

CASE i3: *The CASE Initiative on Impact Investing*

CASE i3: B LAB and GIIRS RESEARCH PROJECT: RFP #2 OVERVIEW

Increasing Understanding of the Impact of For-Profit Impact Enterprises and Impact Investing Funds

December, 2014

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, the Global Impact Investing Rating System (GIIRS) and B Analytics, is issuing a **second 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 impact enterprises and impact investment funds**. B Lab manages the largest database of social and environmental performance data for private companies in the world. This second RFP details our goals, guidelines, instructions on how to access our sample set of data, as well as requirements and timelines for applicants who want to access the full dataset. 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 \$25,000 to support their work in studying this data and releasing findings to the public.

The first RFP released in September 2012 asked for proposals to use data from B Lab's survey of for-profit companies in the US. Over [25 researchers at 9 universities](#) were engaged and are currently working with the data to produce peer-reviewed research. This second RFP contains updated data from B Lab's survey of for-profit companies in the US, as well as new data on for-profit companies in other developed and emerging markets, and new data from the Global Impact Investing Rating System's surveys of global impact investing funds and their portfolio companies, located in over 60 countries. And in this RFP, we are open to consultants and other researchers inside and outside academia.

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. The 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.

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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 GIIRS Ratings & the B Analytics platform by institutional investors
3. Promoting legislation creating a new corporate form, the benefit corporation, that meets higher standards of purpose, accountability and transparency.

This RFP relates to (1) B Corporation certification and (2) GIIRS ratings activities of B Lab.

- (1) 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 July 2014, there were over [1000 certified B Corporations](#) across 60 industries and 30 countries. Another several thousand companies have taken the B Impact Assessment but have not become certified. These 2 groups form the datasets we are 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 are B Corps?](#)

[Why B Corps Matter](#)

[Why Become a B Corp?](#)

[How to Become a B Corp](#)

[Performance Requirements](#)

- (2) B Lab also runs the Global Impact Investing Rating System (GIIRS) and B Analytics. GIIRS Ratings are rigorous, comprehensive, and comparable ratings of a company's or a fund's social and environmental impact. As of July 2014, over 1400 companies and 80 funds in 61 Countries have been GIIRS rated. The GIIRS Rating is powered by the B Impact Assessment and measures the overall impact of a business or fund on all of its stakeholders. A [GIIRS Company Rating](#) is based on an assessment of the company's impact models and its operations. The impact model portion of the assessment recognizes business models that are specifically designed to solve social or environmental problems through company products or services, target customers, value chain, ownership, or operations. The impact operations portion of the assessment evaluates the impact of the business in how it operates; this is sometimes referred to as ESG, or Environmental, Social and

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Governance practices. A [GIIRS Fund Rating](#) is comprised of two elements, the aggregation of the scores of the companies in the fund's portfolio, and the score from a Fund Manager Assessment. The B Analytics Platform is a subscription-based online tool that permits funds and fund investors to access and analyze the data collected by GIIRS and B Lab and benchmark their portfolio within the context of other like funds and companies. The data from B Analytics is being made available for research purposes through this RFP.

For further background on GIIRS, see:

[GIIRS Ratings](#)
[Fund Rating Methodology](#)
[Company Rating Methodology](#)
[B Analytics](#)

Why Not Just Provide the Data to Everyone?

B Lab has a contractual relationship with certified B Corporations and GIIRS-rated companies and funds 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 and ratings, engaged CASE to serve as filter for the first several years of this project. After the initial project 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 and allow researchers to access data through a subscription to B Analytics. From September 2012 through June 2015, 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 document, the **CASE i3: B LAB and GIIRS Research Project: RFP #2 Overview** in its entirety. This explains the structure of the RFP, application guidelines, dates and timelines.

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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 members can view answers. 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 December 4, 2014, there were 174 group members.
4. Review the [Guide to BLAB COMPANY data RFP2](#) document. This is the code book for the company data.
5. Review the [Guide to BLAB FUND data RFP2](#) document. This is the code book for the GIIRS fund data.
6. Review the [Sample BLAB COMPANY data RFP2.xls](#) file. This is the dummy data file relating to B Corp data. For the purposes of the RFP, we have truncated and modified selected data for the full set. 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.
7. Review the [SAMPLE GIIRS FUND data RFP2.xls](#) file. This is the dummy data file relating to GIIRS data. For the purposes of the RFP, we have truncated and modified selected data for the full set. 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.
8. The [B Corp Index Report](#) from B Lab. This is a report of the effort B Lab has put in to date to develop its own comparable data.
9. If you are interested, we also have **full PDF versions of what the surveys looked like** for respondents in version 3 of the B Impact Assessment survey. The survey content changes according to
 - whether the company is based in a developed or emerging market
 - the number of full-time employees (0, 1-9, 10-49, 50-249, 250+)
 - whether the companies operate in the service, manufacturing, wholesale/retail, or agriculture sector

Therefore, we have 35 different versions of the survey. Links to the version 3 assessment PDFs are here:

| Developed Markets | 0 employees | 1-9 employees | 10-49 employees | 50-249 employees | 250+ employees |
|----------------------|---|---|---|---|---|
| Manufacturing | http://sites.duke.edu/casei3/files/2014/10/DM_0-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_1-9-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_10-49-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_50-249-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/12/V3-DM-Manufacturing-250-.pdf |
| Service | http://sites.duke.edu/casei3/files/2014/10/DM_0-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_1-9-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_10-49-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_50-249-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/12/V3-DM-Manufacturing-250-.pdf |

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|-------------------------|---|---|---|---|---|
| | DM 0-emp_Service.pdf | M 1-9-emp_Service.pdf | -49-emp_Service.pdf | 249-emp_Service.pdf | DM-Service-250-.pdf |
| Wholesale/Retail | http://sites.duke.edu/casei3/files/2014/10/DM_0-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/10/D M_1-9-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_10-49-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/10/DM_50-249-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/12/V3-DM-Wholesale-Retail-250-.pdf |

| Emerging Markets | 0 employees | 1-9 employees | 10-49 employees | 50-249 employees | 250+ employees |
|-------------------------|---|---|---|---|---|
| Agriculture | http://sites.duke.edu/casei3/files/2014/10/EM_0-emp_Agriculture-Growers.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_1-9-emp_Agriculture-Growers.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_10-49-emp_Agriculture-Growers.pdf | https://sites.duke.edu/casei3/wp-admin/post.php?post=1904&action=edit | http://sites.duke.edu/casei3/files/2014/12/V3-EM-Agriculture-Growers-250-.pdf |
| Manufacturing | http://sites.duke.edu/casei3/files/2014/10/EM_0-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_1-9-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_10-49-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_50-249-emp_Manufacturing.pdf | http://sites.duke.edu/casei3/files/2014/12/V3-EM-Manufacturing-250-.pdf |
| Service | http://sites.duke.edu/casei3/files/2014/10/EM_0-emp_Service.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_1-9-emp_Service.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_10-49-emp_Service.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_50-249-emp_Service.pdf | http://sites.duke.edu/casei3/files/2014/12/V3-EM-Service-250-.pdf |
| Wholesale/Retail | http://sites.duke.edu/casei3/files/2014/10/EM_0-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_1-9-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_10-49-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/10/EM_50-249-emp_Wholesale-Retail.pdf | http://sites.duke.edu/casei3/files/2014/12/V3-EM-Wholesale-Retail-250-.pdf |

RFP #2: Goals

The first RFP focused on two kinds of studies, comparative studies and segmentation. There are three parts to RFP #2:

Part 1. Comparative Studies on B Survey Data. 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

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Survey, between July 2011 and December 2013, but did not become certified B Corporations. The data set we are sharing contains both sets.

Part 2. Longitudinal Trends in Certified B Corporation Data. Another goal of the current RFP is to explore patterns, correlations and trends internal to the datasets for certified B Corporations. This is the first time we are releasing data from 2 sequential versions of the B Corp Survey, versions 2 and 3. ([Click here](#) to open RFP #1 Overview, including links to sample data from version 2 of the assessment.) This means there is a subset of companies who have filled out the survey twice as they recertified after the 2-year limit for their certification. For example, we are interested in learning:

- Do B Corps make significant improvements in impact over time? Which kinds of impact are most likely to improve, which stay the same, which might decrease? Which stakeholders benefit the most from working with a recertified B Corporation?
- What impact segments, industry areas or other subgroups found in the data seem to be most correlated with strong impact or financial performance? Have these changed over time?
- Which companies are most likely to recertify? 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?) Which companies are most likely to drop out? How relevant is scoring of the overall survey or internal weightings of the individual or clusters of survey questions to this decision?
- What other interesting hypotheses or conclusions can be drawn from this longitudinal 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?

Part 3: Exploring and Segmenting the GIIRS Data. We are also releasing for the first time a dataset that includes information on all GIIRS rated funds rated under version 3 of the GIIRS survey. The fund data includes more financial information than B Corp company data does, since there are fields about amount of investment, proportion of company bought, etc. Some of the questions we hope researchers might explore using this new data and building other data to work with as well:

- Do GIIRS-rated impact investors create more social impact than other investors? With what kinds of comparable data sets could they be compared?
- Are there demonstrable benefits of being GIIRS-rated for impact investors? Does the level of rating matter or just being rated at all?
- What, if any, correlation is there between social impact and financial performance for GIIRS-rated funds and companies?
- Do B Corporations and GIIRS-rated companies successfully maintain their impact through exits and liquidity events? How? If not, why not?

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Note: While these are the main goals of RFP #2, 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 \$25,000 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

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January 30, 2015: 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 January 30, 2015 to:
Carrie Gonnella, CASE Program Director
carrie.gonnella@duke.edu

February 27, 2015: 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.

March 6, 2015: 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 carrie.gonnella@duke.edu.