

Social Business Scorecard

The 7 P's to promote sustainable and efficient social businesses

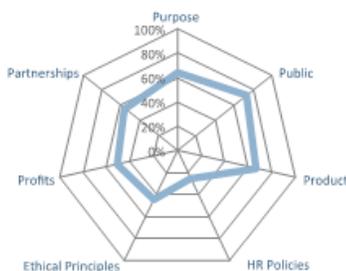
Driving the performance of social businesses

Since 2012, the French NGO CERISE has coordinated a working group on social business. Comprised of NGOs, foundations, and companies that support social businesses worldwide, the group first came together to discuss approaches to this rapidly developing form of entrepreneurship that still lacks a clear definition. Drawing on CERISE's expertise in social assessment in microfinance, the group has worked to create a **Social Business Scorecard** named **SBS**.

The Scorecard aims to identify **clear criteria** and a common framework for analyzing social businesses, to boost credibility and avoid misuse of the concept. Indeed, as witnessed in microfinance, the absence of principles to guide practices in a so-called double bottom line sector opens the door to mission drift and abuse.

The Scorecard is structured according to seven independent dimensions. The 7 P's take into account key elements of the social business concept.

TOTAL	54%
1 PURPOSE	64%
2 PUBLIC	74%
3 PRODUCTS AND SERVICES	67%
4 HR POLICIES	25%
5 ETHICAL PRINCIPLES	44%
6 PROFITS	51%
7 PARTNERSHIPS	56%



- **Purpose** - A social business has a clear social mission, shared by all stakeholders.
- **Public** - A social business targets a public that is vulnerable, poor and/or excluded (clients, suppliers and/or employees).
- **Products and Services** - A social business offers an adapted product mix that meets basic needs and reduces inequalities.
- **HR Policies** - A social business has policies and practices that ensure employees and service providers are treated responsibly.
- **Ethical Principles** - A social business adheres to ethical principles regarding the environment, the community and integrity.
- **Profits** - A social business has a defined and transparent policy on profits and how they are used to further the social mission.
- **Partnerships** (optional) - When a social business benefits from a partner relationship, the technical support provided is fundamental to the business model.

The Scorecard was developed over three years using an iterative approach. It draws on the working group's experiences in order to define key characteristics of a **social business**. It identifies practices and operational approaches, to establish different institutional profiles on the basis of **specific indicators**.

Analysis using the Scorecard generates a **score for each of the 7 P's** and a graphic to visualize the social business's profile. The Scorecard facilitates **assessment, strategic planning, operational planning and both internal and external communication**, serving as both an assessment and management tool.

In 2014, the Scorecard was tested with the support of the *Agence Française de Développement* with **10 organizations in 5 countries on 3 continents** using a methodology based on **documentation review, interviews, field visits, and comparative analyses**.

Members of the working group:



CERISE, a network dedicated to responsible and ethical finance

CERISE is a knowledge exchange network dedicated to responsible and ethical finance:

- **1998:** Creation of CERISE (*Comité d'Echange, de Réflexion et d'Information sur les Systèmes d'Epargne-crédit*)
- **2012:** CERISE is registered as a non-profit association with the mission to support financial institutions and their partners by developing and sharing **assessment tools** to improve social performance.

Social Performance Indicators for microfinance

In 2001, CERISE and its partners launched the **Social Performance Indicators (SPI) Initiative** to develop a **social performance audit tool** for the microfinance sector. Since 2003, over 500 institutions have used the open access SPI tool to improve their social performance management.

In January 2014, CERISE and the Social Performance Task Force released the SPI4. The fourth version of the SPI integrates emerging social performance standards for the microfinance sector. These standards, known as the Universal Standards for Social Performance Management, were defined through a multi-stakeholder consultative process over a three-year period. The **SPI4 streamlines social performance assessment and reduces the reporting burden on microfinance institutions.**

Social Business initiative

In May 2012, in response to requests by our members and investment fund partners, CERISE created a working group on social business to better understand and support this form of entrepreneurship: what are the distinguishing characteristics of socially driven businesses? How do social businesses balance social and financial objectives? How can we identify and promote practices that guarantee a business's social purpose over the long term?

Join us in 2015

As with the SPI4, CERISE plans to make the Social Business Scorecard available for free, to encourage widespread use and build a results database to produce benchmarks (sectoral, regional, etc.). The tool aims to help social businesses drive their strategy and operations, and ultimately improve overall performance.

In 2015, CERISE will continue the work **started in 2012 and tested in 2014**, applying the Scorecard to additional organizations, testing the scoring and data visualization approaches and developing a results database.

Under development: peer analysis of sustainability and strength of social goals (current vs targets)



We will work with organizations and their partners to build a robust and attractive social business sector that addresses the social and environmental issues of today and tomorrow. **Find more about this initiative and about SBS:** <http://www.cerise-sb.org>.

Interested in joining us? Contact CERISE!