

The Social Impact Advantage

Win Customers and Talent by Harnessing Your Business for Good

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KEY TAKEAWAYS

- Enterprises that seek to harness the power of equitable social impact can unlock their full potential to “do good while doing business” through a step-by-step process of reconsidering how they make money, spend money, and invest in their people.
- The cornerstone of social impact is authenticity. Authenticity should be your top priority in every aspect of transforming your organization to be a socially equitable one.
- Fully integrating social impact into your enterprise so it can be the “main course” rather than a “side dish” can be complicated. However, concrete tools and techniques can serve as your guides along the way and make this process much easier.

OVERVIEW

Social impact shouldn't be an enterprise “side dish”—it should be the “main course.” That's the point Tynesia Boyea-Robinson makes in **The Social Impact Advantage**, and she backs it with solid data and real-life stories. Based on her years of experience with both for-profit and nonprofit organizations, Boyea-Robinson offers distinct lessons, tips, and techniques that can help any enterprise stop viewing social impact as a “nice thing to do” and instead make it an integral part of doing business.

WHY YOU SHOULD AND CAN DO GOOD FOR YOUR CUSTOMERS

George Floyd's murder triggered the opportunity for corporations to express their commitment to social justice—and express they did. The problem, however, was that their expressions of concern were

largely inauthentic because they didn't back them with tangible actions that would drive true positive social change. Their constituents called them out on it.

Consumers are increasingly choosing brands that "do good" and that are committed to *all* stakeholders (including customers, employees, and communities) and not just shareholders. In our digital era, consumers are quick to expose those brands that continue to cling to shareholder-driven capitalism.

What we need now is a return to the capitalism of previous decades, when enterprise leaders knew that healthy employees and healthy communities made for healthy companies, and vice versa. Under this type of capitalism, organizations can deliver real value generation that benefits all stakeholders while making money in the process.

To create value in your enterprise, you must determine where your company has the opportunity to make a unique equitable social impact. You can identify that opportunity through the *Equitable Impact Venn Diagram*, which showcases the intersection between:

- The passion and values that drive your organization.
- The root cause of any problems you want to solve.
- Any relevant assets you can leverage to solve these problems.

Alignment with your values is paramount in the choices you make. For example, while environmentalism seemed like a logical social impact target for a digital documentation company, the company's leaders didn't view it as part of the company's core mission and values. Instead, they chose to focus on improving the employee experience.

Your next step is to use the *Good Business Definitions* table to sort out the three elements that will help you harness the power of equitable impact, which are how you:

1. Make money.
2. Spend money.
3. Invest in your people.

The *Good Business Worksheet* serves as a template for further refining the steps you'll take to drive change in each of these areas. Used together, these tools will help you gain clarity on what your enterprise is capable of.

Transforming your business with equitable social impact in mind can be very complex. You'll want to include critical team members in the planning process. Your process, and your input to these worksheets, most likely won't unfold in a linear manner—and that's fine.

ACHIEVING EQUITABLE IMPACT THROUGH YOUR BUSINESS MODEL

The most important component in your commitment to equitable impact is authenticity. If you're inauthentic, your customers will know it and they'll react. By making equitable social impact a main course in your operations and not a side dish, you can't help but be authentic.

Your starting place is understanding your business model—that is, how you make money. The Equitable Impact Venn Diagram is an excellent tool for identifying your business's core purpose so you can then look for ways to make a tangible impact. The issues you focus on must align with the business you do.

Rethinking your business model can trigger changes in your operations that better support your equitable impact goals. This analysis can open the door to changes such as:

- An acquisition.
- Innovation of a product or service.
- Improvements in the customer experience.

Your next step is to work through the Good Business Worksheet, using the *Good Business Agenda* as a guide, to detail the actions you'll take within the following three stages:

1. *Innovate*. Select where and how you'll make changes to add greater value.
2. *Accelerate*. Amplify the things you do that are already adding value.
3. *Decelerate*. Wind down the things you do that aren't adding value.

With this information in hand, you'll have a solid path for making changes in the way you make money so you can do better at generating equitable impact.

ACHIEVING EQUITABLE IMPACT THROUGH YOUR SPENDING

You also need to align the way you spend money with your values. Who you choose as vendors and partners reflects your social impact agenda and speaks to your authenticity.

Rethinking how and where you spend your money can yield significant community-based benefits. Your intentionality in spending decisions can help overcome racially driven economic disparity and promote social justice for disenfranchised groups.

There are many opportunities to partner with programs that are focused on creating a virtuous cycle of spending and growth. For example, the BOW Collective™ is a coalition of 50 Black women-owned companies that's helping to break both racial and gender barriers in the supply chain by collectively garnering large scale corporate and government contracts.

Your first step toward equitable impact spending is to consider how you're spending money now. With that knowledge, you can start making more thoughtful spending decisions that support equity, diversity, and healthier communities. You can drive spending impact through your choices regarding:

- Vendors.
- Supply chain partners.
- Financial institutions.
- Employee benefits offerings.
- Charitable giving.

Chart how you plan to spend your money using the Good Business Worksheet and Good Business Agenda. You'll find opportunities you hadn't thought of for using *how* you spend to drive social impact.

ACHIEVING EQUITABLE IMPACT BY INVESTING IN YOUR PEOPLE

Investing in your people will reap benefits for your company, your employees, and the community. Your "people" include both current and potential employees. When you hire within your community, you're supporting the health of that community.

Employee turnover can be quite costly. Employers who skimp on investing in their workforce, and experience high attrition as a result, will end up paying a higher cost in the long term.

Providing a good compensation and benefits package and workplace flexibility are important elements in attracting and retaining employees. However, social responsibility is also becoming a significant employee draw, particularly among millennials.

When you broaden your concept of what “potential employee” means, you might be surprised at your options. For example, including the formerly incarcerated not only expands your candidate pool but serves as a way to demonstrate equitable social impact. Greystone Bakery’s open hiring process, which doesn’t require résumés or background checks, has resulted in a 12 percent turnover rate—a fraction of what their competitors in the industry commonly experience. At the same time, it offers work opportunities to those who might otherwise be overlooked.

As you look at investing in your people, think carefully about your values. They must be dynamic, aligned with how your employees experience work life, and supported by equitable social principles. There’s always room for improvement. The process begins with an honest assessment of how you currently invest in your employees, followed by completing a Good Business Worksheet, guided by a Good Business Agenda.

You can invest in your people through:

- *Recruitment processes* that eliminate bias and encourage diversity.
- *Training and promotion processes* that help your employees grow and develop.
- *Compensation packages* that are equitable.
- *Diversity, equity, and inclusion* that’s reflected in how your organization both looks and functions.
- *Benefits programs* that extend beyond the standard options and offer greater flexibility.
- *Employee ownership options* that help employees be truly invested in the company.

BUILD YOUR CAPEQ™ TO MAKE AN EQUITABLE IMPACT

The path to implementing an equitable impact strategy isn’t linear and doesn’t come without obstacles. You may face resistance, hear lip service, have difficulty finding the right implementation partners, and find yourself weathering both wins and losses.

In many cases you’ll be driving a culture shift. That can be uncomfortable and take time. Engaging the right team and following a solid process can help you navigate all these challenges. Start where it makes the most sense and be flexible throughout the journey.

The *CapEQ™ continuum* can help you increase your ability to deliver equitable impact while expanding your profitability. CapEQ uses capitalism to generate equitable impact, and is based on the following five elements:

1. *Buy-in*. You’ll need top-level support for your initiatives to succeed. You can help secure this buy-in by identifying both problem areas and areas of strength, creating the right team, and strategizing ways to engage support for your ideas.
2. *Knowledge*. You know why equitable impact is beneficial, but you need to share that knowledge with others. Everyone needs to know why these changes are important and how they’ll strengthen the organization.

3. *Quick wins.* Seeing is believing. Build on small changes and signs of success to gain traction and create a sense of urgency. Look for the low-hanging fruit as a path to driving sustainable organizational shifts.
4. *Resources.* Generating equitable impact doesn't happen for free. You'll need adequate resources to see your initiatives through. Try to avoid siloing equitable impact within a team or "office." It needs to be your enterprise's main meal.
5. *Business model.* Equitable impact should be generated by your company any time it brings in revenue or makes a profit. To do that, your initiatives must align with your business model. This can be the most challenging area of change for your company. Use the other four elements to support this effort.

These five elements can help you determine where your organization is ready and where you still have work to do. You may also have to work at shifting certain mindsets within your organization, including:

- *Winner takes all.* People who view things through a scarcity mindset don't understand that there's enough abundance to go around when we all work together and leverage our strengths in the right way.
- *The great man theory of success.* Heroic company leaders have a place in company lore, but they didn't get to the top without a competent team. There's tremendous power within your employee ranks and the community of consumers who support your brand. Recognize and use this interconnectedness.
- *Survival of the fittest.* Healthy competition is a good thing, in moderation. However, collaboration allows you to leverage disparate strengths to achieve more together.

Your ultimate goal is a system change where generating equitable impact and generating profit go hand in hand.

CHANGING HOW YOU DO BUSINESS

Much like the integration of business and technology in the 1990s, the integration of business and equitable impact is a work in progress. Many companies want to do it but aren't sure how. Those who succeed will stand out in the marketplace.

To be part of this shift, be sure to change your practices in how you make money, spend money, and invest in all your people. Stay on top of the trends and do good in the way that works for your business; your company and constituents will do well in the world.

ABOUT THE AUTHOR

Tynesia Boyea-Robinson has been religiously leading and writing about enterprises that "do well and do good" for over a decade. As founder, president, and CEO of CapEQ™, Robinson helped Fortune 500 clients like the Carlyle Group, Marriott, and others change the way the world does business. In her previous role as chief impact officer of Living Cities, she was responsible for ensuring that \$100 million of investment produced outcomes that improved the lives of people across the country. She helped establish the Social Innovation Fund and the Workforce Investment and Opportunity Act and was a founding executive director of Year Up National Capital Region (NCR). Robinson has been a featured speaker at

events ranging from South by Southwest to the White House Council for Community Solutions. She's the author of *Just Change: How to Collaborate for Lasting Impact* and has published articles featured in the *Washington Post*, *Forbes*, and more. She received her MBA from Harvard Business School and has a dual degree in Electrical Engineering and Computer Science from Duke University.

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