



Social Ventures: Business for Good

By John Heymann

For years, the U.S. Chamber of Commerce has held itself out as the “voice of business.” Politicians court their approval and, when it comes to crafting business-friendly legislation, elected officials ignore Chamber lobbying at their peril.

But the U.S. Chamber really only represents a certain kind of business: big. And for years, big businesses, whether they are in the financial sector, manufacturing, energy, retail, services, or tech, have focused primarily on one thing – maximizing short-term profits. That single-minded drive for profits has been at the root of many spectacular frauds and failures: Enron, WorldCom, Computer Associates, Lehman Brothers, Bernie Madoff, junk bonds, and junk mortgages to name a few. While the massive problems get a lot of attention (always after the fact, of course) there is a more insidious consequence to this craven corporate culture. What these big businesses are doing, in essence, is externalizing their true cost of doing business. In other words, they are making their profits, sometimes obscenely large profits, by passing along certain costs of their business to us – the consumers and taxpayers who have to take care of paying the costs that don’t get paid upfront.

- When a company doesn’t pay their workers a fair wage or provide health benefits, who pays when one of their employees get sick, needs emergency care, or food stamps to make ends meet? We do.
- When a company makes a product with excessive packaging, or harmful chemicals, who pays for the costs of trash collection, waste disposal, and recycling? We do.
- When a company’s factory emits noxious gases or other pollutants into our air or water, who pays for the increased rates of respiratory ailments and cancer? We do.

If you’re a fatalist, you might say that this is just the price we pay for a system of entrepreneurial capitalism. If you think that companies and their shareholders should have to share in some of these costs before they distribute their profits, you might be wondering if perhaps there isn’t a better way. Fortunately, there is: all around the world, hundreds, perhaps thousands, of businesses exist and are being created with a new model. They are social ventures, organizations that subscribe to the notion of a triple bottom line: paying attention in business practices to impacts on people, planet and, yes, profit. Sometimes, these are the same big businesses that have, for years, externalized a lot of their costs. Take Walmart for example. Five years ago, they were being vilified for their employment practices and single-minded drive to undercut competitors’ prices, regardless of the consequences. Today, although not perfect, Walmart is one of the leaders in renewable energy and sustainable packaging. They’re also using their market clout to insist that their suppliers follow suit. They’ve discovered what many social ventures already know – that sustainable business practices are good for the bottom line.

NewLevel Group is a triple bottom line company – indeed, we adopted those principles before we even started offering services to clients. We were the first office in Napa County to be certified as a Green Business. Although we're small, we've always provided our staff with competitive salaries, health care coverage, and generous leave time. These things are not afterthoughts, but part of our DNA.

We are primarily driven by our values, not by the desire for profit. Our entire business is geared to supporting the work of social impact organizations and their leaders in advancing missions that benefit, people, planet and, yes, profits. Many of our clients are not-for-profits working to make the world a better place, whether they focus on the arts, the environment, or providing critical social services. But some of our clients are also for-profit companies run by people who see an opportunity to use business as a force for good.

And the lines between these two types of organizations are increasingly blurred.

Some New Voices for Business:

American Sustainable Business Council www.asbcouncil.org

B Corporation www.bcorporation.net

Business Alliance for Local Living Economies (BALLE) www.livingeconomies.org

New Voice of Business www.newvoiceofbusiness.org

Social Venture Network www.svn.org

NewLevel Group supports the work of socially responsible organizations and their leaders in advancing missions that benefit people, planet, and profits. John Heymann can be reached at (707) 255-5555 x105 or jheymann@newlevelgroup.com