CASE i3: B LAB and GIIRS RESEARCH PROJECT: RFP #1 OVERVIEW

Increasing Understanding of the Differential Impact of
For-Profit Impact Enterprises

September, 2012

Overview

The Center for the Advancement of Social Entrepreneurship's Initiative on Impact Investing (CASE i3) at the Fuqua School of Business at Duke University, acting in its role as the global research coordinator for B Lab and the Global Impact Investing Rating System (GIIRS) and the proprietary data they collect, is issuing **a first request for proposals (RFP) to academics and consultants to conduct research on the effectiveness of a B Lab certification and on the emerging field of domestic impact enterprises**. This RFP details our goals, guidelines, instructions on how to access our sample set of data, as well as requirements and timelines for applicants. The RFP's awards will provide winners with access to a new proprietary data set as well as access a grant pool of up to $50,000 to support their work in studying this data and releasing findings to the public. This first RFP asks for proposals to use data from B Lab's survey of for-profit companies in the US. Future RFPs will contain data from the Global Impact Investing Rating System's surveys of global impact investing funds and their portfolio companies, located in over 30 countries.

About CASE and CASE i3

CASE is a research and education center based at Duke University's Fuqua School of Business. For over 10 years, CASE has promoted the entrepreneurial pursuit of social impact through the thoughtful adaptation of business expertise by preparing leaders and organizations to change the world. CASE i3: Initiative on Impact Investing was launched in 2011 to establish a rich set of resources and activities for students, entrepreneurs, investors, funders and academics around the emerging field of impact investing. As part of this work, CASE entered into a partnership with B Lab to establish more rigorous research around the valuable data it collects in an attempt to add more rigor to the field of impact entrepreneurship and impact investing.

About B Lab

B Lab is a non-profit organization dedicated to using the power of business to address the world's most pressing challenges. B Lab drives systemic change through three interrelated initiatives:

1. Building a community of Certified B Corporations to make it easier to tell the difference between "good companies" and just good marketing

2. Accelerating the growth of the impact investing asset class through use of B Lab's GIIRS Ratings & Analytics by institutional investors

3. Promoting legislation creating a new corporate form that meets higher standards of purpose, accountability and transparency.

This RFP relates to the certification activities of B Lab. B Lab certifies privately-held impact businesses as B Corporations, a process which requires the company to document its social and/or environmental practices and intentions around impact to their customers and other stakeholders by achieving a threshold score on an annual B Impact Assessment. Once they pass the threshold, they are eligible to become a B Corp. As of June 2012, there were over 555 certified B Corporations earning $3.3 billion in revenues across 60 industries in the US. Another several thousand companies have taken the B Impact Assessment but have not become certified. These 2 groups form the datasets we creating access to at this time: survey data from a portion of certified B Corporations and a portion of B Impact Assessment Completers. More detail on these datasets is below.

For further background on B Corporations, see:

What is a B Corp?
B Corp Certification Overview
Why Become a B Corp?
Make it Official

Why Not Just Provide the Data to Everyone?

B Lab has a contractual relationship with certified B Corporations where B Lab promises to protect proprietary information regarding their individual question answers in the B Impact Assessment. B Lab publicly reports scores only in the aggregate, but obviously researchers need question level data. Given the initial data collection and some unique attributes of the survey, which cause many variables in the data to be answered by very small sample sizes, B Lab wanted an intermediary to work to customize data requests to maximize data privacy. In addition, B Lab staff do not have expertise in academic studies nor the bandwidth to handle and evaluate all inquiries for data that come to them. Thus, B Lab asked for help and the Rockefeller Foundation, which as a major funder of B Lab is also interested in engaging researchers to test effectiveness of the certification, engaged CASE to serve as filter for the first two years of this project. After the initial 2 year period, we expect the data pool to grow, and thus the privacy concerns to lessen, and the B Lab software platform to become able to assign views at different disclosure levels. For 2012 through September 2013, however, **every request for academic and research use of company or question-level data from B Lab and GIIRS (outside of GIIRS Analytics subscribers) needs to go through the CASE i3 B Lab and GIIRS Research Project** for review and ultimate approval by a multi-member advisory council established to review and approve data requests. We prefer to handle requests through scheduled and coordinated RFPs, which allows us to help researchers understand the data sample of the moment and how best to use it, and make coordinated decisions about the strongest interactions among pools of projects.

Getting Prepared

To prepare yourself to answer the RFP, you should:

1. Review this **CASE_BLAB_RFP1** document. This explains the structure of the RFP, application guidelines, dates and timelines.

2. Review the **Researcher Webinar Video** we taped in spring 2011. It covers how the surveys work, how they version, and how the B Corporation Survey actually contains multiple and overlapping surveys.

3. Join the **B Lab and GIIRS Research Google Group**: All documents we create will be distributed to all members of the list and the list website will serve as an archive for materials that can be consulted later. In addition, the group can email each other or us with questions and all answers can be viewed by all members. If you want to stay informed, please join the group. We will not keep track of individual requests for information outside of the group. As of September 1, 2012, there were 114 group members.

4. Review the **CASE_BLAB_RFP1_DATAGUIDE** document. This Guide is a word document that describes how the variables are named in the data document, the kind of questions the survey data used, and contains a statistical description report we ran in SPSS for the variables in the full dataset.

5. Review the **CASE_BLAB_RFP1_SAMPLEDATA.xls** file. This is the dummy data file. For the purposes of the RFP, we have truncated and modified selected data for the full set, which is described statistically in the guide document above. But the field names and types of data are complete. You can use this data to decide what pieces of the data set you want to use and make a case for the kinds of questions you want to answer with our fuller set.

6. The **B Corp Index Report** from B Lab. This is an internal working draft of the effort B Lab has put in to date to develop its own comparable data.

7. If you are interested, we also have **full PDF versions of what the surveys looked like** for respondents in version 2 of the B survey, since it is no longer live on the B Corporation web site. Since the survey changes according to the number of full-time employees and whether the companies were service, manufacturing or wholesale companies, we have 13 different versions. The v2 assessment PDFs are here:

   V2.0, 0ee, Mfg.pdf
   V2.0, 0ee, Service.pdf
   V2.0, 0ee, Wholesale.pdf
   V2.0, 1-4ee, Mfg.pdf
   V2.0, 1-4ee, Service.pdf
   V2.0, 1-4ee, Wholesale.pdf
   V2.0, 5-29ee, Mfg.pdf
   V2.0, 5-29ee, Service.pdf
   V2.0, 5-29ee, Wholesale.pdf
   V2.0, 30+ee, Mfg.pdf
   V2.0, 30+ee, Service.pdf
   V2.0, 30+ee, Service Retail.pdf
   V2.0, 30+ee, Wholesale.pdf

RFP #1: **Goals**

There are two parts to RFP #1:

Part 1. Comparative Studies. The main goal of this part is to understand if and/or how a B Lab certification alters the performance of a business and/ or represents a valuable, credible differential signal about the social performance of a business. In other words, do B Corporations really create better impact than other companies? To do this, a sound comparable group needs to be developed so that B Corporations and B Lab can make accurate claims about their successes compared to other businesses. We welcome your creativity in designing a study that will answer this question effectively and efficiently.

B Lab has worked to create its own internal comparison set. The first set of data we call "certified B Corporations" contains responses by companies who are certified B Corporations. The second set we call "completers," and contains responses of companies who filled in 75% or more of the online B Corporation Survey, between 2008 and 2011, but did not become certified B Corporations. B Lab has detailed their best thinking to date on comparing these sets and questions it still wants to answer in the document called **B Corp Index Report**.

Part 2. Exploring and Segmenting the B Corporation Data. Another goal of the current RFP is to explore patterns, correlations and trends internal to the datasets, both certified companies and the survey completers. Specifically, we are interested in learning:

- What impact segments and industry areas seem to be most correlated with strong impact performance?
- What clustering patterns emerge that can predict how new companies within specific industries or within specific impact areas might score on the assessment going forward? (For example, does a company scoring well in green building indicate likelihood that the company will score well in other environmental areas?)
- To what degree a company's stated commitment to social or environmental mission (explicit through the company's communications materials or implicit through affiliations) correlate with impact?
- Are there ways to reduce the B Survey to a smaller set of questions that might achieve the same scores as the longer survey? In other words, are certain questions predictive of others?
- What other interesting hypotheses or conclusions can be drawn from this first dataset about the intentions, business performance of B Corporations, strengths and weaknesses of the survey, or ability for the survey to differentiate the ultimate impact and influence of B Corporations?
- What data fields could be added to this database going forward that would most help ongoing research?

Note: While these are the main goals of the RFP, CASE and B Lab are open to new ideas and other important questions that can be answered with this data set that will help advance the field of impact businesses and impact entrepreneurship. We welcome creativity and hope to be able to consider a broad diversity of domain expertise and research questions as part of the RFP.

Review process

We have created a review committee composed of staff from B Lab, CASE, The Rockefeller Foundation and selected outside disinterested parties. This Advisory Review Board will review the recommendations of CASE i3 staff and make final recommendations about which requests will be granted data and/or grant funds. Please note: recipients of data will not necessarily receive grant funds they request. The project reserves the right to grant no funds and share no data during this process if the proposals are not judged appropriate; or grant one without the other. Finally, these decisions are in the sole discretion of the Advisory Review Board. Further, there may be suggestions, or comments made back to RFP applicants in order to come to a final proposal that the Advisory Review Board approves.

Grant Pool

There is a total grant pool of $50,000 available for research proposals. Decisions will be made on a case-by-case basis about how much money if any will be granted to each proposal. Grants will be made by check by our affiliate partner, the nonprofit SJF Institute.

Qualifications

Applicants must be researchers or consultants, either academic or private. They can be from consulting firms, private or public universities or other corporations or nonprofit organizations. Neither grants funds nor data requests will be granted to individuals. On a case-by-case basis, CASE and/or B Lab may request that researchers sign non-disclosure agreements on portions or all of the data.

Data available

The researchers selected will receive access to parts of the B Lab database that are needed to answer the research questions posed. For a sense of what the database includes, we are including a sample database that describes the fields available and has dummy, truncated data for those fields. If researchers want access to other kinds of data or information from B Lab, their proposal should include detailed requests for that information. Decisions about what additional data to assemble or share will be made on a case-by-case basis.

Timeline and Deliverables

October 1, 2012: Initial proposals due

Proposals should include:

- Cover Sheet with Name, Affiliated organization and department, Contact information (phone, address and email address), dollar amount requested (if any)
- Executive Summary of Proposal
- Description of key research questions to be answered
- Desired list of database fields and scope of data desired (whole database or just certain pieces)
- Description of research methodology to answer the key research questions
- Timeline and budget (if grant funds are requested) for work. Budget should detail personnel by name, effort levels, overhead and hard costs by line item.

- Bios for research team members
- Exact name and address of recipient of grant (if requested, to whom and where do you want the grant check to go)
- Exact name and email address of recipient of the data file
- Expected date of final report submission to CASE.

> **Please email your proposals by midnight EST Oct 1, 2012 to:**
> **Cathy Clark, B Lab and GIIRS Research Project Director**
> **cathy@cathyhc.com**

October 29, 2012: Proposal winners announced; Winners will be asked to review and sign a brief letter of agreement on terms and reporting for the use of the data and/or the use of grant funds.

November 15, 2012: Expected date that data and funds will be made available

Questions?

Questions can be asked through the B Lab and GIIRS Research Google group (so that all may see the answers) or privately to cathy@cathyhc.com.