

ECONOMY FOR THE COMMON GOOD AND B COMPANIES, A MULTICASE STUDY OF MEXICAN COMPANIES

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Abstract

Concepts associated with the Conscious Capitalism, Economy for the Common Good, Solidarity Economy or the Social Solidarity Economy (SSE) models have been developed as a proposal to make economic development a more integral process. The objective is to identify the practices of B Companies, as a proposal to conduct business from a future that observes community practices that are more humane and aware of the current reality, which generates positive impacts on the companies that apply them. This is a qualitative multi-case study, where 5 Mexican companies from different sectors have been analyzed. These companies have established their business models based on the certification of B Companies. The multi-case studies are nested in the areas of the model: customers, community, collaborators, environment, and governance. The sources of information will be secondary, through netnography. This article analyzes websites, social networks, and blogs of the presented cases. The main findings show a commitment to environmental care, an active participation of stakeholders, as well as a positive relationship with customers and employees. The challenges for this companies are transparency and accountability, as well as their ability to align their interests to bring the common good, and not just to make short-term profits.

Key words

B corporations, Economy for the Common Good, Social Economy, Mexican companies, multicase study

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Introduction

In recent years, we have witnessed the deterioration of the planet and climate change. Events of a social nature, such as economic crises, have made the future less hopeful.

Knowing that the massive way we consume and produce has been at the root of many of the problems we face as a species. The desire to change this behavior has led people to look for ways to transition to a healthier and friendlier economy. Fortunately, not only for individuals, but industry alarm bells have also been ringing, and some companies have begun to wake up and take action.

While the main changes must be made by consumers, companies must be the ones to review their objectives and business practices by working efficiently, effectively, and transparently. Thus, promoting socially responsible consumption and having a more positive attitude.

Likewise, a correct business stance will encourage industrial activities and the actions of

the population to be less responsible for generating pollution, reduction, and depletion of non-renewable resources. Therefore, thinking about our well-being and that of future generations (Salmerón Lechuga, 2019; Ortega, 2022; Soria-Barreto et al., 2022).

To achieve these objectives, companies need transversal, credible, and comparable standards to support their influence, improvement, and commitment.

The objective of this article is to identify the practices of B companies as a proposal to conduct business from a future that observes community practices that are more humane and aware of the current reality which generates positive impacts on the companies that apply them. This is a qualitative multi-case study, where 5 Mexican companies from different sectors have been analyzed. These companies have established their business models based on the certification of B Companies. The multi-case studies are nested in

the areas of the model: customers, community, collaborators, environment, and governance. The sources of information will be secondary, through netnography. The information analyzed through the web pages of the presented cases are analyzed below.

Literature review

What are B-Corps?

The history of B-Corporations dates back to the 1970s, when economist Muhammad Yunus founded the Grameen Bank in Bangladesh, which provided microcredit to low-income people. This experience inspired other entrepreneurs to create businesses with a similar focus, leading to the emergence of the social enterprise movement and, subsequently, to the creation of the B-company model.

In 2006, the nonprofit organization B Lab launched the B Company certification, which sets clear standards for social and environmental performance. To obtain this certification, a company must demonstrate that it meets rigorous criteria for positive impact in areas such as the environment, workers, community, and customers. It also must incorporate a legal structure that allows the company to make decisions considering not only the interests of shareholders, but also the impact on other stakeholders (Honeyman & Jana, 2022).

According to Vargas (2021) these companies are defined as Companies with Purpose, as they are committed to a sustainable and responsible business model. They seek to combine economic profitability with the solution of social and environmental problems, as well as being committed to a continuous development plan that takes into account their impact on society and the environment.

B Corporations or B Corps measure their social and environmental impact, and commit themselves personally, institutionally, and legally to make decisions considering these issues. In addition, they use the power of the market to provide concrete solutions to social and environmental problems.

They aim to have a positive impact, are accountable to all stakeholders and transparent about the extent of their business activities, and

use their strengths to build a new, fairer, more equitable and renewable economy for people and the planet.

The main characteristics of B companies are:

1. Social and environmental purpose: These companies are committed to having a positive impact on society and the environment, which can attract customers and employees who share these values.
2. Transparency and accountability: Companies B must meet high standards of transparency and accountability in relation to their social and environmental performance. This creates confidence among both consumers and investors.
3. Diversity of shareholders: Companies B may have ownership structures that allow for the participation of different interest groups, such as employees, communities, and non-profit organizations. This encourages greater diversity and participation in decision-making.

Impact Assessment B

An impact assessment, according to System B, refers to the process of measuring and analyzing the social and environmental impact of a company. System B is an international non-profit organization that promotes Business Model B and sets standards for its certification.

In the context of Scheme B, impact assessment is carried out to evaluate and verify the performance of a company in relation to its positive impact on society and the environment. This assessment may cover different areas, such as worker well-being, environmental management, community relations, governance, and transparency.

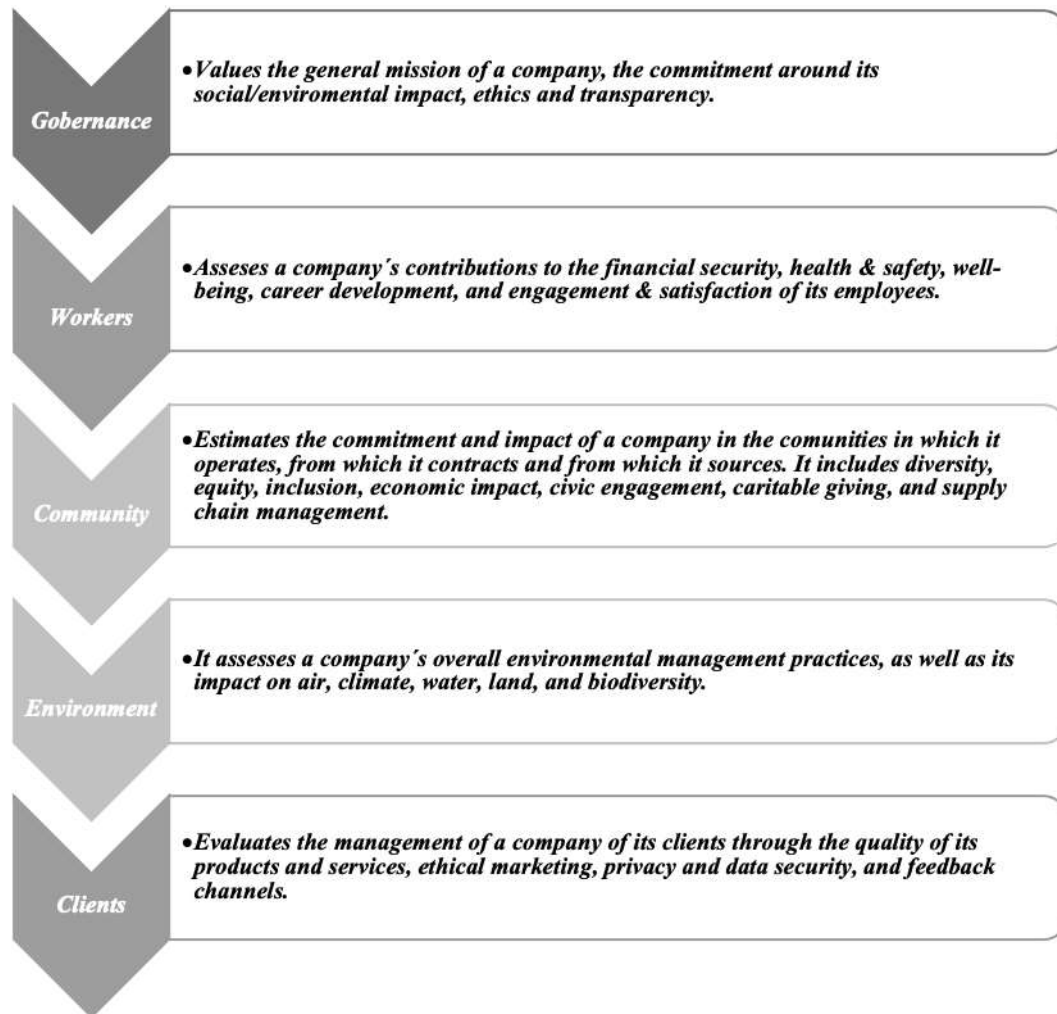
Impact assessment under System B seeks to promote transparency and accountability of companies. In addition, it can help identify areas for improvement and opportunities to increase positive impact. Company B certification requires companies to carry out an impact assessment, and to demonstrate outstanding performance in terms of social and environmental impact (Correa, 2019; Marquis, 2020).

This research was based on the Impact Assessment B method, it is a free digital tool that helps to measure, manage, and improve the

performance of positive business impact (Movimiento B México, 2023). This assessment consists of an online questionnaire of

approximately 100 questions (as they are answered, it expands to measure various scopes) and 5 areas.

Figure 1 Areas of evaluation of the Impact B system



Source: México (2023), this graph shows the five impact areas B and was made with information from Movimiento B

According to the methodology of Movimiento B Mexico, organizations that score between 80 and 200 points are prospects for certification.

One of the advantages of being evaluated with this tool is that it allows companies to use this tool as a parameter to measure their own performance, even without wanting to start a certification, i.e., the evaluation and certification are not correlated, although answering the

questions and obtaining a good score allows for later progress in the process, it is not a determining factor in obtaining the badge.

Currently, the B Company Certification is used by more than 200,000 companies in more than 80 countries (Movimiento B México, 2023) and the companies that obtain it are verified and endorsed by B Lab to meet the highest standards of social

and environmental performance, transparency, and accountability.

Some questions were selected from the Impact Assessment questionnaire in order to identify how measurable or identifiable this impact can be within the media used by the previously selected B-Corps.

Goal and Methodology

This work is of a qualitative multi-case type, in which five Mexican companies from different sectors have been analyzed, which have established their business models based on the certification of Companies B.

The case study design has been considered from the problem statement and has been developed to obtain the information that the investigation requires. For the above, five cases have been applied, that is, the research design strategy will be multi-case, where the dimensions of Model B will be analyzed in depth, evaluating the analysis units as a nested study. (Hernandez-Sampieri & Mendoza, 2018).

The selection of the companies was carried out in a non-experimental way, for convenience, based on the information contained in the directory of Mexican B Companies, presented in the portfolio for the year 2023.

Abrantes Ferreira & Pires de Souza (2022) state that netnography is a tool that has been developed in recent years to obtain information through the Internet. This leads to seeing the world from a more comprehensive vision, considering all the elements that make up this data, from the analysis of information from the global network.

Thus, the multi-case studies are nested in five areas of the model: clients, community, collaborators, environment, and governance. The sources of information were secondary through netnography. the web pages, social networks, and blogs of the presented cases were analyzed.

Findings

According to data obtained from Portafolio Empresas B (Sistema B Mexico, 2023), there are currently 88 companies certified by B Lab in Mexico. In order to know in depth, the behavior

and development of Companies B within the country, five companies from different business directions were selected.

The reason for their selection was mainly the level of seniority they have within System B, as well as their business activities and way of working. By selecting and receiving information from these companies through their website and a publication that went into more detail. In this way, we wanted to detail with each of them what led them to obtain the certification, what has been their development as Company B, and what is their opinion regarding the impact they make on society and how is their relationship with the population.

Pixza

It belongs to the category of food, beverages, restaurants, and hospitality. It has been part of the so-called B Companies since its foundation in 2017 in Mexico City. Created by Alejandro Souza, who decided to start a project to empower vulnerable people, through a chain of restaurants that exclusively employ young people in a social abandonment profile, through the Route of Change (a multidimensional 12-month program).

The main ingredient of the star product is blue corn produced by local farmers, as well, the other required inputs are 100% Mexican.

The raison d'être of this organization goes beyond just providing employment, it seeks to accompany the agents of change in a process of transformation and to lead a new movement that shows the industry, the country, and the world how things could be different (Pixza, 2023).

With a score of 18.4 in governance, Pixza has a corporate mission statement established in writing, public, in view of collaborators and consumers on its website, which also includes the commitment to produce a positive social impact such as supporting people with a social neglect profile who seek to reintegrate into society.

It also integrates social and environmental performance into decision-making through performance assessments that formally incorporate these issues.

On the other hand, earning 70.1 points in the field of workers, the way it remunerates its employees is through a fixed salary, it also offers high quality professional development.

As for community, it has 20.5 points, within this area it is mentioned that the business model actually generates a specific benefit for stakeholders, such as partner organizations, suppliers, etc.

Pixza has an established preference for buying from local suppliers and encourages the recruitment and hiring of local staff, as it has a social commitment to support members with whom it cohabits within the same geographical space and to spread this principle to other states.

Similarly, in the environmental field, with a score of 12.3, the organization does not share information about the practices or measures it uses to reduce the consumption of water, electricity, materials, etc. However, it can be deduced that, by using ingredients entirely produced by small local producers, they use the method of irrigation of crops by storm, that is, they do not have the hydraulic infrastructure to carry out the irrigation and care of the crops, which is highly ecological because it is carried out with purely rainwater.

Finally, within the sphere of clients, with a score of 4.1, the products offered do not address a social or economic problem of the clients, but when consumed they contribute enormously to the mentioned social causes.

Échale

It belongs to the construction industry and real estate, was founded in 1997 in Mexico City and has been certified by B companies since 2012.

It is a social producer of housing and community infrastructure, which contributes to the development of communities through the integration of families into assisted self-production, generating employment, and promoting sustainable development (Sistema B Mexico, 2023).

In governance, it has a score of 15.5, its mission is to promote sustainable community development through social inclusion in the construction of housing and community infrastructure in the world (Échale, 2023).

Where sustainability and infrastructure for community development converge in the use of Ecoblock as the main building material, it is made of 90% of the land of the region where the project is located and 10% of the mixture of cement,

lime, sand, and water. It is thermal and acoustic insulation, ecological and more resistant than the cement block (Échale, 2023).

It should be noted that Échale has participated in projects throughout Mexico, where they have built around 250,000 homes in 28 different Mexican states, benefiting more than 1,000,000 people.

23.9 is the number of points it has obtained in the area of workers, although it is not possible to appreciate information on this subject within its website, within the official profile of LinkedIn it was found that it is a medium-sized company, as it has about 200 employees. In addition, the creation of its projects has managed to generate 450,000 jobs.

With a score of 19.5 in community, it should be mentioned that this organization has been one of the main when supporting when some disaster strikes the country, such as the 2017 earthquake and the various hurricanes that have devastated the coastal areas.

In the environment, it scored 8.9 points, through a manufacturing process of Ecoblocks designed to significantly reduce the environmental impact compared to typical practices in the construction industry. Ecoblocks are recyclable, made from local soil and produced on site, which reduces the ecological impact and logistics costs, in addition with their manufacture it reduces about 30% of the carbon dioxide generated in the construction.

In the area of clients, it was evaluated with a score of 75.7. The company provides fair, more beneficial and affordable financial facilities for people in remote communities who want to acquire real estate without the need to go into debt for 30 years or more.

Hipocampus

It is a B-certified company since 2018, which aims to increase access to high-quality early childhood care and education services in vulnerable areas, are committed to creating solutions designed to adapt to the way people learn, live and work today (Hipocampus Centros de Aprendizaje, 2023).

Hipocampus, a collaborative project created by education experts and social entrepreneurs, was launched in 2016 with the aim of creating high-quality opportunities for children, families,

organizations and communities, while incorporating national and global best practices, considering that early childhood is a formative period for both boys and girls, during which they "learn to learn" and build the emotional, cognitive and psychomotor foundations for the rest of their lives.

In the area of governance, they scored 18.7, as they have a well-established mission and vision.

43.7 is the number of points you have obtained in the area of workers, because it could easily be used as a benefit to overcome the personal challenges of employees, and also prevent very costly consequences for organizations.

According to data from Hipocampus (2023) the lack of care and education services for children of working mothers and fathers causes that 2 out of 3 employees have absenteeism because they have nowhere to leave their children, 1 out of 3 have stopped working or changed jobs because they do not have someone to take care of their children.

These indicators express for companies great loss and inability to be productive; Hipocampus indirectly becomes a generator of well-being, job satisfaction, employee retention, decreased absenteeism and therefore productivity.

With a community score of 16.9, this organization focuses on supporting mothers and fathers who work outside the home. Also, one of its main purposes is to strengthen and empower women in the community. Its impact has also been reflected in 9 care and learning centers with approximately 900 children benefiting, i.e. more than 1,550 families and about 65 female educators.

In the field of environment, he scored 19.7 points and although he does not show exact figures or data related to this part within his social networks, it can be appreciated that one of the foundations and educational techniques he uses is Constructivism, which focuses on the interaction of the subject with the environment, with which it is intuited that children will be taught to interact with the environment in a respectful and responsible way.

The client area was evaluated with a score of 51.1. Hipocampus offers a full range of care and education options for children aged 1 to 8 that are developed under a high-quality, community-

centered, affordable, flexible, and extended-time model. The company also offers digital accompaniment and capacity building options for existing initiatives. Always prioritizing children, moms, and dads, as well as the communities themselves.

Someone somewhere

It is a digital native brand, which has been certified by Company B since 2017. It integrates the artisanal techniques of each community into high quality products adapted to the market needs of Mexico and the world (Sistema B Mexico, 2023).

Its mission is to contribute to the well-being of artisan communities by integrating their traditional work into innovative products and channels that generate fair and consistent work opportunities.

It collaborates with communities that share the philosophy of "good living", which involves living in harmony with the community, the family, nature, and the universe. Living well describes a way of acting that privileges community, ecological balance, and cultural sensitivity (Someone Somewhere, 2022).

With a 14.4 governance score, Someone Somewhere has a written and public corporate mission statement that sets out a commitment to contribute to the well-being of artisan communities by integrating their traditional work into innovative products and channels that generate fair and consistent work opportunities. It also includes social and environmental performance in decision-making through performance assessments that formally incorporate these issues.

On the other hand, scoring 19.3 points in the field of workers, according to the company's Impact Report (2021), they currently collaborate with 13 communities in Puebla, Hidalgo, Mexico State, Mexico City, Oaxaca, Michoacan, and Guerrero, which are five of the poorest states in the country. This generates jobs and economic growth, thus favoring the fluctuation of about \$7,746,092 MNX, about 294% growth of the money invested in crafts.

In terms of community, it has 27.1 points, and its projects employ 273 artisans from the Nahuatl, Otomi and Mazahua communities. Of these, 204

are women, representing 75% of the total workforce and more than 1,000 lives have been impacted.

Similarly, in the environmental field, with a score of 11.9, the organization does not share information about the practices or measures it uses to reduce the consumption of water, electricity, materials, etc. However, the artisanal techniques used per excellence are the weaving of pedal looms, waist looms, whip looms, hand embroidery and needlework, which do not require any type of electrical energy, except the synthetic energy generated by the movement of the craftsmen themselves, which greatly reduces the environmental impact generated.

Finally, in the client area, with a score of 14.2, the products offered integrate the handicraft techniques of each community into high quality products that are adapted to the needs of the Mexican market and global demand, thus creating an experience that is appreciated by consumers, achieving a high level of satisfaction.

Sistema.bio

It is a prefabricated and modular biodigester package, which includes connections and accessories. It transforms organic waste into biogas and a powerful organic fertilizer. It is easy to install, use and has a 10-year warranty (Sistema.bio, 2023).

Under system B, it is classified under environmental and energy services. In addition, it has been part of this system since 2015.

In governance, it has a score of 8.1, its mission is to transform organic waste into clean, renewable energy and organic fertilizer for small agricultural producers through biodigesters (Sistema B Mexico, 2023).

This biodigester produces biogas for thermal energy, which is used to meet the needs of the household. It also generates biogas for

mechanical energy, used for the production activities required on a farm. It can also produce biofertilizer to increase crop production.

14.9 is the number of points it has obtained in the area of workers, the company makes sure that both users and employees receive quality information, products, installation, training and services to be able to start activities.

With a community score of 15.4 it should be mentioned that this organization works with small producers to combat poverty, food security and climate change.

Currently, according to the official Sistema.bio website, there are more than 8,000 biodigesters installed around the world, that is, more than 48,800 people producing clean energy and organic fertilizer.

In the environmental field, it scored 26.3 points, being a project with primarily environmental impact, it works closely with the 2030 Sustainable Development Goals, and thus it has managed to mitigate more than 253,000 tons of carbon dioxide while treating more than 18.5 million cubic meters of organic waste produced on farms.

In the area of clients, it was evaluated with a score of 36.2. They provide financing options to producers in rural communities to make this system more affordable.

In addition, it promotes savings by reducing the purchase of fossil fuels and agrochemicals, thus generating new economic revenues. It also reduces health risks, respiratory diseases due to the movement of firewood.

As can be seen, the five cases analyzed are diverse, but they share similarities in terms of their practices around the five areas of the Business B model: clients, community, collaborators, environment and governance.

Table 1. Summary of the five areas of B impact

<i>Company/ areas</i>	<i>Governance</i>	<i>Workers</i>	<i>Community</i>	<i>Environment</i>	<i>Customers</i>	<i>Total</i>
<i>Pixza</i>	18.4	70.1	20.5	12.3	4.1	125.4
<i>Échale</i>	15.5	23.9	19.5	8.9	75.7	143.5
<i>Hipocampus</i>	18.7	43.7	16.9	19.7	51.1	150.1
<i>Someone somewhere</i>	14.4	19.3	27.1	11.9	14.2	86.9
<i>Sistema.bio</i>	8.1	14.9	15.4	26.3	36.2	100.9

Source: own elaboration based on Sistema B México, 2023.

According to Table 1, the score of the analyzed companies ranges between 100 and 150 points, with the lowest dimensions being governance and environment.

Conclusion

The analysis show that B-companies in Mexico are experiencing significant growth, as the number of B-companies has increased in recent years, indicating a growing interest in adopting business models that combine business success with positive social and environmental impact, generated through initiatives such as reducing carbon emissions, supporting local communities, promoting gender equality, and using sustainable materials.

B companies have advanced since their origin, they are a different way of contributing to the global economy, because they provide solutions to contemporary common phenomena, which have become important social demands. The base of these companies, arise from its origin through a transparent and ethical operation, always directed to reduce the negative impacts of its business operation (Groppa & Sluga, 2015; Correa et al., 2020).

Despite the foregoing, it was observed throughout this analysis that most companies do not report the global impacts they generate, that is, they only

focus on those that directly concern the product or service they offer, although many of them use impact measurement tools to evaluate their performance, they do not communicate their results in a clear and accessible way to their stakeholders, for example, it should be mentioned that only 2 of the 5 selected companies present an annual impact report publicly.

As we have mentioned, Companies B have a high potential to generate positive impacts, but they still face major challenges such as those listed below:

1. Legal and structural complexity: Establishing and maintaining a legal structure that allows for multi-stakeholder decision-making can be complicated and require specialized legal advice.
2. Potential conflict of interest: Balancing social and environmental objectives with profit generation can generate tensions and conflicts of interest between different interest groups.
3. Market perception: Some consumers may be skeptical or unaware of B companies, which may affect their ability to compete in the market and achieve significant growth.

In Mexico, B companies are gaining popularity and recognition, although their presence is not yet as widespread as in other countries. In recent years, however, there has been an increase in interest in such organizations.

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