

# Corporate Sustainability and Social Entrepreneurship:

## Part Five

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*Fifth in a Series of Articles*

Last week's article in this series noted that there is significant support in the law of corporate governance for companies pursuing a double bottom line, i.e. pursuing profit while doing social good. Further, that exculpatory language in state statutes often protect directors in connection with such actions.

As such, many companies pursue what they perceive to be social good as part of their agenda. But even these companies are interested in understanding and demonstrating how social good positively impacts the bottom line.

In this regard, one author notes that “[i]nvestments in social entrepreneurship have potential to maximize shareholder profits by both quantitative and qualitative measures, and profits generated by social entrepreneurship are three-fold: 1) monetary revenue generated from the project; 2) additional positive externalities; and 3) the reduction of negative externalities.” [[Sustainability Meets Profitability](#), November 1, 2007]

Further, that there is a “quantitative method to measure the financial impact of social decisions”, as demonstrated through various studies. These techniques include, among others, “tools that monetize outcomes or impact by assigning a dollar value to them,” such as a benefit-cost analysis.

Another report echoes this, noting that the positive impact of a company acting in a socially responsible manner results in both quantitative and qualitative measures. [[Sustainability Matters: Why and How Corporate Boards Should Become Involved](#) (2011)]

As for measuring results, the report notes that “some researchers have developed a model of consumer response to CSR [corporate social responsibility] that investigates the relationships between CSR initiatives and price premium, customer loyalty, and word of mouth.”

Clearly, there are methodologies and measurement tools available to support the notion that acting in a sustainable and socially responsible manner can positively impact a company's bottom line. These tools, which will continue to evolve and develop, provide further support for the growing movement of corporate sustainability and social entrepreneurship which have been the focus of this Series.

Read [Part One of this series](#) on Corporate Sustainability and Social Entrepreneurship.

Read [Part Two of this series](#) on Corporate Sustainability and Social Entrepreneurship.

Read [Part Three of this series](#) on Corporate Sustainability and Social Entrepreneurship.

Read [Part Four of this series](#) on Corporate Sustainability and Social Entrepreneurship.

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