

Impact

Strategy Advisors

Strategy | People Capital | Investments

The Social Blueprint Toolkit: Business Profile Framework

January 2015, **Version 1.2**



This work is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.

To view a copy of this license, visit http://creativecommons.org/licenses/by-nc-sa/4.0/deed.en_US.

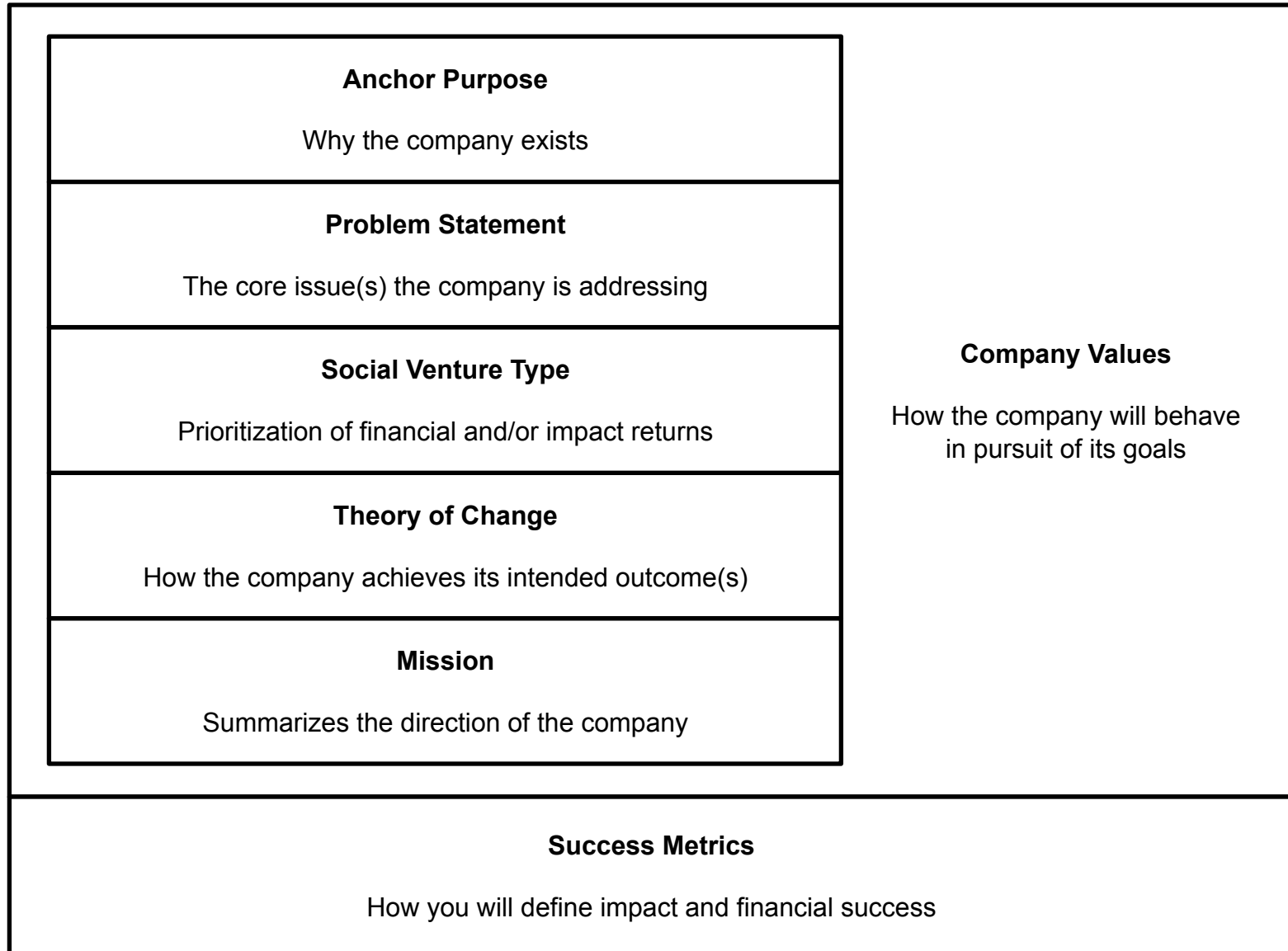
Jorge Calderon

Managing Director, Impact Strategy Advisors

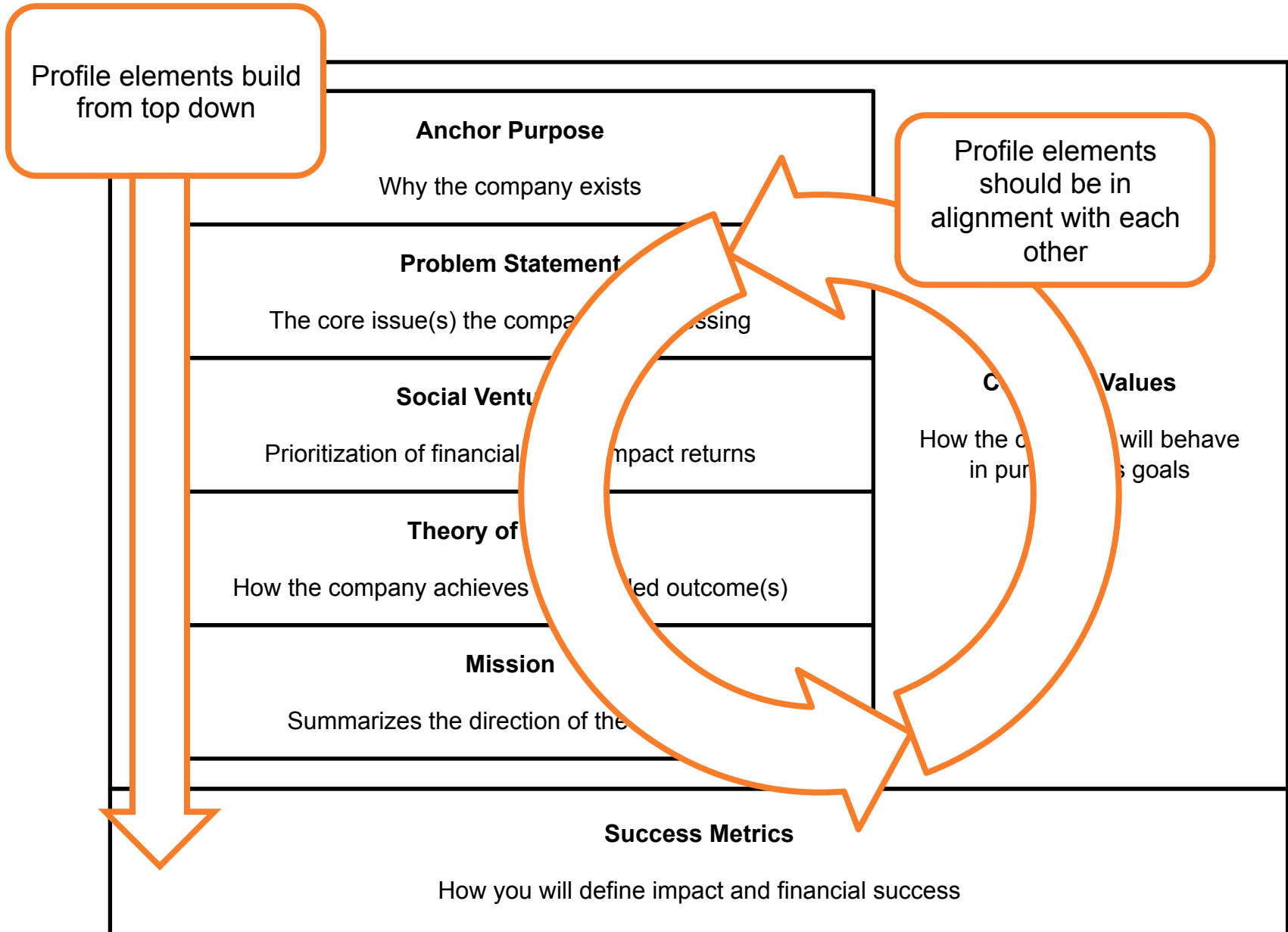
Contents

- Business Profile Overview
- Anchor Purpose Description
- Problem Statement
- Social Venture Type
- Theory of Change
- Mission
- Company Values
- Success Metrics

Social Venture Design Profile



Social Venture Design Profile Sequence & Alignment



Anchor Purpose

The anchor purpose is the long term commitment a company makes to its stakeholders. It is the overarching principle of the business model and should align with all the underlying business design elements. It explains why the company exists (“la raison d’être”).

The anchor purpose can be broad or narrow. It can focus on the problem and/or the solution and/or the stakeholder(s) or combination of any of the three. It should be considered a static artefact.

Question prompts (not exhaustive):

- Why is this company necessary?
- What was the initial impetus for developing company?
- What is the objective of this company?
- What aspect(s) of the business model should never change?

GoodNature Life				<i>Multiple Examples</i>
Focused on Problem	Focused on Solution	Focused on Stakeholder(s)	Combination	
To improve the health of consumers by increasing their consumption of healthy foods	To manufacture and market affordable healthy consumer product goods	To help economically challenged families become healthier	To improve the health of economically challenged families by making healthy products and/or services more accessible	
Note: these are all separate examples, a company will have only one				

Problem Statement

The problem statement is a concise description of the social or environmental issue(s) that the company intends to address.

The problem statement is dynamic and will progress as the company learns and the market and stakeholders evolve. While a problem statement may start out broad, narrowing it is an important step in identifying the solution. The problem should be measurable.

Question prompts (not exhaustive):

- What is the problem(s)?
- What are you trying to improve?
- What or who does this problem(s) affect?
- How deep or large is the problem(s)?
- How urgent is it to solve this problem(s)?
- Where does this problem(s) occur?
- When does this problem(s) occur?

GoodNature Life

Example

Low-income families in the US have 40% more poor diet related diseases than affluent families.

Additional data: The ongoing escalation of obesity (2000-20%; 2010-35%) and diabetes (2000-15%; 2010-20%) in low-income families has been linked to poor nutrition. During the last twenty years, low-income families have consumed 65% less organic proteins, fruits and vegetables than affluent U.S. families. In a recent low-income community survey, affordability, food knowledge and access were found to be the main barriers to improving organic food consumption. If this trend persists, the obesity in low-income families is projected to reach 50% in 2020, and diabetes could reach 30%.

Note: data illustrative only, not based on current information

Mission Statement

A mission statement provides stakeholders with clarity on the direction of the company.

An effective mission statement is one that conveys all the necessary information, can be easily understood and easy to recall. Mission statements can evolve, but generally endure for an extended strategic planning cycle.

Mission statements should include four key elements:

WHY: Why are you doing it? (derived from Stakeholder Problem Statement)

WHO: Who are the priority stakeholder(s) you are serving? (derived from Stakeholders)

WHAT: What is your intended outcome? (derived from Theory of Change)

HOW: How will the company achieve their intended outcome. (derived from Value Proposition)

GoodNature Life

Example

WHY: Reduced access to organic foods contributes to poor health outcomes

WHO: Economically challenged low income to lower middle class families in the United States.

WHAT: Greater understanding and consumption of organic foods will improve target customers overall health

HOW: Manufacturing and marketing of affordable organic consumer product goods

We provide affordable food products & services [HOW] that improve the health [WHAT] of families in the United States whose economic challenges [WHO] have limited their consumption of organic foods [WHY] .

Theory of Change

Maps the current challenge/opportunity to the actions and outputs that will help achieve the companies intended outcomes.

Themes	Current Conditions	Change Actions	Outputs	Immediate Outcomes	Intermediate Outcomes	Impact Goals
High Level Impact Topic	What is contributing to the challenges & opportunities?	What actions will you take to overcome challenges?	What do your actions produce?	What near term goals can be achieved?	What mid-term goals can be achieved?	What are the ultimate goals that can be achieved?

Suggested design steps:

- Identify the long-term impact goal(s) of your company
- Work backwards to identify what outputs and initial outcomes are needed to achieve those goals
- Describe the change activities that lead to those necessary outputs and outcomes
- Create a theory of change summary statement

GoodNature Life

Example

Themes	Current Conditions	Change Actions	Outputs	Immediate Outcomes	Intermediate Outcomes	Impact Goals
US Low Income Poor Health	<ul style="list-style-type: none"> • Lack of affordable healthy foods for US LMI communities • Limited understanding of relationship between food and disease 	<ul style="list-style-type: none"> • Develop new line of affordable organic foods • Educate through packaging and messaging 	<ul style="list-style-type: none"> • Greater consumption of organic foods • Demand increase for healthy products/services 	<ul style="list-style-type: none"> • Small perceived health benefits to beneficiaries/ customers and new basic understanding of benefits leads to subtle changes in food purchasing habit 	<ul style="list-style-type: none"> • Greater demand for healthy foods leads to more supply • Early adopters begin influencing food purchasing habits around those around them 	<ul style="list-style-type: none"> • Massive change in eating habits drives demand and consumption for new affordable food options and beneficiary communities' risk factors diminish

TOC Statement

Reduce the health risk factors in LMI communities by providing affordable healthy food products & creating awareness campaign that together result in greater consumption of healthy foods & knowledge of their benefits.

Company Values

Values guide employees and informs other stakeholders on how the company will behave in pursuit of its goals. They are a set of beliefs and behavioral boundaries.

A list of company values should be measurable, easily interpreted and easy to recall (most lists have between 3-10 values). To many founders, the Company Values should be static, however subsequent executive teams likely feel they should adapt to the evolving markets.

Question prompts (not exhaustive)

- Who are we?
- What don't we want to be?
- What makes us proud?
- What makes us happy?
- What are we passionate about?
- What is in our hearts?
- What co-worker or company policy behaviors illicit a negative reaction?
- How should we do our work?
- What attitudes should people have who we want to hire?
- What do we want to tell our stakeholders about how we go about our work?

GoodNature Life

Example

1. **Be healthy**
2. **Quality always**
3. **Be passionate**
4. **Respect and empathy for all stakeholders**
5. **Be a life learner**
6. **Be positive**
7. **Be inclusive**
8. **Innovate with urgency**

Success Metrics

Because of their dual interests, Social Ventures measure the success of their companies with both financial and impact metrics.

To have the greatest insight, these metrics should be further divided into outputs and outcomes. Outputs is the quantification of the product or services, while Outcomes are the result of these outputs.

Sample Question prompts (customize for each company)

Financial	
Outputs	Outcomes
<ul style="list-style-type: none"> • How many products were sold? • How much revenue was made? • What profit margin was achieved? 	<ul style="list-style-type: none"> • Is the company sustainable? • Where the investors happy? • Does it enable you to grow the company?

Impact	
Outputs	Outcomes
<ul style="list-style-type: none"> • How many of your beneficiaries were helped? • How often did you help them? • At what average cost where they helped? 	<ul style="list-style-type: none"> • How much did this help your intended beneficiaries?

GoodNature Life

Example

Financial	
Outputs	Outcomes
<ul style="list-style-type: none"> • # of items sold per market segment • \$ revenues per market segment • % profit per market segment 	<ul style="list-style-type: none"> • # of prospective investors • \$ valuation • Current investor and employee survey results • \$ cash available for growth

Impact	
Outputs	Outcomes
<ul style="list-style-type: none"> • # of beneficiaries reached • Ave. \$ spent on products/ services per person • Ave. # of visits/transactions per person? • Cost of education/purchaser 	<ul style="list-style-type: none"> • Reduction of food diet health risk factors (self-reported) • Reduction of food diet health risk factors (community care providers reported) • Results of health food knowledge survey

Example Social Venture Design Profile

GoodNature Life

Company Values

1. Be healthy
2. Quality always
3. Be passionate
4. Respect and empathy for all stakeholders
5. Be a life learner
6. Be positive
7. Be inclusive
8. Innovate with urgency

Anchor Purpose

To help economically challenged families become healthier

Problem Statement

Low-income families in the US have 40% more poor diet related diseases than affluent families.

Social Venture Type



Dolphin: Optimized for Impact

Theory of Change

Reduce the health risk factors in LMI communities by providing affordable healthy food products & creating awareness campaign that together result in greater consumption of healthy foods & knowledge of their benefits.

Mission

We provide affordable food products & services that improve the health of families in the United States whose economic challenges have limited their consumption of organic foods.

Metrics

Financial		Impact	
Outputs	Outcomes	Outputs	Outcomes
<ul style="list-style-type: none"> • # Items sold/segment • \$ Revenues/segment • Overall % profit margin 	<ul style="list-style-type: none"> • # Prospective investors • \$ Valuation • Current investor feedback • \$ Cash available for growth 	<ul style="list-style-type: none"> • # Beneficiaries reached • Ave. \$ spent on products • Ave. # of visits/transactions • Health knowledge score 	<ul style="list-style-type: none"> • Decrease in health risk factors (self-reported) • Decrease in health risk factors (care-reported)

Note: data illustrative only, not based on current information

Impact

Strategy Advisors

Strategy | People Capital | Investments

Increasingly, businesses are addressing their stakeholders desire to align purpose with their investments, brands, communities and workers. Our firm was developed to support operators, policy makers, academics, foundations and capital providers in this market evolution towards a “Purpose Economy.”

Impact Strategy Advisors (ISA) is a San Francisco based impact management and investment consulting firm. As the premier US advisor for the purpose economy, we exclusively partner with organizations that blend strong commercial fundamentals with authentic social and/or environmental values.

Through our three integrated professional services, business strategy, executive recruiting and investment management, we provide our clients with the breadth of tools and the depth of knowledge needed to solve their most critical needs. We view each of our clients as partners and continually invest time in understanding their people, processes and expectations. We believe this helps our engagements be appropriately customized, which leads to the best possible outcomes.

Driven By Our Values

Discover

Listen, reflect and share

Empathize

Consider others

Empower

Invest in people

Excel

Be accountable

Innovate

Create with passion

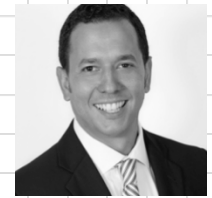
Although we are capable of servicing any social or environmental theme, our talented staff has specific deep expertise in a variety of domestic change areas including; education, youth development, economic development, entrepreneurship, diversity, job creation, poverty alleviation, technology for change and the field of impact investing.

While our client engagement objectives are varied, examples include; analyzing lines of business for large social enterprises, designing earned income programs for large social non-profits, developing impact investment strategies for family offices, sub-advising for established funds, hiring investment executives for impact funds and their portfolio companies, advising on new economic development public policy, creating opportunity landscapes for investors, developing knowledge primers for wealth management groups and their clients, and doing diligence of investors or grantors.

Impact

Strategy Advisors

Strategy | People Capital | Investments



Email jorge@impactstrategyadvisors.com
Twitter [@venturethoughts](https://twitter.com/venturethoughts)
Office 415-348-1600

Jorge M. Calderon
Managing Director & Founder

Mr. Calderon is a career entrepreneur, management consultant, venture investment professional and educator. He founded Impact Strategy Advisors (ISA), a premier impact management and investment consulting firm where he currently serves as the Managing Director. Jorge's practice helps capital sources and operating companies transform intentional social purpose into economic and positive impact value. Mr. Calderon has broad expertise in a variety of social themes, including education, youth development, economic development, regional entrepreneurship, diversity, job creation, poverty alleviation, food and well being, technology for change and the field of impact investing. Through ISA's initiative, the Impact Field Institute, Jorge has created an open source of best practices collectively called the Social Blueprint Toolkit, as well as programming to advance the field of transformational impact. Mr. Calderon has authored several industry best practices including the Social Venture Design Framework (the "Impact Canvas"), the Impact Optimization Quad, the Impact DNA Assessment and the Social Lean Method. Jorge also founded Promise Capital, which is a single investment fund that will acquire a small commercial company and embed intentional social purpose to increase its value.

Mr. Calderon is currently a Professional Faculty lecturer at the Haas School of Business at Berkeley, where he developed the Social Lean LaunchPad curriculum, is the Faculty Director for the Global Social Venture Competition (GSVC) and a Social Impact Fellow for the Institute for Business and Social Impact (IBSI). Previously, Jorge founded Springworks, an initiative committed to developing paths for women and minorities in innovation related careers. Mr. Calderon was also the founding Director for the West Coast office of a tech focused seed stage venture capital firm and has had roles in top tier management consulting, banking and technology companies.

Mr. Calderon lives in the Bay Area and is deeply engaged in a variety of civic organizations. He is a University of Michigan graduate and received his MBA from the Kellogg School of Management at Northwestern University.