

BMAL 560 – Corporate Responsibility  
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In *The B Corp Handbook: How to Use Business as a Force for Good*, Jay Coen Gilbert, Bart Houlahan and Andrew Kassoy state, "we are witnessing one of the most important cultural shifts of our time. We are in the midst of the evolution of capitalism from a century focused on maximizing short-term shareholder value to one focused on maximizing long-term shared value"(Honeyman, 2014). The cultural shift that they speak of is due in large part to the increase in the millennial population and thereby, the increase in the millennial voice in the workplace, educational settings and community circles focused on key topics such as parenting, sustainable impact and quality of life. According to these rising generations of leaders and innovators, businesses should be held accountable for their impact on profit, people and the planet.

It is this call to action that resulted in the creation of the non-profit B-Labs and the certifying process known as B Corp Certification. The process of becoming a Certified B Corp, not to be confused with the federal structure known as a Benefit Corporation, is a process that is available to any business in the world in spite of any pre-existing legal structure or location of incorporation thanks to B Labs the organization behind the process. B Lab is a 501(c)3 nonprofit that catalyzed an international movement of leaders, athletes and entrepreneurs that are unified around the desire to use business to address social and environmental issues. B Lab serves through three core initiatives that provide legal infrastructure and businesses to attract the customers, talent, and capital needed to succeed.

The framework of the B Corp model provides many examples of how businesses might practice this concept known as enlightened self-interest. According to Anne Lawrence in *Business and Society: Stakeholders, Ethics, Public Policy*, enlightened self-interest "recognizes the long-term rewards to the company from its global involvement, through an enhanced reputation, customer loyalty, employee satisfaction, and global community support" (Lawrence, 2014). In order to become a B Corp, businesses must undergo a rigorous analysis process that begins with a preliminary B-Impact Assessment. The certification process itself is an ongoing commitment to adhere to benchmarks and implementing strategies to meet mission. Referencing back to what the greater purpose of B Lab and B Corps are, in my opinion in order for the practice of enlightened self-interest to play out in the local, national and international markets a business must first understand who they are; what they do; and how their business can do the most good.

An example of a business practicing enlightened self-interest within the context of B Corps is **Patagonia**. When the Benefit Corporation status became available as an option for the state of California in 2012, Patagonia was the first company to file for status. The very next day, Patagonia's Yvon Chouinard became a Certified B Corporation which sent a message to stakeholders that Patagonia met high standards of performance and was committed to doing what was best for its people, profits and the planet (Johnson, 2012). According to Rick Ridgeway, Vice President of Environmental Initiatives for Patagonia, the principle benefit for Patagonia in achieving B Corp status is the tool provided to measure its performance in living up to its environmental, social and governance values (Honeyman, 2014).

## References

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