

UNLOCKING IMPACT:

WHAT IS YOUR COMPANY'S SUPERPOWER?



WRITTEN BY

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ARTICLE 1: THE BUSINESS CASE FOR UNLOCKING IMPACT

Income inequality is at the highest levels in history. Rising climate temperatures are leading to more natural disasters than ever before. Opioid addiction is taking the lives of 130 people every day. Sadly, these are just a few of the many challenges facing our world. The government and social sector can't address these wicked problems alone - it is imperative that the private sector engage. By partnering with the social and public sectors, companies have an incredible opportunity to help address these challenges.

Not convinced your business has a role to play in solving the world's problems? Let's take one minute to remind you that "doing good" is good for business.



The facts:

- **87% OF CONSUMERS SAID THEY WOULD PURCHASE A PRODUCT BECAUSE A COMPANY ADVOCATED FOR AN ISSUE THEY CARED ABOUT**
- **68% OF CONSUMERS SAY THEY ARE LOOKING TO BUSINESSES TO TAKE THE LEAD ON SOCIAL AND ENVIRONMENTAL CHANGE**
- **76% OF PEOPLE BELIEVE CEOS SHOULD TAKE THE LEAD ON CHANGE RATHER THAN WAITING FOR THE GOVERNMENT TO IMPOSE IT**

Research also shows that companies with a strong corporate social impact program see enhanced employee loyalty to the company, improved retention, increased performance, and more attractive company culture for prospective employees. So why wait to start your social impact programs?

It's time for companies to design their own virtuous cycle to unlock their potential.

The virtuous cycle unites impact with business by creating a seamless system for companies to have an impact on their employees, consumers, and the wider community, while also achieving their larger business goals. We like the phrase "no profits, no purpose" because we understand increasing your company's success generates more resources to put towards greater impact.

More than a decade ago, Gap Inc. adopted the term "virtuous cycle" as one of the pillars underpinning how they would design their social impact initiatives. The process starts with asking, "who are the key stakeholders in our ecosystem?", "what are our greatest challenges?", and "how might our greatest business assets help solve it?".

Abby Davisson, Sr. Director at the Gap Foundation, describes how Gap Inc. went about defining its virtuous cycle,

“In our company’s fifty-year history, Gap Inc. has given more than one million teens their first jobs. We know what it takes to put young employees on a path to advancement and future success. We leveraged our experience preparing teens to be successful in their first jobs and developed This Way Ahead in 2007 to help teens and young adults from low-income communities get a foot in the door for that life-changing first job experience. Since then, we have come to recognize that this Way Ahead is important for the long-term sustainability of our business. The program expands our talent pool to support business growth and fosters a future customer base.”

They were able to look at what the company does incredibly well, identify their key stakeholders and their needs, and create a way to both help improve both the outcomes for those stakeholders while also strengthening the business.

Over the next 5 articles, we will give you examples of how other companies across a variety of industries, size, and revenue are delivering on their virtuous cycle. Our hope is to inspire you to start one at your company.

We will be sharing our 5 steps to unlocking your company’s impact. In each article, we will provide a framework of guiding questions to get you through each step of the process below:



While the Unlocking Impact steps above are a starting point, we know that developing your strategy can be a complex process and not at all linear. At X Sector Labs, we help companies create their own virtuous cycle and unlock their potential for impact.

We streamline this process to co-create a custom solution that aligns with your company’s mission, values, and business objectives by helping you understand your stakeholders’ needs and what you do best to bring your virtuous cycle to life.

Do you already have a virtuous cycle? Share your story with us! Are you stuck? What’s getting in the way of unlocking your greatest impact?

ARTICLE 2: REFLECTING INWARDS

Peter Drucker once said...



This saying is true for designing your social impact strategy. Last week, we shared the 5 steps to unlocking impact framework below, and talked about the necessity behind this process. Today, we focus on the first step: Reflecting Inwards.



Your social impact strategy should be reflective of the needs of your community, who you are as a company, and who you want to be. It should align with your business objectives and company mission. So ask yourself: What is the overarching mission of our company? What is the long-term problem our customers pay us to solve?

Traditional Medicinals (TM) is a great example of a company designed around the change they wished to see in the world. “When Traditional Medicinals was founded in 1974, the company’s goals were to revive herbalism and reinvent the business of medicine in North America. By responsibly sourcing, developing, and marketing their specialized herbal tea formulas, they worked to serve a higher purpose: to promote herbal education and advocate for supply chain-driven equity and a social business ethics.”

According to Jamie Horst, the executive director of the TM Foundation, “Five decades later, we have significantly elevated the legitimacy of herbalism in North America. No other herbal medicine company is in more households, more cupboards, or using its brand, packaging, and media more effectively to educate consumers about the benefits of herbal medicine. We designed for that impact from the ground up and every day, we look around us to ask, what needs to be done next to move the needle?”

Answering these questions starts with a self-assessment and the following questions can help get you started:

- WHAT PROBLEM ARE YOU TRYING TO SOLVE?
- HOW MIGHT YOU WANT TO CHANGE THE WORLD?
- WHAT DO YOU STAND FOR?
- WHO ARE YOUR KEY STAKEHOLDERS?
- WHAT CUSTOMERS OR COMMUNITIES DO YOU SERVE?
- WHY ARE YOU REACHING THAT COMMUNITY?
- ARE YOU MAKING THE LIVES OF INDIVIDUALS IN THAT COMMUNITY BETTER?

Your mission, values, and strategy will underpin your social impact strategy and help serve as guardrails as you make decisions to grow and scale your impact.

While the Unlocking Impact steps are a starting point, we know that developing your strategy can be a complex and nonlinear process. We want to help you simplify unlocking the potential to grow your impact through your own virtuous cycle.

What values do you want to see your company reflect? How have you seen other companies reflect their values or NOT?



ARTICLE 3: IDENTIFY YOUR SUPERPOWERS

Last week, we talked about starting your unlocking impact process by Reflecting Inwards. Now that you have a sense of the mission and intentions of your company, and its products/services, it's time to deep-dive into all of the assets you have to offer and identify what it is you do best.

The next step in our Unlocking Impact process is **Identifying Your Superpower**.



Corporate social impact programs look and feel different, and that's how it should be. Each company has unique assets to contribute, and they may differ, depending on the size, industry, geography, and individuals within the company. Take stock of all what your company does best. Ask yourself the following question: **What are all of the assets we have to offer? What are we better at than anyone else?**

Your assets are your main ingredients to baking social impact into the DNA of your company. While employee volunteerism and giving efforts are great ways to give back, there are many other ways your company can have an even greater impact on the communities you want to serve.

Assets come in all shapes and sizes, and there are more beyond the obvious. We often think that people are our greatest assets - so start with your people and their expertise, and then ask, "what else makes you great?". Below are some examples of corporate assets we have seen provide great value for their company a

- The customers you serve
- Vendors/suppliers whose partnership enables your business to thrive
- Brand equity
- Buying Power (economies of scale)
- The products and services you make and deliver
- Technical expertise
- Physical space
- Convenings (internal or external conferences, all-hands meetings, etc)
- Ad space/air time
- Political voice and influence (lobbying power)
- Innovation / R&D efforts
- Current giving efforts

Some assets may be easier to leverage than others, but laying out the tools you already have to drive impact is a great place to start. Think about which one is unique to you. For Airbnb, it was providing a place for anyone to belong everywhere. Leveraging these core assets - their hosts and homes - is AirBNB's superpower!

Let us know: what's your company's superpower? Have you seen other examples in action?

ARTICLE 4: ASSESSING YOUR ECOSYSTEM

In the previous step, you took a deep dive into all of the assets your company has to offer and identified your superpower. You probably noticed that you have more to give than you even realized - that's great! With that framing in mind, it's time to look externally and take the next step in the process: **Assessing Your Ecosystem**.



Most companies don't operate in isolation, but rather sit in a broader ecosystem of other companies, individuals, and organizations. In order to understand where you might be able to create the most impact, it's important to situate your company in the broader context. To do this, develop an ecosystem map and answer the following questions: **What is your industry, and who are the main players within it? Who are the stakeholders in your own value chain?** Be sure to include how these touchpoints meet your community.

As you're thinking through the players in your industry, think beyond your competitors. Are there nonprofits in your industry? What are their missions? What about individual workers? How does the government play a role? Could philanthropy or academia provide additional assets?

This stage is an important time to consider your virtuous cycle. **How might you leverage what you do best to help lift the stakeholders in your ecosystem?** You don't have to do it all yourself. In order to optimize the output for both your company and your community, make sure you understand whom you are serving, their needs, and what partners you can bring to the table to make sure what you deliver has the greatest impact possible.

Another great perspective on this approach is the business trend that is gaining momentum, "stakeholder capitalism". Last year, the United States Business Roundtable announced it will adopt a stakeholder approach that focuses not just on shareholders but also on customers, employees, suppliers, and communities - all of which are deemed essential for business performance.



Often times the best way to answer these questions is through a human-centered design approach. Start with the stakeholder(s) you're seeking to understand and conduct an empathy interview. Take the workers in your supply chain for example.

Explore what challenges are top of mind and document where they might need assistance or resources. This human-centered design approach allows you to take a step back and intentionally design for the person you're looking to serve, instead of guessing what might work and creating potentially harmful unintended consequences.

For Genentech, this stage involved gaining a deeper understanding of the challenges faced by the schools in their own backyard.

It was important to us to learn firsthand what the local South San Francisco (SSF) school community needed, and then offer our human capital and resources to supplement that need," shared Ragnar von Schiber, who leads K-12 STEM giving at Genentech. "We first met with teachers and administrators to ask questions and really listen to their goals and desires. We quickly saw where we could add value in engaging students in science and inspiring potential STEM careers, but since we aren't experts in education, we also knew we needed great partners to help SSF schools have the greatest impact."

Genentech's approach in launching Futurelab is a great example of aligning business goals - to inspire future innovators and promote a more diverse and inclusive workforce - with understanding its community's needs - lack of opportunities to engage in high-quality STEM education learning experiences. They identified the assets they could bring to the table - their employees' talents, their brand, facilities, and funding - and found great partners to ensure the intended outcomes truly met the community's needs.

Next we have **Applying Your Superpower**.

ARTICLE 5: APPLYING YOUR SUPERPOWER

At this point in the Unlocking Impact process, you've identified your superpower and have a sense of the needs of the stakeholders in your ecosystem. You've done the work and armed yourself with what you need to pull all of the pieces together. Now it's time for some matchmaking - to identify what you're able to uniquely contribute. It's time to **Apply Your Superpower!**



This part takes some creativity and the ability to think beyond the obvious. Think about not just what you as an individual company can do, but also how you might be able to partner with others in this space. Ask yourself the following: **How do we map together our mission/values, superpower, and needs of the ecosystem to move the needle?**

You might be surprised you don't have to do anything fancy. If the answer isn't so obvious, ideate with your key stakeholders to identify as many different potential ways your assets can be leveraged. The more ideas you come up with and test, the more likely you are to find a strong solution that might be something new and exciting your company can bring to the table. Either way, get feedback often and make sure you are always driving towards those metrics of success you identified during your ecosystems assessment.

Remember our example when DoorDash created its Project DASH (DoorDash Acts for Sustainability and Hunger)?

By reflecting inwards, DoorDash leaned into its mission- to grow and empower local economies by offering last-mile delivery and other services to businesses.

Their superpower is a passionate workforce, along with last-mile logistics technology across a national merchant footprint, through a network of millions of consumers, hundreds of thousands of Dashers, and tens of thousands of Restaurant Partners across more than 600 cities.

They asked, "What's a major problem our ecosystem is facing today that we can help solve?" Through research and partner discussions, they found the average restaurant has more than 100,000 pounds of excess food every year but only 1.4% of that was donated, and 78% of restaurants cited transportation as a barrier to donating more food, making last-mile logistics the most frequently cited donation roadblock.

By pulling together all of the pieces of this puzzle, DoorDash experimented with Project Dash as a way to solve that problem. In the first year and a half alone, they helped connect one million pounds of excess food to over 250 nonprofits serving people in need.

The successful results of that experiment led to expanding the program, leveraging its greatest talents to meet the needs of its ecosystem. And one experiment led to another.

Join us for the final step: **Getting Buy-In.**

Let us know: what might this look for your company? How would you like to see your company improve communities?

ARTICLE 6: GETTING BUY-IN

For the final step of the Unlocking Impact process, it's time to get the support and buy-in you need to make this program a reality. You know what problem you want to help solve for, with whom, and what tools you have to do it. You should feel confident about what you've come up with - you've made it to the final step!

Disclaimer: often times this process isn't linear and you will need to garner buy-in throughout the process, so keep the following concept in mind as you are designing your strategy.



In order for your social impact program to thrive, you will need to build the business case and share it with your internal stakeholders, to gain the buy-in and the support you need to be successful. Here are key components to include:

WHY	Highlight why this is important to your different stakeholder groups and how this reflects your values and goals as a business - this is your virtuous cycle.
GOALS	Describe what you hope to accomplish - what success looks like. Include specific metrics. Show value to the business AND the community!
WHAT	Share your asset map - what you can uniquely offer to the community, or how you can leverage your day-to-day operations to have impact. Your ecosystem - name the partners you are considering (if you are there yet).
HOW	Define what you need internally to get this done - this is your case to executives for their support! Do you need an executive sponsor? What are your budget needs?
OTHER	What would a pilot look like? How and when do you plan to report back on your project? (remember to celebrate wins early and often!)

Be sure to share how your proposed program ties back to the business objectives, and how it will contribute to the virtuous cycle of impact. Some companies use a pilot project to demonstrate success and engage potential champions in the work so they can become the cheerleaders and advocates for scaling the work. Other companies prefer to go big and make a splash in order to generate more demand for the work. There are pros and cons to each approach. It is important to know your company's culture and which pathway will most likely lead to your program's success.

ARTICLE 6: GETTING BUY IN

Companies all over the world have powerful assets, that if leveraged in the right way, can begin to make a dent in these global issues - simply by getting started. With experience and scale through partnering with nonprofits, government, academia, and philanthropy, companies have an incredible opportunity and responsibility to move the needle on the issues of today and tomorrow.

Throughout this series we shared the 5 steps to Unlocking Impact: Reflecting Inward, Identifying Your Superpower, Assessing Your Ecosystem, Applying Your Superpower, and this one for Getting Buy-In. While the steps outlined in this series are a starting point, we know that developing your strategy can be a tough process. At X Sector Labs, we want to help you unlock this potential to grow your impact through your own virtuous cycle.

Do you have an example of how you have created a virtuous cycle for your company or partner? Is there one step you have done particularly well you want to share? If you don't but want to, let us know - we can help you build one!

We'd love to hear from you! For more information on our Corporate Social Innovation X Labs, Co Labs and Design Labs, email us at Jamie@XSectorLabs.com.