

The Mysteries of Hybrids Revealed: A Survey from B-Corporations

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Between Social Values and Profitable Performance: The Case of B-Corporations

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Survey to BCorporations

SECTION A: COMPANY AND FOUNDER(S) INFORMATION

SECTION B: COMPANY'S STRATEGY AND INNOVATION ACTIVITIES

SECTION C: B-CORP CERTIFICATION AND ORGANIZATION OF THE ACTIVITIES

SECTION D: VALUES AND IDENTITY OF THE COMPANY

Why this Survey?

- Quantify
 - Most of studies are qualitative case studies
- Profiling hybrid entrepreneurs
- Understanding at finer-grained level strategies through identity and community of values of hybrid organizations

Survey Administration, Population & Sample

- Survey administered June-Dec 2017 in USA, Europe, UK, Canada and South America (still ongoing)
- Survey pilot with a few entrepreneurs before administering the final questionnaire
- Respondents have been the founders of the companies
- Response rate about 10% (3 recalls)
- Final sample n= 216 (full questionnaires):
 - 55% USA
 - 10% Canada
 - 3% South America
 - 30% Europe
 - 2 % UK

BCorporations : their main features

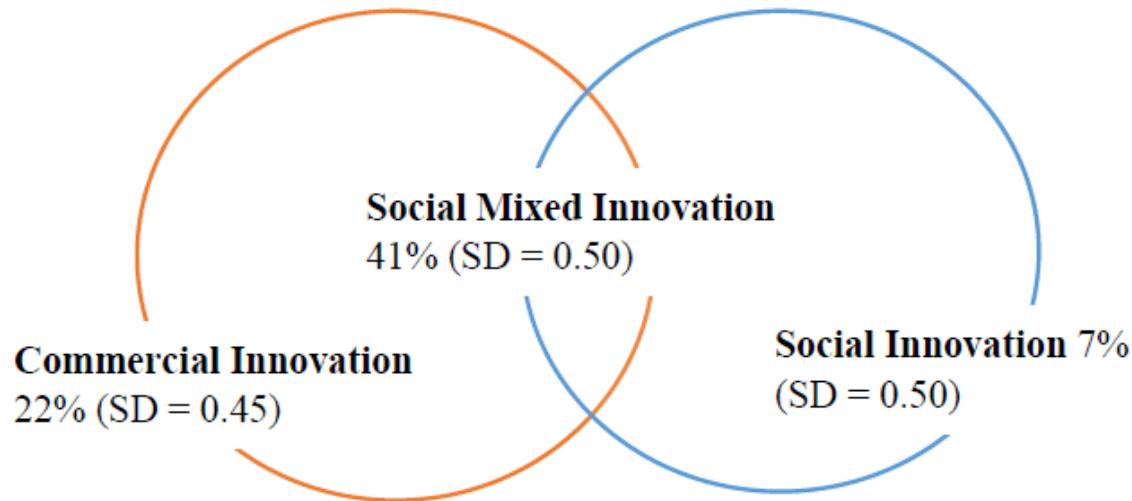
- Young and small ventures:
 - Founded year: mean = 2003 (SD= 13.18)
 - # Founders: mean = 2.03 (SD = 1.47)
 - Born as Bcorp= 92%; Transformed as Bcorp = 8%
 - Number of employees in 2017= 10-20 people (vs 0-5 founding)
 - Founding motivations=
 - Addressing societal need vs address a market need
 - Different sectors of Activities
 - NICE 35: 28%
 - NICE 42: 14%
 - NICE 44: 8%

Hybrid Entrepreneurs: who they are

- Quite young entrepreneurs: average age 44 years (SD 12.7)
- Educational Attainment: 37.57% Masters – 38% BA
- Main Specialization Field:
 - Social Science and Business Administration (ISCED 3; about 30%)
 - followed by Engineering (ISCED 5, about 20%)
 - Health Service (ISCED 7 about 15%).
- Founding team background:
 - 21% has a different level of education
 - 32% different field of specialization.

BCorp Strategy & Innovation Activities

- Competitive Advantage: Community-focused / niche specialized strategy
- Internationalization: 62% national boundaries → 5 years after can expand
- Innovation Activities (30% declares to not innovate)



BCorporations & Certification

- 93% achieve in the First Round certification to attract talents (and not investors) / be part of a movement / to secure values
 - 30% Other certification
 - Internal changes made:
 - Transparency
 - Mission & Values coherent
 - Cross functional teams
- Certification & Innovation Activities
 - Business model innovations
 - Acquisitions of software
 - Acquisition of external knowledge

Strategies, Identity & Values

- Value Identity
- Civic Engagement
 - Community of values
 - Brand Community
 - Customers
- Values
 - Most recurrent: Green, Diversity, Poverty
 - Focused (1-2 values more than 50%)
- Forms of investments
 - Charity, Sponsorship of events, Direct financing movements

Preliminary Evidence on Values & Innovations

- Forms of investments: *INWARD vs OUTWARD vs MARKETING*
 - Charity, sponsorship of events, finance direct
 - % revenues, % final prices, % sales
 - Marketing
- Different Innovations (*No innovations vs Commercial innovation vs Social innovation*)

Preliminary Evidence on Values & Innovations (2)

- No innovation & Number of Values (- correlation, ttest sig **)
- Social Innovation & Numbers of Values (+ correlation ttest sig **)
- Commercial Innovation & Community type (+ correlation if brand community and not community of values ttest sig **)