

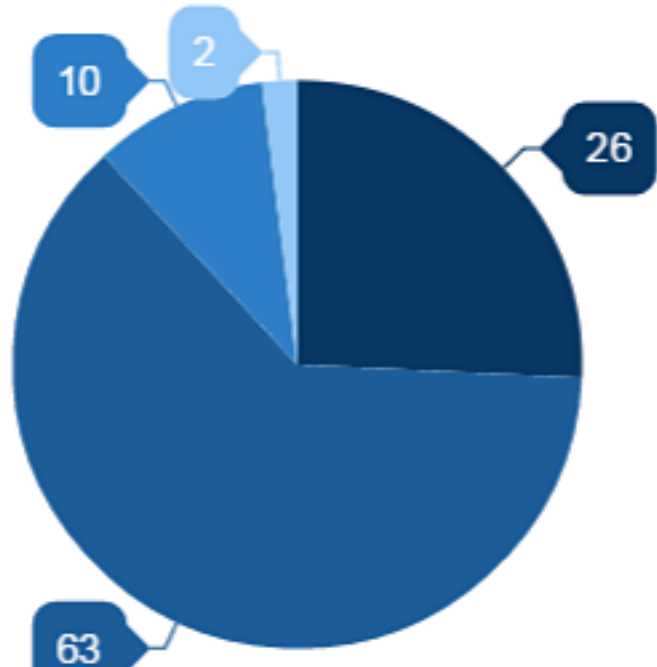


Small Business Pulse

Socially-Driven Companies

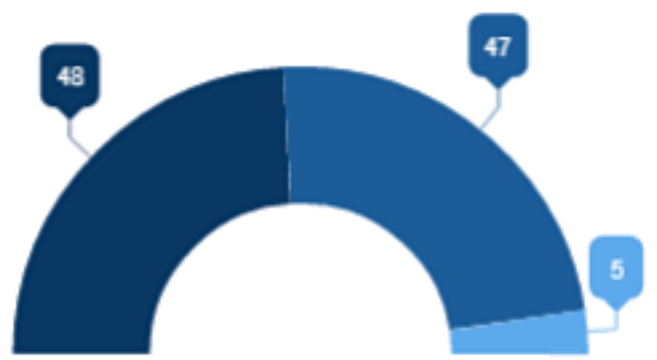
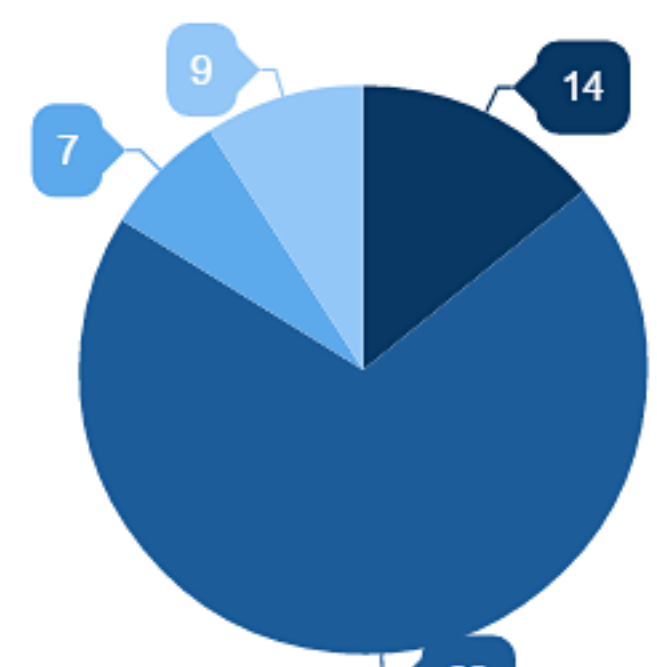
Socially-Driven Companies

Other Companies



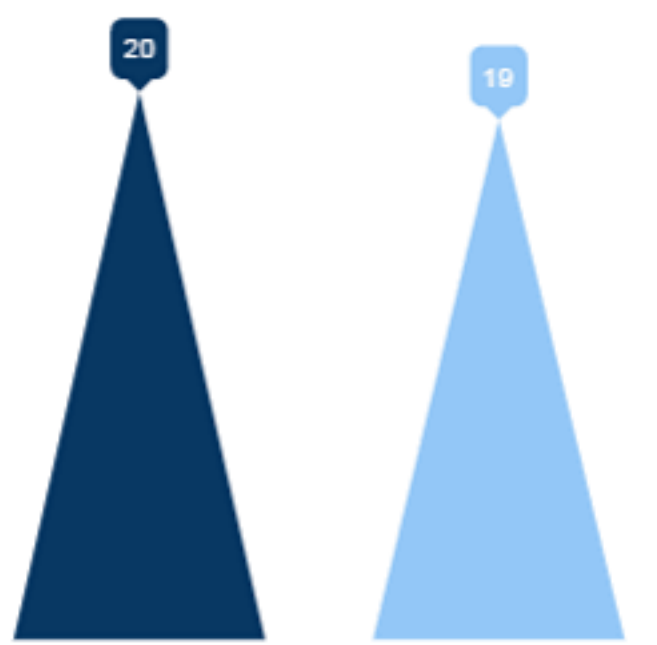
How do you see your sales revenue changing over the next year?

SHARPLY INCREASE NO CHANGE SLIGHTLY DECREASE
 SLIGHTLY INCREASE SHARPLY DECREASE



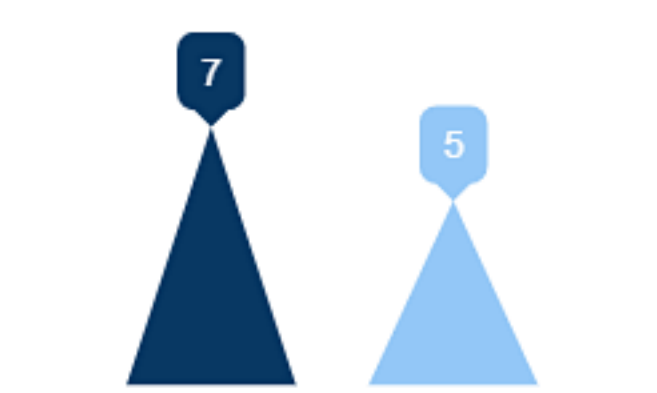
How is your company doing vs. your competition?

AHEAD OF EVEN WITH BEHIND



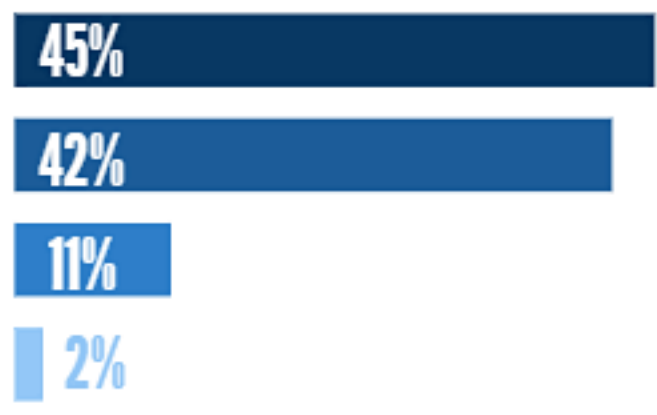
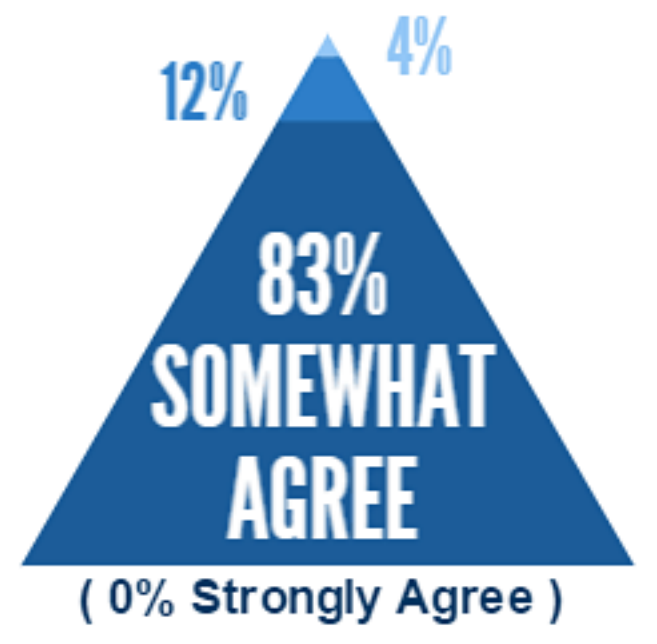
How do you rank your personal vision and sense of purpose & your company's vision and sense of purpose?
(% of "10"s on a scale of 1-10)

PERSONAL VISION & SENSE OF PURPOSE COMPANY VISION & SENSE OF PURPOSE



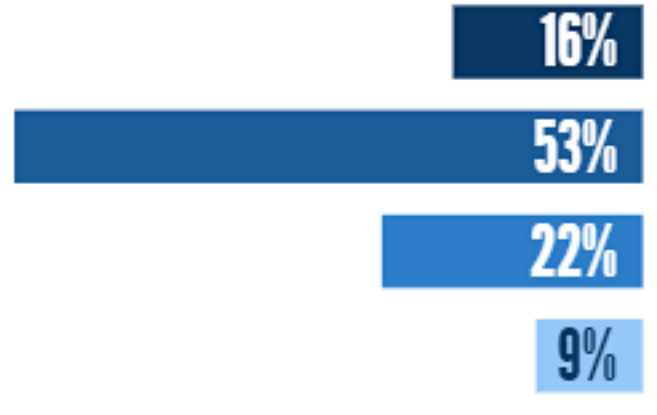
My company is built around positively contributing to society.

STRONGLY AGREE SOMEWHAT DISAGREE
 SOMEWHAT AGREE STRONGLY DISAGREE



My company is a fixture in the communities that we serve

STRONGLY AGREE SOMEWHAT DISAGREE
 SOMEWHAT AGREE STRONGLY DISAGREE



This is a high-level summary of our key findings from the March 2015 Small Business Pulse Survey. This survey concentrated on **socially-driven companies and insights from running these types of businesses**. The survey was taken by **350 business owners**. We define socially-driven companies as those that selected “strongly agree” to the following question:

My company is built around positively contributing to society.

38% of businesses in our survey selected strongly agree to this question.

Profile of Survey Participants

- 89% of respondents have been in business for at least 8 years. 50% of respondents have been in business for more than 20 years.
- 25% of the respondents have annual revenue of \$5 million or more. An additional 39% have revenue between \$1 million and \$5 million.
- 51% of respondents have 2-9 employees and 44% have 10-49 employees. The mean number of employees is 25.
- The most common industry sectors are Professional Services, Manufacturing and Construction.
- Respondents came from the US, Canada, the UK, New Zealand and Ireland.

Key Observations from Socially-Driven Companies

Here are some key observations from those companies that identify themselves as socially-driven companies compared to those that do not.

Age difference?

- There may be a perception that owners of socially-driven companies are run by younger owners.
- That’s **not true**. In fact, the average age of owners of socially-driven companies (57.1 years) is slightly *higher* than those of other companies (55.1 years).

Socially-Driven Companies Are Not Non-Profits

Another misperception about socially-driven companies is that they only exist for the greater good and aren’t that interested in profits. This is not true either.

- When asked which response best describes your company, only **25% of socially-driven companies** selected “a business for good”. This compares to **14% of other companies**. This is a big difference.
- However, **an identical 44% of socially-driven and other companies** selected “a business for results”.
- **31% of socially-driven companies** selected “a business for profit” compared to **42% of other businesses**.

While there are material differences between 2 of these responses for both groups, 75% of socially-driven businesses are “for results” or “for profit”. At the end of the day, they are still profit-making businesses where the owners manage their businesses to achieve results.

Socially-Driven Business Owners Appear to be more Optimistic

When we asked respondents about how their revenue changed over the past year, the results for socially-driven companies and other companies were very similar.

But, when we asked them *In one year from now, how do you anticipate your sales revenue changing?* the results were substantially different.

- Nearly **twice-as-many** socially-driven business owners expected revenue to **sharply increase (26%)** compared to **14% of other companies**.
- Overall, all types of businesses expect to grow revenue in the next year. **89% of socially-driven companies** expect to grow revenues compared to **83% of other businesses**.
- While only **2% of socially-driven respondents** anticipate a *decrease* in revenue over the next year, **10% of other business owners** anticipate a decrease.

These are very significant differences, especially those owners expecting sharp increases. Some of this difference can be attributed to differences industries with less socially-driven companies in manufacturing and construction. However, these differences are significant enough to conclude that socially-driven business owners are generally more optimistic about future growth prospects.

Does a Socially-Driven Company Have a Competitive Advantage?

We asked business owners *Today, how is your company faring against the competition, overall?*

- **48% of socially-driven companies** selected “ahead of the competition” compared to **38% of other companies**.
- Only **5% of socially-driven companies** felt they were “behind the competition” compared to **12% of other companies**.

This finding also reflects potential optimism of socially-driven company owners. However, owners of socially-driven companies are likely to see their social purpose as being an important distinction compared to their competitors and therefore a genuine competitive advantage.

Socially-Driven Owners Have Stronger Personal and Business Visions

- **20% of socially-driven owners** selected a **10** when asked “how would you rate your own personal vision and sense of purpose” compared to **7% of other owners**. Other owners more commonly selected 7 or 8 for the strength of their personal vision.
- **19% of socially-driven owners** selected a **10** when asked “how would you rate your own company’s vision and sense of purpose” compared to **5% of other owners**. Other owners more commonly selected 7 or 8 for the strength of their company vision.

Socially-Driven Companies are Fixtures in Their Communities

One of the strongest differences in the survey was in response to the question ***My company is a fixture in the communities that we serve.***

- **45% of socially-driven companies** selected Strongly Agree
- Compared to **16% of other businesses**

Some Cultural Observations

The following compares other select responses between the two types of companies who responded to our survey.

- When asked about what best describes how they achieve success, 65% of socially-driven companies selected **by emphasizing human connections and relations** compared to 59% of other businesses. Interestingly, a majority of both types of businesses selected this option over **setting goals and accomplishing tasks**. This reflects the importance that all owners place on their employees, customers and partners.
- More socially-driven companies strongly agree with the following statement (85%) than other businesses (69%): **My company pursues win-win relationships with customers, employees, partners and other key stakeholders.**
- More socially-driven companies strongly agree with the following statement (68%) than other businesses (55%): **My company listens closely to what our stakeholders think of us.**