

Social Purpose Institute

# Growing Social Purpose Business in Burnaby – For Good

City of Burnaby Update June 2020

Note: The Institute is scheduled to appear as a delegation at 2020 September 15 Committee meeting.

## Growing Social Purpose Business in Burnaby: City of Burnaby Update 2020

### Briefing Note

#### Introduction

The purpose of this briefing note is:

To update the City of Burnaby's Social Planning Committee on developments within the municipality to engage and mobilize Burnaby businesses to adopt and advance a "social purpose" as their reason for being, and in so doing, to contribute to improving the quality of life in Burnaby and beyond – in ways that strengthens their business and their business ecosystem.

This Briefing Note introduces and describes:

- 1) What is a social purpose business and what is the social purpose business trend?
- 2) Who is the Social Purpose Institute and what role is it playing to help business adopt and implement a social purpose?
- 3) What recent activities have been held in the City of Burnaby to activate social purpose in business in the municipality?
- 4) How can the City of Burnaby help the Social Purpose Institute accelerate and scale social purpose in Burnaby and position the City as a national leader in social purpose business?
- 5) Appendix:
  - a. Who are the current businesses, including Burnaby businesses, defining and implementing their social purpose?
  - b. What was the result of a 2019 CEO Consultation cohosted by the City of Burnaby, the Burnaby Board of Trade, the Social Purpose Institute and Hemlock Printers on the opportunity to identify, contact, engage and mobilize Burnaby business on social purpose?

## 1. Introduction to Social Purpose Business

### 1.1 What is Social Purpose Business?

A Social Purpose Business is a company whose enduring reason for being is to create a better world. It is an engine for good, creating societal benefits by the very act of conducting business. Its growth is a positive force in society. [Social can include both environmental and social outcomes.]

### 1.2 The Social Purpose Business Trend

Businesses around the world are redefining their role in society to foster business *and* societal success. They are adopting a Social Purpose to navigate turbulent times and attract and engage top talent, customers and investors. During the pandemic crisis, we are seeing purpose companies showing up in a way that will last long after this and help them build back with purpose. The more social purpose companies there are as the economy rebuilds, the more opportunity for them to partner, collaborate and innovate for more societal good and for growing their business and the economy – creating a virtuous circle of economic growth and social impact.

“According to a report published by the Conference Board of Canada, “businesses with a sustainable or social purpose at their core will lead the way and not only survive, but thrive”, in the emerging economy.” (BC Emerging Economy Task Force, Final Report, March 2020; p.17)

The US Business Roundtable – CEOs of over 180 of the world’s largest companies – issued a statement in August 2019 redefining the purpose of the corporation to serve all stakeholders, rather than simply shareholders. This signalled a significant step away from shareholder primacy which has long dominated the view that the purpose of corporations is to generate profits for shareholders.

Larry Fink, CEO of BlackRock – the largest investment firm in the world with over \$6T US in assets – said this: “ [E]very company needs a framework to navigate this difficult landscape, and that it must begin with a clear embodiment of your company’s purpose in your business model and corporate strategy.” “Purpose is not a mere tagline or marketing campaign; it is a company’s fundamental reason for being – what it does every day to create value for its stakeholders.” “Purpose is not the sole pursuit of profits but the animating force for achieving them.” “Profits are in no way inconsistent with purpose – in fact, profits and purpose are inextricably linked.” In an April 2020 letter to Shareholders, Fink again noted that “Companies and investors with a strong sense of purpose and a long-term approach will be better able to navigate this [COVID] crisis and its aftermath.”



This demonstrates the business leaders, investors, the public and others are calling for business to play a stronger role in society. Businesses that do will be more viable and better positioned for success. Communities that are home to these social purpose businesses are likelier to thrive and flourish in the future, given the contributions these businesses make to their local communities.

## **2. The Social Purpose Institute**

2.1 The [Social Purpose Institute](#) (SPI), based in Burnaby, BC, is an initiative of United Way of the Lower Mainland (UWLM). UWLM has been building the Social Purpose Institute since 2016 with the deep understanding that fostering Social Purpose in Business will lead to the kind of societal change that can only be brought about if the corporate sector redefines its role in society and companies define their reason for being in societal terms. The Social Purpose Institute exists to grow business for good. We have developed, tested and proven resources, tools and programs to help companies of all sizes to transition to Social Purpose Business models. To date we have worked intensively with 27 B.C. Companies (see Appendix), five in Burnaby, and engaged with many hundreds of business leaders around Social Purpose.

2.2 How the Social Purpose Institute Grows Business for Good. We do this through:

- fostering, developing and coalescing the Social Purpose eco-system;
- providing research and resources;
- making social purpose policy recommendations to governments;
- engaging municipalities, business/industry associations and academic institutions on the opportunities to support social purpose in business locally and through post-secondary and sector engagement;
- delivering workshops and professional development courses;
- offering cohort-based, intensive programs to help companies define and implement a Social Purpose across their operations;
- holding panel discussions to raise awareness and dig deep into the topic;
- creating Social Purpose Business networking opportunities;
- curating opportunities for Social Purpose Businesses to do business, partner and support each other; and more.

## **3. Recent activities in the City of Burnaby to activate social purpose in business in the municipality**

### **3.1 CEO Consultation**

In October 2019, 8 business leaders from diverse sectors attended a CEO Consultation hosted by the SPI, Burnaby Board of Trade, and the City of Burnaby, held at Hemlock Printers. (see Appendix for the meeting summary and list of businesses). They all expressed support for the

idea of engaging senior business leaders to consider social purpose and build momentum on social purpose business in Burnaby. They were supportive of a City of Burnaby – Board of Trade – United Way partnership to raise the profile of this idea with Burnaby businesses and seek their participation in the Institute’s programs, to define their social purpose and implement it in the City of Burnaby. They identified several ideas to accelerate this concept in the City.

### 3.2 Burnaby Board of Trade Partnership

As a follow up to the consultation, the Burnaby Board of Trade and the Social Purpose Institute formed a partnership to foster the growth of social purpose in Burnaby as a centre of excellence, to replicate in other communities across the country. The objective of this partnership is to increase the number of Burnaby businesses activating on their social purpose, as a route to elevate Burnaby’s brand as an ideal community for businesses to start and grow. The partnership recognizes that a significant benefit is that once Burnaby businesses are acting on their social purpose, they are expected to increase the quality of life in Burnaby and beyond. This will further enhance the viability of Burnaby as a place to do business. Partner actions include developing content for the Board of Trade website, hosting education sessions for Burnaby business, and recruiting 8 Burnaby businesses to launch a Burnaby-only social purpose cohort in 2021 to help them define and activate their social purpose.

**Webinar Opportunity:** The partners are currently focused on educating Burnaby businesses about social purpose. They are co-hosting a webinar on June 16 1 – 2 pm “Purpose Leadership in Times of COVID” with CEOs of two Burnaby social purpose businesses: Hemlock Printers and Return-It. It is a free webinar and Committee members and Burnaby staff are welcome to register to learn more about this concept. <http://burnabyboardoftrade.chambermaster.com/events/details/purpose-leadership-in-the-time-of-covid-19-2299>

The partners had also planned a CEO Social Purpose Business Workshop at BCIT in April to educate more Burnaby businesses about this concept, but it was postponed due to COVID. It will be rescheduled once gatherings are permitted.

### 4. How the City of Burnaby can help the SPI accelerate and scale social purpose in Burnaby and position the City as a social purpose leader

Following the CEO Consultation, the idea was born that the City of Burnaby could become a leader in Social Purpose Business in the region, if not in Canada. Uniquely, BCIT, the Burnaby Board of Trade and the United Way are in Burnaby where the Institute was born. The City of Burnaby is known for its leadership in social sustainability and is perceived as a likely ally for this work. The opportunity is to create a flagship municipal/board of trade/post-secondary/SPI collaboration that not only engages Burnaby business, but inspires other municipalities and chambers to replicate this model. The Social Purpose Institute looks forward to future conversations with the City of Burnaby to explore the opportunities of growing social purpose business in Burnaby and to creating more business champions and collaborators to enhance the quality of life in the City.

**Appendix:** List of companies currently participating in Social Purpose Institute Programs. Five are based in Burnaby (red circles).

## SOCIAL PURPOSE COMPANIES



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## **APPENDIX Burnaby CEO and Business Leader Social Purpose Consultation Feedback Summary**

**October 1, 2019**

The Social Purpose Institute at United Way held a CEO consultation in October 2019 to seek feedback on the Social Purpose Business Initiative, including how to identify, contact, engage and mobilize local business leadership to become interested in pursuing social purpose business models. The following is a summary of input from the 9 business leaders at the consultation held in partnership with UWLM, the City of Burnaby, the Burnaby Board of Trade and Hemlock Printers.

### **Motivations for attending**

Participants were motivated to attend the consultation for these reasons:

- To learn more
- To be part of a larger social purpose community
- To contribute to advancing social purpose and help other companies; share social purpose experiences
- To build synergies and partnerships with others, as champions and collaborators on social purpose

### **Merits of the idea**

All the CEOs provided positive feedback on the merits of engaging senior business leaders to consider the social purpose concept and build momentum on social purpose business in Burnaby. They expressed support for a City of Burnaby - Board of Trade - United Way partnership.

### **Suggestions for mobilizing local businesses**

The following ideas were suggested to engage and mobilize senior business leaders on advancing social purpose in their companies and the region:

- **Social Purpose Partnerships:** SPI should partner with others to have impact; build momentum in Burnaby and expand from there
- **Channel Partners:** Identify organizations with shared interest and promote to their members
  - Partner with organizations like MacKay Forums, YPO, Entrepreneurial Operating System (EOS), etc.
  - Partner with industry associations, e.g. BCFPA, BC Tech Association (e.g. seminars, breakfasts, trade shows). This approach will work particularly well for companies that don't identify as a local company.
- **Policy Statements:** BBOT and the City to make policy statements in support of social purpose business to raise the profile and create momentum

- **Procurement:** Create opportunities for small social purpose businesses to grow, e.g. by specifying social purpose in city procurements
- **Award:** Create a social purpose award
- **Education Events:** BBOT could convene business on the topic and act as a catalyst
- **CEO Networks:** Current social purpose CEOs can identify and recruit another 5 – 10 CEOs
- **Employee Ambassadors:** Employees of social purpose companies that move to other companies will bring social purpose with them
- **Metrics:** Develop 3 – 4 core financial metrics that will resonate with leaders to attract them
- **Loss of Industrial Land:** City should reconsider the policy to turn industrial land to residential land because it limits ability of employees to live near their place of employment with a negative impact on livability

#### Next steps

- All participants are encouraged to refer companies to the Social Purpose Institute to consider participating in the upcoming cohort to define their social purpose, which kicks-off Nov. 1; there are other cohorts planned for 2020 and 2021
- Companies with an existing social purpose are encouraged to contact the Social Purpose Institute if they are interested in participating in the next “implementers” cohort, likely to be offered in the fall of 2020
- Meeting hosts will meet in a few weeks to consider next steps to advance and accelerate social purpose in Burnaby and beyond

#### Participants:

- David Yochlowitz – CEO, ABC Recycling
- Ian Walker – CEO, Left Coast Naturals
- John Crawford – President, Pacific Blue Cross
- Peter Van Stolk – CEO, Spud.ca
- Richard Kouwenhoven – President & COO, Hemlock Printers
- Vladimir Kovacevic – Founder & Managing Partner, Inovatec Systems
- Victoria Brydon – VP, Human Resources, D-Wave
- William Law – Executive VP, HUB International
- Mayor Mike Hurley, City of Burnaby
- Lambert Chu – City Manager, City of Burnaby
- Paul Holden – CEO, Burnaby Board of Trade
- Michael McKnight – President & CEO, United Way of the Lower Mainland