



COMMUNITY ENGAGEMENT

## A World Environment Day Reminder about Impact Ventures

Words by Wayne Dunn



JUN 05, 2019



The world has changed. The path to profitability has shifted and businesses that strategically integrate social value, environmental stewardship and shareholder value are being rewarded.

As today is World Environment Day, I'd like to remind you of the value of impact ventures (also known as social enterprises) which successfully align social impact, environmental stewardship and shareholder value - along with operational efficiency.

Today, businesses of all types face increasing pressure to produce social value and be effective stewards of the environment at the same time as they are producing shareholder value. This pressure has been increasing steadily for years and will continue to grow.

Impact ventures don't treat social impact and environmental stewardship as an afterthought, nor do they treat it as a higher goal than profitability and business value. They recognize that social, environment and shareholder interests are intertwined. And, they address these challenges strategically and as part of an interconnected whole.

These organizations also invest in the alignment and optimization of value creation along social, environmental and economic dimensions, minimizing zero-sum trade-offs and focusing on value

creation of efficiency.

Impact ventures consistently focus on value propositions that align the interests of society, community, environment, ecosystems and other key stakeholders, with those of shareholders and the business itself. They recognize that this principle must be strategically integrated into investment and operating decisions and stretch across the depth and breadth of the firm.

The days when social responsibility and sustainability could be relegated to a small unit and shunted to the side while the “*real business*” was carried out are ending. Impact ventures recognize this and are gaining an increasing advantage over their competitors who follow outdated models that separate social responsibility and sustainability from the core of their firm’s value creation strategy.

Impact ventures are emerging and thriving across all sectors. Here are just a few examples.

[Torex Gold](#), a Canadian gold mining firm operating in some of the most security-challenged areas of Mexico, has invested heavily in creating sustainable livelihoods for local communities by working with government and local communities to support development of the local fisheries industry. This strengthens the regional economy, provides opportunities to make a better livelihood for more families, helps address a myriad of security issues and provides fresh fish for both local markets and those in Mexico City.

[Baraka Shea Butter](#) has developed a branding strategy that [emphasizes](#) its authentic connection and meaningful impact on the communities where its products are made. It strategically links its brand story to facilitate incremental value along the entire supply chain, from the remote African communities that produce its oils and butters through to the businesses and crafters that make products with it and on to the consumers who use those products. The value of social impact and sustainability is pulled along the supply chain, creating a strong brand and competitive advantage in a commodity space.

[Plenty Inc](#) is a Silicon Valley-based new-age agricultural enterprise. It is growing rapidly by delivering healthy and tasty produce to businesses and consumers while reducing water usage as well as transport and related carbon and environmental costs.

[Guinness Ghana Breweries](#) has applied impact venture strategy to simultaneously increase its local procurement (and thus impact on Ghanaian agriculture and rural communities), reduce its foreign exchange risk and create a new product with a built-in marketing campaign. [Ruut Beer](#) is Ghana’s first beer made with starch from locally grown cassava.

These are but a few leading impact ventures that align social, environmental and shareholder impact, optimizing value across all three dimensions and creating competitive advantage for themselves in the process.

*Image credits: Baraka Shea Butter/[Facebook](#)*



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