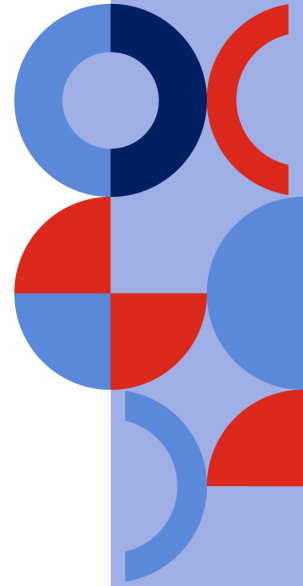


# ACCELERATING SOCIAL PURPOSE BUSINESS THROUGH ASSOCIATIONS: CASE STUDY

JULY 2023



## Introduction

The Canadian Purpose Economy Project (CPEP) has a vision that by 2030, at least 25% of Canadian businesses are adopting, disclosing, and authentically embedding a social purpose across their operations and relationships, and collaborating with others to achieve it. A key route to realizing this vision is to support associations to introduce social purpose business to their members and engage them in adopting and implementing a social purpose as the reason they exist.

It is collaborating with a number of associations on this journey, including Family Enterprise Canada (FEC). According to research conducted by the Conference Board of Canada, family-owned enterprises account for 63.1 percent of all private sector firms in the economy and generated 48.9 percent of Canada's real GDP in the private sector<sup>1</sup>.

CPEP defines a social purpose business as "a company whose enduring reason for being is to create a better world. It is an engine for good, creating social benefits by the very act of doing business. Its growth is a positive force in society".

Family Enterprise Canada (FEC) is a national association representing the interests of family enterprises. It has over 1,200 members. Included among its members are Family Enterprise Advisors (FEAs) who have received this designation as family business advisors. FEC is exploring its role to raise awareness of social purpose business with its members. This case study is a summary of the opportunities it has identified.

Associations are encouraged to review this case study, identify opportunities they can replicate, and contact the Canadian Purpose Economy Project for assistance getting started.

## Getting Started

FEC's efforts to educate members about social purpose business are housed within its Family Business for Sustainable Development Committee. The chair of the committee, Liz McBeth, President of her family's business Armour Valve, adopted a social purpose for her business in 2022. She is leading the exploration to find ways to raise awareness of purpose in business with FEC's members within the committee's mandate. The committee also includes Karen Alko, Community Relations Manager of social purpose business ABC Recycling.

The following opportunities have been identified and represent steps that other associations can pursue:

1. Association social purpose champion is identified

FEC's champions for raising social purpose awareness among its members include the chair and a founding member of the Family Business for Sustainable Development Committee. They have knowledge and personal experience of social purpose and of the value it creates for business, as their companies have both adopted a social purpose.

2. Member value proposition is created

A member value proposition has been created for adopting a social purpose. In the case of family businesses, they are at risk of losing the interest of rising generations if the business does not align with their values. Adopting a social purpose is one way they can appeal to rising generations. Equally, if family businesses change ownership (i.e., private, partner or employee) or are acquired because younger family members do not want to participate in the company, FEC itself risks losing members.

3. Board is briefed

The Family Business for Sustainable Development Committee updates the board on its social purpose activities via regular reports. This keeps the board abreast of the committee's social purpose work and allows the board's input and engagement on the topic.

4. Committee is designated to further the work

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<sup>1</sup> See: <https://www.conferenceboard.ca/product/the-economic-impact-of-family-owned-enterprises-in-canada/#:~:text=Document%20Highlights,private%20sector%2C%20at%20%24574.6%20billion>

The Family Business for Sustainable Development Committee is a natural fit to assume responsibility to advance social purpose among FEC's members.

5. Member survey is conducted

The Committee conducted a survey of members to determine their approach to social and environmental matters. Three questions were included to assess the current state of social purpose within the membership, and their receptivity to the concept:

- What role does business play in solving environmental and / or social issues?
  - It is not the responsibility of businesses to solve these issues
  - Businesses should collaborate with other stakeholders including government
  - Businesses should take a leadership role
- Does your family or organization have a purpose other than profit?
  - Yes, it is documented and all stakeholders are aware of it
  - Yes, it is documented but not all stakeholders are aware of it
  - Yes, but it is not documented
  - No, but we would like to develop one
  - No, and we have no plans at this time to develop one
- Who is driving the process to develop a purpose for the family or organization?
  - Family
  - Management
  - Ownership
  - Other (please describe)
  - N/A

6. A social purpose community of practice for members is created

Surveys can help identify members who have or are interested in developing a social purpose. With this information, the association can convene them so they can connect, learn, and advance together. FEC is interested in identifying members who are interested in this topic to bring them together to enhance their collective success.

7. Case studies and success stories are shared with members

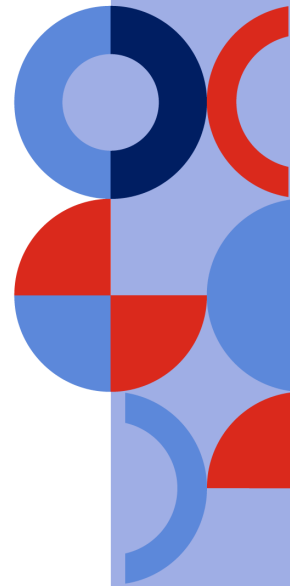
Typically, businesses are interested in case studies and success stories to help them understand what is involved in becoming a social purpose business. FEC has begun sharing case studies created by the United Way BC Social Purpose Institute with interested members. See: [How to develop a social purpose case studies](#) and [How to implement a social purpose case studies](#).

8. Designation program includes social purpose

FEC offers a designation program for family business advisors, called the FEA designation (Certified Family Enterprise Advisor). The program provides professional advisors with technical knowledge in family enterprise advising. It recently started offering "Advising with Impact" certification for FEAs, family business leaders and their advisors. The fifth module provides education on how to infuse social performance into business strategy and governance, "allowing different generations to work together to use family business as a force for good". Key learning outcomes include:

- Understand the need to think differently about profit – both its creation and its use
- Explore the differences of how family enterprises orient and organize their social value creation activities
- Learn how to initiate conversation about social impact with family enterprise clients

The opportunity exists to ensure social purpose business is included in this curriculum.



9. Panel discussions include social purpose

FEC holds regular sustainable development panels for member education. It is now explicitly including social purpose businesses and advisors in these panels to introduce members to the benefits of social purpose.

10. International associations are engaged

Family Business Network International has developed a sustainable development framework that is adopted by national family business associations and their members around the world. It offers case studies, a roadmap and assessment tools. The opportunity is to ensure that social purpose is embedded within these tools.

## Resources

[An Association's Social Purpose: A Benchmarking Tool](#)

[The Social Purpose of Associations: A Call to Action to Serve the Greater Good](#)

[CSA SPE #116 ESG \(environmental, social and governance\) and SDG \(United Nations Sustainable Development Goals\) Guidance](#) for associations includes “social purpose” as one of 19 performance requirements.

### ABOUT THE CANADIAN PURPOSE ECONOMY PROJECT

The Canadian Purpose Economy Project exists to accelerate the transition to the purpose economy. It engages national ecosystem actors to create an enabling environment for social purpose businesses to start, transition, thrive and grow. This paper is one in a series of reports exploring the roles of key actors to advance social purpose in business including accountants, boards, investors, associations, business schools and others. Subscribe to our updates at: [www.purposeeconomy.ca](http://www.purposeeconomy.ca).

