



# Doing well AND doing good as a privately-owned organization

The journey of AvS Advisors becoming a certified B Corp

von Andreas v. Specht

## LEADING THE WAY IN B CORP CERTIFICATION FOR OWNER-LED BUSINESSES

In today's rapidly evolving business landscape, companies are increasingly called upon to not only deliver profits but also to demonstrate their commitment to social and environmental responsibility. Our firm, AvS Advisors, took a significant step a few months ago by confirming our status as a Certified B Corporation. This milestone represents a shared commitment to a vision of how (even smaller) businesses can positively impact society and the planet.

We would like to share the narrative of our journey as a global boutique firm specializing in advising Family Businesses and Family Offices, as we navigate the road to the B Corp certification and beyond. From our initial decision to pursue certification to the challenges and little triumphs encountered along the way, we delve into our process, our aspirations, and the positive impact of this learning. We would like to share our perspective and experience along the way, as well as what this means for our clients and our firm as a whole.

## THE START OF THE B CORP MOVEMENT

The end of the 20th century was marked by numerous events and scandals that heightened awareness of the profound environmental and social damages caused by controversial business practices worldwide. For example, devastating environmental pollution and untenable working conditions were exposed, leading to a noticeable loss of biodiversity and growing concerns about the well-being of workers and entire communities affected by many companies' supply chains. Initiatives like the Brundtland Report of 1987 and international agreements like the Kyoto Protocol of 1997 emphasized the increasingly urgent need for collective commitment to creating a sustainable "common future" and reducing global emissions.

In response to societal and environmental challenges, a group of former Stanford University classmates resolved to establish B Lab in the year 2006. These individuals, bonded by both friendship and a commitment to social entrepreneurship, shared a unified vision: to spearhead a movement where businesses serve as a force for good.

Starting this venture in Berwyn, Pennsylvania, they laid the foundation for a global initiative aimed at promoting benefit corporations grounded in sustainable business principles. Founded in the name of B Lab and governed as a not-for-profit organization, they introduced an ambitious framework known as the Business Impact Analysis (BIA assessment), designed to assess companies across five impact areas: workers, customers, community, governance, and the environment.

Regularly reviewed and updated under the auspices of the B Lab Standards Advisory Council, this tool has remained integral to B Lab's mission, serving as the cornerstone of its methodology to date. The BIA forms the basis for the B Corp certification, providing a means to evaluate sustainable business practices of established firms across the five pillars.

Since then, B Lab built a global movement to redefine success in business, so that all companies compete not just to be best in the world, but best for the world, creating a shared and durable prosperity for all.

## ACHIEVING B CORP STATUS

Personally, I first heard about the B Corp movement in 2015, when I had a short breakfast in New York with then CEO North America for Danone, Lorna Davis. She would later become 'global ambassador B Corp and senior advisor to the Danone Group CEO'. Today, Lorna is one of AvS Advisors' own supervisory board members. Already back in 2015, Lorna was on a mission to inspire, coach, and provoke other leaders to use business as a force for good. An important part of her mission was around Danone's purpose journey. I still remember how fascinated I was by the idea, that business – and even a small advisory firm – can do well, be successful, profitable AND become a force for good.

It took a few more years, but in 2023 we finally decided to seriously pursue this goal. It was not an easy decision – quite the opposite. My partners and I were initially quite unsure: Were we risking losing our focus? Did we even have the personnel resources to handle the demanding process and answer a multitude of seemingly very detailed questions? Were some of the requirements, regulations, and guidelines not quite over-engineered for a small international firm like AvS Advisors? Would we need to compromise on important professional beliefs and practices? We did all agree in the firm, that we wanted to give it a try – but we also promised ourselves to stay true to our core beliefs and 'modus operandi'.

We managed to complete the process in less than a year. Regarding who we are and what our mission is, the B Corp certification has taken on a deeper meaning for us for several reasons.

Today, the movement includes more than 8,000 certified companies across 162 industries in 96 countries.

The B Corp thinking is rooted in stakeholder capitalism. It is a holistic approach, integrating social and environmental values into a company's culture, attitude, and behavior. Being a B Corp implies that the firm incorporated a purpose, a legal governance structure embracing social and environmental ethics in the company's culture, beliefs, and attitude balancing profit and purpose.

Firstly, it provides a concrete framework through which companies can take action and demonstrate their commitment to social and environmental responsibility – a commitment that, as is well known, is increasingly expected by consumers, investors, and stakeholders. The B Corp certification serves as confirmation of our commitment to responsible ownership, leadership, equal opportunity, and diversity. We are quite proud to be leaders in governance and leadership, making decisions responsibly, being inclusive, and caring for the environment within our means.

In the end, the relief was immense: The B Corp certification is not just an endorsement, but almost a reflection of our core beliefs. It also sends a clear signal to our stakeholders about our commitment and ambition to making a positive impact.

Secondly, the B Corp certification now serves as a 'guiding principle' for us to continuously align our operations with evolving expectations and to strengthen our positioning as 'Trusted Advisors' for owner-managed and family-owned businesses.

Of course, internal motivational considerations also played an important role. The entire team of consultants, researchers, project managers, and assistants is proud to have achieved the B Corp certification. It reflects our pursuit of excellence, underscored by our deliberate decision to prioritize quality over quantity. Naturally, we want to be profitable as a firm and be able to pay our consultants and other team members market-appropriate salaries.

But the old-fashioned saying ‘service before profit’ also applies. For example, we have tightly limited the number of projects a consultant can handle simultaneously. This allows the consultants to fully focus on building intensive, trusting relationships and developing relevant and timely solutions for our clients.

Since its founding, sustainability has been integrated into the DNA of our company. It is not the superficial and seemingly easy solution, not the ‘quick buck’ that drives us, but the achievement of outstanding quality standards.

This requires, among other things, the inner and outer independence of our consultants – because the strict ‘client first’ principle can also mean contradicting clients’ preconceived notions or continuing to work on an even better solution against their will. Internally, robust social benefits, flexible working hours, and attendance policies up to inclusive work practices help with this.

## FROM A COMMON REFLECTION TO COMMITMENT AND A BETTER PERFORMANCE

We began our B Corp journey with a careful consideration phase, culminating in a self-commitment. While identifying potential advantages and disadvantages with our advisory board, partners, and internal teams, we quickly realized how resource-intensive this endeavor would be. Particularly due to the demanding BIA assessment process, the preparation of missing documents and policies, the gathering of information, and the required changes in our governance structure. Over a period of five months, our leadership team met several times with B Lab to discuss the potential resource implications and core dimensions we should identify.

- **Resource intensity:** The BIA assessment provides compelling guidance on how purpose-driven companies should be structured. However, we immediately realized that we would also need to free up time for our internal teams to handle this additional responsibility.
- **Operational changes:** We agreed that processes needed to be understood before investing time in redesigning and documenting them.

- **Official documentation:** Nothing is official until it is documented and internally approved. A somewhat ‘painful’ realization! All documents for the B Corp assessment had to be newly drafted, approved, and communicated internally.
- **Employee engagement and talent retention:** We agreed that small teams across hierarchy levels should take responsibility and ownership for producing the required documents. The general sentiment was very positive, characterized by pride in being part of the process.
- **Enhanced brand values and image:** From the beginning, we received overwhelmingly positive feedback from our clients, and especially from representatives of the so-called ‘NextGen’.
- **Balancing interests:** During the disclosure process in the BIA assessment, we experienced the balancing act of aligning clear profit orientation with what is good for our planet and society.

## OUR ASSESSMENT PROCESS: A PATH OF OPPORTUNITIES AND CHALLENGES

The journey to B Corp certification was marked by a blend of learning, transparency, and intense collaboration. We started the process with the entire team and an experienced “B Leader” who helped coordinate the overall project, optimize communication with B Lab, and support us in achieving ambitious goals.

Across the five BIA impact areas – workers, customers, community, governance and environment – five teams were formed, and assessments for all five impact areas were conducted with the B Leader. The teams then worked on documentation through weekly coordination meetings. After two and again three months, we reviewed each impact area again to be even more ambitious, find improvement opportunities, and ultimately close all gaps.

Changes to the legal governance structure, according to B Corp recommendations, were implemented about ten days before the final deadline. Two weeks before the submission deadline, all missing documents were submitted in the shared folder with a total of 93 points, providing an additional buffer of 13 points in case the assessment board identified inconsistencies in our evidence. At least 80 points are required for certification.

Submitting the assessment marked the beginning of a seven-month evaluation phase by B Lab, during which questions were answered, and evidence was provided. In January 2024, we received confirmation of our B Corp certification with 82.5 points and celebrated this success throughout the firm!

## CONCLUSION: OUR ENGAGEMENT FOR FUTURE PROGRESS

The B Corp certification is an accolade that signifies a company meets high standards of verified performance, accountability, and transparency. For us, this marks the beginning of ongoing efforts to further reduce our environmental footprint and promote social inclusion and diversity.

Looking ahead, our commitment to sustainability, transparency, and ethical leadership remains steadfast.

We see the B Corp certification not just as an achieved milestone, but as a future promise of continuous improvement and accountability. By aligning our work and values with the highest standards of social and environmental performance, we are not only enhancing our own reputation. We also feel a profound obligation to contribute to the well-being and long-term progress of our clients and their employees – thereby equally advancing a sustainable and fairer world for all involved.

**THE TRUSTED ADVISOR** are our firm's regularly published articles, featuring not only insights derived from our project work but also guest posts and interviews with leading business figures. They offer food-for-thought and practical advice on a variety of key topics in the leadership, ownership advisory, governance and strategy domains.

Should you wish to receive **THE TRUSTED ADVISOR** automatically and on a regular basis, please send an e-mail to: [tta@avs-advisors.com](mailto:tta@avs-advisors.com)

You are welcome to recommend and share our articles. All previously published articles can also be found on our website: [www.avs-advisors.com/trustedadvisor](http://www.avs-advisors.com/trustedadvisor)

#### Office Frankfurt

Untermainkai 31  
60329 Frankfurt  
Germany

[frankfurt@avs-advisors.com](mailto:frankfurt@avs-advisors.com)

#### Office Munich

Leopoldstraße 18  
80802 Munich  
Germany

[munich@avs-advisors.com](mailto:munich@avs-advisors.com)

#### Office Berlin

Knesebeckstraße 91  
10623 Berlin  
Germany

[berlin@avs-advisors.com](mailto:berlin@avs-advisors.com)

#### Office Hamburg

Neuer Wall 80  
20354 Hamburg  
Germany

[hamburg@avs-advisors.com](mailto:hamburg@avs-advisors.com)

#### Office Geneva

Quai du Mont-Blanc 29  
1201 Geneva  
Switzerland

[geneva@avs-advisors.com](mailto:geneva@avs-advisors.com)

#### Office Zurich

Tödistrasse 36  
8002 Zurich  
Switzerland

[zurich@avs-advisors.com](mailto:zurich@avs-advisors.com)

#### Office Paris

7, rue Georges Ville  
75116 Paris  
France

[paris@avs-advisors.com](mailto:paris@avs-advisors.com)

#### Office London

9 New Square  
Lincoln's Inn  
London WC2A 3QN  
United Kingdom

[london@avs-advisors.com](mailto:london@avs-advisors.com)

#### Office Bogotá

Edificio Bogotá Trade Center  
Cra. 10 No. 97A-13, Torre A,  
Oficina 701  
Bogotá, Colombia

[bogota@avs-advisors.com](mailto:bogota@avs-advisors.com)

#### Office Hong Kong

EA 14223  
Office 4, 10/F, Kwan Chart Tower  
6 Tonnochy Road  
Wan Chai, Hongkong

[hongkong@avs-advisors.com](mailto:hongkong@avs-advisors.com)

#### Office Singapore

4 Battery Road  
Bank of China Building #25-01  
Singapore 049908  
Singapore

[singapore@avs-advisors.com](mailto:singapore@avs-advisors.com)