change and resource conservation to health, education, poverty, local development, and even corruption and organized crime." (Andrew Crane and M. May Seitanidi, "Social Partnerships and Responsible Business What, why and how?" in *Social Partnerships and Responsible Business, A Research Handbook*, ed. M. May Seitanidi and Andrew Crane (London: Routledge, 2013), 38.

[3]According to Jimenez and Pulos, a 2012 survey found 83% of Americans wished brands would support causes; 41% have purchased a product associated with a cause; 94% would switch to a brand that represented a cause and 90% think companies should consider giving in communities where they do business. (Guillermo C. Jimenez and Elizabeth Pulos, *Good Corporation, Bad Corporation: Corporate Social Responsibility in the Global Economy (*Geneseo, NY: Open SUNY Textbooks, Milne Library, 2016), 69.

new patterns of social engagement might shape future opportunities for collaborative problem solving, is the subject of this study.

This memorandum report responds to the Council's interest in better understanding social business practices and partnerships.[4] It presents a set of case studies to illustrate business's social engagement models and practices and better understand the effects and impacts of these new models. It also offers examples of how local government programs aim to leverage these new practices.

This report has three sections. Section A presents nine case studies of social business partnerships; Section B presents three case studies where a local government leveraged social business practices; and Section C recommends discussion questions for the Council. In sum, the 12 case studies presented here illustrate the following trends:

- Businesses and nonprofits are working together on a wide array of problems, such as climate change, poverty, sustainability, social equity and the promotion of an inclusive workforce.
- Businesses are connecting with nonprofits in many ways for many reasons. Businesses collaborate with nonprofits to access their community knowledge, leverage their networks and solicit their technical expertise. Businesses often donate to nonprofits that align with their services and/or the values of business owners.
- Businesses are investing in performance measures and assessment systems to benchmark their operations and monitor and report on their progress. The independent, third-party entities that provide these certification and verification systems create networked systems of best practices.
- Collaborations of foundations, businesses and public sector agencies are also focusing on performance measures and reporting systems. They are funding evaluation research and developing methods to measure social impacts and social returns on investments.
- To date, only a limited number of local government programs are leveraging social business practices. Offices to promote social business partnerships are rare and often short-lived.

A. A Rich Tapestry of Social Business Partnerships

This section responds to the Council's interest in better understanding new models for social business partnerships that have emerged since the mid-1990s. The nine case studies that follow show how organizations in the commercial and social sectors establish these partnerships, what sparks someone to

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[4] This report uses the phrase "social business partnerships" broadly to refer primarily to collaborations that arise between organizations in the private (commercial) sector and the nonprofit (social or voluntary) sector. In some cases, businesses partner with foundations or nonprofit service organizations to address social and environmental problems. These approaches can include new business models, more responsible business operating strategies or collaborative efforts with other businesses coordinated through a nonprofit "backbone" organization. In other cases, foundations fund partnerships to spread the use of evidence-based practices or test new ways to address complex issues. These partnerships often receive federal funding and they may also include government entities.

initiate an arrangement, the types of problem(s) addressed and how organizations measure and report results. A few of the case studies that illustrate a broader approach or model include information about similar examples or organizations working to replicate that particular model.

OLO cast a wide net to identify potential case study candidates. OLO developed these case studies using secondary sources of information found online through keyword searches. These sources include reports posted on company websites, research studies, news articles, company reports and research studies by policy organizations, foundations and other parties.

The case studies of social business partnerships presented in this section are grouped into three categories: 1) Social Enterprises; 2) Corporate Social Responsibility Programs; and 3) Business Alliances and Collaborative Partnerships.

1. Social Enterprises.

The first group of four case studies profiles social enterprises. A social enterprise is a firm that uses business practices to enhance the well-being of individuals, communities and the environment. Some frequently cited examples of social enterprises include: Grameen Bank[5], Ashoka, The Body Shop, Ben and Jerry's, Newman's Own and Warby Parker.

Unlike conventional entrepreneurs, social entrepreneurs incorporate the creation of social value into their business enterprise models.[6] A social enterprise can refer to either a for-profit business launched by a social entrepreneur who has start-up funding from private investors or a nonprofit business that relies on revenue from sales that may be supplemented with funding from foundations and others.

Practically speaking, criteria to set clear boundaries between social enterprises and the corporate social responsibility practices of a for-profit business are a work in progress. For example, many researchers consistently cite businesses such as Grameen Bank and The Body Shop as early examples of social enterprises and contrast them with for-profit businesses that have separately managed corporate social responsibility programs. On the other hand, Ben & Jerry's blurs this distinction: it was founded as a for-profit business, is often applauded for its contributions to the corporate social responsibility movement, and, is celebrated as a social enterprise icon.

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[5] In 1974, Muhummad Yunus established a bank for the poor that offered low interest microloans with no collateral. The loans enabled small entrepreneurs to grow their business and rise from poverty. This led to the formation of Grameen Bank which made a few loans to local village members. By 2005, Grameen Bank had 1,500 branches in 50,000 villages; it served 5M borrowers and had annual revenues of $80 million. In 2006, Yunus won a Nobel Prize as a pioneer of microfinance. In 2017, the County Council adopted Bill 49-16, Economic Development – Workforce Development – Microlending Program to establish a microlending program for County entrepreneurs. During the public hearing, the Council heard testimony from other entities that provide microloans as well.

[6] See James Austin et al, "Social and commercial entrepreneurship: same, different, or both?" Rev. Adm. (Sao Paulo) vol. 47 no. 3 July/Sept. 2012 for a useful comparison of conventional and social entrepreneurship. http://www.scielo.br/scielo.php?script=sci_arttext&pid=S0080-21072012000300003

Case Study #1 - Ben and Jerry's Ice Cream

Ben Cohen and Jerry Greenfield opened the first Ben & Jerry's ice cream shop in 1978 in Burlington, Vermont.[7] The first franchise opened in 1981. The business expanded beyond New England in 1985. In 2000, it was acquired by Unilever, a multinational conglomerate.

Catalyst for Change. In 2018, emeritus board member Jeff Furman was asked how the business evolved to embrace a social mission. He said when the first store opened "there was no vision statement, no mission statement…[and] the word social enterprise never entered our vocabulary."[8] Asked how the business model supported the company's social mission, he said, "Everything we used to get excited about … had a social mission to it. And we were willing to take the risks on these issues."[9]

Business Model: A Two-Part Bottom Line. Ben Cohen's efforts to operate what he called "a socially conscious business" began in the early 1980s.[10] The company's approach was to maintain a goal of being profitable while demonstrating a commitment to social and environmental causes. In 1989, the owners said the company was "becoming more comfortable and adept at functioning with a two-part bottom line where our company is measured by both our financial and social performance."[11]

Strategies to implement the double bottom line included practices like donating part of the company's profits to worthy causes or a policy that initially limited the salaries of top executives to five times that of entry level employees.[12] In 1984, the company set a precedent by establishing a Vermont only public stock offering to raise money for a new manufacturing plant.[13] In 1990, it opened a day care center and began a policy of paid time off for employees who adopt a child.

Today, the firm's three-part mission statement – encompassing a Product Mission, an Economic Mission, and a Social Mission -- reinforces this balanced, holistic approach. It states, "All three parts must thrive equally in a manner that commands deep respect for individuals in & outside the company & supports the communities of which they are a part."[14]

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[7] For startup capital they had $6K in savings, $2K borrowed from a family member and a $4K SBA loan guarantee.

[8] Wang, E.Y., Tides Foundation Interview, September 27, 2018. https://www.tides.org/our-community/corporate-partners/linked-prosperity-ben-jerry-jeff-furman/

[9] Ibid.

[10] Antony Page and Robert A. Katz, "Freezing out Ben & Jerry: Corporate Law and the Sale of a Social Enterprise Icon, 35 Vt.L.Rev. 211 (2010) Provided by: FIU College of Law, 217 "According to Fred Lager, a former President of Ben & Jerry's, [a conversation with an acquaintance] marked the beginning of Ben's efforts to run what he termed a socially conscious business. Prior to then, says Cohen, the idea of changing the way business works "hadn't occurred to [them]." Later, Cohen described it as "an experiment to see if it was possible to use the tools of business to repair society." That September, he apprised the company's staff for the first time that he intended "to create a business that gave something back to the community, and Ben & Jerry's was on the way to becoming one of America's first and most successful prototypes for for-profit social enterprises."

[11] https://www.referenceforbusiness.com/businesses/A-F/Ben-Jerry-s-Homemade-Inc.html

[12] O.C. Ferrell et al, "Managing Social Responsibility and Growth at Ben & Jerry's," https://danielsethics.mgt.unm.edu/pdf/ben-and-jerry-case-.pdf, 2. According to Wikileaks, this policy was discontinued in 1994 as part of a search for a new CEO.

[13] According to Page and Katz, the offering raised $750,000 and nearly one in every 100 Vermont households – about eighteen hundred households – bought stock.

[14] https://www.benjerry.com/values

Governance. In 2000, Unilever, a British-Dutch conglomerate specializing in consumer goods, acquired Ben & Jerry's for $326 million. The acquisition agreement established an independent Board of Directors to lead the company's social mission, brand integrity and product quality.[15] The agreement stipulated that Unilever would maintain the firm's corporate presence in Vermont for at least five years and that Unilever would contribute $5 million each to support: undercapitalized businesses; employees; and the Ben & Jerry's Foundation.

Marketing for Social Causes. The company's social mission "compels [it] to use our Company in innovative ways to make the world a better place."[16] A 2017 timeline of company brands compiled by Pacific Standard shows that Ben & Jerry's history of branding its products to raise awareness of social issues dates to 1987. One well-known flavor is Rainforest Crunch released in 1988. Proceeds were intended to support the establishment of a nut selling cooperative in Brazil, although a subsequent investigation found that cause received less than 5% of the proceeds.[17]

The Ben & Jerry's Foundation. In 1985, the company set another precedent when the owners formalized the company's charitable donation policy by establishing the Ben & Jerry's Foundation to fund community-oriented projects. Greenfield endowed the foundation with a gift of 50,000 shares worth roughly $850,000. The business also made an ongoing commitment to fund the foundation with 7.5% of the company's annual pretax profits.[18] An employee led grant making committee selects the projects to be funded. Most projects address environmental issues; others address fair trade or homelessness.

Other Collaborations, Partnerships and Projects. Early on, Ben & Jerry's intentionally chose to market its products by promoting issues and sponsoring events of value to the community instead of relying on television and radio advertising. In 1993, Ben & Jerry's partnered with the Children's Defense Fund, a national nonprofit, in a campaign designed to elevate children's basic needs. As a result, Congress received over 70,000 postcards that raised concerns about kids and other issues. Currently the company is aligned with the Poor People's Movement and Black Lives Matter, among other causes.

Nationally, the company has sponsored peace, music and arts festivals. In 2002, Ben & Jerry's partnered with the Dave Matthews Band and a group of environmental organizations to produce the flavor "One Sweet Whirled" in a campaign to fight global warming. As part of this effort, the firm committed to reducing its carbon dioxide emissions by 10% over five years.

An example of the company's local community engagement is the Giraffe Project, an event that celebrates Burlington residents "willing to stick their own necks out and stand tall for what they

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[15] The website posts Board members' biographies. https://www.benjerry.com/about-us/how-were-structured
[16] https://www.benjerry.com/values
[17] https://psmag.com/news/the-history-of-ben-jerrys-progressive-politics
[18] See Footnote 17 in Page and Katz which quotes the Reference for Business Encyclopedia of Business, 2nd ed. It states that "Cohen and Greenfield started a revolution in the food business when they decided to give a percentage of company profits to charitable organizations, usually associated with social causes and the environment." Footnote 62 explains that the owners' financial advisers insisted that the initial funding commitment goal of 10% be lowered to 7.5% of pretax profits https://ecollections.law.fiu.edu/cgi/viewcontent.cgi?article=1383&context=faculty_publications

believe." Local residents and customers submit nominations for those who receive the commendations.[19]

Measurements and Reports. In 1999, Ben & Jerry's began publishing an annual social audit that assesses and reports on the business's progress in addressing a set of social issues. The Social and Environmental Assessment Reports (SEAR) examine the impacts of the firm's social missions and its sourcing, environmental, workplace, giving and consumer services activities. They also report on philanthropic activities and list the many organizations and causes supported by the Ben & Jerry's Foundation. An independent auditor reviews the report annually to verify the legitimacy of the claims.

Results and Impacts. Page and Katz's view about the sustainability of Ben & Jerry's social mission following their acquisition by Unilever acknowledges the firm's "enduring legacy of social progress." Countering views of those concerned about Ben & Jerry's being swallowed up by Unilever, their perspective suggests that opportunities to create even more social value may lie ahead:

> From a broader, macro-economic perspective, Ben & Jerry's acquisition by Unilever may not be undesirable, and perhaps should even be celebrated. Ben & Jerry's effected important changes in the ice cream market: it identified and developed a neglected market niche for "socially conscious" ice cream, by demonstrating that substantial numbers of consumers place a high value on social and environmental practices. It thus helped bring about a new, more pro-social equilibrium in the ice cream market-one that generates greater social value and fewer negative externalities than the status quo. Unilever, by expanding the market that Ben & Jerry's pioneered, may have created more social value than Ben & Jerry's could have done alone.[20]

If a value driven business catches fire, the subsequent expansion creates an ever-widening circle of opportunity. While a business can leverage this dynamic to expand opportunity and its positive social impact, it does not offer a risk-free path to address social issues. The two cases that follow describe a for-profit business that benefitted from Ben & Jerry's growth and a group of nonprofit businesses that were part of Ben & Jerry's PartnerShop program, a model that offered franchises to local nonprofits.

[19] O.C. Ferrell et al, 3.
[20] Page and Katz, 250.

Case Study #2 - Greyston Bakery

Greyston Bakery is a for-profit business located in Yonkers, New York. The bakery aims to operate a financially self-sustaining business over the long term while maximizing its social impact.

Catalyst for Change. Roshi Bernie Glassman, a Buddhist monk and former NASA aerospace engineer, opened the bakery in 1982 to address issues of poverty and homelessness in Yonkers.

Business Model: Open Hiring and PathMaking. Greyston Bakery defines its business model as a for-profit social enterprise. Two key tenets that define Greyston Bakery's business model are the practices of Open Hiring and PathMaking:

- Under the **Open Hiring** strategy, anyone is eligible to work at the bakery and there are no requirements for an application, interview or background check. (Greyston must verify citizenship status and work eligibility to comply with federal laws.) This practice is designed to give people who face employment barriers a "foothold" in the workforce. Greyston maintains a running list of people who want to work and hires people on a first come, first served basis.

- The **PathMaking** strategy embodies the Buddhist philosophy that everyone is on a unique life path. Greyston's PathMaking director works with employees individually and in groups to help them accomplish their goals. Examples of the supports that employees receive include access to services, help addressing conflicts, assistance investigating education or training opportunities and/or help in dealing with care issues. The PathMaking director assesses how well Greyston fulfills its mission and meets broader community needs.

Collaborative Structure. The bakery operates under the umbrella of the Greyston Foundation which was established to provide services to the Yonkers community. The foundation offers a holistic set of services and supports ("the Greyston Mandala") to move people towards self-sufficiency. Besides the bakery jobs, the services include affordable housing, child-care and other workforce programs.

Partnerships. In 1987, Glassman met Ben Cohen, a co-owner of Ben & Jerry's Ice Cream, at the formation meeting of the Social Venture Network. Under the resulting business deal, Greyston would bake brownies for Ben & Jerry's fudge brownie ice cream. This created a vital source of income and jobs for the bakery when the Chocolate Fudge Brownie flavor went on to become a best seller. As sales grew, Ben & Jerry's made sure its partnership with Greyston kept pace.[21] Specifically, Ben & Jerry's "provided the resources and expertise needed to meet the volume of supply that the ice cream company demanded. … It sent its own staff to the bakery, including process engineers, research and development experts and marketing staff, to solve specific problems in getting to scale."[22]

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[21] Ben & Jerry's website explains that Greyston Bakery's open hiring policy made the bakery a perfect pairing to the Ben & Jerry's passion for linked prosperity: the concept that what's good for our employees and suppliers is also good for business. https://www.benjerry.com/whats-new/2015/chocolate-fudge-brownie-greyston

[22] REDF, "Impact to Last: Lessons from the Front Lines of Social Enterprise Greyston Bakery," https://redf.org/app/uploads/2015/12/Greyston-Bakery-Case-Study-v-FINAL.pdf December 2015, 5.

Greyston's Partnership with Whole Foods. In 2012, Greyston partnered with Whole Foods to create the Whole Planet Brownie. Two percent of the sale proceeds are donated to the Whole Planet Foundation which provides microcredit loans to entrepreneurs in poor communities in 57 countries.

Results and Impacts. In 2014, Greyston: employed 144 people; provided 3,358 hours of training; placed 532 individuals in affordable housing; served 139 children in its child-care program; held 89 individual PathMaking meetings; and created $326,000 in new income for workforce development program participants. Its sales grew to $13.4 million.[23]

Greyston's business partnership with Ben & Jerry's allowed Greyston to create a state-of-the-art bakery that provides a quality product at a competitive price. As a result, Greyston was well-positioned when Unilever acquired Ben & Jerry's in 2000. That partnership also gave Greyston the capacity to improve its supply chain in 2009 as part of Unilever's launch of its Sustainable Living Plan (SLP) strategy.

As a result of Greyston's efforts to meet Unilever's SLP requirements, in 2012,the bakery became the first New York State business to be recognized as a Benefit Corporation.[24] Greyston then completed the process to become certified as a B Corp.[25] To receive this certification, Greyston implemented a recycling program and installed solar panels and LED lighting. Unilever has recognized the bakery's efforts as a model for how it would like other companies in its portfolio to operate.

Greyston employees are paid more than they would earn in similar positions elsewhere; but the company recognizes that the wages cannot support a family. As a result, the bakery recently established Greyston University as a new training program. The bakery's long-term goal for its training program is to offer training that can open up advancement opportunities and career ladders for its employees. As part of its commitment to PathMaking, Greyston also hopes to build relationships with other local employers looking to fill jobs that offer better long-term career paths.

Replication and Scale. A 2015 case study of Greyston states the bakery "is committed to addressing poverty in its local community by creating more jobs, but also wants to make a broader impact [and] its work with Unilever positions [it] as a global model for social enterprise and sustainable business practices. The executive team is exploring the possibility of opening bakeries in new communities and providing consulting services to help them create models similar to Greyston's – including expanding the concept of open hiring and PathMaking. Greyston has codified its model as a first step toward exploring these options."[26]

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[23] REDF, Impact to Last, 7.

[24] A benefit corporation is a new type of legal structure that requires an organization to consider a designated social purpose and social impacts with a financial analysis when it makes business decisions. Other similar new types of structures are low-profit limited liability companies and the flexible purpose corporation. In 2010, Maryland became the first state to allow companies to register as benefit corporations.

[25] The B Corp certification program is an initiative of B Lab, a nonprofit organization that "serves a global movement of people using business as a force for good." Certified B Corps use third party impact assessments and B-Lab software to measure the impact of their decisions on workers, customers, community and the environment. B Lab's concept of the B Economy refers to a bigger group where businesses compete to be Best for the World honorees . (https://bcorporation.net/about-b-lab)

[26] REDF, Impact to Last, 8.

Case Study #3 - Ben & Jerry's PartnerShops - Roberts Enterprise Development Fund (REDF)

PartnerShops are independently owned Ben & Jerry's scoop shop franchises operated by community nonprofits. As for-profit businesses, they allow nonprofits to leverage the power of business for community benefit.

Catalyst for Change. In 1986, Jeff Furman, who wrote the first business plan to help Ben & Jerry's secure a bank loan,[27] suggested that Ben & Jerry's partner with a nonprofit to open a franchise. He thought this strategy would both help the firm gain community knowledge about a location and give a local nonprofit an opportunity to earn income and provide employment training. As news of the first PartnerShop spread, other nonprofits asked Ben & Jerry's about similar opportunities.[28]

Business Model. Ben & Jerry's PartnerShops are for-profit franchises owned and operated by nonprofit franchisees. Ben & Jerry's enters into a franchise agreement with the nonprofit partner. It waives the franchise fee and the annual royalty fee for the PartnerShops; however, the nonprofit must fund start-up costs. In the past, Ben & Jerry's organized conference calls and bi-annual meetings of its nonprofit franchisees.

The PartnerShop program creates opportunities to establish a business, offer employment training and earn income. PartnerShops can offer job and entrepreneurial training to youth and young adults that may face barriers to employment. Those who work at PartnerShops earn wages and learn a practical set of basic business and life skills.

PartnerShops can also provide nonprofits a way to diversify their revenues. Since the program was launched, the nonprofit partners have addressed issues of homelessness, behavioral problems and physical, emotional and developmental differences.

Growth of Ben & Jerry's PartnerShop Program. In Washington, DC, the Latin American Youth Center (LAYC) opened two Ben & Jerry's PartnerShops: one near the Eastern Market in 2003 and another in Chevy Chase in 2004. A foundation grant paid the start-up costs for the Chevy Chase shop where LAYC hired 50 to 60 young adults each year. LAYC provided both in-store training and training in work and life skills, such as communication, personal responsibility and punctuality.[29]

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[27] Ben & Jerry's Foundation: Who We Are (website); retrieved from https://benandjerrysfoundation.org/who-we-are.html.

[28] Jed Emerson and Fay Twersky, eds., *New Social Entrepreneurs: The Success, Challenge and Lessons of Non-Profit Enterprise Creation* (San Francisco: The Roberts Foundation Homeless Economic Development Fund, 1996), Part II, 316.

[29] The Hitachi Foundation, "The Latin American Youth Center/Ben & Jerry's Partnershop," http://hitachifdn.nonprofitsoapbox.com/stories-of-grantees-in-action/34-the-latin-american-youth-centerben-a-jerrys-partnershop (accessed June 2019).

As of 2016, Ben & Jerry's had two active PartnerShop franchise agreements:[30]

- The LifesWork PartnerShop of Western Pennsylvania opened in 2005. LifesWork is a nonprofit that provides employment training and support for people with developmental differences.

- New Avenues for Youth, a nonprofit in Portland, Oregon, provides youth counseling, alternative education and job readiness and employment services to youth at risk of homelessness.[31] It operates three Ben & Jerry's enterprises plus a screen-printing business and an apparel company.

Results and Impact. Online information about the results and impact of the PartnerShop Program is limited. In 1996, the Homeless Economic Development Fund ("The HEDF Evaluation") evaluated a Ben & Jerry's nonprofit franchise as part of a nonprofit business model study.[32] The evaluation relied on interviews, employee focus groups, and financial data. It found the four PartnerShops Programs had limitations but "worked best with agencies seeking to create entry-level, service sector jobs for their clientele."[33]

The HEDF evaluation found that nonprofit partners benefitted from the program. For example, Larkin Business Venture's program managers said that because the PartnerShop Program increased their capacity, they employed more clients than they would have otherwise. They said associating with a well-known company increased community acceptance and gave some shops easier access to credit and financial resources.[34]

Replicating the Nonprofit Social Enterprise Model - The Roberts Enterprise Development Fund (REDF)
The Homeless Economic Development Fund (HEDF) was a six-year program by the Roberts Foundation to test a free enterprise solution to homelessness. It provided over $6 million in grants to more than 40 nonprofits. The HEDF evaluation looked at how effectively a nonprofit business model worked to lift marginalized youth and adults out of poverty. It found social entrepreneurship was "not a poverty panacea" but did offer "a powerful response to shifting public policies in a changing world."[35]

In 1997, the Roberts Family Foundation launched the Roberts Enterprise Development Fund (REDF) to build on HEDF's lessons learned. REDF aimed "to launch and grow social enterprises" by "expanding job development programs for those who faced the greatest difficulties getting and holding onto a job."[36] George R. Roberts brought "the mindset of an investor" to the issue of joblessness, guiding REDF's approach to work with real businesses and measure results to identify and replicate what works.

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[30] "2016 Social & Environmental Assessment Report," https://www.benjerry.com/about-us/sear-reports/2016-sear-report. (accessed June 2019).
[31] http://newavenues.org/social-purpose-enterprise
[32] See Emerson and Twersky.
[33] See Emerson and Twersky, Part II, 322, which states PartnerShops were less profitable than for-profit franchises; that significant time was spent on partnership details and that most problems were due to organizational fit.
[34] See Emerson and Twersky, Part II, 321.
[35] See Emerson and Twersky, Executive Summary, 18. In About This Book, the authors state that the study found "non-profit business development has enjoyed modest and growing success in planning and start up … [and held] great promise … but [was] very difficult to pursue and may not be for everyone."
[36] https://redf.org/about-us/our-history/

Social Business Partnerships

In 2010, REDF received a $3 million Social Innovation Fund (SIF) grant to expand employment social enterprises in California.[37] REDF's grant aimed to employ 2,500 workers by 2015 and to have 70% of those hired remain employed for at least 12 months. REDF also agreed to an independent evaluation.

In 2015, Mathematica Policy Research (MPR) found that "social enterprises helped improve economic self-sufficiency and life stability outcomes." The MPR evaluation also found for every dollar a social enterprise spent, there was a positive return of $2.23 due to reductions in government transfer payments and increased tax revenues.[38] Table A-1 summarizes the enterprises that were studied.

Table A-1. Description of Social Enterprises

Organization	*Social Enterprise*	*Business Line*	*# Employed Annually*	*Year Started*	*Target Population*
1. Buckelew	Blue Skies	Cafés	18	1986	Mental health
		Cleaning	23	2009	Disabilities
	People's Harvest	Food Processing	0	2013	Homeless
2. Center for Employment Opportunities	Golden State Works	Street Cleaning	108	2011	Parolees
3. Chrysalis	Chrysalis Enterprise	Staffing Street cleaning	500	1984	Formerly incarcerated, homeless
4. Community Housing Partnership	SF Solutions	Lobby services	55	2007	Homeless
		Maint. services	30		
Community 5. Resource Center	Back to Work	Retail	36	2012	REDF-defined barriers*
6. Coalition of Responsible Community Development	CRCD Enterprises	Groundskeeping	12	2010	Disconnected young adults aged 16-25
7. Taller San José	Hope Builders	Construction	12	2007	Disconnected young adults aged 18-28
8. Weingart Center	360° Solutions	Pest control	10	2012	Homeless

Source: Mathematica Policy Research, The Structure and Operations of Social Enterprises in REDF's Social Innovation Fund Portfolio: Interim Report, March 2013, p. xvi. *Note – A REDF defined barrier includes low income, the mentally ill, the homeless, parolees and young adults who are neither enrolled in school nor participating in the labor market.

In 2016, REDF used a second SIF grant to expand outside of California. Since 1997, REDF has invested in 183 social enterprises that have employed 37,700 people and earned $755 million in revenue.[39]

[37] The Social Innovation Fund (SIF) is a federal program administered by the Corporation for National and Community Service. SIF grants use a tiered award structure to leverage public dollars. SIF grants also further the implementation of evidence-based programs by requiring independent evaluations of program results.

[38] https://www.mathematica-mpr.com/our-publications-and-findings/projects/redf-social-enterprises-evaluation

[39] https://redf.org/about-us/ REDF

Case Study #4 - The Etsy Craft Partnership Program

Etsy is a Brooklyn based e-commerce handicrafts marketplace founded in 2005. Etsy provides an online platform for craftspeople and artists to sell their goods. Etsy's mission is to "reimagine commerce in ways that build a more fulfilling and lasting world." It connects sellers to new markets and creates local communities of entrepreneurs who sell on its platform.[40]

The Etsy Craft Entrepreneurship Program is designed to "help people with craft skills earn supplemental income through entrepreneurship, using hands-on education with Etsy as their learning lab." It aims to "expand access to microbusiness education for underrepresented creative entrepreneurs."[41] It also offers cities a new approach to economic development.[42] Instead of focusing on creating new full-time jobs and training people to fill them, cities can leverage existing skills in their communities and focus on supplemental income and entrepreneurship.[43]

Catalyst for Change. Rockford, Illinois, is a Rust Belt city of about 149,000 people located 90 miles northwest of Chicago. It is struggling economically from a loss of manufacturing jobs. In 2012, the Mayor of Rockford asked the CEO of Etsy about the possibilities of "an Etsy economy"[44] and whether the company had partnered with any schools or cities.[45]

In March 2013, Etsy and Rockford city officials attended a Clinton Global Initiative event. Etsy agreed to "[support] new job opportunities through craft entrepreneurship by replicating and expanding a Craft

[40] In a 2014 online survey of its sellers, Etsy reported that the survey found most sellers are women (86%). About 44% use revenue from Etsy sales to cover household expenses. http://extfiles.etsy.com/Press/reports/Etsy_NewFaceofCreativeEntrepreneurship_2015.pdf

[41] https://www.etsy.com/craftentrepreneurship

[42] In 2017, IMPACT Silver Spring's testimony in support of Bill 49-16 stated it had supported many struggling families on pathways to empowerment. As examples, it cited individuals forming new businesses in the areas of sewing, catering, landscaping and home improvement.

[43] https://blog.etsy.com/news/2013/craft-entrepreneurship-year-in-review/

[44] In 2014, Etsy's director of Human Scale Labs described an Etsy Economy as "a new type of economy … that is highly accessible to engage in, relies on strong community ecosystems and values sustainable growth." https://knightfoundation.org/articles/scaling-etsy-economy-changing-workforce

[45] In an online article at Techonomy, Mayor Morrissey shared his view that "Etsy is providing all kinds of tools for entrepreneurs to learn on their own, reducing a lot of barriers for entry into the global marketplace. It's an example of one of those killer apps that connects the microelements of our economy together [with] consumers and suppliers. It gives the little guy a chance to be a constructive member of the global economy. It's a very human-scale economic exchange, as opposed to … shopping at Walmart or Target." He explained that [a]s mayor, he wanted "to do what he could to … create different types of learning and doing opportunities." See Tiffany Lin and Adam Ludwig, "With Help From Etsy, A Small-City Mayor Brings The Maker Movement to the Classroom," https://techonomy.com/2013/09/with-help-from-etsy-a-small-city-mayor-brings-the-maker-movement-to-the-classroom/ (accessed June 2019).

Entrepreneurship curriculum to be piloted in Rockford during the fall."[46] By December 2013, Etsy had launched a second program, partnering with New York City's Department of Small Business Services.[47]

Rockford Program Model and Funding. The Rockford, Illinois, program provided a targeted education curriculum to 10 craftspeople who were residents of the Rockford Housing Authority. The pilot program used a group of experienced Etsy sellers from Rockford to develop a training curriculum and hired one member of the group as an instructor.[48] The program offered four two-hour workshops to educate participants about use of the Etsy platform. Through hands-on instruction and a peer learning process, the curriculum aimed to encourage and empower participants' creativity and build self-confidence.[49]

Etsy paid small stipends to the Rockford Etsy sellers who developed and taught the curriculum. The Rockford Housing Authority gave each participant a laptop. Etsy valued its contribution at $65,000.[50]

Collaborative Structure and Growth. Since its launch in 2013, the Etsy Craft Entrepreneurship program has expanded to 26 more cities in 14 states and the United Kingdom. Etsy now offers its microbusiness educational curriculum to more types of organizations. Etsy's current partnerships include: nine libraries, four colleges, a statewide small business and training organization committed to growing New Mexico's economy, a few small business development centers and a few nonprofits.[51] Most partners regularly offer training in entrepreneurship and/or artistic development. They seek out new, interactive ways to serve creative constituents in lower income populations.[52]

Etsy's website states that partners are responsible for: (1) recruiting students with creative talents; (2) providing a computer classroom; and, (3) hiring and training a local Etsy seller to teach the classes. Etsy sellers who teach classes must be paid a competitive rate.

Results and Impact. In 2016, Etsy launched its Maker Cities initiative. Local officials and Etsy members brainstormed ways to support the growth of local creative economies. In 2017, OpenWorks, a Baltimore nonprofit, received a grant to expand a program that teaches craft, life and business skills to low-income creative entrepreneurs of color. This program is a partnership with the City's Office of Promotion and the Arts.[53]

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[46] Etsy anticipated it would reach 100 individuals in Rockford; it agreed to offer the program to two more cities that year; and it agreed to distribute the program curriculum as open source software https://www.clintonfoundation.org/clinton-global-initiative/commitments/creating-economic-opportunity-through-craft-entrepreneurship

[47] https://blog.etsy.com/news/2013/craft-entrepreneurship-year-in-review/

[48] Grotts, Allie S. "Our Own Worst Enemy: A Case Study of the Etsy Craft Entrepreneurship Program in Rockford, Illinois." Doctoral diss., University of Missouri, July 2014, 55. Grotts states that in 2014, Rockford's Etsy team had about 200 members and it met every few months for workshops or social events.

[49] Grotts, 60-65.

[50] https://www.clintonfoundation.org/clinton-global-initiative/commitments/creating-economic-opportunity-through-craft-entrepreneurship

[51] https://www.etsy.com/craftentrepreneurship/partner-cities

[52] https://www.etsy.com/craftentrepreneurship/partner-cities

[53] Etsy's 2019 Maker Cities Grant program is funded by the Etsy Impact Fund and the Mastercard Impact Fund. The program aims to build the capacity of microbusinesses so they can partner with their cities to help the local maker

2. Corporate Social Responsibility (CSR) Programs

Corporate business that operate to make a profit determine their own definitions and corporate responsibility practices. For years, a business's corporate social responsibility (CSR) activities were shaped by its financial returns to shareholders with philanthropy viewed as a secondary focus.

Businesses such as Ben and Jerry's, Patagonia and Newman's Own changed the ground rules for CSR programs because they created concrete examples of corporate practices that were environmentally responsible and socially beneficial as well as financially successful. As awareness of these firms' responsible business practices grew, more and more businesses updated and re-structured their CSR programs. Today, a typical CSR report publicizes how a firm's corporate practices contribute to social well-being. It also reports performance measures that track the progress of a firm's investments.

Case Study #5 - CVS Health's (CVSH) Workforce Partnership Networks[54]

Catalyst for Change. In 1997, President Clinton created a public-private Welfare to Work Partnership to encourage employers to make hiring commitments. CVS was one of several corporations to respond thanks to the leadership of its Human Resources team which became the Workforce Initiative team.[55]

CVSH's Prescription for a Better World Framework. In 2005, CVSH developed its Prescription for a Better World framework ("PBW framework") to formally define its approach to Corporate Social Responsibility. The initial framework had three pillars: Building Healthier Communities; Planet in Balance; and Leader in Growth, with goals and strategies for each pillar.[56]

In 2013, CVSH used findings from a materiality assessment to develop a strategy and roadmap for its PBW framework.[57] Two of the 23 "material topics" that CVSH identified were Diversity and Inclusion

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economy become an engine of local economic development. Five grantees will each receive $40,000 in direct program support plus access to an online community and access to an economic impact dashboard.

[54] CVS Health is "a pharmacy innovation company helping people on their path to better health." It operates 9,900 retail pharmacies, 1,100+ walk in Minute Clinics, 37 specialty on-site pharmacy stores, 26 retail specialty pharmacy services and 86 infusion sites. https://cvshealth.com/sites/default/files/2018-csr-full-report.pdf

[55] At a 2009 Congressional hearing, CVS testified that it started its first Welfare to Work training program in Akron, Ohio, in 1996 when it partnered with the Summit County Welfare Office, the Summit County Employment Service and a local nonprofit that helped recruit four candidates. CVS had since hired over 65,000 people who had been on public assistance and nearly two-thirds were still actively employed in career path positions at CVS Caremark. This 60% retention rate was not only in stark contrast to other entry-level service jobs in retail where turnover can easily exceed 200% a year but also much higher than retention levels for entry-level CVS Caremark colleagues hired from other sources. Also, over 50% of the former welfare recipients hired had been promoted at least twice.

[56] The CEO and the Nominating and Corporate Governance Committee of the CVSH Board of Directors oversee CVSH's CSR and sustainability performance. They ensure that CVSH both advances the company purpose and delivers an appropriate Return on Investment. An executive sponsor oversees progress on each pillar's priorities and goals and senior managers must meet targets as part of their business plan.

[57] CVSH based its materiality assessment process on principles established by the Global Reporting Initiative, a third party entity that sets process, data and disclosure standards for corporate sustainability reports.

and Economic Opportunity. These topics not only reflected what CVSH saw as its most significant economic, environmental and social impacts but also influenced the Workforce Initiative team.[58]

In 2018, CVSH's CSR report notes that one-third of Americans interact with CVSH annually, including 4.5 million people per day who visit retail stores in nearly 10,000 communities across the country and 38+ million medical members who rely on CVSH for help with health decisions. The report states:

> As a socially responsible company, we believe we have a role to play in helping to solve important societal problems in meaningful ways. Our CSR strategy ensures we put our businesses and resources to work in tangible ways that make a difference in our local communities and in people's lives.[59]

CVSH's Workforce Initiative Team. Since it first partnered with the U.S. Department of Labor, CVS Health ("CVSH") has continued to develop a network of local partnerships. Examples of its partners include high schools, community colleges, community-based nonprofits and faith based organizations, federal, state and local government agencies and public workforce boards. Through its relationships with these organizations, CVSH identifies potential employees who may be overlooked by others while also furthering its commitments to inclusive workplaces. Through hands-on training and career pathway programs, CVSH offers employment as a conduit to economic opportunity. CVSH relies on a network of 2000+ local partners for candidate referrals, training services and wrap-around support services. The six programs described below show how CVHS collaborates with its local partnership networks:

- Regional Learning Centers ("Centers"). CVSH operates four fully operational store and pharmacy training locations co-located in public labor department One-Stop Career Centers. Public agencies assume the operating costs of the Centers and CVSH assumes the training, staff and equipment costs. Each Center is staffed with a fulltime manager and a fulltime relationship manager. The Centers offer classroom space, office space and a mock pharmacy.[60] In 2018, CVSH had Centers in Boston,[61] Cleveland, New York City and Washington, DC. In 2018, the Centers trained 1,400 individuals, many of whom were subsequently hired at a CVS Pharmacy.

- The CVSH Registered Apprenticeship Program. This program began as a public-private initiative funded by the U.S. Department of Labor in 2005.[62] CVS was part of the initial rollout and Goodwill Industries served as the facilitator between the government and the employers. As of 2017, CVSH employed 4,600 apprenticeship trained technicians and managers, including 1,500 employees in

[58] https://s2.q4cdn.com/447711729/files/doc_downloads/company_documents/2014-CVSCaremark-CSR-Report.pdf

[59] https://cvshealth.com/sites/default/files/2018-csr-full-report.pdf, 3.

[60] CVS Health also opens mock retail and pharmacy stores in other locations through partnerships with public and private community partners. As of 2018, CVS Health has partnered with state and community organizations to open 43 mock retail and pharmacy stores nationwide, including 29 geared toward individuals with disabilities. The stores are located in training centers, technical schools, community colleges and local community organizations.

[61] CVS partnered with Jewish Vocational Service (JVS) to open its Boston Center in 2008. It hoped to train 3,000 new and current employees, including welfare to work participants and refugees. The CVS-JVS-Boston partnership was a result of a prior CVS partnership with the International Association of Jewish Vocational Services.

[62] The CVSH Registered Apprenticeship Program is modeled on "earn and learn" apprenticeships in the skilled trades which give trainees a "no-cost" chance to earn a salary while learning a trade. https://focus.luminafoundation.org/cvs-workers-success/

retail and pharmacy management career tracks. CVSH expects to double that number in five years.[63]

CVSH's newest apprenticeship program opened in Maryland in 2018. It leverages a workforce training initiative between Goodwill Industries and Baltimore City Community College (BCCC). The program provides classroom and field based clinical instruction plus job readiness soft skills training. A mock pharmacy is located on Goodwill's downtown Baltimore campus. Students complete a 16-week pre-apprenticeship program and a six-week Pharmacy Technician Clinical Externship offered by CVS Health. Completers can sit for the state's Pharmacy Technician Certification Exam.[64]

- Abilities in Abundance. This program uses CVSH's local partnership network to offer training and employment opportunities to individuals with disabilities. CVSH fulfills its commitment to reduce employment barriers for all by offering skill development, job training and placement opportunities.

  In 2017, CVSH partnered with the National Consortium of State-Operated Comprehensive Rehabilitation Centers (NCSOCRC) to help employ Americans with disabilities as part of an initiative to open eight mock stores nationwide.[65] In April 2018, Maryland became the fourth state with an Inclusion Academy as a result of CVSH partnership with the Maryland Department of Education Division of Rehabilitation Services' (DORS) Workforce & Technology Center. CVSH offers a 10-week retail training program for people with disabilities that trains participants to work in "competitive integrated employment in a retail setting."[66] An instructor from BCCC developed the curriculum which provides four weeks of classroom instruction and mock store training followed by six weeks of in-store experience at a CVS store in the Baltimore area.

- MyCVS Journey Pathways to Health Care Careers. This STEM program offers underserved youth access to job shadowing, internships in CVS Pharmacy stores, training, mentoring and employment. In 2018, CVSH and Job Corps collaborated to expose 60,000 youth to careers at CVSH.[67]

- Heroes 2 Careers Military Hiring Program. This program focuses on veterans. It uses focused recruiting efforts, mentoring, and skill building to hire qualified veterans and their spouses. In 2018, this program employed 6,000 members of the military and their spouses.[68]

- Talent is Ageless Mature Worker Hiring Program. This program fosters public and private partnerships at the local, state, and national level to recruit older workers into all business areas.

Results and Impacts. A profile of CVSH's pre-apprenticeship partnership programs recognized CVSH as "among the most experienced and active employer-sponsors of apprenticeship programs within nontraditional occupations in the United States."[69]

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[63] https://cvshealth.com/about/diversity/a-prescription-for-career-success
[64] https://www.baltimoresun.com/bs-bz-cvs-goodwill-pharmacy-training-20181010-story.html
[65] This is in addition to the 29 mock stores that currently exist to train individuals with disabilities.
[66] https://dors.maryland.gov/spotlight/Pages/CVS_Retail_Inclusion_Academy.aspx
[67] https://cvshealth.com/sites/default/files/2018-csr-full-report.pdf, 10.
[68] https://cvshealth.com/sites/default/files/2018-csr-full-report.pdf, 3.
[69] Bill Browning, "Pre-Apprenticeship Partnerships at CVS Health An Employer's Perspective," Jobs for the Future, 1.

Case Study #6 - Walmart's Business Sustainability Strategy

Catalyst. In 2005, Walmart's CEO launched a business sustainability strategy: to create zero waste; to use 100% renewable energy; and to sell products that sustain the world's resources and environment.

The Model. Walmart shaped the implementation of its sustainability strategy with three decisions. The first decision was the creation of 14 "sustainable value networks" (SVN) aligned with existing business units.[70] The second decision was to include external stakeholders on the network teams, thus tapping outside experts to engage with in-house staff. The third decision, to have a small central office, was intended to allow sustainability to proceed through trial and error.

Governance Structure. The 14 sustainable value networks consisted of cross-functional teams. Each SVN team had an executive sponsor and a captain plus representatives from external groups, e.g., suppliers, nongovernmental organizations, consultants, federal and state agencies and universities. Competitors were also invited, especially if their participation could help scale an effort. SVN team members were charged with developing strategies that included quick wins to develop momentum, strategies with a medium-term payback and goals with longer term solutions.[71] For example, in 2010, Walmart set a goal of reducing GHG emissions by 20M metric tons by the end of 2015.

Collaborations and Partnerships. One case study explains that partnering was a critical component of Walmart's strategy that resulted in it engaging with groups that it had previously ignored.[72] Another states that "generating value from longer-term, collaborative relationships nonprofits, suppliers, and other external stakeholders [is] at the heart of Walmart's business sustainability strategy."[73] Of note,

- Walmart partnered with a team of scientists from the nonprofit Environmental Defense Fund (EDF) to test strategies to make products more sustainable. EDF and Walmart also partnered on a clean energy project to install next generation solar technology on Walmart facilities.

- Walmart funded The Sustainability Consortium (TSC), a collaboration of the University of Arkansas and Arizona State University, that developed sustainability metrics for Walmart's entire supply chain of products.

- Walmart partnered with the Marine Stewardship Council (MSC), a third-party program that sets standards for sustainable fisheries and certifies independent third parties that audit fisheries. Products with an MSC label show a fish has been sustainably harvested and processed.[74]

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[70] Four SVN teams supported the goal of 100% renewable energy: Global Greenhouse Gas; Alternative Fuels; Global Logistics; and Buildings; two teams supported zero waste: Waste and Packaging; and seven teams supported product sustainability: Chemical Intensive Products; Electronics; Food, Agriculture, Seafood; Forest & Paper, Jewelry; China; and Textiles.

[71] An example of a quick win was the sale of 100 million compact fluorescent bulbs that reduced CO2 emissions by 25MMT or innovations in plastics recycling that diverted 1,100 tons of plastic from landfills.

[72] https://sc.edu/study/colleges_schools/moore/documents/sustainability/andy_ruben_b.pdf

[73] SSIR, Spring 2008, 53.

[74] In 1997, Unilever partnered with the World Wildlife Fund to establish the Marine Stewardship Council (MSC). In 2006, Walmart set a goal of carrying 100% MSC certified wild caught fish in its stores in three to five years.

The Closed Loop Fund is another collaboration that resulted from Walmart's sustainability efforts. The impetus for the Fund arose in 2012 when Walmart learned that its suppliers were unable to source enough recycled plastic for their packaging. Walmart learned that 45% of the population lived in cities that used landfills for their solid waste disposal programs. These cities had not implemented recycling programs because they could not afford to fund the upfront investment in collection and sorting equipment. With this lack of infrastructure, the overall U.S. recycling rate was only 34%.

In 2013, Walmart's Director of Sustainability and a former New York City Deputy Commissioner of Sanitation, Recycling and Sustainability convened a cross-sector coalition of nonprofit organizations, city managers, recyclers and major consumer brand companies. The group realized that if cities had access to capital to implement recycling programs, then the recyclable waste diverted from landfills could increase the availability of recycled materials for suppliers and help companies improve the sustainability of their supply chains.

Since the CEOs of 10 major companies started the Closed Loop Fund in 2015 it has invested $50 million in 21 projects and leveraged $210 million from co-investors.[75] One of its initial loans funded a joint venture for a recycling plant on the outskirts of Baltimore that processes hard to recycle plastics.[76]

Measures of System Change. Walmart used The Sustainability Consortium's metrics and a Sustainability Index to assess the sustainability of its 100,000+ products and to track the progress of its suppliers in reducing their environmental impacts. By cross matching TSC's metrics with its sales data, Walmart identified the five key drivers in its supply chains and product cycles that it could modify to reach its GHG emissions reduction goal. Over time, it worked with EDF and others to optimize fertilizer use; to increase its sales of energy efficient products; to improve energy efficiency in its supplier factories; to fund municipal recycling projects; and to improve food labels and create a food donation system.

Results and Impacts. At the end of 2014, Walmart's renewable energy use was at 26%; it had reduced its U.S. waste by over 82%; and it had achieved a 28MMT reduction in GHG emissions. In May 2019, Walmart issued its first Environmental, Social and Governance (ESG) report.[77] It also launched a new website to publicize the philanthropy of Walmart and the Walmart Foundation.

Replication and Scale. In 2018, Closed Loop Partners, a spinoff of the Closed Loop Fund, launched the Center for the Circular Economy (CCE). One of CCE's initiatives is The NextGen Consortium, a pre-competitive collaboration among consumer brands to advance food-service packaging solutions.[78]

[75] The companies were 3M, Coca-Cola, Colgate-Palmolive, Johnson & Johnson Family of Consumer Cos., Keurig Green Mountain, Nestle Waters North America, PepsiCo and the PepsiCo Foundation, Procter & Gamble, Unilever, Walmart and the Walmart Foundation. https://www.closedlooppartners.com/closedloopfund/#1518482056069-c4804e00-1d95

[76] https://search.proquest.com/docview/2074970892/fulltextPDF/8C94EF172B8546E5PQ/1?accountid=47412

[77] Walmart states that "the ESG report is a newly-focused and streamlined update on how the company approaches key issues facing society and initiatives across its business segments that make a difference in both the communities it operates and the world."

[78] The companies participating in the NextGen Consortium are Starbucks, McDonald's, The Coca-Cola Company, Yum! Brands, Wendy's and Nestlé are all consortium partners.

3. Business Alliances and Collaborative Partnerships

The third category of social business models presented in this section profiles business alliances and collaborative partnerships that work in a local or regional area. Case studies #7 and #8 highlight project-based collaborations, supported by nonprofit backbone organizations, that aim to have a collective impact. Case study #9 showcases a group of businesses with a shared commitment to sustainability that started a series of networking nonprofits.

Case Study #7 - Envision Charlotte

Climate change is forcing cities to find new ways to balance development and sustainability. Envision Charlotte's overarching goal is to create a replicable model for managing finite environmental resources through public, private, nonprofit and academic collaboration.

Catalyst for Change. At the Clinton Global Initiative in 2010, the CEOs of Duke Energy and Cisco announced a partnership initiative to reduce commercial building energy use in Charlotte's downtown core by 20% in five years. Envision Charlotte launched its initial programs in 2011 with support from local corporations, e.g., Bank of America, Charlotte Center City Partners, Cisco, Duke Energy, the University of North Carolina at Charlotte (UNCC), Verizon and Wells Fargo, and from local government.

Governance Structure. Envision Charlotte initially targeted large, commercial buildings in Charlotte's downtown. It secured agreements with 61 buildings to install shadow meters and locate kiosks in building lobbies. Segmenting the city into manageable submarkets helped limit complexity.

The Collaborative. Envision Charlotte is a partnership between local businesses and the University of North Carolina at Charlotte (UNCC) with local government support. It relies on a mix of legal agreements, community engagement campaigns and technical assistance trainings that it delivers through a unique set of programs. To minimize expensive building retrofits, its two-tiered business model prioritizes savings through behavioral and operating changes, followed by capital changes. It piloted two programs with the 61 buildings in the urban core that focused on educating and engaging property owners, managers and tenants:

- The **Smart Energy in Offices (SEiO) program** was created by Duke Energy to empower property managers and to educate tenants about ways to reduce energy consumption;[79] and

- The **Energy Roundtable Program** teamed UNCC students and professors with building owners who had signed the initial agreements with Envision Charlotte. The UNCC student teams worked with building operators to assess the building's central plant and air distribution systems. The program provided students with real world experience and the final report provided operators with recommendations to reduce energy use from a neutral third party.

[79] SEiO uses a four-step process to generate behavioral changes that reduce consumption. The program: 1) provides tenants with accessible information and education about a building's load factors and energy use trends; 2) creates a plan that establishes goals and opportunities; 3) motivates change through campaigns and other initiatives; and 4) recognizes teams that advance through "levels of achievement."

Envision Charlotte subsequently partnered with the Center for Climate and Energy Solutions to create **the EcoNetwork** and with UNCC's Energy Production & Infrastructure Center (EPIC) to develop **the Building Re-tuning Training (BRT) program.**

- **The EcoNetwork** is an engagement effort that connects individuals interested in addressing sustainability with larger collaborative efforts and amplifies initiatives hosted by Charlotte's community organizations. Membership is open to city and private sector employees, facility managers, Envision Charlotte Board members, university students and others.

- **The Building Re-tuning Training (BRT) program** pairs UNCC professors with commercial building operators and provides a building performance curriculum that trains building operators to understand building performance. As a result of this training, operators are able to identify and fix low-cost problems that are common sources of commercial building energy loss.

Funding. Duke Energy and Cisco provided $5.8 million to fund Envision Charlotte's initial programs that encompassed the urban core. In 2015, Envision Charlotte was awarded a three-year, $500,000 grant from the Office of Energy Efficiency & Renewable Energy in the U.S. Department of Energy (DOE).[80] As a result, 200 buildings were added to the initial group of 61. The funding extended participation beyond the core to include the real estate, hospitality, higher education, healthcare and retail sectors.

Measures of Systems Change. The reported energy savings are based on data from Cisco's smart energy meters that are installed in participating buildings to track energy consumption. Verizon's LTE network transmits these data to Cisco's network and a cloud-based platform aggregates and analyzes the data for Duke Energy. The aggregated data is projected to the Cisco video monitors in the building lobbies. Duke Energy also transmits confidential data to building managers on a real time basis.[81]

Results and Impacts. As of early 2017, Envision Charlotte reported that the 61 buildings reduced their energy use by 19%, representing a $26 million savings.[82] As a result of the DOE grant, one building that was part of the Carolinas HealthCare System achieved energy savings of 40%.[83]

In 2015, the White House recognized Envision Charlotte as "a national role model for the rapid deployment of smart cities technology and innovation"[84] and established Envision America to replicate Envision Charlotte's model. Managed by the Envision Charlotte team, this effort invites 10 cities to an annual conference to hear panel discussions and see Envision Charlotte in action. The effort aims to create a peer network to diagnose and solve issues of sustainability and resilience.

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[80] This was one of eight projects that were part of a $6M effort to cut energy waste in commercial office buildings.
[81] A 2017 Charlotte Observer article about the energy savings noted that, due to the confidentiality of the data, the professors at UNCC who compiled the data were unable to specify the sources of the savings. Henderson, Bruce, "Uptown Charlotte buildings cut 19% from their energy use, new data shows," *Charlotte Observer*, April 20, 2017, https://www.charlotteobserver.com/news/local/article145575924.html
[82] Ibid.
[83] Operational changes achieved savings of 40%; the repair of a broken valve saved another 10%. https://envisioncharlotte.com/wp-content/uploads/2017/04/Energy-Guide_Web-Apr2017-1.pdf
[84] https://meetingoftheminds.org/envision-charlotte-helping-cities-find-share-solutions-24084

Case Study #8 - Partners for a Competitive Workforce (PCW)

Catalyst for Change. The President of the Greater Cincinnati Foundation organized area stakeholders to apply for a National Fund for Workforce Solutions (NFWS) Grant.[85]

The Model. The Partners Council is 33-member, employer-led steering committee of executives from participating organizations. Three sub-groups make operational decisions: the Employers First Regional Workforce Network supplies businesses with talent; the Career Pathways Partnership Team develops pathways for specific industries; and, the Work Readiness Collaborative offers work readiness training.

Collaboration. The Partnership has 150+ member organizations from Ohio, Kentucky and Indiana. Local business members are from the healthcare, construction, advanced manufacturing and IT industries, including Messer Construction and Procter and Gamble. Nonprofit members include leaders from the local United Way, the local career technology schools, the Community Colleges and the Universities. Public sector members are from the workforce investment boards.

PCW has leveraged over $40 million in funding since 2008. This includes $6 million in grants from the Greater Cincinnati Foundation and the NFWS/Social Innovation Fund (SIF); $9 million in state and federal grants; $12 million from four workforce investment boards; and $2 million from employers.

Measures of System Change. Winning the grant led area stakeholders to develop a shared vision and shift to a system-based approach. Today, PCW has a shared database that is used by over 50 partner organizations. Service providers who work with job seekers enter the data into the system. The database allows the Partnership to track participants' completion rates, participants' barriers to employment or advancement and other efficacy and outcome measures.

Results and Impacts. Since 2008, the Partnership has served more than 6,100 individuals, including 1,500 job seekers. Over 80% of job seekers found employment and 75% were employed a year later.[86]

A 2016 SIF study found that participants who completed the Health Career Collaborative Program, on average, earned nearly $3,500 more than non-participants. The projected 10-year public benefit or ROI for the Health Career Collaborative Program was an estimated $6.6 million, resulting in an investment return of $3.16 in public benefits for every dollar invested.[87]

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[85] Alison Gold, "Partners for a Competitive Workforce Insights from Solving Problems Through Cross Sector Partnerships Case Study #1," Living Cities. October 2013, 13. The National Fund for Workforce Solutions (NFWS) is a philanthropic partnership that funds regional collaboratives that develop local workforce partnerships. NFWS used SIF funds to scale up PCW's Health Careers Collaborative and Advanced Manufacturing and Construction Sector Partnerships. NFWS has also funded a Baltimore Center for Green Careers and the Baltimore Workforce Funders Collaborative.

[86] Gold, 7.

[87] "Social Innovation Fund – Return on Investment Study for three National Fund for Workforce Solutions (NFWS) Workforce Partnership Programs in Ohio," July 2016, 7. ROI estimates were lower for the Advanced Manufacturing Partnership ($1.04 per dollar invested) and the Construction Sector Partnership ($0.34 per dollar invested). https://nationalfund.org/wp-content/uploads/2016/10/ROI-Report-1-7-25-16_10.26.16.pdf

Case Study # 9 - Philadelphia's Sustainable Business Network (SBN)

Catalyst. In 2001, Judy Wicks, a local business owner of the White Dog Café, used funds from the White Dog Foundation to co-found the Business Alliance for Local Living Economies (BALLE), a national network of organizations supporting local economic growth. Wicks also launched the Sustainable Business Network (SBN) of Greater Philadelphia to support sustainable economic growth in Philadelphia.

Model. SBN is a business organization that hosts informal networking and educational events to connect businesses that share a commitment to a just, green and thriving economy in Greater Philadelphia. SBN's advocacy and relationship building fuel businesses' efforts to build industry sectors that comprise a sustainable local economy. Membership is open to local, independent business owners. Members commit to using B Lab's Quick Impact Assessment to benchmark their operational impacts.

Examples of SBN's events and campaigns include: a Social Venture Institute created in 2002 to connect established and emerging entrepreneurs; a Buy Local Philly campaign launched in 2005; and a Green Economy Taskforce created in 2008 to develop a comprehensive green jobs strategy. SBN undertook an Emerging Industries Project to identify sustainable sectors with the most potential for job growth.

Green Stormwater Infrastructure Collaborations. Green City Clean Waters (GCCW) is Philadelphia's 25-year investment in green stormwater infrastructure (GSI). The Philadelphia Water District developed the program to invest in green infrastructure to retrofit the city's 100-year old stormwater and sewer system. In 2012, the City signed a consent decree with EPA specifying GCCW's investments.[88]

In 2012, in response to Philadelphia's Green City Clean Waters (GCCW) plan, SBN launched Green Stormwater Infrastructure (GSI) Partners. GSI Partners advocates for GCCW investments in local projects that use the greenest approaches possible. To do this, GSI Partners convenes public and private industry stakeholders to advance innovation; advocates for policies and codes to improve the permitting process; lobbies to keep investments local; and creates opportunities to share best practices and advance the skills of individual businesses and employees.[89]

In 2013, City of Philadelphia officials and AmeriCorps launched PowerCorpsPHL, a workforce development program for youth ages 18-26. Nonprofit partners recruit youth who serve for six months on crews with the Philadelphia Water District or the Parks Department and then receive three months intensive post-service placement. PowerCorpsPHL is a member of SBN's GSI Partners.

Results and Impact. PWD has completed 100+ publicly funded projects since 2006; 300 more are planned for schools, parks and rooftops. GSI Partners estimates GCCW has generated $89 million in economic impacts and 927 jobs. In FY2017, 54 PowerCorpsPHL youth supported PWD GSI maintenance efforts, completing 465 work orders on PWD infrastructure; and, 43 met requirements to transition to employment, post-secondary education or training or continue in public service. Sixteen youth have moved into positions in the water industry or other environmental stewardship/sustainability fields.

[88] https://developingresilience.uli.org/case/green-city-clean-waters/
[89] https://gsipartners.sbnphiladelphia.org/about/

B. How Local Governments Promote Social Enterprises

OLO's search for examples of how local governments promote social business practices and partnerships yielded few results. The case studies below showcase programs that leverage social business practices.

Case Study #10 - The Best for NYC Program

Catalyst for Change. In 2014, New York Mayor DeBlasio established the Office of Workforce Development to coordinate city workforce initiatives. He wanted a redesigned workforce system that would deliver career advancement, income mobility and high-quality jobs. A task force advised creating a standard to recognize high-road employers[90] and setting a goal of assessing 500 businesses.

The Program. In 2015, the New York City Economic Development Corporation (NYCEDC) partnered with B Lab to launch Best for NYC, a citywide program to help employers learn about and adopt practices that benefit their workers and their bottom lines.[91] Businesses complete a shortened version of B Lab's Impact Assessment that assesses their business practices. This tool: allows a business to benchmark its practices; identifies improvements; suggests best practices; and, offers a roadmap for action. Participants access a support network of businesses that use high road business practices and receive awards and recognition.

The Collaboration. This was B Lab's first partnership with a city government. The partnership gave the City a way to create good jobs. It did this, in part, by "[putting] the tools that big businesses use to make decisions in the hands of small businesses that often don't have access to them."[92] The partnership gave B Lab a chance to deploy its first cohort of B Impact Fellows to the City to recruit businesses to participate in the Best for NYC program. As B Lab explained, "[t]he Fellows are working at the frontlines of the movement… talking to companies that wouldn't necessarily seek out B Corp status and teaching them how to measure and improve their impact, while working with community partners across the country to really embed this kind of process into their programming.[93]

Results and Scaling. In 2015, the program engaged 350 businesses in the first month. To date, 1,500 businesses have participated. As a result of the program, Greyston Bakery's open hiring practice has spread to other businesses. A Brooklyn granola business, a participant in the Best for NYC program that heard about open hiring, worked with Greyston to incorporate the practice into its own business.

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[90] According to the American Sustainable Business Council, "High Road companies see their employees, the communities in which they operate and the products and services they provide as equally important to their financial success." (Retrieved from https://www.asbcouncil.org/high-road-workplace.)

[91] B Lab is a nonprofit that "serves a global movement of entrepreneurs using the power of business to solve social and environmental problems."
http://webarchive.loc.gov/all/20151013143840/http://www.bcorporation.net/what-are-b-corps/about-b-lab

[92] https://nextcity.org/daily/entry/how-much-do-businesses-in-your-city-care-about-people-and-planet

[93] According to B Lab, the Fellows it sent to NYC were able to "flip numbers" of companies that register for B Lab's impact assessment. Typically, 80% of the companies that register for an Impact Assessment identify as sustainable businesses and 20% are traditional. Of those the Fellows recruited, 80% did not identify as social enterprises

A 2017 study that looked at ways to scale up local businesses and improve their access to the workforce development system suggested the city aim to recruit 1,000 more small business to the program.[94]

Case Study #11 - The Los Angeles Regional Initiative for Social Enterprise (LA:RISE)

Catalyst for Change. In 2015, Los Angeles Mayor Garcetti announced the launch of The Los Angeles Regional Initiative for Social Enterprise, also known as LA:RISE. The effort was part of a broader city strategy to eliminate homelessness in LA. The program provides pathways to permanent employment and support services for homeless and previously incarcerated adults and disconnected youth.

The Program. LA:RISE is a new and innovative transitional employment program that partners social enterprises, other workforce system agencies and private employers. The Roberts Enterprise Development Fund (REDF) helped the City of Los Angeles Economic and Workforce Development Department (EWDD) create the program. EWDD and REDF jointly administer the program. The service framework, shown below, coordinates the efforts of 12 entities and several private employers. It gives participants access to a wider range of services than those that one entity could provide working alone.

Collaborative Structure. A Social Policy Research Associates ("SPRA") review states that the LA:RISE structure "[brings] together a new set of partners and [sets] up ways to help these partners coordinate service delivery, unify their program services [and] create a responsive and innovative program."[95] LA:RISE has a set of minimum standards that determine a participant's advancement and govern the timing and responsibility for key services. Social enterprises (SEs) recruit participants and provide enrollees with transitional employment and work readiness services. Then, participants are co-enrolled into Workforce Investment Opportunity Act (WIOA) programs through a Workforce Development System (WDS) partner and connected to a personal services provider. SEs take the lead in arranging for services such as education and occupational skills training or case management.

Table B-1. The LA:RISE Integrated Service Delivery Framework -Partner Roles and Responsibilities

Component	*Partner Roles and Responsibilities*
Leadership Entities (2)	EWDD and REDF manage the grant and oversee program partners. They collaborated to create a system of uniform standards to integrate services and a case management reporting system.
Social Enterprises (6)	SEs enroll individuals into the LA:RISE program and provide transitional employment, including paid work experience, readiness training, support services and placement support.
Workforce Dev. System (3)	These programs, provided by public entities, offer case management; supportive services, additional training and education and placement services.
Personal support providers (3)	These nonprofit entities provide supportive services to participants to keep them engaged at times when they are placed into employment or longer term education or training.
Employer partners (Varies)	These entities hire participants into permanent employment positions. They include competitive employers and "bridge" employers that work with the program's priority populations and are coordinated through REDF's employer network.

Source: OLO and Social Policy Research Associates, ES-2.

[94] Center for an Urban Future. Making the Connection: Aligning NYC's Small Businesses and the Workforce Development System. JP Morgan Chase, Oct. 2017, 12. https://nycfuture.org/pdf/CUF-Making_the_Connection-Aligning_Small_Biz_and_Workforce.pdf

[95] Geckeler, C. et al. Bringing Together Social Enterprise and Workforce Development System Agencies to Deliver Transitional Employment. Social Policy Research Associates. Sept. 2018, ES-7.

Results and Impact. SPRA found that the LA:RISE program "as designed and operated, … is responsive to policy changes and research findings about what works."[96] SPRA's final report is due in 2019.

Case Study #12 - Fairfax County's Office of Public Private Partnerships (OP^3)

Local governments that adopt a structured, strategic approach to manage partnerships and cross-sector collaborations are rare. In 2014, such local programs numbered fewer than 20, with the number fluctuating continually due to policy and staff changes. A 2010 research article cited programs in Boston, Denver and Fairfax County that were noteworthy for their comprehensiveness.[97] In 2019, Fairfax County's office was reorganized from a standalone office and moved into a new agency.

The Model. The mission of Fairfax County's Office of Public Private Partnerships (OP^3) is to "foster public private partnerships to stimulate positive change in the community and identify and promote opportunities for cross-sector collaboration to address county priorities and leverage resources to meet community needs." OP^3 works to: 1) increase business and foundation engagement; 2) develop partnerships that leverage financial and non-financial resources; and 3) communicate county needs and promote opportunities for engagement.

OP^3 serves as a clearinghouse for existing partnerships and a central point of contact for businesses and community organizations wishing to partner in Fairfax County. It screens partnership requests. For those that meet its criteria, it then facilities planning discussions of the partnering organizations to decide the details of a partnership agreement.

Structure. Initially, OP^3 operated with a core staff of nine plus staff located in different field agencies who serve as issue area experts. In 2009, a corporate social responsibility manager filled a core staff vacancy. A later consolidation reduced the OP^3 core staff to six.

Results and Impact. OP^3 created successful new partnerships to expand sports offerings, engaged local organizations to address soil restoration, improved broadband connections, created a communicators group for eight chambers of commerce and created a virtual collaboration of nonprofits.

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[96] Social Policy Research Associates, ES-1.

[97] A 2010 review of social innovation efforts in state and local governments identified four examples of office social innovation models, noting that their purposes varied widely. Boston's Office of New Urban Mechanics focused on exploring and implementing innovations to improve city service delivery. Denver's Office of Strategic Partnerships worked with individuals, foundations, corporations and nonprofit partners to increase funding for cooperative initiatives and foster partnerships to support nonprofits. Fairfax County's Office of Public Private Partnerships identified and promoted opportunities for cross-sector collaboration and leveraged resources to meet community needs. Los Angeles' Office of Strategic Partnerships served as a liaison between the executive branch and the nonprofit community. In 2014, an ICMA Report cited one source that stated they were aware of fewer than 20 such programs in the U.S. in total. The source also said that programs fluctuate with offices coming and going due to staff and policy changes. ICMA cited Fairfax County, Boston and Denver as three noteworthy programs.

C. Conclusion

The 12 case studies in this report illustrate how businesses have become more socially engaged, using many types of partnerships and alliances to share ideas and engage with nonprofit foundations and nonprofit community service providers. The details of how social enterprises, corporate social responsibility programs, and business alliances can work to address issues of concern to the community offer a useful context for future Council policy discussions.

In Montgomery County, businesses and nonprofits make critical contributions to sustain the County's economic prosperity and meet the needs of its most vulnerable citizens. Recent collaborative initiatives in the County to strengthen and maintain the County's economic prosperity include the following:

- In 2015, the County restructured its economic development and local workforce development systems. It created a nonprofit economic development corporation, the Montgomery County Economic Development Corporation (MCEDC), and designated a second nonprofit entity, WorkSource Montgomery, Inc., as a backbone entity for workforce strategies and programs.

- In 2016, 10 county government offices and departments, with input from business, nonprofits and community leaders, collaborated to publish a long-range strategic plan.[98] The Comprehensive Economic Strategy offers a roadmap to further the County's economic vitality.

- In 2017, the Council enacted legislation to establish a microlending program, with a provision that MCEDC may administer this program as part of a microenterprise development strategy.[99]

In future discussions with County businesses and nonprofits about strategies to build the local economy and address social and environmental concerns, the Council may wish to explore the issues below:

1. What strategies could support companies with County establishments (like CVS Health) that look to partner with nonprofits to recruit employees from the local community?

2. Business network alliances, social enterprises and microbusiness collaborations are examples of business-driven strategies that local businesses and communities are pursuing to build economic prosperity and a sustainable economy from the ground up. Are these strategies relevant in Montgomery County? If so, how could these efforts be strengthened?

3. Social business partnership research suggests there may be benefits to cross fertilizing for-profit and nonprofit business operations and practices. What strategies could support this?

4. Should the County explore a program modeled after Best for NYC to publicize local high road employers and good quality jobs?

[98] *A Plan for Economic Prosperity* (November 2016); https://www.montgomerycountymd.gov/ep/ces/index.html.

[99] Montgomery County, Maryland, Bill 49-16 - Economic Development - Workforce Development - Microlending Program (signed into law on 4/25/2017); https://apps.montgomerycountymd.gov/ccllims/bill_details.aspx?doc=1059&hl=2075.