The following material is summarized from the paper, *The Blended Value Map: Tracking the Intersects and Opportunities of Economic, Social and Environmental Value Creation*. The full paper is available at www.blendedvalue.org.

Executive Summary

I. Introduction

While all organizations attempt to create value of one kind or another, the central premise of the blended value proposition is that value is itself a combination, a "blend" of economic, environmental and social factors, and that maximizing value requires taking all three elements into account.

In the past, there has been a real separation in the notions of value. Corporations have sought to maximize economic value, while public interest groups have sought to maximize social or environmental value. However, a growing group of practitioners, investors and philanthropists are advancing strategies that intentionally blend social, environmental and economic value. These activities have resulted in an exciting wave of new practices across the for-profit and nonprofit sectors.

Corporations are realizing that increasing the positive social and environmental impacts of their work can increase (or at least not compromise) shareholder value while simultaneously addressing the concerns of wider stakeholder groups. Many nonprofits are seeing that by incorporating business practices that create economic value into their management strategies, as well as by creating new ventures and partnerships, they can better deliver on their social and environmental missions. Finally, the numbers of philanthropic and traditional investors backing such practices is growing.

Practitioners and investors involved in corporate social responsibility, social enterprise, social investing, strategic philanthropy and sustainable development all pursue strategies that strive to blend social, environmental and economic values. All share the challenges of creating more efficient capital markets and developing common metrics. All face leadership and organizational development concerns, as well as policy and regulatory issues. All these areas could learn from the others, but as it stands, the lessons learned tend to remain within the relative vacuum of each area—a "silo," so to speak. Yet only by leveraging knowledge and work *across* the various areas of activity can these challenges be most effectively met and the potential of blended value fully realized.

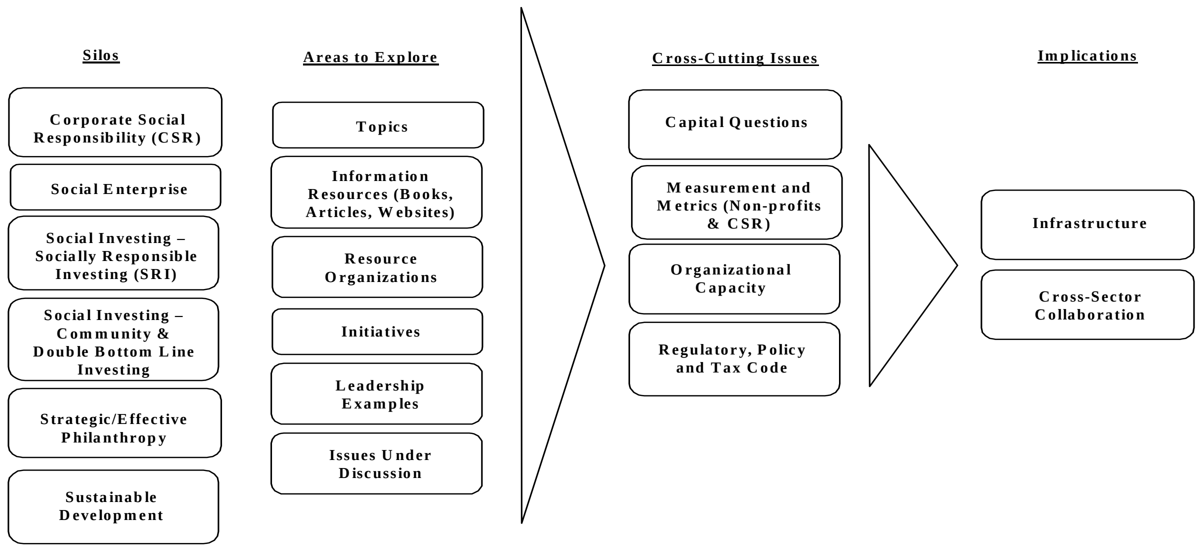
Of course, there are many questions that must be answered before this vision can begin to take shape: Which organizations are involved in each area? What kind of challenges do they face? Which of these challenges are common across the various areas of activity? Is anyone addressing these common challenges? Is anyone being effective?

These are not abstract questions, but keys to concrete solutions. To that end, this document is an attempt to identify, or "map" the emerging field of work – a first step toward building a body of information and the practical methodologies that will allow us to improve the effectiveness of these organizations and eventually create greater social, environmental and economic prosperity.

The goal of this project is to identify opportunities for coordinated action across this field of related work in order to increase the effectiveness of these organizations in pursuing both economic returns and social/environmental impacts. Therefore, the paper concludes with a presentation of seven general recommendations and seven specific tasks we must engage in if we are to create an international platform and process to better connect the great work taking place across the globe.

Finally, this is an actual map—the appendices list literally hundreds of resources, organizations, standards, codes of conduct, institutions, initiatives, companies, foundations, Web sites, indices, books, articles and metrics that encompass the body of knowledge upon which the blended value proposition will be formulated and refined.

Overview of the Blended Value Map



II. Overview of the Map

A. The Audience

This map is a resource for members of the business, nonprofit and academic communities who are interested in maximizing the impact of a blend of social, environmental and economic value in their work. The map is also offered as a thought piece for foundations and individual donors interested in exploring how best to support and advance these efforts.

B. Five "Silos" of Activity

While practitioners and investors pursuing blended value share much in common, they are largely aligned in silos along specific lines of activity, each being relatively isolated from the others.

In the course of our research we identified five silos. Practitioners tend to fall into the first two categories and investors in the next two. The fifth silo, sustainable development, includes both investors and practitioners.

1. Corporate Social Responsibility (CSR)

This category encompasses corporate citizenship, corporate accountability, business ethics and sustainability campaigns. CSR describes companies and business managers/leaders who consciously integrate strategies that seek to create environmental and social value within their core business models, operations and supply chains. CSR may also refer to the way a company manages its investments and philanthropy. In doing so, corporations use market rate capital and seek to deliver market-rate, risk adjusted returns.

One prominent example of CSR is DuPont, which has been proactive in making sustainable growth a core component of its business strategy. DuPont believes that taking into account social and environmental factors has created higher efficiencies, improved margins and reduced risks. The company estimates that better packaging design and increased factory productivity in Brazil saved it $340,000 per year and reduced annual waste by more than 100 tons. In Canada, it estimates an annual savings of $12 million from a conservation initiative that resulted in reduced energy per unit production.[1]

2. Social Enterprise (SE)

A useful definition provided by the British government defines "social enterprise" as "…businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners. Social enterprises tackle a wide range of social and environmental issues and operate in all parts of the economy. By using

[1] Holliday, Chad "*Sustainable Growth, the DuPont Way*," Harvard Business Review, September 2001.

business solutions to achieve public good, the government believes that social enterprises have a distinct and valuable role to play in helping create a strong, sustainable and socially inclusive economy."

For our purposes we have used the term "social enterprise" to refer to those entities that may accept greater risk or lower financial returns in pursuit of social and/or environmental value creation. These can be called "double bottom-line businesses," "social purpose enterprises," "nonprofit business ventures" or "mission-based for-profit businesses."

An example of a social enterprise is Rubicon Programs Inc. For 30 years, the Richmond, Calif.-based nonprofit has provided training services and jobs to disadvantaged people. Its three businesses, Landscape Services, HomeCare Consortium and Rubicon Bakery, generate revenues and provide training and employment for individuals who have not found work for years, if ever.[2]

3. Social Investing (SI)

Social investing seeks financial and social/environmental returns in varying proportions. It typically includes the following two categories:

- *Socially Responsible Investing (SRI)*: Through investment in mutual funds and active portfolio management, investors seek to achieve market-rate returns while promoting environmental and/or social values. Fund managers and investment advisors can screen portfolio investments as well as engage in shareholder activism.
- *Community and Double Bottom Line Investing:* In this case, investors seek economic, social and environmental value by providing money to community-development institutions or private equity funds. Community investing is accomplished through geographically focused strategies.

Social investing can be traced back to the early 20th century, when some religious institutions divested their portfolios of alcohol, gambling and tobacco stocks. Since then, this category has grown significantly. According to the Social Investment Forum, total assets in professionally managed portfolios utilizing screening and shareholder advocacy came to $2.2 trillion in 2003, 11 percent of all assets under management in this country. The Social Investment Forum estimates community investing at $14 billion that year, up 84 percent from $7.6 billion in 2001. In a separate study by Columbia University's Research Initiative on Social Entrepreneurship (RISE), double bottom-line private equity investment was estimated at more than $2.6 billion in 2002-2003.

Funders and other large investors can pursue blended value for their traditional market rate investments by directing investment screening and shareholder activism. The Jessie Smith Noyes Foundation in New York considers social investing of its endowment to be part of its fiduciary responsibility. Its investment policy screens out companies that

[2] Rubicon Programs, Inc. "*About Us,*" http://www.rubiconpgms.org/pages/mission.html, (October, 2003).

produce or use nuclear power; produce synthetic pesticides, herbicides, or other agricultural chemicals; or derive more than five percent of revenue from tobacco products. The foundation seeks to invest in companies that are committed in the environment, sustainable natural resources and a safe and healthy workplace.[3]

Also in New York, the F. B. Heron Foundation has been a leader in community and double-bottom line investing. Heron Foundation believes that using their corpus to fund social or mission-driven investing is an essential component to their overall strategy. In 2002, it had program-related investments in community and double bottom line ventures that represented approximately six percent of its total endowment and is on track to achieve a goal of 25 percent by the end of 2004.[4]

4. Strategic Philanthropy (SP)

Strategic philanthropy (also referred to as "effective philanthropy") is marked by its commitment to viewing philanthropy as not simply an approach to charitable giving, but rather to investing in the creation of measurable social impact. While strategic philanthropy represents a small portion of overall charitable giving, its focus on outcomes and on capacity-building provides promise for the field as a whole.

Acumen Fund, an international development fund, provides organizations with financial and technical assistance. Like a venture capital firm, Acumen Fund selects groups through a rigorous due diligence process and uses clear performance metrics and milestones to evaluate investments and overall organizational performance.

5. Sustainable Development (SD)

This term is used interchangeably with sustainable consumption and production. The generally accepted definition was proposed by the United Nations:

> "To meet the needs of the present without compromising the ability of future generations to meet their own needs."

The World Business Council on Sustainable Development (WBCSD) defines SD in terms of the Council's commitment to "sustainable development via the three pillars of economic growth, ecological balance and social progress." We use the term here to refer to initiatives and practices that seek to protect the environment, bolster economic prosperity and improve quality of life.

One example is the field of clean technology, which focuses on the need to reduce our dependence on fossil fuels and limit waste. This field includes companies such as Vestas Wind Systems, a leader in the development of wind power technology; and FuelCell Energy, a developer of clean and efficient electric power generators. Other explorations in sustainability include increasing consumer awareness and building demand for green

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[3] Emerson, Jed "*Where Money Meets Mission*," Stanford Social Innovation Review, Summer 2003.
[4] Ibid.

products, and developing and documenting sustainable business practices. They also include expanding initiatives to make corporations accountable on sustainability and the related advocacy and policy development in this area.

C. Cross-Cutting Issues

In the Blended Value Map, each of the above silos contains a section on “issues under discussion” by those within the silo. These issues, while specific to the silo in question, are strikingly similar across silos and form the basis of the “cross-cut” discussion in **Section Three** that concludes the Blended Value Map.

Based on our research and interviews, we identified the following challenges that cut across all silos:

1. The capital challenge
2. Measurement and performance metrics
3. Leadership and organizational development
4. Government policy/regulation/tax codes

For each of these common areas, we provide an overview, a detail of the key issues and a listing of various resources, organizations and initiatives. The following summarizes each of these sections.

1. The Capital Challenge

Capital is the fuel that allows for the creation of organizations capable of creating value within a given market. It is the resource that enables entrepreneurs to build organizations, both nonprofit and for-profit, that can bring services to clients and customers, and it is the necessary element that permits businesses to grow and prosper.

Like any other market, the social capital market requires efficiency, transparency and measurable outcomes for sustained growth. The inefficiencies of this market have been addressed by various authors, but the key concerns focus on the following set of considerations: high transaction costs, lack of adequate information flow, lack of market responsiveness, lack of connection between organizational performance and capital allocation, lack of common standards and definitions, lack of intermediation, lack of common understanding of relation between risk and various returns.

Another key component of capital market inefficiency is the lack of appropriate financial instruments. This lack of instruments inhibits the efforts of managers pursuing blended value, whether in mainstream corporations, emerging for-profit social ventures or social purpose enterprises attempting to scale their ventures.

Ideas to Move the Market

The document lists a number of initiatives under way that have promise in building a more robust capital market for blended value practitioners and investors. From our interviews and research, we identified steps that can build upon the present body of work:

- Map the total social capital market in terms of types of returns, terms of investment and risks associated with them.

- Define the market for a new asset class focused on blended returns. This research should explore investor motivation and risk profiles.

- Explore the policy environment that shapes both domestic and international capital markets to better advance policy frameworks supportive of practitioner needs and investor interests.

- Encourage viable strategies for capital diversification (e.g. investors may not know that they can receive a full market return on securities offered by nonprofit organizations such as Habitat for Humanity).

- Expand the role of funding intermediaries. By taking greater part in funding, capacity building and field development roles, such entities can help connect work at the local, regional and international levels.

- In working with grantees, foundations can take the lead to create and introduce investment instruments structured to generate multiple returns for both the investor and practitioner.

Create new forms of collaboration capable of creating greater efficiencies, balancing risk profiles, mobilizing significant amounts of new investment capital and sharing emerging practices.

- To diversify corporate capital, increase the financial sophistication of managers and finance officers.

- Create an international fund to provide secondary financing to funds that provide micro financing, community loans and other such services. Foundations could take the lead in working with the World Bank, the Inter-American Development Bank and other providers of capital to create such a "fund of funds."

- Expand the definition of "fiduciary responsibility" to encompass not only financial stewardship, but also economic, social and environmental performance.

2. **Measurement and Performance Metrics**

There is little consensus on how best to approach the creation of a single, commonly endorsed set of metrics by which to assess the performance of non-financial aspects of both organizations and funds.

Key issues that arise as we explore the world of measuring and performance metrics include the lack of consistently effective approaches and tools for measuring and reporting social value, and the lack of confidence in what is measured.

Ideas for Improving Metrics

While this is not a definitive list, our interviews indicate a number of areas to explore to advance the creation and application of sound metrics. Among our examples:

- Several organizations such as the Roberts Enterprise Development Fund (REDF), the Urban Institute, SustainAbility and others have advanced and documented their various social outcome measurement processes. Working together with these parties to determine a common understanding with regard to language, terms and standards of practice could be a first step in developing a commonly endorsed set of metrics.

- The CDFI Data Project, a data collection and management system for community development financial institutions launched in 2000, and the Annie E. Casey Foundation's work to evaluate its community initiatives over long periods of time could both be teaching examples in exploring how best to create a practical data-gathering methodology that does not place undue burden upon those attempting to gather and track that data.

- REDF and others have emphasized the importance of understanding the costs involved in measuring social outcomes. Involving funders in discussions about the costs of data-tracking systems could itself be a way to get funders to recognize these costs, and ultimately to be willing to help pay for these systems.

- Experiences such as those of the Greater Kansas City Community Foundation suggest that any process by which standards are set and reporting goals established should be one in which practitioners are intimately involved. Understanding and disseminating the lessons learned could help reinforce that metrics exist not only to assure investors, but also to provide practitioners with information they need to be most effective and efficient.

3. **Leadership and Organizational Development**

While the term "organizational capacity" has recently come into vogue in the nonprofit sector, it is a critical issue for for-profit organizations as well. Questions of developing core leadership, management and achieving financial sustainability are not limited to any particular silo, but are common to the whole. In general terms, achieving organizational capacity involves a number of related areas, including leadership and management, financial sustainability, governance, strategic planning, scale and funding capacity building.

From our research, it appeared that many of the necessary elements for the silos to achieve greater organizational capacity are already in place. The steps that follow seem straightforward, but progress will require meaningful investment and effort:

- Develop strategies and policies to attract and retain senior management of the highest caliber in social ventures, social enterprise and corporations working to build and capture full value. While important for all levels of management--from CEOs to finance and marketing positions—research indicates that it is especially crucial at the highest levels.

- Encourage management-training programs to integrate social and environmental issues directly into curriculum content. According to a 2001 survey of MBA programs by Beyond Grey Pinstripes, "there remains a lack of integration of social and environmental issues into the core MBA curriculum." We believe these issues should be viewed as integral to the core practices of effective management.

- Provide more money to build internal operating capacity of both nonprofit and for-profit organizations. At this point, both sets of investors working with both types of organizations commonly believe capacity is equivalent to overhead and that it is an excess element that should not be supported.

- Support the infrastructure of these efforts. This, too, will take money. It is not enough to build capacity at the organizational level if we are not also making investments in the field as a whole. Funding must be made available to create and implement improved reporting and accountability systems capable of documenting the full value being created by an organization.

4. Government Policy/Regulatory/Tax Codes

While there is significant debate regarding the appropriate role of government in creating a "level playing field," the fact remains that governmental regulations, policies and tax code have a significant (perhaps primary) effect upon the degree to which market forces are allowed to work to create blended value. However well the case is made to companies and their investors, many among the mainstream corporate community might well predict that it will be the stick and not the carrot that will get them to act on these issues.

Challenges in this area include developing a common advocacy agenda, then lobbying for that agenda and against initiatives that oppose it. If we are to be successful in moving an effective policy agenda to support healthy corporations, communities and ecosystems, we first need to bring the larger set of players together from across their silos. In these discussions, areas of common interest and policy development could be explored, and specific policy initiatives could be developed.

A discussion of policy initiatives would help better define those areas in which actors from various silos can support a common policy agenda. Among the questions that could be asked:

- Should policy development address issues related to private capital investment? Public funding initiatives? Tax frameworks to support emerging areas of work?

- Should the policy agenda be broadened to include such areas as community and economic development (including public investment practices, land-use and economic development policies?

- What mechanisms are needed to ensure participation in the development of policy agendas by those within these various silos?

- Who are the key actors and where are the most effective leverage points in advancing core parts of this policy agenda?

At present, there are only a modest number of "silo-wide" opportunities to come together—and virtually none that are focused on convening the commons as a whole. Initiating this dialogue and enabling its participants to advance a shared policy agenda will take a significant investment of both time and money—but as we have witnessed in other sectors of interest, the payoffs may be quite significant.

It is critical that regulatory and policy development efforts be firmly connected to actual experience and interests. In the same way that research is irrelevant if not embedded in practical application, the interests and priorities of practitioners should set the agenda for policy development and advocacy. Organizations such as PolicyLink and others are key in advancing this strategy of building policy from practice. Consideration should be given to supporting such efforts.

D. Implications

In this section, we share some initial recommendations for breaking down the walls of the silos to create a larger, more effective international community of practice and learning. We explore how to most effectively position each of the silos to pursue their own interests as well as work together more effectively.

These suggested areas of cross-silo collaboration are offered based upon our interviews and research, and are a starting place from which to begin discussions. We believe that these initial ideas will require broader, open dialogue with the widest set of domestic and international stakeholders. We hope to conduct conversations during the next year with this aim. Our hope is to achieve what philosopher John Rawls described as an "overlapping consensus" upon which we might collectively build a wide variety of related activities.

In **Section Four** we discuss:

1. Cross-sector collaboration
2. Value networking
3. Building an international infrastructure

For each of these topics we provide preliminary thoughts based on our research and interviews. The following summarizes each of these sections.

1. Building Beyond Cross Sector Collaboration

Collaboration is difficult to engage in for a number of reasons. First, conflicting incentives and motivations can inhibit collaboration. Second, while foundation resources will be critical to achieving cooperation, a preference toward funding "unique" programs may unintentionally encourage grantees to focus on individual priorities versus common challenges. Third, the silos are fragmented to a point that consolidation and collaboration may be very difficult to achieve even *within* an area of work. Fourth, cross-silo engagement requires different skills, orientations and leadership styles than may suffice within a single silo of activity.

The challenges of effective collaboration are great. Yet the successes of initiatives at the corporate, non-profit and foundation levels show that the benefits are even greater. A new funders' collaborative could unite and coordinate efforts across silos to address commonly defined challenges. Take capital markets: Funders interested in increasing market efficiency could together support projects that tailor mainstream financing instruments to investors seeking a blend of social, environmental and economic returns. Or consider performance metrics. Already, many foundations are working with grantees to advance more useful ways to assess projects. Many for-profit corporations are exploring how to track their own and others' social performance. Funding those working together to address this common challenge could well benefit both managers and investors.

Such collaborations could bring together key public and private investors in a better understanding about the specific funding areas that others are supporting. This would also help funders to establish a unified strategy to create the international infrastructure needed for these investments to be brought together into a more effective whole.

2. Value Networking

Success in this new phase of collaboration across silos will require the development of new skills. It will require more than simply cultivating a desire to work together—it will require a fundamental change in the understanding of how organizations link to each other and to investors in the field as a whole.

Nonprofits tend to approach collaboration as a *tactic* to achieve a given project goal, not as part of an overall *strategy* to attain their broader goals. While of obvious limited benefit, this approach is stunted in its potential to create long-term value on the terms sought by actors across silos.

Treating collaboration as a process of value creation requires looking forward and out instead of looking inward and back. Unfortunately, much collaboration in the nonprofit sector takes the latter approach. By contrast, consider the most successful for-profit firms of the current age. Among others, Cisco Systems and eBay recognize opportunity, organize resources to respond to that opportunity, and then reconfigure relationships to capitalize upon the next wave of opportunity.

Understanding the need to build value networks also has implications for how we build capacity. Enhancing the capacity of individual organizations must be a key part of any effort to build common activity, but it is not the only way to create meaningful change across silos. We certainly need to build strong, well-functioning firms and institutions capable of acting upon their value propositions. For collaboration and networking to be successful, an infrastructure must exist for individual groups to network and convene. Adequate resources for practitioners to participate in these supported dialogues and shared work projects will be required.

3. Building an International Infrastructure to Support Blended Value

How do we more effectively leverage these separate parts in support of pursuing our common whole? We must recognize that our goal is not to build any individual silo or organization, but rather to create a world in which *all* organizations are best positioned to maximize the <u>total</u> value possible—value that is the outcome of a blend of economic, social and environmental performance.

This will be achieved by making use of our best skills and tools—taking what business has to offer and combining it with the best public policy and community/social enterprise practice. We should combine the financing tools of the marketplace, the investing potential of the foundation community, and the human assets of social entrepreneurship to provide a new generation of leaders.

This will not happen of its own accord. While actors have potential to self-organize to advance shared aspects of this agenda, a “network orchestrator” might well be a necessary catalyst, providing support for what could easily be a complex global dialogue.

While the link among these various actors may primarily be their interest in pursuing multiple returns and blended value, those invited to participate in this process should not be exclusively limited to “the converted.” Indeed, corporate social responsibility practitioners could learn a great deal from mainstream nonprofit managers who have labored to build information systems to track social performance (regardless of economic value); while tools developed in mainstream accounting (such as the Balanced Scorecard) could directly inform those whose work attempts to go beyond traditional applications of such tools.

Let us simply conclude by stating:

What is needed is the creation of a vehicle for this new collaboration.

What is needed is an international infrastructure capable of orchestrating networks of blended value investing, enterprise creation and true sustainability at all levels of capital and organization.

III. Recommendations for Advancing the Field

It would be overreaching in this initial paper to propose a unified vision and strategy for the various communities pursuing a blend of social, environmental and economic value. But based on the conversations and readings of these past months, we do think it is worthwhile to present what we *could* propose as general parts of a larger strategy to create a common field of practice that builds upon the many individual efforts already underway.

In **Section Five** we discuss:

1. General recommendations for advancing the field
2. A process of international dialogue
3. Specific next steps

The following summarizes each of these sections.

1. General Recommendations for Advancing the Field

- First, build coordinated, long-term support for existing groups to work together. The component parts of a strategy are already in place; what is missing is cohesion.

- Second, create a new, international knowledge development and management strategy**.** Analyze the best ways to foster knowledge development and to improve tools such as performance metrics and investment instruments. Build a global network of resource persons capable of filling the gaps between strategy, tools and practice. The wisdom of the field does not rest solely in papers and emerging research, but rather in the experience of those who have in many ways gone ahead. We need to support and make available the knowledge of those leaders of the field who have already had success.

  We hesitate to suggest examples of the type of collaborative network we might collectively create. However, existing examples that may be instructive include the Society for the Advancement of Socio-Economics, the Society for Organizational Learning and the Mayo Clinic. The latter functions in large part as a massive information clearinghouse that tracks work taking place in a wide range of related areas, while assisting those actors working in a specific arena to know both what is taking place in other areas of work and how those advances might inform their own efforts.

- Third, discuss how to help individual groups connect with one another. By organizing around common issues of shared concern, those already doing the work can create new partnerships to connect and jointly solve commonly defined challenges. The Internet and other networking technologies can facilitate contact, but they cannot substitute for face-to-face meetings and other personal opportunities for relationship building.

- Fourth, find ways to move beyond the current capital chasm that prevents blended value ventures from achieving scale and blocks potential investors from moving new forms of capital into the market. This capital question will best be addressed through its own focused strategy. However, it is obvious that new investment instruments are required, new syndication opportunities are needed, and an evolved, integrated capital market must be brought into reality—a market that pursues economic performance with social and environmental benefits.

- Fifth, create new market intermediaries capable of providing both capital and capacity building support to blended value ventures around the world.

- Sixth, put forth a new, dynamic strategy for leadership development at *all* levels. This will need to build upon existing business and nonprofit management programs already active in this linked field of connected activity. However, we also need to create fellowship and learning programs to support existing leaders in expanding their worldviews and learning new skills of leadership and management. And we need to support deeper opportunities for cross-sector and interdisciplinary inquiry and learning.

- Seventh, proactively address public policy implications of our work. Governmental tax, regulatory and framing policies set the context within which our work takes place. The creation of policies that allow our work to succeed is central to the ability of any individual, organization or association to successfully advance its goals. Today's corporations have lobbying bodies to vigorously protect their policy interests. Our field *must* be active at regional, national and international levels in promoting the policies that set the context of our work. We must work together to define an appropriate policy agenda and then we must work to advance that agenda around the world.

2. A Process of International Dialogue

The current Blended Value Map is presented mainly from the perspective of the United States. While we have solicited input from a variety of people worldwide, the next step is to engage in a global dialogue. We will attempt to do this through a number of tactics.

First, over the course of coming months, the project team will take this document and supporting materials on the road to engage in a dialogue with stakeholders in the U.S. and overseas. The goal of these meetings will be to explore the creation of an international initiative that builds on the work presented in this mapping effort. This initial round of discussions will take place in the United States, Canada, Europe, India and Australia, but these discussions will simply be a first step in what may easily be envisioned as an ongoing exploration.

In this initial paper we will not propose a specific course of action to initiate a broader, international discussion other than to simply say that significant thought must be given to identifying those forums where future parts of this discussion may best take place. Participants outside the US/European conversation should not be presented with a "proposal" for consideration, but rather directly engaged in the earliest conversations regarding where we all could go and how we all might best get there. We would welcome suggestions from readers with regard to how to best approach this process of direct global dialogue.

3. Specific Next Steps

- Refinement and maintenance of the Blended Value Map: Throughout this process, participants voiced a strong interest in seeing this initial mapping effort coordinated with other such projects and maintained in the future. There are many ways the present documents could be improved. For example, this initial map did not attempt an assessment of "pure" civic social enterprise ventures, focusing instead upon those engaged in earned income of various types. An immediate next step would be to incorporate these and other parts of our larger community. One option would be to organize a small working group of firms to revise the map and convert it to a dynamic website. "Open Source" protocol, in which improvements can be made by anyone, could allow new organizations, initiatives and resources to be vetted and placed on the map.

- Regional Mapping: This map is presented as a "U.S.-based perspective, informed by international practice." While active mapping of all the regions of the world may not be viable, many participants felt that an additional effort to use such a mapping process to engage a broader set of actors in regions around the world would be beneficial to both informing people as to the fuller scope of work taking place and as a basic organizing tool for connecting these emerging efforts.

- Research into Investor/Practitioner Motivation: While a host of connecting issues links this work, investors and practitioners come to the table in pursuit of various "returns." Key questions have to do with how different types of investors/donors define what types and forms of returns they seek. This, too, applies to practitioners. Moreover, exploring practitioner motivation would also be helpful in developing long-term strategies for collaboration across silos. Focused research into this "spectrum of motivations" will be critical to defining what drivers could best support collaboration and what motivators bring these various actors to the larger arena. The Integrated Capital Tool is one such research proposal that could in part address this issue. Other proposals could be solicited to build better understanding of investor/practitioner motivation as they come together at this emerging table.

- A capital collaborative: There will be many opportunities for capital investors to collaborate on a variety of investment strategies that generate financial returns and create social and/or environmental value. As one very modest starting point, thirty leading foundations in the United States could come together and by the close of 2004 commit to transfer 10 percent of their total assets under management to Sustainable Asset Management, Trillium Asset Management or other such institutional fund managers seeking competitive returns through blended investment strategies for an initial three year period. At the end of this period, if those investments have performed at or above returns generated by the foundations' mainstream investments or an independent index, each foundation could add an additional 10 percent of its portfolio to such blended investment funds. This would be repeated annually until a more balance asset allocation is achieved.

- Development of international reporting and performance standards: The past decade has seen growing interest in creating internationally relevant reporting metrics to allow firms to document the impact of their work and leverage of received funding. The Global Reporting Initiative has made real inroads in this area with multinational corporations, but additional work remains to be done with nonprofit entities. One very promising, jointly conceived international initiative is the ACCESS Project. Similar international efforts should be supported and leveraged against other national/regional efforts.

- Social return on investments/return on assets (SROI/SIA): Individual efforts to apply an SROI/SIA methodology have succeeded in a number of contexts. While debate remains concerning the best approach to assessing the social returns generated by a given organization or portfolio, the next step clearly should be to create "like kind" industry-based portfolios to which an SROI/SIA analysis might be applied. This next phase of work should be funded at the individual venture fund and new market intermediary level.

- Connector conversations: There are already a number of actors within each silo whose work and networks span multiple silos and areas of interest. Although challenging to identify, thought should be given to arranging meetings between these connectors. Such connectors may easily share the larger, field-building vision presented in this document. It is more than likely they will have specific ideas for how best to implement the variety of activities required for us to move toward achieving that vision. Furthermore, these connectors and other actors in this work should be supported in conceiving and acting upon cross-silo projects that could advance the interests of the parts at the same time they fulfill the promise of the whole.

IV. Conclusion

The organizations presented on these pages are advancing the practice faster than the eye can see or the mind absorb. We have before us—at this very moment—a historically unique opportunity. But this is a window that is shutting as we speak. We have, at best, five years to lay the foundations of change that will set the course for coming decades.

We can only hope we can find the will and the vision to become fully engaged on both a personal and institutional level in this process of global development. If we can find the commitment to create real, sustained change and the collaborative action required to achieve it, we can do no less than act upon the potential within our organizations and ourselves to fulfill the possibilities of a New World that treasures blended value.