BUSINESS AS MISSION
GLOBAL THINK TANK

ISSUE GROUP REPORT

How Are We Doing?

Measuring the Impact and Performance of BAM Businesses

bamthinktank.org

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Report by the Business as Mission Think Tank Group
Measuring Business as Mission Impact
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BUSINESS AS MISSION GLOBAL THINK TANK

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Bangladesh	Central Asia
Iran	Turkey
East Africa	Nordic Countries
Netherlands	Haiti
Latin America	North America

† Preliminary list as of October 1, 2013

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Foreword

The Global Think Tank on Business as Mission has opened up a unique forum for collaboration among practitioners and leaders from around the world. When we began this second Think Tank initiative, we focused on a key word: *invigorate*. The purpose of the Think Tank has been to invigorate the global business as mission movement, to equip and encourage those who want to serve God and the common good in and through businesses—among all peoples.

To that end we launched over 30 national, regional and international working groups. Some of these groups focused on a particular issue in the BAM movement, and others were concentrating on BAM in and from a particular region or country.

The objectives for these groups were to listen, learn, share and connect. We developed tools and templates for the working groups to effectively collaborate through virtual meetings, as well as face-to-face consultations. Each group has produced materials, including papers, analyses, case studies, tools and resource directories, as a result of this dialogue.

To enable a meaningful and constructive conversation in and between groups, we have used the following working definition of business as mission:

Business as mission is:

- Profitable and sustainable businesses;
- Intentional about Kingdom of God purpose and impact on people and nations;
- Focused on holistic transformation and the multiple bottom lines of economic, social, environmental and spiritual outcomes;
- Concerned about the world's poorest and least evangelized peoples.

This definition emerged from the first Think Tank on BAM, which among other things produced the Lausanne Occasional Paper on Business as Mission, as well as the BAM Manifesto: http://www.lausanne.org/docs/2004forum/LOP59_IG30.pdf.

The Think Tank project has resulted in a massive global gathering of both intellectual and social capital for the BAM movement. As well as the written materials, we have built networks and have gathered together in person at the working group Leaders Forum and at the Global Congress on Business as Mission, both held in Thailand in April 2013. The intention is to now share and disseminate these gathered resources as widely as possible.

This report is one in a series of papers from the 30 plus working groups. Hundreds of leaders in the BAM community, from every continent, have contributed to these reports. Additional Think Tank reports may be found at http://bamthinktank.org/reports.

In 2014 we will publish a comprehensive BAM 2.0 paper, a follow up to the Lausanne BAM Paper of 2004.

These reports are not the end or the final destination of the BAM Think Tank, but should rather be seen as important reflections by BAM practitioners and other leaders who will continue to journey together. We need to continue to grapple with issues, and address needs and gaps. Some groups will continue and new initiatives will emerge. The BAM movement is on the move!

It has been a privilege to facilitate this unprecedented and global collaboration over the last two years. Looking back we can see that at times we have achieved less than we have hoped and planned for. But we have also witnessed that God is able to do more than we could have ever imagined.

Our sincere thanks goes to all those who have co-laboured with us to bring the Think Tank initiative to fruition. We want to especially thank the Steering Group, the Issue and Regional Group Leaders, the Support Team and our spouses Mark and Jennifer for their steadfast support.

We pray that these papers, case studies, tools, recommendations and resources would go out widely, and encourage and equip you as well as invigorate the global BAM movement.

"Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen" (Eph. 3:20-21, NIV).

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Executive Summary

How Are We Doing?
Measuring the Impact and Performance of BAM Businesses

Business as mission is hard. Very hard! Missionaries with little business experience but plenty of vision start businesses and struggle. Experienced business people start businesses in new countries or cultures and struggle. Too many business as mission (BAM) companies wander in the desert aimlessly. They need a compass to guide them—something to remind them of their direction and tell them if they are on track. Well designed and implemented metrics can help.

Metrics are measures. They are like the control panel on a car—the gauges, lights and dials that tell you how fast you're going, how much fuel is left and whether you're headed for trouble. You can drive a car without a fuel gauge or a speedometer, but you will likely run into serious trouble before too much time has passed.

The same is true for metrics in business. Without some consistently applied metrics it is very hard to know if the business is on track to achieve what it set out to do. That is dangerous for any business. However, since BAM businesses set out to bring glory to God and to expand the Kingdom of Christ, the consequences of being off track have eternal significance!

The Measuring Impact Issue Group included a number of experienced BAM entrepreneurs from restricted countries and experienced executives and coaches from a variety of backgrounds: corporate, entrepreneurial, western and eastern. Together we grappled with questions of how and what to measure in a BAM business, as well as why to measure.

We believe it is not only possible, but highly valuable for a company to have practical, intentional goals for ministry and then to evaluate (measure) their performance against these goals. We also believe it is right and appropriate for outside agents, whether owners, investors, ministries or researchers, to have tools to evaluate and compare. Benchmarking and the development of best practice indicators are valuable for the entire BAM community.

There are many pitfalls in metrics and this report attempts to highlight these. A significant issue is of course that what we call good is not always what God calls good. Collecting data is one thing, analyzing and evaluating it is quite another. We need in our evaluations to leave room for the Holy Spirit to work and to guide. Not all issues lend themselves to hard, numeric evaluation. One of our members reported a regular story telling time that allows clients to share how they were impacted by encounters with the staff. The stories themselves are a type of metric. This metric can be made more useful, however, if the stories are categorized so that trends can be tracked. Discovering which way you are moving is a valuable input.

Possibly the most important aspect of metrics is their application—what do you do with the measure after you have prepared it? Metrics should not be about punishment. In fact the best use for measures is as feedback for secure and capable leaders who want to improve. Good metrics are a compass that enables good leaders to stay on track.

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Introduction

- Do we know if business as mission is making a difference?
- Can we tell if a business as mission company is doing well or poorly?
- Do you know if your company is doing what it set out to do?
- Do you know if you or your employees are doing their jobs and making a difference?

These are not simple questions and they deserve serious answers. Evaluating ministry is a challenge that makes many people uncomfortable. This discomfort is reasonable to some extent, as the focus of our ministry is service to God and we know that only God can judge his servants. At the same time we recognize that measurement is a tool for direction, like a compass, and applies to ministry as well as to other areas of life. Without knowing where we are or where we have been, it is impossible to chart a course for where we should go. This is especially true when the ministry is a business. We owe it to the many people who have made investments of time, money and prayer to do a fair and honest assessment of the work—both the effort and the results. That is part of the discipline of business.

In this paper we use the term “metrics” to indicate measures that give us insights into how the business is doing. Measures can be numbers, stories, graphs, or generalized reports. These metrics provide an insight into what’s really going on inside the operation. That matters to all who are working hard to see the business achieve its purpose—to glorify God.

We will discuss many different aspects of metrics including why they are needed, how they should be approached, different ways they can be used (and misused) and ways to approach measuring and thinking about the spiritual impact of the business.

It is important to realize that we approach holy ground as we approach the topic of examining work done for God and assessing how effective we are being as we steward His resources. It is holy ground whether we are assessing the effectiveness of leading a church service or leading a service business. It is holy ground, but not unapproachable. We go there recognizing our limitations and knowing that only our Lord can judge his servants. But we go there with confidence that we may provide help to those trying to do His work.

This report was written by a diverse working group of business people. Our team includes experienced western and eastern business people, experienced BAM practitioners working in closed countries and those regularly working to evaluate businesses from either a mission or finance institution perspective. We submit this report in humility with the hope that those engaged in BAM can use it to do their work with more joy and greater excellence for the glory of God.

Metrics in scripture

There are many examples of metrics (or measures) being used in the Bible. There are examples of presumption in metrics (such as David’s counting of his fighting forces) and there is also a whole book (Numbers) written at God's explicit command enumerating the strength (and weakness) of Israel. We also find stories of godly men such as Nehemiah who evaluated the situation and then planned accordingly. In other words, we find people using metrics to help them adjust the way they fulfill God's commands. Jesus himself calls us to "count the cost" before starting the venture of following him. If we are to do that regarding our spiritual salvation, how much more are we to do it in the way we walk out our practical lives with Him?

Accountability is a clear principle in scripture. It is hard to imagine proper accountability of a business manager without some sort of metrics to guide in assessing performance. This is especially the case where people beyond the manager have provided investment or support for the business. It is important to have means to give assurance to the investors and supporters (financial, emotional and prayer supporters) that the basic goals of the company are being met. In the next section of this report on 'Why Measure BAM?' (page 6), we discuss in more detail why metrics are important for BAM businesses.

Challenges to address

Once we have established the need for metrics, we address various challenges related to measures for BAM companies. We attempt in the section 'Making Sense of the World of Metrics' (page 10) to give an outline of principles and guidelines by which measurement of BAM can be handled most helpfully. This discussion starts to answer the questions, "Of who?" and "What for?" This section also looks at the generic ways in which non-financial information can be measured and assessed.

Good practice in the business world does not apply the same cookie-cutter metrics to all businesses. Even the metrics applied by external ratings agencies will vary by industry, business maturity and other factors. In the same way, when a management team decides to define some "Key Performance Indicators" or to introduce a quality measurement system, they do not pick the metrics off the shelf. Rather the approach is to go through a process of selecting and applying metrics that are appropriate to the nature and strategy of the business. For this reason, rather than defining "The way in which BAM should be measured", this group has sought to give guidelines on how a business team can go about selecting and applying metrics within a company, see 'How to Select Metrics' (page 16).

For decades the issues relating to environmental impact and social impact of business were thought to be beyond measurement. However, in recent years, concerted effort has been made in the secular world to improve metrics that can be applied to these areas by businesses. In some cases people have found ways to better define and understand the impact—such as the work of Relationships Global in measuring the health of corporate relationships—while in other cases people have developed qualitative or surrogate measures which allow for mutual understanding, discussion and action. This work has helped us in our discussion of the even more difficult area of spiritual impact. The section on 'Spiritual Metrics' (page 19) gives a focused discussion of measuring spiritual impact, though we acknowledge that much more work, thinking and prayer is required in this area.

Even if we accept the idea of measurement in principle, there are still many sensitive questions raised by the whole topic of metrics. Not least among those questions in a cross-cultural context is who is doing the measuring and how the measurement will be used. Are the metrics chosen and used by the management or are they chosen and interpreted by outsiders (such as financiers)? It is very easy for Satan to turn helpful tools into divisive issues if the measurement is seen as imperialistic or a sign of distrust between different stakeholders in the business. Insecurities, arrogance, insensitivity and miscommunication can easily turn helpful questions into condemnation or manipulation. In the 'Some Pitfalls of Using Metrics' section (page 24) there is a fuller discussion about the dangers of metrics when misused or misunderstood.

We are also painfully aware that there are many groups attempting to do business as mission with no real measurement systems for their business processes, let alone for the more subtle social and spiritual processes. In order to help orientate those businesses we have provided recommendations for establishing basic metrics for a simple start-up or small business (page 31). We have assumed that a larger more mature business (or a franchise) would have the resources to access consultants or other advisors to help them enhance the basic measurement systems.

Various Appendices serve to support the material in the main report. Appendix A covers in detail types and categories for metrics. Appendix B elaborates on ways to collect metrics. Appendix C reviews various existing metrics tools, with guidance on what they do and why they might be useful. Appendix D builds on the basic principles shared in the 'How to Select Metrics' section and gives advanced concepts for metrics selection. Appendix E and F bring some of the principles to life in real case studies of two very different businesses. Appendix H shares an assessment tool developed as an evaluating framework for the Korean Regional Group as they assessed 11 business cases.

We hope this report can serve as an introduction to many in the business as mission movement of the need for evaluation—internal and external. We hope it will serve as a guide as we begin to see how that might be done. We hope and pray that serious academic research and theological review will be applied to this area since we believe that, without serious assessment and review, the BAM movement will be stunted.

Why measure BAM?

To paraphrase 1 John 4:20, "Any business that says it loves God but does not love its stakeholders is a liar." Loving stakeholders (including all of those who have a stake in the business: owners, investors, employees, suppliers, customers and people around the world praying for the business) means working for their good. That is hard to do if we are unaware of how the business is performing.

Let's start with an example. A man heading to a grocery store is implicitly undertaking a range of metrics. He is assessing a whole range of things about his own body (how much energy he has, and what his legs are doing) as well as a whole range of things about his immediate environment (where he is relative to the road and what the cars are doing). In addition he is making measurements about his progress towards his objectives (how much further he has to go to reach the store, whether he will have enough money when he gets there and whether he should buy the large economy packet or just enough for today). The fact that he is a Christian does not change whether he needs to use metrics, but it may change how he uses the metrics and how he prioritizes the results.

A business heading into the commercial environment is very similar. The business needs to understand itself, its immediate environment and its progress towards its objectives. A missional business still needs to use metrics, but the fact that it is missional may change how it uses metrics and how those results are prioritized.

With a business, it is also obvious that the information about self, the environment and progress should be communicated between people and not just be kept in the head of one individual. Metrics are basic elements of communication about the business, its environment and its progress, acting as the nervous system and feeding back sensation to the brain. In a sense it is obvious that a missional business needs metrics and that the BAM movement needs metrics. Yet in the busyness of business, when the manager is trying to pay the rent and wages at the end of the month, it is easy to see how the manager—and those around her—might rely on statements about her good intentions and vision. It is easy to forget the need for other metrics when doing the business equivalent of crossing the road in Cairo during rush hour! The only metrics that seem to matter at those times are the intuitive ones involved in basic survival.

As a pointed example, one of our group met a Managing Director of an Investment Bank back in 1987 who said, “I am too busy trying to run my business to worry about systems and I can tell you that no wet-behind-the-ears consultant is going tell me how to run my business.” Eighteen months later, towards the end of a lengthy project, that same Managing Director called that same consultant into his office and proudly showed him the operating system, saying, “Do you know, for the first time in thirty years I can really run my business?”

To focus on ‘Why measure BAM?’, we highlight six reasons that metrics are important for a BAM business:

Metrics provide focus.

There are five million things to look at and do when running even a small business. A manageable number of measures help provide focus for what is important to you. They focus the performance of the company from the inside and protect us from working on the “urgent” problems instead of the important ones.

For people who have decisions to make about resources—whether they are financiers, managers or mobilizers—metrics can be particularly important in providing focus. It is a basic principle of stewardship that we are supposed to put our resources where they will be most fruitful. Some will argue that we should merely be obedient and not worry about whether our activity is fruitful. We all know that there are faithful workers tilling and fertilizing soil that has yet to bring forth a crop. However, even those workers would be able to show the difference in soil quality between their nurtured soil and surrounding desert. They would need a different metric from the harvester but they can measure their impact if their Father tells them what he is doing. As friends and sons we can expect our Father to help us understand why he wants us to focus and thus help us to focus in the right way.

Metrics provide perspective

Metrics provide perspective for management and prayer. What you decide to measure and how you do that directly influences what you manage. The measurement system and the reports it produces will direct attention to certain types of issue. This will influence which questions are asked and what insight a business may receive. By choosing the appropriate measures it opens up the opportunity for a business to get insight from the board, managers or advisors about the underlying dynamics of the business. If something important is not regularly assessed then it tends not to be discussed and the business may be hit by significant issues later on. If a business does not have the ability to perceive what it is doing then it becomes very hard to make adjustments to improve the outcomes. Metrics can ensure that the business makes changes in the right way. They can show what needs to be adjusted for the desired result.

Measurements can be used in conversation with God, "Thank you for that impact. We really want to see more of this happen. How do you want us persevere or change?" Experienced Christian business practitioners have plenty of testimonies about God's response to such conversations.

Not only do metrics provide perspective, they keep us in touch with reality. Data provides an objective truth that connects us with the real world. Too often managers fall into the trap of believing their own marketing messages—or prayer letters. Measuring and analyzing can keep us from wandering too far. Imagine driving a car without a fuel gauge or speedometer and without looking at road signs. That could work for a short, familiar trip, but sooner or later on a long trip it will lead to disaster. Metrics are those gauges, dials and road signs that connect us to the real world. They help us see what is actually happening so that we can make wise adjustments and corrections.

Metrics develop discipline

Metrics develop the discipline needed for further growth. The simple act of preparing the metrics forces company management to establish and maintain some basic disciplines for gathering, reporting, and analyzing data in the company. That exercise can be the most valuable piece of process. It is particularly valuable as the company matures and experiences growth. When that happens the metrics will need to become more conscious and formal. For example, employee satisfaction does not need to be a formal process for a business with three people sitting in the same room every day but it does need to be consciously considered when hundreds of employees are dispersed in five locations.

Within a large dispersed organization, metrics are a basic communication discipline. The metrics provide a basis for effective two-way communication. They do not remove the need for other softer forms of communication, but without metrics there is little framework for communication. If a manager receives two reports, one saying that the quality of the products is terrible and another saying that the business is in trouble, you can be sure that the manager will want a clear definition of what is meant by quality and how terrible it is. They will also want some definition of which aspect of the business is causing the trouble and how bad that trouble is.

Discipline comes in a variety of forms. It is not just a matter of having disciplined processes, but also a matter of having a disciplined culture. Metrics can help employees persevere in less attractive tasks because they realize their role in achieving the corporate goals. Similarly metrics can help encourage sales personnel to not act in a short-sighted —or unethical—manner as they appreciate the wider issues in the organization.

This discipline does not only exist within businesses but can also exist between businesses and their stakeholders. For example, a bank is less likely to foreclose on a business that provides clear metrics—even if those metrics send mixed signals— compared to a business that communicates vaguely or not at all. Similarly a supplier may make extra effort if they understand the reason for urgency or exceptions to the order. Disciplined metrics enable other parties to adjust their own processes and culture to align with your business. Sloppy or non-existent metrics make it hard for other businesses to work with you and give them little incentive to align to your culture.

Metrics provide accountability

Metrics provide accountability to boards, advisors, investors, managers and other stakeholders. They are a way to communicate the health and progress of the business to others involved in the business. They declare what the business thinks is important and thus communicate the business's values. They let the employees and customers know what is important. They allow all the stakeholders to judge whether the business's values are appropriate and whether the business is living up to those values. Metrics set a standard that lets others know what to expect. Communicated well, metrics ensure that the team is all on the same page about what the business is doing and in the way it is being done. As we will see in later sections, metrics can be used to measure tangible results but they can also measure qualitative issues and abstract outcomes, such as customer satisfaction, successful networking or the well-being of employees.

Metrics can be encouraging and provide motivation

All of us have those days when we question if we are really making a dent in some problem area or another. A system that can measure our activity, our environment and our progress can give us that encouraging incentive to persevere. This 'report card' can be something to hold onto so that we can say, "Yes, there are signs of life, growth and change! We have seen signs of God's provision and God's activity through us." It can also help us hone our prayer targets and enable us to inspire others to pray for our endeavors strategically and specifically.

Short term, honest feedback can help people keep going through difficult and otherwise discouraging jobs. It can be highly motivating to allow employees to see regularly that the work they are doing is either helping or hindering the company in fulfilling its vision.

In 1 Corinthians 9 verse 24 Paul instructs believers to "Run in such a way as to get the prize." Paul knew that setting a target increases motivation. We are called to push harder to win the prize, whether it's a major award or simply the internal satisfaction of knowing we did what we set out to do. In a team sport everything changes once someone starts keeping score. The same is true in a business or department. Start keeping score and reporting and the internal dynamics will change, almost always for the better.

Metrics are a key part of the planning cycle

The planning cycle benefits any project, activity and process. This cycle is easily represented by a diagram, as in Figure 1.

Figure 1: Planning cycle for a business

Plan: We start with planning and preparing for the project, business, task, work process or whatever it is. We work through what we want to accomplish, how we want to do it, who will take on the tasks or responsibilities and what tools, training and material will be needed.

Do: We then do the job. It sounds simple, but of course, this is where the hard work is.

Review and Reflect: Lastly comes the step most often left out, that of reviewing our work and reflecting on what we have seen and learned. Here we step back and see how we have done so that we can make corrections and improvements. This is where metrics come in. We use metrics to assess our work to date and give us objective data which allows us to evaluate, reflect, pray, seek God's heart and voice and consider the changes we should make as we move ahead. Without this step, the work will likely never improve because it is reflection that allows us to learn from our experiences.

Repeat: We move from Reflect and Review back to Plan to implement the changes we have determined in the review step. And the cycle continues.

This simple cycle can be applied in virtually any area—commercial, spiritual, environmental or social—and it is in itself a valuable discipline.

Making Sense of the World of Metrics

Measurement and metrics can be deceptively simple. We pick an aspect of our business and ask some basic questions about it, for example:

- How many tables did each of the servers take care of each day?
- How many sales calls did each of the sales staff make each day?
- What is the company's net profit each month?
- How many people viewed our latest Google ad last week?
- Which of our products gives the highest profit and which gives the lowest?

Answering such questions can help a manager understand a bit more about the business, however, there is a lot more to establishing metrics than simply asking and answering a few questions. It matters a great deal that we ask the *right* questions, that we get correct answers in a timely fashion and that we analyze the answers carefully then apply what we have learned.

We all bring our own biases to any exercise, including measurement. More significantly, measurements can be used in potentially dangerous ways to bring about rewards and punishments. This makes it doubly important that they be prepared and used with care.

In this section we provide some principles and guidelines to use in developing, implementing and using metrics. This is a very large topic and this report will only provide an introduction. There is more detail in the Appendices, but the hope is that this section will provide an overall sense of the issues involved.

We also suggest a careful reading of the last part of this section: A Note of Caution. This highlights many of the common mistakes and pitfalls that people make when using metrics.

Why are you measuring?

Metrics can be used for a variety of reasons. Purpose drives design, that is the design of the measure changes depending on how it will be used. Sometimes the desire will be to assess the state of the business for a one time decision that needs to be made. Other times the goal will be to establish a base and ongoing input for process improvement and management.

For example, a loan company will likely make an assessment of the business for a simple yes or no answer to the question "Is this company capable of repaying the loan?" Or an outside owner may want an answer to the question "Is management accomplishing its objectives?" However, an internal manager is likely to ask questions such as "Are we on track with our sales plan and if not, how can we get back on track?" The manager's question is likely to be a process question, looking for diagnostics. The investor's question is to make a one-time decision. The outside owner's question falls somewhere in between, sometimes it would be a matter of replacing the manager and other times—one hopes—it would be aimed at helping the manager improve performance.

The purpose of the measure determines what sort of questions need to be answered. This in turn determines how the information should be gathered and presented.

Here are a few examples to demonstrate some different situations and clarify how they might be addressed:

- A BAM company doing language instruction in Central America wants a loan from a bank to develop new courses and fund training for new instructors. They approach the bank and fill in the application forms with all of the appropriate financial reports and business plans. The bank is asking a very simple question: "Will this company generate enough money in the next few years to pay back the loan and interest?" The bank does not care about much else. However, to answer that question they will want to see profit and loss reports (financial metrics), a business plan, possibly CV's of key managers and other evidence to show that the company is sound, that the management knows how to run it and that it is capable of generating the cash to repay the loan.

- A BAM company developing software in a Middle East closed country applies to a like-minded investment fund to establish a marketing office in a neighboring country. In addition to wanting to know that the company will be able to repay its loan, the lender will want to know about the kind of spiritual impact the company is generating. They will also be concerned about its long term sustainability in a hostile environment and about the company's openness to different types of non-financial assistance they may be able to offer. Much of the information requested will be similar to what the bank asks for, but because the lender shares the Kingdom transformational values of the company, they will be asking deeper questions. They will also be more interested than the bank in helping the company make changes to improve for the future and will be more concerned about long term sustainability beyond simple loan repayment.

- A BAM company in Southeast Asia is being sold. The buyer has many questions about the state of the business, whether it is making money and, quite significantly, whether the key to its profitability will stay with the company or will leave with the seller. Again, the basic financial reports will be essential to the buyer. But there are a many other questions the financial reports will not answer. The buyer is likely to want to know about performance of key departments and key personnel since they are part of what he is buying. The buyer will want to know about relations and attitudes of customers. Ultimately there is a simple "yes-no" decision to be made about buying or not buying the company, but there is much to be explored by the buyer and all of it has to do with measures of the company's performance, current health and future opportunities or risks.

- The manager of BAM coffee shop in Central Asia is concerned that money is constantly tight and she is being requested too often to cover short term financial needs from her own pocket. She decides she needs to make some improvements in operations and starts by selecting a few key measures. She chooses to look at sales by day by product, at contribution to profit by product and at cash flow. After a few months she notices that while she sells coffee and other hot drinks at a regular pace, her sales of baked goods has a weekly pattern—she sells lots of cakes on Wednesdays and Saturdays but less on other days. Her profit margin on cakes is good in theory, but looking at the way the shop has operated she learns that her assistant has ordered cakes on Tuesdays and Fridays for delivery on Wednesdays and Saturdays. She discovers that they sell most of cakes when they are fresh on Wednesday and Saturday. With a little inquiry she learns that her customers do not like day old cake and that much of what is not sold the first day is thrown out later. With this new insight she chooses to change the buying schedule, buying more frequently and in smaller quantities. The result is that the purchase price of her cakes goes up and she loses a bit of margin on each cake, but her sales stabilize at a higher level and her cash flow problems go away. She has used a few key metrics to make process changes and to help her do a better job managing her business.

Types of metrics

There are many different things that can be measured and many ways to measure them. The choice of what is measured, when it is measured and how it is measured will impact the way measures are actually used. Appendix A includes details of a variety of different types and distinctions in metrics used in business, including:

- Lead and Lag Indicators
- Quantities and Qualities of Process and Impacts
- Character and Behavior
- Discrete and Continuous Quantities
- Direct and Surrogate Measures
- Individual and Corporate Measures

Ways to collect metrics

We find that the way metrics are collected can generally be categorized along two separate dimensions: 1) Who is doing the collecting; and 2) How does the collecting process relate to the normal business processes. This can be represented in a two-by-two grid, resulting in four classifications, see Figure 2.

	Not integrated with business processes	**Integrated with business processes**
Done by outsiders	External Appraisal	Independent Reporting
Done by business	Internal Appraisal	Integrated Reporting

Figure 2: Four classifications for ways to collect metrics

Appendix B explores these approaches in more detail.

Metrics frameworks

Frameworks are used to give perspective to the set of metrics or to organize them. Rather than only looking at a set of numbers, the framework helps put the metrics in context: "Is this a number about what we have done or what we are trying to do?" "Is this a measure of our activity or our impact?" "Is this a measure of financial performance or ethical performance?"

We have identified three frameworks that we believe BAM ventures may find helpful:

1. **Balanced Scorecard** is used generally in the secular world and uses categories like "Finance" "Product Quality" and "Customer Satisfaction".
2. **Context/Capacity/Roles** is designed for mission and is intended to balance ability, activity and impact.
3. **Quadruple Bottom Line** is derived from a recent secular framework and uses categories like "Financial" "Environmental" "Social" and "Spiritual".

These are discussed in more detail below. We recommend that BAM companies utilize one of these frameworks as a foundation for establishing business measures.

Balanced Scorecard

Balanced Scorecard[1] is a term coined in the 1990's to describe an approach to metrics that would ensure companies looked at a balanced set of measures. Too often companies and managers are nearsighted and look only at a few similar measures. This can lead to real problems in performance. If a company looks only at financial measures, it can make terrible mistakes in personnel, quality assessment or in its spiritual life without realizing it has done so. In the short term, many of these non-financial factors will not make a big impact on finances. However, over the longer term many of them are likely to have a significant impact, therefore it is important to also measure them.

The other benefit of the Balanced Scorecard is that it encourages focus on a manageable number of measures. The metaphor is a sports scorecard, but perhaps a more useful analogy is a dashboard on a car. Drivers really need to know a few key things about the performance of the car: how fast they are going, how much fuel is left and whether the engine is overheating. Other measures are useful, for instance, tire pressure, engine speed, kilometers traveled, fuel consumption, etc. However, if a car manufacturer put everything that could be measured on the dashboard of the car it would look like the control panel of a modern jet airplane and the average driver would be hopelessly lost. The same works for a business. We cannot focus on everything so we need to be careful about designing an appropriate scorecard for the business. Pick a small number of measures that reflect the breadth of the most significant issues for the company.

In a BAM company there are all of the same concerns any secular company will have *plus* we have a concern for making a difference for the Kingdom. Company managers can get focused on what is urgent for survival today—cash flow, sales, collections, new product design—and lose track of what is important for survival, growth and spiritual impact in the long term. The Balanced Scorecard concept can be applied to ensure we select our measures broadly and include financial, operational, sales, marketing, design and spiritual elements in our evaluation. Some are harder than others to develop and to interpret. Over time the makeup of the scorecard will probably need to change. However, the concept of keeping a few things clearly in focus can help the measurement system of the business to have a powerful impact.

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[1] For further explanation refer to http://en.wikipedia.org/wiki/Balanced_scorecard

Context, Capacities and Roles

At a strategic level, a business's metrics can be organized into three major categories:

1. Environment (Context)
2. Itself (Capacities/Capabilities)
3. What it is trying to do (Roles/Actions).

Ideally it will measure the current state of its market (Context Before) and the current state of the organization (Capacity Before) in order to define what it is going to do (Roles Intended). Then it will measure whether it did those activities (Roles Done) and the impact of those actions on its market (Context After) and itself (Capacity After).

This framework of metrics is helpful because it can include not only measurement of the secular issues but also the spiritual issues. It encourages the business to think about the spiritual climate alongside the market conditions. It also helps clarify for a business what it can realistically achieve. All businesses have finite capacity. There are some things a coffee shop can do and there are some things it cannot. There are some things it can do that will fundamentally deplete its resources and other things that will be profitable or at least not so costly.

As an example of such an assessment, a business discovers that in their case employing Christians as server-evangelists in their coffee shop is an expensive strategy. There is an expectation that the servers will stay year after year and receive pay rises with no requirement for increased productivity, thus reducing the profitability of the business year after year. The servers occupy the customers in extensive conversations, reducing the throughput of customers and thus the revenue of the business. In this example the capacity of the business is depleted by the ministry strategy, so additional resources would be needed to counteract the effect. An alternative for this instance would be to have Christian coffee shop manager-evangelists who train the servers to be great servers while sharing their faith with them over a two-year period—the average employment period of a coffee shop employee.

The reason for using the term "Roles" rather than activities or programs is to encourage the idea that the business as a whole has an impact. It is not just what it does but what it is and how it does it that can have an impact. Role is a term which helps keep in mind the interaction between who we are and the people around us. Those roles are not just up to the business, but also depend on the way the community sees the business and what it expects or allows of the business.

It is also worth noting that this approach may help businesses realize that they need to build capacity and build the right to exercise a role before they can have a specific impact in the context. It is completely legitimate for a business to seek to build capacity and market position in order to exercise its long term ministry.

Quadruple Bottom Line

In twentieth century capitalism, the emphasis was on the financial performance of the business for the interests of owners of the business. This was often referred to “the bottom-line” for investors. (This term comes from the idea that while much can be reported in a Profit and Loss statement, the most important line in the statement is the line at the bottom, that reports the money gained or lost by the business after everything else is taken into consideration.) In some jurisdictions, such as the United States, there is a legal obligation on the directors and management of most companies to work only in the financial interests of the shareholders. In other jurisdictions, such as the United Kingdom, the obligation is moderated by acknowledgement of other interests.

In recent years, businesses have realized that just as the net profit (i.e. the financial bottom-line) does not tell the whole financial story, so the financial bottom-line does not tell the whole story about the health of a company. If a company is depleting forests and abusing the work force then it is not a sustainable business regardless of the short-term profits that are being made. For this reason much recent attention has been paid to the idea of a "triple bottom-line". Companies concerned about the triple bottom-line are considering the environmental and social health of their company, alongside the economic health of the company.

In the Christian community the idea of a triple bottom-line has been extended to include the spiritual dimension. Businesses concerned with the quadruple bottom-line are committed to the economic, social, environmental and spiritual well-being of the global community. A quadruple bottom-line business is a venture that addresses issues of local and global concern. It does that by doing business in a way that creates sustainable improvement of the social conditions, quality of life and dignity of people as created in the image of God. It is concerned with doing economic good, environment good, social good and spiritual good:

1. Economic Good

Economic good is understood as wealth creation for all stakeholders that is sustainable and relevant to the cultural and societal situation*.* It does not necessarily mean the propagation of free market capitalism, since other models of resource allocation are being explored in various cultures. Obviously it includes the basic micro-economic disciplines of cash-flow management, profit and loss accounting and risk-reward balancing. However, the approach is not necessarily limited to a focus on the economic good of financiers (banks and investors) or owners (partners or shareholders). Instead, economic good can include the betterment of the quality of life of stakeholders such as employees, customers and suppliers. Similarly economic good itself is conditioned on particular cultural presuppositions. It is often measured in terms of job creation or increased salary levels as compared to gross domestic product or return to investors.

2. Environmental good

As stewards of God's creation, quadruple bottom-line businesses will want to take into consideration the good of the environment. The unfettered exploitation of earth's natural resource, as well as the over fertilization of soil does more to propagate consumerism than it does to care for God's creation. Environmental impact is often measured in terms of the business's ecological footprint, production of ecologically friendly products, and replenishment of natural resources.

3. Social good

A distinguishing feature of a quadruple bottom-line business is its focus on creating ventures that will address particular social challenges. Such venture creation keeps in mind the good of people in society rather than simply the financial bottom-line. It is often measured by the change in local unemployment, secondary job creation, increased community tax revenue and the business focus on address specific social issues such as healthcare, education, needs of the handicapped or poverty. A business may also be concerned for issues of justice or equality in the commercial environment.

4. Spiritual good

Believing that Christianity should address social problems and that lasting change can only occur at a deep worldview level, quadruple bottom-line businesses must enact spiritual good. Such good seeks to reconcile humanity's relationship with God, self, each other and the environment. It is often measured in terms of the number of employees who have been exposed to a biblically informed worldview, growth in local churches, growth in giving to local ministries and the management’s participation in the spiritual lives of the employees.

How to Select Metrics

This section addresses the key issue of how to choose the metrics you will use in your business. This can be a very complex issue, but it does not have to be. We have tried to make this section easy to understand for the typical BAM business person. Those who would like a more advanced review of selection concepts should refer to Appendix D.

External metrics selection process

External metrics are used by those wishing to evaluate the business from the outside. This might be a bank considering a loan or a mission evaluating either the spiritual impact or the commercial sustainability of a business. In many cases, these organizations have metrics they use as a standard part of their operation and it is beyond the scope of this paper to advise them further. A good sampling of this sort of metric is included in Appendix C.

Internal metric selection process

The key consideration in selecting metrics is being clear about what you want to accomplish. What are the questions you are trying to answer and how will the answers to these questions be used? Too often metrics are collected with a vague notion that they ought to be collected. However, data collection and reporting is a cost and if not put to good use then it is a wasted cost. So be clear about what it is you are trying to accomplish as you set out to select and implement metrics.

With the purpose clearly set, there are some further questions to ask in sequence:

1. What is most critical for you (or your business, department or team)?
2. What will help you see that you are making progress on this critical thing?
3. Is there anything that will tell you earlier that you are on (or off) target?
4. Is there a reasonable way to measure that?
5. Who needs to know?
6. What will they do with that knowledge?

What is most critical?

We chose the word “critical” over “important” because focusing on what’s important tends to take us too high. We want to glorify God and we want our business to succeed and we want our employees treated well while we make a reasonable profit. These things are truly important, but they’re virtually impossible to measure directly. It may also be that some of these important things are going very well so we don’t need to spend time worrying about them. Our focus as managers or owners or board members should be on those matters where our attention will make the difference between success and failure, growth and stagnation or between spiritual life and business as usual.

In looking for what is most critical ask yourself: Would a particular activity or result change the business dramatically if it went one way or another? It could be number of sales calls made per week or the quality of new code written or the unit cost of production. You may identify, for instance, that each manager holding each employee in prayer every day is the critical action that will result in a breakthrough. The key is identifying those things that you believe will make a difference. This is where you want to focus your attention.

To help clarify this, think through what is *not* critical. If you manufacture a high margin luxury item then controlling cost in your sales process is probably not a critical factor for you. Rather, you may want to be careful that you are spending enough; in luxury markets the image of opulence in sales can make a positive difference. In contrast, imagine a company that is struggling with cash flow and at risk of failure. In this case, sales would sound like a good focus for attention, but it might miss the point and could motivate the sales team to offer long payment terms as a way to increase sales in the short term. That could be fatal. Sales without payment could bankrupt the company quickly, so focusing on cash collection and cash sales would be more appropriate.

One of the key points here is to find a manageable number of factors that will make a real difference in the performance of the business—in any or all of the four bottom lines. Do not make a long list, but keep it focused to those things that are most critical to taking the business where you want it to go.

What will tell you that you are making progress?

Now that you have established your short list of what is critical, you need to decide how you can tell that you are making progress—or not! If your critical goal is to improve your cash position then you have a number of likely things to consider, most of them from the balance sheet: reducing accounts receivable, increasing accounts payable, reducing inventory and work in process, delaying expenditures and accelerating cash sales, to name a few. If you have a larger staff you can set each of these to different responsible departments (receivables clerks, purchasing and inventory management or operations, for example). More likely you run a small business and all of those functions are done by one or two people. Rather than overload them with data it is best to pick one or two areas that you think will yield the best results and focus on those.

The way you get at this most directly is by asking what success or failure will look like in this area. If your goal is positive contacts with customers who are willing to hear about Jesus then you need to think about how you know you are achieving that. What will it look like if such contacts are growing in numbers? Who will know? How can you learn from them? What would you ask them? If your goal is less scrap on the production line then you need to think about how you can measure your scrap rate. How do you know you have scrap and what is the best way to measure it? Should you count units, measure by weight, track cost of scrap or look at the volume of good product off the line? All of these roughly correlate with the same goal so it is a matter of judgment which to use.

Ultimately, the decision about what to measure should be based on what gives the most accurate measure, what is easiest to communicate to those who need to know and what costs the least to gather. Often there is a tradeoff involved. The guidelines in the section 'Making Sense of the World of Metrics' should help with this. In addition, working with your staff can bring some surprising insights and boost their commitment to the results.

Are there any lead indicators?

This step calls for creativity and a solid understanding of your internal processes. You are looking for correlations in the process, preferably causal relations. Refer to the section in

Appendix A on Lead and Lag Indicators for a fuller discussion of this point, but in short if you can find something to measure that is ‘upstream’ you will be able to learn about problems that are heading your way before they get to you.

Lead indicators are only as good as the causal relationship to the actual goal, but they can be extremely helpful in targeting behavior and giving advance notice of what is ahead.

Can you measure it?

All business owners want to know how happy their customers are and most BAM managers would like to know where their employees are in their journey, from hardened non-believer to follower of Jesus. The challenge with both of these is in ability to measuring them. Some things cannot be measured exactly. Some things are changed by the simple act of measurement! If you have set up a reward system based on some aspect of employee performance, it’s a good bet that the employees will soon figure the system out and start behaving in ways that you may not have wanted, but which make their results look good.

In the case of indicators that cannot be measured, you need to find something else you can measure which correlates closely enough. Refer to the section in Appendix A on Direct and Surrogate Measures for a more detailed discussion of this point.

Who needs to know?

You can distribute your measures and reports to everyone in the company or post them on the wall for all to see. This makes great sense for shared goals that are intended to motivate employees. Company safety performance, delivery targets or key improvement targets are often posted this way. However, it would likely be a mistake to post profit and loss figures for all to see. Some results should be reserved for those with a need to know.

What matters is that the data will be used for the good of the business. It should be used, not ignored. When it is used it should only be used for the good of the business, not to fuel speculation or dangerous competition between departments or employees.

Understanding who will receive and use the information is helpful in the early stages of preparing the metrics so that you can work through exactly what it is a group should receive. If it is going to highly educated staff that speak your language, you can likely send detailed emails with charts and tables of numbers. If it is to be displayed for all the employees in a factory to see it many need to be simplified and straightforward.

What will you do with the measures?

If you—or the staff you sent the results to—do nothing with the information, you have wasted your time. Go back to the beginning and start over! The purpose of your metrics are to prompt necessary action. You are providing data about the company’s performance in a critical area and that means those who receive it should do something. Perhaps it means they should do more of the same or plan a party to celebrate a great accomplishment. However, it may mean they should review their work processes and make significant changes in their strategies because the data tells them that things are going off track.

The key principle is that the measures should be read and analyzed and then used as the basis for action. If you discover that your metrics are being politely filed by everyone then you should likely make some changes. That in itself is a good metric for your metrics! Considering measuring how your metrics are used so you can tell if they are worth the cost of collecting and distributing.

Developing Spiritual Metrics for a Business

Spiritual Metrics. The very idea is intimidating! Some will complain of blasphemy and others of simple impossibility. On the other hand, the call to be good stewards seems to demand some guide or measure for our work in the Kingdom. So the question for us is how to do this responsibly, faithfully and humbly?

Responsible stewardship calls us to examine our hearts and our actions to see how well we are doing the work we are called to do, to determine if we are making a difference for the Kingdom. In 1 Corinthians 11 verse 28 we are instructed to examine ourselves before joining in the Lord's Supper. That is a call to a spiritual evaluation on a personal level. We need similarly to evaluate our businesses and to report to those in authority over us, as Paul and Silas did in reporting to the church in Antioch.

At the same time humility calls us to judge others with the greatest of care. Romans 14 verse 4 "Who are you to judge someone else's servant? To their own master, servants stand or fall. And they will stand, for the Lord is able to make them stand" (NIV). While evaluating our own work is responsible stewardship, using metrics to judge and criticize others can cause damage. The Bible is full of stories of apparent failures that were used by the Lord in mighty ways. None of us would establish a metric which would make Jeremiah look like a success in ministry, and yet God counts him among the greats of the prophets! Ultimately we are each responsible to our own Master who will judge us.

How do we reconcile these tensions? There is no simple answer, but in principle we will do well to keep our eyes on our real goals, to look at measures that help us move forward and that guide us in doing what we have prayerfully set out to do. We need also to take great care not to apply metrics inappropriately. When a measure indicates a problem it is a call for careful evaluation, not for quick judgment. How measures are interpreted and how the results are communicated are of vital importance.

Good metrics in any area should provide motivation to excel while highlighting potential risks we should explore. Spiritual metrics should call us to greater devotion, should cause us to look at our own hearts and should never give us motivation to be judgmental or legalistic in our dealings with others. As with so many tools, most metrics are in fact morally neutral but can be applied in ways that are constructive and life giving or in ways that are legalistic and destructive. Which it will be is in our hands. It is a great responsibility that comes as part of the burden of leadership.

In one sense spiritual metrics should be the same as any other metrics, a means to measure and evaluate progress or performance. At the same time they are qualitatively different in that they are measuring that which is beyond our full understanding. As noted earlier in this report, we are walking on holy ground as we approach spiritual measures.

In the earlier section 'Making Sense of the World of Metrics' there is a lengthy discussion of principles. Most of these principles apply perfectly well to spiritual metrics as they do to commercial, social or environmental. However, there are a few issues that should be emphasized with regard to developing spiritual measures:

- The nature of a business is community.
- Identifying the calling of a business.
- Planning and an uncontrollable God: Story as metric and the role of disciplines.
- Action matters.

The nature of a business is community

The company or business has a personality, culture and spiritual life that reflect the lives of the individuals who compose the company, but which is at the same time independent of it. Much of the Protestant tradition has focused on individuals and has discounted God's relationship with community, nation, tribe and family. This has led us too often to assume that all of our spiritual life is individual, "just me and God." But scripture is clear that God deals with his covenant community in different ways and looks at the body of Christ, his assembly, his church as a unit while he still deals individually with its members.

A company or a church or any community will have consistent traits that continue through time despite individuals joining or leaving. Even a massive change in personnel will not completely alter the corporate personality; this will be perpetuated through messages embedded in processes, procedures, policies, product design, customers and suppliers. This is one of the reasons that early decisions regarding corporate character and values matter enormously; change at the character level is very hard to implement.

This idea of business as a community, or more than the sum of its parts, lays the ground for us to look at the spiritual life of a business in much the same way we would approach the spiritual life of an individual. Every follower of Jesus is gifted by the Holy Spirit and called to minister in ways unique to the person. Every business is similarly equipped or fitted for a work that is unique to that business. Each follower of Jesus is called upon to discover and understand their unique call, to exercise the gifts they are given, to be the person God has called them to be and to do the work God has given them to do. Each business is called upon to discover and understand their unique role, to build on the skills, resources and opportunities given to them, to be the company God has called them to be and to do the work God has given them to do. The foundational question for spiritual metrics is, "How is our business growing in Christ-likeness?"

Identifying the calling of a business

As individuals should pray for understanding about their gifting and calling, business leaders should prayerfully contemplate what the business is equipped and called to do. The calling of a business could be expressed in a number of ways, for example:

- As an instrument of grace in the core of the business proposition
- As a by-product of its ethos and reflected in its activities—either by individuals or as an organization.
- By individuals acting in a Christ-like manner, whether that is mandated by the business or not.

On this third point, we have not included this natural godly behavior of individuals in the scope of our discussion of spiritual metrics as these are really beyond the intentionality discussed in the earlier sections.

The following illustration can help clarify what we mean by a company being "an instrument of grace." A medieval priest asked a stone worker what he was doing. The man answered "Father, I'm cutting this rock." Thanking him, the priest asked the same thing of another worker. This man replied differently saying, "Father, I'm building a cathedral!" Impressed, the priest thanked the man and moved on. He saw a third stone cutter and asked him the same question. This man replied "Father, why would you ask? You know that I'm worshipping God Himself with as I work on this stone."

In asking this question, “What are you doing?”, of a BAM business we can see in what way the business itself is an instrument of grace. For example, a business sells water filters to the poor to enable them to drink the water collecting in cisterns after the rains. The owner may say that he is selling filters. Another may say he is providing health. A third may say that he is fulfilling God’s mandate to be stewards of creation and to care for the poor. The understanding of the people in the business about what they are doing is a significant determinant of the extent to which the business is an instrument of God’s grace.

A business’ calling can also be expressed as a by-product of its ethos, reflecting in its dealings with customers, vendors and/or employees. A business may primarily express its calling in terms of how it conducts business. The company will go beyond the mandatory ethical values, attitudes and behavior expected of all believers and encourage the believing staff to reflect Jesus in all of their encounters. Here are some examples of this concept applied:

- A business operating in a post-communist country with a constraining business climate and widespread corruption will necessarily face certain challenges. This business has the opportunity to demonstrate more clearly than businesses in other contexts what it means to run a business using kingdom values. It will not be easy, but may be an important part of the business’s calling.

- A pastry shop in a society that is hostile to Christians will likely have the opportunity to use their servers to demonstrate a different attitude to many customers each day. The values of the company can be shown to many people each day, whether the servers are believers or not. Plans and measures for this can help the company keep its focus.

The challenge, then, is how to determine the calling of a BAM enterprise. If an individual’s calling is built from an understanding of context, capacity (abilities) as well as her available and necessary roles, then a company’s calling can be developed by looking at these same factors:

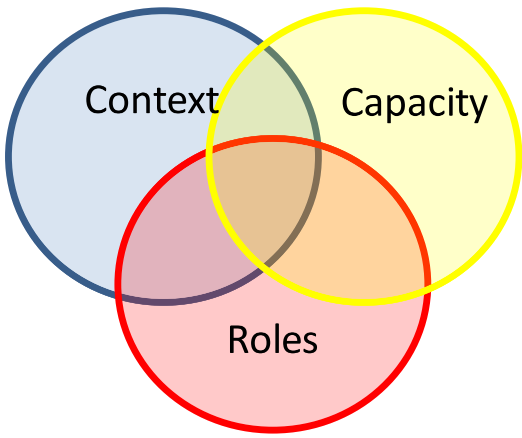


Figure 3: Factors that contribute to an understanding of calling

Refer to Appendix E for a fuller discussion of how context, capacity and roles can come together to help determine the calling or purpose of a company; and the way in which this may influence the kinds of spiritual metrics used.

Planning and an uncontrollable God

In C.S. Lewis's Narnia books we are told that Aslan, the Christ figure, "is not a tame lion." God will do as he chooses and the Spirit will often take actions we have not anticipated or planned for. We need to be sensitive to these situations and respond accordingly. However, even in those situations that are a surprise to us we can take note and reflect on our responses. It may be a useful exercise on a weekly or monthly basis for the management team to sit together in prayer and review what God has done in the last period and reflect on how the company has responded. Over time the collected reflections can provide valuable information on the company's spiritual health as a community and can help the leaders determine where and how they become better equipped to respond to new such actions of the Spirit.

Sometimes God just shows up: story as metric

This underscores that metrics do not need to be exclusively hard, quantified numbers. Numbers are easier to graph and analyze, but they can be sterile. Some information may best captured as a story of a human being interacting with the company and with God.

At the same time, it is possible—and sometimes advisable—to quantify stories in some way. This can be done by classifying the story reports in categories and then counting the various classes of comment. For example, the stories this year might include five clients who said they were significantly impacted by openness in relationships in a company and seven who said they were somewhat impacted by that openness. This might compare with only one person commenting on this issue overall three years ago, three people two years ago and six last year; with 'significant impact' category being added only this year. That would show a very positive trend in the response of participants to the demonstration of openness in relationships within the company. Thus from qualitative stories it is very reasonable to create quantitative numbers that are easier to track and analyze for trends—and from which it is then possible to decide action.

In the previous example, the company is collecting a Direct Lag measure (see Appendix A, Types of Metrics) that indicates actual influence in their clients' lives. They are also collecting a Surrogate Measure in the form of self-reported experiences that they believe will lead to life change. The company's objective is to see people's lives transformed and these measures are helping them see how they are succeeding.

Returning to the character in the Narnia stories, Aslan, the untamed lion. We need to hear, see and feel the fullness of His movements for us to understand and determine with confidence that "yes, He is on the move." The story, His story, really is what we are after. In essence, story is the metric.

The role of disciplines

Clearly we depend on God as we work to grow spiritually, utilize our gifts and serve Him. But that does not mean that we have no work to do or plans to make. The disciplines of faith matter a great deal and many of these lend themselves to quantification and measurement. Measuring the discipline would be an example of a lead indicator, as we would believe that following our disciplines will lead to spiritual growth and maturity.

An example of a spiritual discipline might be a commitment by the believers in the company, to pray regularly for each of their coworkers. Those who have made this commitment could be asked to report a simple yes or no each week, both as a way of holding them accountable, but also as a means of measuring the company's commitment to this discipline.

One of the Issue Group members ran a small factory in a Muslim country. In the factory they shared lunch together with the owner, engineers and factory workers and from the first day the manager had asked one of the two or three believers in the company to give thanks before the meal. These prayers were always asked in Jesus' name and the Muslim employees both accepted and respected this practice. This simple discipline of thankfulness and demonstration of commitment to Jesus is something that can be measured ("How many times did we give thanks in Jesus' name this month?") and also evaluated ("How sincere are our prayers and how are our Muslim friends reacting to this?") Such reporting and questioning allowed the company to keep on target but also to make adjustments in the way this was done as the mix of employees shifted. As a follow-on note to that story, there came a day when a group of very devout Muslim welders joined the company and the foreign owner felt self-conscious asking for a prayer at lunch. One of the older employees, also a Muslim, asked "What's wrong, aren't we going to pray?" Of course they then had a prayer (in Jesus' name) and the chastened manager had new evidence of the acceptance of this practice by the whole staff.

Action matters

Measuring and reporting changes nothing, it is taking action that ultimately matters. This is true for all measures but bears repeating in a discussion about spiritual measures. James 1 verses 22 to 25 tells us that hearing instruction but taking no action is meaningless. In terms of metrics this means that we need not only to gather information and report it, but we also need to analyze it, reflect on it, and determine what to change because of it. That might mean we do more of something or that we stop doing something completely.

Maturity is being able to learn from our own experience and make necessary corrections. For many people the discipline to collect, report, read, analyze and then take action on metrics is overwhelming. We are good at talking about what we *ought* to do but not so good at setting up the habits and disciplines that put a system in place and ensure we really do it. As James would say, we look in the mirror and forget our own image!

However, if we believe that our business is called by God to make a difference for the Kingdom and if we believe that we can, through our actions and choices, make that more or less effective, then we need to take this as a serious call:

1. Prayerfully evaluate your context, gifting and calling in its fullest meaning.
2. Agree at a strategic level what you believe you are called to be and accomplish in the business, that is, agree on your role for the Kingdom.
3. Set plans for actions and behaviors that you believe will help this to happen.
4. Put in place a small set of measures that will confirm you are taking action.
5. Diligently review the results, praying over them for insight.
6. Take the actions that you have decided to take.
7. Keep monitoring to see if the changes worked, and repeat the cycle.

As we advocate for this cycle of planning, implementing and monitoring spiritual impact we keep in mind that we must leave space for God to work in unexpected ways.

Some Pitfalls of Using Metrics

Ownership of metrics

A major issue in the successful implementation of metrics is ownership. The key question is “Who cares about the metric?” Many large companies have put in place dozens of different reports and measures which are routinely calculated and published but never read, much less analyzed and used. One group member recalls working in a large secular company where a new manager had the secretary stop publishing traditional reports one by one. If no one complained then he concluded that the report was not being read and had no value. By the end of the first six months the company had stopped publishing over 30 useless reports and no one else in the organization even noticed.

A parallel problem is with measures or reports that die prematurely. A measure that adds value may be created and reported, however if there is no owner assigned then publishing might skip a week, then two. A year later someone asks when the last report was published and it turns out to have died quietly six months earlier. No one decided it was not valuable, but there was no one responsible to make sure it was prepared. There was no process to make sure it was analyzed, discussed and acted on. If a metric has no value then stopping it is the right thing to do, but stopping must be a conscious decision.

Properly, each report or measure that is prepared should have an owner who takes responsibility to ensure that the information being gathered is accurate and meaningful. They should care that it is saying something important for the business. Typically the accounting manager will own the financial reports and the sales manager will own the metrics dealing with new business. However, the ‘owner’ of the metric can be almost anyone in the company as long as that person is both concerned for the quality and application of the measure and also has the authority to address problems that arise. Ultimately it is a management responsibility to make sure that key measures are prepared, analyzed and fed back into ongoing operations so that the business can improve in all important areas.

How the information is gathered, to whom it is communicated and how it is evaluated are all vital issues for a BAM company, as are questions of whether it is meaningful and what will be done in response to the reports. If there is no owner for any given metric, spiritual, commercial, social or environmental, then there is the risk that the metric will become obsolete, or a completely wasted resource.

Cross-cultural metrics

In BAM we are often working in cross-cultural settings. Cultural misunderstandings and culturally perceived values can cause enormous damage to a company. Metrics, measurements and performance evaluation are one of the cultural “minefields” that can be challenging to navigate.

In some cultures when a owner says to an employee, "I plan to hold you accountable for this", the employee will take pride in the trust being placed in her. That person will be excited for the opportunity to demonstrate her skills and report back to the boss. In other cultures, the employee will believe that being “held accountable” means she is going to be punished. If the boss comes from one of these cultures and the employee from the other, there are likely to be challenges in utilizing metrics. If accountability has negative connotation then why would the employee want to performance to be measured? Even when goals are shared there can be gross misunderstandings that result in strong feelings and deep hurts. For a company, the result might be lost employees, angry customers, lack of trust from investors or even ruined businesses. Thus the sensitivities and fears of the employees—whether they are clerks or managers—need to be understood during the development and application of metrics.

All cross-cultural encounters call for humility and sensitivity on both sides, but more often the burden is on the foreigner to understand local expectations and norms, particularly when the foreigner is the boss. The solution is usually an investment of time explaining, exploring and carefully listening.

At the risk of simplifying cultural issues, here is a short list of some of the types of cultural misunderstandings that may impact metrics in a cross cultural setting:

- Cultural arrogance that assumes what's worked in other settings will certainly work here.
- Employees seeing any form of measurement as a pretext for punitive action: "If they measure me it means I'm going to be punished."
- Differing standards of what is "success", based on culture, theology or other values and experiences.
- A worldview belief that systems do not work and cannot work, that predictions cannot be made and analytical reports on behavior are inherently flawed.
- A modernistic worldview that assumes everything works mechanically, and can be understood and analyzed.
- In many societies trust is a rare commodity and distrust can undermine any sort of internal application of measures.
- A theological position that spiritual matters cannot and should not be measured.
- Refusal to listen to local wisdom, experience or concerns.
- A value that says knowledge is power, power is what matters and sharing information therefore weakens me.

This list gives a few ideas, but there are many other issues that can come into play in a multicultural business. Many of these will be particularly significant for internal measures to be used with employees, but there can also be issues with measures used for external parties such as overseas based owners, board members, investors and mission agencies. Often the tension will exist between the in-country manager and an external person to whom she or he is accountable. The local manager understands the local sensitivities but may be unable to communicate them adequately to decision-makers overseas. Tension may exist internally where the manager simply cannot see his employees' perspective and does not understand why his new system has been seen as a threat.

In a multicultural business any new metrics to be used and shared with local employees should be approached with care. Working with a group of more culturally aware nationals can help to highlight issues before they arise. It will help to talk together about why the metrics are needed, how they will be prepared and calculated and, most significantly, how they will be interpreted and applied. These discussions will take time, but that time should be counted as an investment as it will likely yield new understanding into the local worldview and concerns. Identifying these issues while a program is developed is infinitely better than having them blow up into a major problem later in the process.

Perception and accuracy

A businessman was in a hot-air balloon floating above the countryside. He could not spot any landmarks to tell him where he was and where should go. Suddenly far below he saw a person—who happened to be a management consultant. "Where am I?" shouted the businessman. "You are in a hot-air balloon!" replied the management consultant with complete accuracy but with no sense of perspective. This story illustrates the simple fact that there are many possible metrics and they will yield answers. Those answers may or may not be accurate and they may or may not be helpful. Accuracy and helpfulness are not the same thing but both are important.

We are all familiar with various optical illusions and the fact that our eyes can be tricked. Problems of perception are not only limited to our eyes. The way we see things and the way we answer questions is strongly influenced by our environment and our perspective. Someone from a chaotic environment may describe a business as highly organized while someone from the military may describe that same business as chaotic and ill-disciplined! One person may perceive the recent lull in sales as temporary whereas someone else may perceive it as sign of a major crisis.

In some cases it is possible to quantify the issue and make it more objective. In such cases, it is very commonly shown that people's casual assessment can differ wildly from the rigorously measured result. An employee might say, "On average we produce three cars a day." A detailed review of production may reveal that they only produced three cars on four days last year. The employee would not be lying, neatly demonstrates the fact that certain facts stick more strongly in our mind than others, the three car days were more memorable!

Sometimes it is important and necessary to get information from opinions. After all a person's opinions are likely to influence their decisions. Nevertheless, it is important to understand the sense in which an opinion is accurate. Even if someone is attempting to answer an opinion survey honestly, there are many factors that will influence their actual answer. In some cultures, the recipients may honestly believe that you would not want a dishonoring answer so they may strongly limit their negative comments. In other cultures, a written survey is likely to get a different result from a face-to-face survey with a friend. Similarly in some cultures—such as the USA and the UK—a series of questions which got negative answers is likely to cause the next question to be answered negatively as well, and vice versa. This all means that you need to be particularly careful in the way any opinions are gathered. It also means that where possible, metrics should not only depend on opinion but on directly measurable behaviors, activities or qualities. In this way the context and meaning of the opinions can be validated.

The idea of gathering multiple perspectives (multiple measures) on the same thing is particularly valuable. Most of the time, the paired information will be strongly correlated but once in a while there will be anomalous, or conflicting, results. Those differences are extremely valuable because they highlight that something unusual or unexpected is going on. When everything is consistent we will tend to assume that we understand what is happening. When something usual catches our eye, it can be like a burning bush that may change our perception forever.

Generally the issues of perception and accuracy mean that it is very important to be transparent on how the information was collected and the basis of the evaluation. Defining, publishing and using standards is basic to communication. A report that, "Twenty people came on Tuesday night" is meaningless if we do not know that included twelve staff and only eight guests.

Data overload and system overload

Even when it comes to simple metrics such as those produced by an accounting system, it is never a matter of one-size-fits-all. The financial metrics suited to a single coffee shop are different from those suited to a franchise running multiple coffee shops, a clothes shop, a coffee roaster, a consulting company or a bank. If this is true for "simple" financial metrics then it is certainly true for environmental, social and spiritual metrics. There may be some overlap but there will also be many differences.

One reason for this is can be illustrated by looking at environmental metrics as an example. A coffee shop and a coffee plantation will both be concerned in the long-term about environmental issues. However, a coffee shop can directly influence its own consumption of power but cannot directly influence the planting or destruction of rainforest and plantations. The coffee plantation is less concerned with power consumption and more concerned with environmental usage. The coffee shop could set up a system to measure its impact on the environment but this would be costly, would not change much during the first few years of its start-up, and it is unlikely to influence many of its early decisions. Ultimately the coffee shop does share some responsibility for environmental usage and once it is established, it may want to encourage its suppliers to report on such things so that the metrics influence its decisions. However the point is that while the coffee shop could measure many things, it has to be selective about what it measures.

If a company has too many measures then it will have an inefficient and potentially ineffective system for reacting to those measures. This is wasteful and potentially unhelpful. It is possible that important signals will be missed in the masses information that is flying at the management. Information overload is just as dangerous as ignorance. Even if the users of the metrics can read all the measures, the problem with too much information is that it either causes inaction (like a rabbit caught in the headlights, the manager was run over by too much information!) or causes a random reaction (the information pointed all directions so we turned left).

A good metrics system gives the user a sense of perspective so that they can prioritize and act appropriately. In the earlier story about the investment banker who said he "could finally run my business," what made the difference was that each morning he knew which metrics to look at urgently, which to consider if there was a problem and which to consider in order to tweak performance. As this banker puts it, "I come in and if this metric is in this range then I have a cup of coffee. If it isn't, then I look at these metrics and call in the relevant department head to discuss the problem and then I have a cup of coffee."

Just as a metrics system can produce too much information or too little information, so too it can be too simplistic or too complex to run. We have assumed in this report than most BAM ventures are currently running metrics systems that are not comprehensive or complex enough. However it is worth noting that metrics systems can be too complex. When there are only three people in the business, it is unlikely that the business needs a large system for employee satisfaction. As the business matures and grows, it will need systems for knowing how it is treating its employees. Just as a computer-based system measuring competencies and performance is inappropriate for three employees so too a simplistic system that is only reported in the head of the founder is inappropriate when the business has five locations and 150 personnel. A wise user of a metrics system will include a periodic review of the suitability of the metrics system. There will be times when the system can be simplified and times when it needs to become more sophisticated, times when less information is better and times when more is better.

Metrics for Comparative Studies

Most of this paper has been devoted to the issue of metrics that address the performance of an individual company, for internal use or for use by external auditors or investors. This section attempts briefly to address a very different task for metrics—the comparative analysis of different businesses or of the BAM movement as a whole. Such assessment would be attempting answer these types of questions:

- Is BAM working? Given all the hype and investment into BAM around the world, can we be confident that we are, collectively, making a difference?
- Which models of BAM are most effective overall or for specific objectives, such as evangelism, discipleship, church planting, hostile attitude change, poverty alleviation, etc.?
- In which countries or regions is BAM most (or least) useful as a mode of ministry?
- Which of the various BAM companies should be used as a model for future investments?

Learning from success

Our first challenge is finding a common understanding of success and effectiveness. For those of us engaged in work for the Kingdom these are difficult questions and we are walking, as previously noted, on holy ground.

An evaluation of Stephen's ministry in Acts 6 and 7 may be informative. Stephen was a deacon, called apart to help address the social needs of Greek widows so the apostles could be freed for prayer and other ministry. One day Stephen got into arguments with some Jews from Cyrene and Alexandria that eventually resulted in his being stoned. This obviously was not good for the Greek widows in his care and even led to widespread persecution of the church. A reasonable evaluation of Stephen's ministry would have to be rather harsh on him. The widows suffered and the church was persecuted. Of course the result of all of this is that the disciples who had been in Jerusalem since Pentecost were forced to leave Jerusalem and carry the Gospel of Jesus back home, throughout the known world, many returning to their jobs and businesses. This shows that a simplistic evaluation of performance may label something a failure and yet it is the very thing that God uses to build the Kingdom in ways no human would anticipate. We need humility in all of our judgments about what constitutes success.

Acknowledging this very significant limitation in our ability to judge, we can still make a few basic assumptions about what we would like to see BAM companies accomplish:

1. Profitability

We expect commercial profitability. No company exists solely for profit, as no person exists for the purpose of eating. However, without food a person dies and without profit a company dies. So profit is a necessary—if not all-sufficient—condition for success.

More profit is not necessarily better, though investors and owners may think otherwise. If the purpose of the BAM business is to make a difference for the long term then sustainable profit is essential, but that is all.

It is also important to note that businesses are not usually immediately profitable. During start-up there are losses that should be counted as initial investment. Any evaluation of a company's profitability must take into account its stage of development. Early stage companies should be evaluated against their own business plan rather than an absolute scale of profitability and cash flow.

2. Biblical values and practices

We expect ethical behavior in company operations. No BAM company should be loose on ethical standards. There are context based issues that need to be considered here—see the discussion on Ethics in the Recommendations section—yet a BAM company should be an example of the highest standards in the region.

This should apply broadly, to care of people and the environment, concern for the poor and the impact of the product or service. Measuring impact in these areas is vital. The subject of what encompasses Biblical values is important but beyond the scope of this report.

3. Spiritual impact

More positive impact for the Kingdom is clearly better, the challenge is determining what this means in practical terms, for comparison. This will be business and context specific. Refer to 'Spiritual Metrics' and Appendix E for a discussion of a company's calling.

Considering these three areas, an approach for comparative study might be to look at companies first to see if they are profitable (yes or no) and then if they are operating with Kingdom appropriate values (yes or no), we might then then measure their spiritual impact for comparison. While God can use a business that is subsidized financially or which becomes insolvent, the goal in BAM is to have sustainable, profitable businesses. Although God can redeem even a corrupt business, that is not the appropriate norm for the BAM movement. Thus, the comparative measure in this case becomes the spiritual impact within profitable businesses operated within Biblical principles.

Another word of caution on evaluating spiritual impact comes from Matthew 25 and the parable of the talents. In this story the master leaves three servants with different amounts of capital—one with a single bag of gold (or one talent, in the King James version), one with two bags of gold and another with five bags of gold. In evaluating their performance the master gives the same praise to the servant who returned with two additional bags as he gave to the servant who returned with five additional bags, both were rewarded for good performance. The servant with the worst starting condition was punished, however, for not putting his capital to work, even to draw passive interest from the bank. The point for us here is that different absolute results are perfectly acceptable given different gifting, skills and contexts. The same is true for different companies. What is not acceptable is to sit on our gifts or talents and fail to bring any return.

In a comparative study of businesses, then, it is important to make allowance for the context and conditions of the businesses being studied. A simple review of the Profit and Loss Statement and Balance Sheets will not do the job. Any attempt at a comparative analysis will necessarily involve interviews and evaluations of the spiritual and other impact. This will be in the light of the context in which the business operates—culture, sector, legal, ethical environment, to name a few. Normalizing for these, or perhaps studying a group where these are constant, it may be possible to evaluate the impact of companies and determine those which are more effective and should be used as examples for others.

The question of "Who's the best?" is really less significant than the question "Are we making a difference?" and that is something to remember in any comparative study. The current BAM movement is still relatively new, so as a group we are looking for successes from which we can learn. Benchmarking for best in class or best practice examples is very helpful. We will benefit from objective review to ensure we are not blinded by our own marketing hype. However, the idea of giving hard ratings to those who are better than others is probably an exercise that would cause more damage than good.

Does BAM work?

Another area for comparative study deals with the evaluation of the entire BAM movement, addressing the questions, “Does BAM work?”, “Is BAM more or less effective than traditional modes of mission?” or the more positive question, “What helps make BAM more effective and how can we learn from that?”

Many have taken on BAM because they see no other option as more countries close their doors to traditional mission approaches. Others have adopted BAM as a means to more holistic discipleship and incarnational witness among people who understand the business context as a way of life. A rigorous study of the effectiveness of BAM would have a powerful impact on both of these groups. Such a study would require that a large number of companies be studied over a period of time so that various factors can be normalized and the real impact can be assessed. It would require comparison with similar non-BAM companies and also with similarly focused non-business based ministries.

Figure 4: By Sam Gross © New Yorker Magazine

Conclusion

BAM is hard. Very hard! Missionaries with little business experience but plenty of vision start businesses and struggle. Experienced business people start businesses in new countries or cultures and struggle. Too many business as mission (BAM) companies wander in the desert aimlessly. Well designed and implemented metrics can help keep a business on track to achieve what it set out to do. Since BAM businesses set out to bring glory to God and to expand the Kingdom of Christ, the consequences of being on—or off—track have eternal significance!

We believe it is not only possible, but highly valuable for a company to have practical, intentional goals for ministry and then to evaluate (measure) their performance against these goals. We also believe it is right and appropriate for outside agents, whether owners, investors, ministries or researchers, to have tools to evaluate and compare. Benchmarking and the development of best practice indicators are valuable for the entire BAM community.

Recommendations and Action Plans

Minimum recommended metrics for BAM business

Every business is unique and, as has been discussed in other sections of this report, metrics need to be tailored to the company to reflect the company's unique goals, context and challenges. That said, there are certain metrics which we feel should be monitored as a minimum by any business. These essential metrics are all aimed at ensuring the owners of the business are able to answer for themselves the key questions:

- Are we doing what we set out to do?
- Are we being responsive to God's call and the Spirit's leading?
- Do we have the cash we need to operate and meet our commitments and is it likely that we will continue to be solvent in the coming year?
- Are we being good stewards of the money that has been invested with us?
- Are we caring for and developing our employees?
- Are we damaging or helping the environment?

Not every business needs dozens of charts and numbers to answer these questions. In many cases the answers will be obvious. However, a few carefully selected, measured and reported metrics can help bring clarity. The following list contains recommendations for how to cover these questions.

Finance

Basic Profit and Loss statements and Balance Sheets: These are preferably issued each month and should honestly reflect the entire business. Note that in many countries the legally mandated statements are inadequate for managing. Good management accounts are essential.

Cash flow: Many companies fail while they are making a profit. Cash determines survival more than profitability, at least in the short term. Every manager should know what cash is going out of the business and what cash is coming in for the next couple of months.

Analysis: There are a number of key analyses that should be done on the financial data so that you can understand the dynamics of the business. These would include gross margins and administration as a percentage of sales, at least. A manager should know these figures and be aware with how they are moving over time. Preparing the Financials is helpful, but analyzing them brings value!

Ethics

In many BAM environments it is virtually impossible to operate completely within the regulations. That can be hard for some people to accept, but there are many countries where complying with all of the tax laws means certain bankruptcy, there are countries where the corporate profit taxes amount to over 100 percent of income! In such cases one essential measure is to know where and to what extent your business is functioning "in the gray". For example, it may be necessary and common practice to make some sales without invoices. If this is your situation you should *at a minimum* be keeping track of how often that happens and what percentage of your total sales are "off the books." Note: *We are not advocating or endorsing this sort of practice*, but we do acknowledge that some contexts force companies to behave in ways that are not ideal. Within the accountability structure of the organization it is essential to have transparency and counsel on these issues.

Product development
In many businesses new product development is essential for ongoing survival. In such cases a key metric will be the status of new products being developed.

Operations
Operations will include the execution of orders or the preparation and delivery of goods and services. Management needs to be sure that these are being done well and at least some measure of quality should be in place.

People care and development
We work with and through people and the Bible gives many instructions to those who manage others about how they should be treated. Management should be able to know that the staff is being properly compensated, that salaries are being paid on time, that working conditions are good and that the staff is being encouraged to grow in their personal and professional skills. This could lead to a broad array of measures in place, or could be summarized in a periodic discussion with supervisors or employees.

Spiritual impact
At the very least company management should be asking on a regular basis the question “Are we being the people and the business God has called us to be?” The discussion of this and a brief note about the results is a good metric that will allow you to look back over time and identify when you are doing better and when you are not—and, just as importantly, when you were too busy to stop and ask the question.

Environmental and social responsibility
Similar to spiritual impact, management should at a minimum periodically reflect on the question, “Are we operating in a way that reflects God’s love for His creation and that will help to transform this society in the image of His Son?” There are many other measures that would fit in different businesses, but a regular discussion with a brief note to document it can do a lot to keep the company focused on these areas of stewardship.

Action Plans

The work of this group and subsequent report has necessarily been constrained in time and scope. We recommend the following points for further action:

- Further work on environmental, social and ethical indicators, as well as commercial and spiritual.
- Document and share other helpful metrics frameworks already being used successfully by BAM companies.
- A comparative study or studies of the BAM movement or one area of it.
- Develop further training programs that could equip BAM executives on these topics.
- A practical handbook to help managers with the basics of business, a “Where There Are No Doctors”, but for BAM businesses instead of healthcare.
- Providing further guidance on governance for BAM businesses, including the imperative for accountability and boards.

Those wishing to communicate with the editors or the contributing group regarding this Report or these Recommendations and Action Plans may do so at info@bamthinktank.org.

Appendices

Appendix A – Types of Metrics

Lead and Lag Indicators

Most traditional measures are Lag Indicators; telling us what has happened in the past. For example, Profit and Loss reports, Production Efficiency, Sales and Customer Satisfaction all tell the user what happened in the period reported. In contrast, a Lead Indicator gives an indication of what is likely to happen in the future. This is done by first developing a theory of the process and then measuring an “upstream” activity to indicate what is likely to happen “downstream”.

If you can measure actual sales by unit per month as a Lag Indicator you can then track how sales progress and whether there is seasonal impact or if a particular marketing activity resulted in an increase in sales for a short or long period. That is all very useful. However, if you stop and study your sales process more carefully you may conclude that your sales come from quotes, that quotes come from technical discussions with the customer and that technical discussions only happen after an initial cold-call phone contact has been made. In this case you can measure those upstream activities—those that happen prior the sale—and understand the dynamics of this process more carefully. From there you could, for instance, conclude that from 100 cold-call phone contacts you will likely have 30 technical discussions that will lead to 15 quotes that will lead eventually to five sales. With this information, you could start tracking cold-calls made (something you control) and predict that 5% of those cold-calls will eventually become hard sales. Number of cold-calls is in this example a Lead Indicator.

Or suppose a team is interested in tracking the development of a community of followers of Jesus in a particular neighborhood. To have such a community it will be necessary to have followers of Jesus, but in this example there are none and there is a very high resistance to the Gospel in the neighborhood. The team believes that lowering the resistance will be a key step in for them in bringing people in the neighborhood to faith, but resistance is very difficult to measure. Thinking and praying about this the team may decide that resistance can best be lowered by being good and friendly neighbors, and by and by exposing the community to Christians who break the negative stereotype that has been developed over recent centuries. The team may then determine to get involved in neighborhood activities and try as naturally as possible to build relationships. Lead indicators they might track in this case could include: dinners or teas with neighbors, participation in local clubs or associations, children's play times with neighborhood kids (football and basketball matches, for example), conversations on the street that went well or poorly (a subjective evaluation by the team member). Any or all of these could be tracked with the hope and expectation that these activities will lead to lowered resistance which eventually will lead to curiosity and conversions—and that conversions with discipleship will lead to a community of followers of Jesus.

The value of the Lead Indicator is significant because it is measuring something you control—in the first case cold-calls made by your sales staff, in the second case positive contacts with neighbors by the—but it predicts something vital to your goals, i.e. sales or an established community of followers of Jesus.

For Lead Indicator Measures to be effective the following should be true:

- You should have a reasonable belief that the process works—that the Lead Indicator actually has a causal relationship with the final desired outcome (in our examples, sales or lowered resistance to the Gospel).

- The activity being measure should be controllable—an action the company takes rather than a result to be recorded.

When Lead Indicators have been put in place it is then possible to set targets for the activity, monitor their performance and then track the target outcome using a Lag Indicator to confirm the relationship.

Note that in the second example above it would be possible to have activities that are insincere and do not actually build honest relationships with neighbors. This would on the surface seem to disprove the assumed causal relationship but might rather suggest a more complex process: not every contact is positive and an honest subjective evaluation is needed to evaluate the individual data points.

Lead Indicators are built on a belief in the process, that the Lead Indicator causes the desired outcome. This needs to be monitored and confirmed. Over time it will likely be necessary to change Lead Indicators as the process either evolves or is better understood. But using this methodology can help a company take proactive actions that assist in achieving the company goals.

One last comment on Lead Indicators is that for a team it is often most effective to have the team work together to think through the process and select the Lead Indicators. Imposing them from management or from a consultant can lead to rejection by the staff. Having them work together, track them and report them together can build cohesion and buy-in that helps the process in its effectiveness.

Quantities and Qualities of Process and Impacts

In the general mission community there is often discussion about whether we should assess the results of a ministry team or merely the activities or faithfulness of the workers. This debate is reflected in the business world, where some metrics measure the process (e.g. amount of raw material purchased, number of hours worked) and some measure the results (number of cars sold). More sophisticated businesses—such as those implementing lean manufacturing—will refine those measures to assess both the quantities and quality of the processes *and* the quantities and qualities of the results or impacts.

Thinking about those in the context of measuring discipling relationships, for instance, we could measure the number of hours of face-to-face contact and the number of times Christ is directly mentioned (both *process quantities*). We could assess the amount of noise and distraction that was going on in those meetings because discussion in a quiet room has different intensity from discussion in a crowded street (a *process quality* measure). We could measure the number people asking to be baptized (an *impact quantity* measure) and we could assess the maturity of the believers in community (an *impact quality* measure).

Often discussion on the choice of process and impact measures will be intermingled with a discussion on lead and lag measures.

Character and Behavior

The fact that it is generally easier to measure quantities rather than qualities is particularly important when it comes to ethical issues and social or spiritual transformation. When it comes to individuals, it is relatively easy to measure behaviors but it is harder to measure character. It is relatively easy to see their gifts being exercised but it is more difficult to weigh the fruit of the Spirit in their lives. Nevertheless if we are to seek to be people of integrity then we must be at least as concerned about the heart of the matter as the surface behavior. As we disciple individuals, we will look for ways to gently help them reflect on their character issues as well as their behaviors. We have all met individuals who do and say the right thing but there is something in their character which "just doesn't seem right".

In the same way it is relatively easy to measure the behavior and activity of a business, but it is more difficult to assess the health and depth of its culture and corporate character. There are many organizations with processes and values which subtly encourage good people to cut corners or do less than the best when no one will notice. This is not just a character issue for the individuals but also for the organization itself. Organizational pressure and habits influence individual behaviors often without an individual noticing.

If individuals are to help in Kingdom transformation, then they must not only do and say the right things, they must have the right character too. We need to find ways to help them address both their behavior and their character. Similarly, businesses that are concerned about being transformational must address their behavior and culture.

There is difficulty in measuring character because it is often not very tangible or well defined. This means that direct measurement is difficult, but we can look for signs of maturity and character. Those signs are only surrogate measures (see the section below) but they are often helpful in facilitating reflection and growth.

Discrete and Continuous Quantities

Another fundamental distinction in metrics is the difference between measuring things that can be counted ("discrete quantities", like books) and measuring things that only have quantity ("contiguous quantities", like water). It is relatively easy to count pennies and books but to measure water (let alone water flow) you need specialist tools. The fact that measuring discrete quantities is easier means that many businesses and missionaries concentrate on measuring things that can be counted. We can convince ourselves that it is easy to count "converts" or "churches planted" because we can count heads and meetings. It is easier to ask "How many churches are there in the country?" than "How much church is there in the country?"

To illustrate the problem with this approach, consider which is the easier question: "How many sand dunes are there in the Sahara?" or "How much sand is there in the Sahara?" Posing the first question is likely to lead us into using a specific definition of a sand dune (or church) in order to be able to count. Then because we are then able to count sand dunes we feel that we have an accurate measure. Counting feels more accurate because it is easier. However, on reflection we may realize that our definition of ‘sand dune’ may be arbitrary and in reality it is hard to see where one sand dune stops and another starts. Instead, reframing the question as "how much" rather "how many" can lead to a question and an answer that is more valuable, even if the answer is harder to achieve.

It is worth also noting that an obsession with discrete quantities and counting can be counterproductive. When one of the authors arrived on the mission field, there was only one indigenous congregation in the country. After ten years there were four or five congregations. Counting congregations would cause us to rejoice. However those congregations were formed by division and dissent rather than by massive growth. Not only that, but the field workers had a part to play in generating those divisions. On reflection, there was a period where workers said it was hard to tell how many churches there were in the country because there were multiple meetings led by different people but all within the same basic believing community. This produced a subtle effect of mission workers encouraging believers to "belong to one congregation", sweeping the sand into discrete tidy piles as it were. Generally we do not like ambiguity "Is that one church or two?" "Is that person a believer yet or not?". However, our reaction to ambiguity can lead us to value counting and definitions over valuing what is really at the heart of the matter.

As with all metrics, but especially when it comes to counting, we must tread with holy reverence, listening to God's insight and interpretation as we go along.

Direct and Surrogate Measures

Not everything lends itself to a direct measure. It is easy to measure how often people show up at a church meeting, but it is impossible for any of us to know the real condition of someone's heart. It is easy to measure sales, harder to know how happy customers are with the product or service. Often what we want to know is impossible to measure directly and we are faced with the choice of giving up on measurement or measuring something we think might correlate with the factor we are really concerned about. When we choose the latter and measure a correlate, we are using a Surrogate Measure.

Surrogate Measures are an essential bridge for us in measuring and evaluating some of our more important goals. We want to see lives transformed in the image of Jesus. We want to provide products and services that address real needs for people. We want to do it in a way that brings glory to God. But how do we know when we have successfully done it? This is where Surrogate Measures can help.

A surrogate is a substitute, something that takes the place of the original. When choosing a Surrogate Measure we need to find something that can be measured which we believe will correlate with the real goal of our measure. For example, many companies want to know if their customers are happy with their service. Since measuring happiness is beyond their skills they instead send out a "Customer Satisfaction Survey" because they believe that positive answers on a survey like this will correlate with happiness in the customers' hearts. They may be right. However, it may also be true that customers will lie on a survey or that only happy customers will respond and unhappy customers will not trust the company with honest replies. If that is the case, they will get only positive answers and make decisions based on the assumption that all their customers are happy when instead they may have a serious dissatisfaction problem. Or even worse, it could be that their customers hate filling out surveys and start to turn away from the company because they are always being asked to fill out the irritating surveys! The very act of trying to measure could damage the company.

What this indicates is that the selection of a Surrogate Measure takes a bit of creativity and care. One can start by asking how a happy customer behaves and how an unhappy customer behaves. There will naturally be a range of responses to this, but some of them may help identify potential measures. For instance, unhappy customers sometimes complain. Sometimes they just go elsewhere for their business without saying anything. Some unhappy customers keep buying but are always looking for a good alternative. In a restaurant unhappy customers may leave small tips compared to happy customers who leave larger tips. Happy customers may give compliments to the sales people or occasionally may write to the company about how glad they are for the good service. However, mostly happy customers will buy the product and keep their happiness to themselves.

A restaurant may choose as a surrogate measure to start counting the total of tips left to servers each day. By tracking this they may be able to gain insights into when customers are happier and when they are less happy. Analyzing this can help them understand the dynamics behind the tipping. Perhaps the manager would try to identify people who left particularly large or small tips and approach them individually to try to learn why. The restaurant may discover that is has some problems in its customer service by staff or that one of the tables is located where there is a bad draft. Anything can come up once the exploration begins!

Particular care must be taken with surrogate measures when working cross culturally. Choosing to use a surrogate measure means that you think you can see a connection between the thing being measured and the thing you actually want to measure. Such assumed connections can be based on cross-cultural misunderstandings.

Similarly it is possible to mistake whether something is a direct or surrogate measure. It is common for a business to use a direct measure, such as number of customers, and extrapolate that to indicate success or even customer satisfaction. The management starts to assume that because we are full every night, customers really like our restaurant. Thus what was a direct measure for one statistic has been inappropriately turned into a surrogate measure for another.

Individual and Corporate Measures

In the general mission environment, if we are going to assess the effectiveness of ministry, we often assess the effectiveness of the individual missionaries. We ask about their individual activity and their impact on individuals. When we assess the effectiveness of team ministries, we may include measure about the activity of the group as a whole and its productivity, but we still tend to assess in terms of individuals impacted. Such individualistic measurement is valuable, but it is not the only possible measurement of activity or impact. Businesses often measure corporate activity and corporate impact.

It is possible to measure how many sales each salesperson has made this year, and many companies will do so, but they will also measure their market share (e.g. what proportion of all sales of phones were their phones), market penetration (e.g. what proportion of phones being used are their phones) and market saturation (e.g. what proportion of the population are using their phones). One reason for these measures is that the corporate objectives are larger than those of the individuals working for the corporation. More importantly, the corporation has more ways to achieve its objectives than do any one of the individuals. For example, to increase sales, a company might increase the number of sales personnel or they might change the product or its price or they might change the business processes. On occasion the company may change its objective altogether—perhaps because the market is getting saturated—and thus refocus some or all of the individuals.

This is true for economic objectives but it is perhaps even more important for the environmental, social and spiritual objectives of a business. Businesses influence society and the environment in a way that is different from individuals, even though those businesses are made up of individuals. The way a business interacts with its employees, its customers, its suppliers and all other stakeholders will either demonstrate profoundly the Kingdom of God or else demonstrate the profound need for the Kingdom of God! Just as family relationships can demonstrate God's love in the private sphere, so businesses can demonstrate God’s love, justice and other attributes.

As an example, a Christian management consultant established an Islamic bank, designing the products, processes and procedures, recruiting the initial management team and influencing the corporate culture. For many years after its establishment, senior Muslim management would find the random Christian in the organization and ask why the bank had behaved in a particular way. "It felt good but it didn't feel quite Islamic. I wonder whether you understand why the bank did it?" The reason was that God's grace, mercy and other characteristics had been inherently built into the policies, procedures and culture of the bank and the Muslims were recognizing a commonality between those and the Christian ‘yeast’ in the organization.

It is important that missional businesses do not just focus on individualistic measures but also look to understand and enhance the impact of the organization as a whole on the surrounding community as a whole.

One way to look at corporate impact is to consider the way your company's product impacts society and the Kingdom of God. In one restricted access country, newly-wed couples invariably live with the husband's family for many years. This has been a contributing factor to physical and emotional abuse, as well as inhibiting the ability of young couples to come to Christian faith—because they had no personal space to grow and express themselves. A missional company deliberately undertook a range of business initiatives to stimulate the creation of an affordable housing market. One aspect of that was to work with the parents in local communities to identify appropriate locations near the parents where affordable homes could be built. This—along with many other design factors—enabled parents to support and encourage their newlywed children to leave home and form their own household together, while still maintaining and respecting wider family relationships. The final impact of that initiative has yet to be measured but it is expected that we should see reductions in marital abuse and an increase in Christian households.

It is worth noting that groups of businesses also have an impact which is different from that of a single business. Just as it is said in the West that someone needs to meet many Christians before they come to Christ, so it can be true that multiple businesses behaving in a Christ-like way can have a bigger impact on the surrounding community. A single business may be faithful but relatively ineffective until others join it. As a mainstream business example, Starbucks Coffee sometimes allows other companies to test the market in a new city or country. If the small chain is surviving then Starbucks will move in too. Under those circumstances the small player may eventually fail, but often finds in the meantime that sales in their own business increase as more and more people catch the idea of buying "gourmet coffee." Struggling business have been turned around by the entry of more players to grow the overall size of the market.

For this reason it is important to measure not only the activity and impact of the individual business but also the activity and impact of the industry as whole—and in some cases the economy as a whole.

Appendix B – Ways to Collect Metrics

In addition to the fact that there are many ways to measure a business, there are many approaches to how those measurements are collected. We find these can generally be categorized along two separate dimensions: 1) Who is doing the collecting, and 2) How does the collecting process relate to the normal business processes. This can be represented in a two-by-two grid, resulting in four classifications, see Figure A.

	Not integrated with business processes	**Integrated with business processes**
Done by outsiders	External Appraisal	Independent Reporting
Done by business	Internal Appraisal	Integrated Reporting

Figure A: Four classifications for ways to collect metrics

Below we discuss each of these classifications. In practice, a user of metrics may choose a mix of approaches to collect the measures required. For example, a financier may take some information from the business's own reporting and add that to a one-off external appraisal in order to make a loan decision. We will look at each of them in turn to explain the concepts.

External Appraisal

External appraisals are done by someone outside the business with minimal input from the business and they are based on information specifically gathered for the appraisal. In practice the appraisal is often done in cooperation with the business. In those cases the business provides information, e.g. fills in a form, and then the outsider makes an evaluation of the business based on the information available. This type of appraisal is often used when a specific decision is required, e.g. when finance is being requested, and when the immediate user of the metrics is not the business itself, e.g. a bank. Examples of this approach include loan applications with most commercial banks and the Ibex BAM assessment model developed by Steve Parvano described in Appendix C. Another excellent example is found at the end of Appendix H, the BAM assessment tool developed by the Korean BAM Regional Group that may be used as a self-assessment, but is recommended for us with an outside mentor.

Experienced assessors often have a set of scoring criteria with which to evaluate the information provided. The business may not be aware of the assessment criteria and may never be informed of detailed results. At one extreme there is no inherent reason why the business must be aware that the assessment has taken place. For example, in the early stages of a business acquisition, the potential buyer may undertake an external appraisal of the target company based on publicly available information, then if the acquirer wishes to proceed, there is likely to be a second phase of assessment where the target company provides a lot of information and the acquirer does a more detailed external appraisal.

Because an outsider does the evaluation there is minimal effort required by the business. For some organizations this is an overwhelming benefit because the business is not distracted by having to prepare metrics. On the other side of the argument, the business may not benefit as much from an External Appraisal. Even if the business receives the detailed assessment, the fact that it has not run the process means that it may not understand the appraisal as effectively or fully as if it had conducted the assessment itself. From the point of view of the user of the metrics, an advantage of this approach is that it can be dispassionate and the user can be fairly confident that the criteria have been applied consistently. The other side of this argument is that there is limited communication between the assessor and the business which means that inaccuracies or gaps may not be identified and corrected.

Internal Appraisal

Internal appraisals are done by the business based on information gathered specifically for the appraisal. In some cases, the business may commission a consultant or auditor to undertake the review. The crucial point in this approach is that the business has a strong influence on the appraisal. This type of appraisal is often used as part of an annual reporting process. This currently seems to be the most common approach that mission agencies are using to keep BAM ventures accountable—a periodic impact report produced by the company. The assessment tool in Appendix H can be used as a tool for occasional appraisal. Another example of an internal appraisal would be employee or customer satisfaction surveys.

From the perspective of the business, this approach can be a distraction from the main activities in the business. The appraisal takes management time and perhaps money, when time and money may be crucial to the venture. On the other hand, the business gains the ability to reflect and learn as a result of the appraisal. Just as with an appraisal of an individual, so the internal business appraisal can be crucial for the development of the business and its character. The season of review may be a profoundly spiritual or significant time for the business, like a daily quiet time or an annual retreat.

From the perspective of the users of the appraisal, the results are highly dependent on the business. If the business does not produce the assessment then there is no appraisal. Similarly the business may consciously or unconsciously skew the results. As has been noted elsewhere, there is a tendency for people to have an inaccurate assessment of a situation unless rigorous measuring methods are applied. Indeed even the people doing the internal appraisal may be unaware that they have interpreted and applied the criteria differently from other companies. Even with the enforcement of law, annual submissions to government in the supposedly sophisticated Western world often contain gross inconsistencies in the way businesses interpret and report their performance.

Independent Reporting

In this case, someone outside the business gathers information about the business on a regular basis and then publishes an analysis of that information. The most obvious example of this type of reporting are the rating agencies, but in practice many suppliers and customers run some form of rating system that measures late payment of invoices or frequency of purchase. Banks and finance companies often collect behavior and performance metrics on their customers. While this form of metrics is perhaps less visible than others, it can be the form of metrics that most impacts the business. Experienced businesses not only track metrics on their stakeholders but also look for ways to positively influence the metrics kept about their own business. A simple question like ,"How do you evaluate your suppliers?" can result in radical improvement in a business's customer service and perhaps its sales.

Rating agencies and index companies are of particular interest to social entrepreneurs as both types of company are increasingly adding triple bottom-line assessments to their analysis. The ratings and indices are being used by the finance markets and that in turn influences the availability and cost of capital for those ventures. Similarly, the data is being used by suppliers and customers as they become increasingly concerned about their partners in the global supply chain. These ratings and indices are produced not only for listed companies but increasingly for privately-held companies as well.

Integrated Reporting

This approach involves the company building the collection and analysis of the metrics into its business processes. In this way the business generates the metrics as a natural part of its business function and then analyses and distributes them as a natural part of its management and governance reporting. Because it is integrated within the core business, the marginal cost of collecting and analyzing the data is relatively small and the accuracy of the data—at least in theory—is higher. Similarly, because it is analyzed and distributed as part of the management process, it is likely to have a strong influence on corporate behavior. If the metrics are appropriate to the venture then this approach will likely achieve the best value for the business. On the other hand, if the metrics are inappropriate then they may overload or distract the business (refer to the earlier section “Pitfalls of Using Metrics” for a fuller list of concerns). The most obvious example of integrated reporting is the use of economic metrics (accounting) to manage the finances of the business.

Since this approach is the most valuable, a large portion of the earlier section ‘How Select Metrics’ is devoted to how to select metrics with this approach.

As with Internal Appraisal, there is a risk that the metrics will have different meanings in different companies because they have been applied in different ways. While that is not important for internal purposes, it matters a great deal for any sort of comparison or benchmarking work. For this reason, much emphasis is placed on reporting standards—the process by which the information is gathered—because if we do not know how the data was gathered we cannot really know what the data means. This is why there are so many detailed accounting standards. It is also why there are major global initiatives to produce triple bottom-line reporting standards. There is a general rule for businesses which says "report to the standard or explain what you are doing instead”. If companies report to standard then it is relatively easy to produce comparative and benchmarking reports. If they explain their exceptions, then at least we can all understand their business. Because Integrated Reporting is more about the business systems, it can be easier to have compliant reporting than the Internal Appraisal approach.

Some BAM practitioners are likely to avoid Integrated Reporting because they are in a restricted access country and not all the business personnel are aware of all the business objectives. However, this does not need to be the case. It is possible to run a broad integrated reporting system in which not everyone sees all the information that is captured or receives the full report. In fact in normal practice, companies rarely let all employees see all company information.

Appendix C – Existing Metrics Tools

IGD Framework

Short introduction

The Initiative for Global Development (IGD) drives global poverty reduction by advancing catalytic business growth and investment in the developing world. IGD brings together an influential network of CEOs and senior executives with the interest and capacity to make strategic investments in high-need, high-potential regions, with a current focus on Africa. IGD fosters global connections, shares frontier market knowledge and insight, and promotes business-driven development to create economic growth and opportunity that improves the lives of the poor.

What is the main focus of this tool?

By providing the tools for companies to identify and quantify their broader impact IGD aims to highlight actionable information that can help companies deepen their impact over time and partner more effectively with key stakeholders. The Framework focuses on strategic business drivers, identifying key social and economic impacts in the areas where a company is most likely to create long-term value:

- Achieving growth
- Achieving operational efficiency and increased productivity through the value chain
- Doing business responsibly
- Enhancing the operating environment to support business growth

What is its scope (and what does it not cover)?

IGD is designed to be comprehensive, yet flexible. It can be applied:

- Across a whole business, to an individual product line, or in a specific country or region
- Using a light touch to achieve a macro-level perspective, or as part of a deeper, more detailed analysis
- By sector, reflecting the need for consistency in reporting to allow for comparison, while recognizing that the nature and extent of impact will differ across different businesses.

Sector frameworks are available for agribusiness, power, financial services, and information and communications technology (ICT), with additional sectors under development.

How does it measure and how does it present results?

Impacts in the four areas (achieving growth; achieving operational efficiency and increased productivity through the value chain; doing business responsibly and enhancing the operating environment to support business growth) are essentially measured quantitatively (#, %, $, tons etc.). Results from the cases studied are presented both in texts and in tables.

Pros and cons of these

IGD with its clear structure and quantitatively oriented approach—consistent in terms of what is measured and for what purpose—appears to be a fairly comprehensive tool. The tool provides excellent opportunities for comparison and can probably provide a good basis for business decisions. Possibly the strong emphasis on quantitative performance measures presents a risk that important qualitative phenomena are overlooked.

For what is it recommended or useful? How? Why?

IGD is useful for business growth and investment in the developing world, not least because it brings together an influential network of CEOs and senior executives with the interest and capacity to make strategic investments in high-need, high-potential regions.

How to access it

For more information on IGD, contact Helen Mant, Director, at hmant@igdleaders.org.

Global Reporting Initiative

Short introduction

The Global Reporting Initiative (GRI) is a secular collaboration between businesses, governments and NGOs to define reporting standards about sustainability. The standards are designed to cope with the fact that businesses are now global and that any given business may have influence on other businesses around the world. The standards are still being drafted (draft G4 is the latest draft). At the moment it is proposed to be a voluntary reporting standard but once the standards are completed, some countries may start pushing for broad compliance, starting with the largest companies. The standards themselves are made on a “Comply or Explain” basis, which allows companies to gradually reach compliance.

The reporting standards need to cope with complex multinational companies like pharmaceutical companies with suppliers and customers globally. At first glance this makes the GRI irrelevant for most BAM ventures. However BAM ventures may find the approach useful for two main reasons. Firstly, some ventures are directly involved in international trade (exporting internationally) and therefore they are likely to eventually be asked to assist their trading partners in the completion of their own reports. Secondly, the structure and approach adopted can help a complex venture understand what needs to be reported in order for any reporting to make sense (see recommendations below).

It is likely that at some stage the GRI standards will be joined with the Integrated Reporting standards below. There is a Program to achieve this in parallel to the development of the two sets of standards (because there is some significant complementarity).

What is the main focus of this tool?

GRI is designed to help businesses communicate with stakeholders about the quality of their efforts to be socially, economically and environmentally sustainable.

What is its scope (and what does it not cover)?

GRI is based on the Triple Bottom-Line framework (Social, Economic and Environmental) though obviously it adds a lot more detail within those categories. In addition to the “Indicators” of sustainability with the three bottom-lines, it defines a number of “Disclosures” to ensure that the context of the Indicators is meaningful.

Obviously GRI does not cover Spiritual sustainability. In addition its approach to Indicators is to generally measure the degree of negative impacts (e.g. how unjust is the pay disparity, how many injuries result from use of the product etc.) rather than positive measures (e.g. how many marriages have been saved, how many people have been trained). Generally BAM practitioners will want to add additional positive indicators because most BAM ventures are not merely about minimizing harm but about creating a positive influence.

In the terminology of this report on BAM metrics, Indicators are collections of metrics to do with a particular issue. So for example, one Indicator is, “Direct economic value generated and distributed” which includes revenues, salaries, donations, costs, etc.

How does it measure and how does it present results?

Detailed protocols are defined for the many Indicators. The standards assume that the report will be similar to company’s standard Annual Report.

Pros and cons of these

- The GRI standards are detailed and rigorous. Their emphasis on protocols to produce the Indicators and then Disclosures to establish the context of the Indicators mean that a report produced to these standards will be clear and understandable to outsiders.
- The fact that the standards are detailed and rigorous is likely to put off many small BAM ventures from even reading past page one of the standards. Most BAM ventures would only adopt some of the standards if they are filtered and adjusted by an advisor.
- The general scarcity of positive Indicators in the Environmental and Social Bottom-Lines is likely to discourage BAM ventures and make them feel that the measures proposed are irrelevant.
- If BAM ventures are to be responsible members of the global community, they are going to have to pay attention to the full range of Indicators including the negative ones—BAM ventures cannot get away with wasting energy or producing defective products just because they are missional.

For what is it recommended or useful? How? Why?

With the help of an advisor, the GRI standards may be a useful starting point for a BAM venture wishing to adopt a Quadruple Bottom-Line approach. Some of the world’s best experts have put a lot of effort into taking a balanced view of how to report against a Triple Bottom-Line. BAM companies can learn from this.

BAM ventures involved in international trade and long-supply chains should keep an eye on these standards. They are very likely to be rolled out internationally over the next ten years.

How to access it

The standards and other materials are accessible at www.globalreporting.org

Integrated Reporting

Short introduction

The initiative to produce Integrated Reporting standards is a major secular program involving businesses, governments, NGOs and accounting firms. The objective is to have reporting standards not only for financial reporting but also for every other aspect of a business.

The Integrated Reporting standards do not use the Triple Bottom-Line approach but rather seek to have a more integrated approach to reporting—hence the name. The standards assume that there are six types of “capital”: Financial, Human, Social, Natural, Manufactured and Intellectual. The standards assume that businesses take all six of those resources and then use them to produce more capital in those six types. This model of seeing businesses as transforming “capital” takes a neutral approach to business. It does not assume that the net impact of a business is to deplete natural capital, for example. It acknowledges that a company may deplete one form of capital for a period whilst increasing other forms of capital.

What is the main focus of this tool?

Integrated Reporting is concerned to establish standards for reporting on the inputs and outputs of a business and thus what net value the business adds. It fits into the general scheme of the sustainability initiatives globally.

What is its scope (and what does it not cover)?

Integrated Reporting covers six types of resource or “capital: Financial, Human, Social, Natural, Manufactured and Intellectual capitals. It is possible to include spiritual elements to those capitals (for example within Human and Social capitals) or to establish Spiritual Capital as a seventh type of capital. Because of the integrated nature of the model, it is probably more effective to include spiritual elements within the existing six types of capital.

It has not yet achieved the same level of detail (in terms of protocols and disclosures) as the GRI (above). Nevertheless elements of it are already being adopted in more advanced sustainability countries such as South Africa, Australia and Singapore.

How does it measure and how does it present results?

The processes for measuring vary according to the business and how it is most appropriate to present its transformation of capital. There are clear guidelines on how to ensure that the transformation is reported appropriately.

It is assumed that the results will be presented in a new form of Annual Report.

Pros and cons of these

- The Integrated Reporting standards are more easily adopted by BAM ventures than the GRI standards.
- The integrated approach is likely to encourage more integrated thinking in BAM ventures. This may help BAM ventures avoid the futile debate over whether an activity is “spiritual” or not.
- The standards do not explicitly include or exclude the spiritual dimension.
- The standards do take a constructive attitude towards business, allowing for the fact that business has the ability to build or destroy.

For what is it recommended or useful? How? Why?

Many BAM practitioners would benefit from understanding the Integrated Reporting approach in detail. Agencies and other organizations interested in helping the BAM movement should consider providing Integrated Reporting orientation events to help practitioners get their minds around the approach.

It is very likely that this approach will be eventually adopted by major audit firms. Many of the major firms are looking to transform themselves away from being merely financial accounting firms towards being business accountability firms. Many BAM ventures can expect their external auditor to start talking in these terms within the next ten years.

How to access it
The Integrated Reporting standards are being produced by the International Integrated Reporting Committee. Information and materials can be found at http://www.theiirc.org

Relational Research

Short introduction
This Christian think tank based in Cambridge, UK identified that the core of the Gospel and therefore the core of God's plan for creation is to do with relationships: Relationship to God and relationship to others. They therefore concluded that businesses, policy-makers and individuals should be make decisions based on their impact on relationships. In order to help with assessing the impact on relationships, the think tank is creating a number of venture and tools.

There will eventually be a range of tools cover the measurement of Relational Proximity™ (how close two organizations or individuals are), Relational content (what is being put into the relationship) and Relational product (what is happening as a result of the relationship).

The first tool is a Relational Health Audit. It is being licensed to consulting firms internationally so that they in turn can help businesses, governments and individuals improve their relationships.

Apart from the tools, the underlying theory has already been used to facilitate the resolution of major conflicts, to design new ethical businesses and to adjust government reform policies.

What is the main focus of this tool?
Measuring the desired and actual strength of relationships.

What is its scope (and what does it not cover)?
The tool works with corporate relationships as well as individual relationships. For example, it could measure the strength of relationship between:

- A coffee-shop and a specific supplier of coffee beans
- A coffee-shop and its suppliers in general
- A coffee-shop and its customers
- The management and the staff
- The business and the government
- The members of a Christian community
- A business and the local community

The current tool does not measure relational values like trust, faith or honesty. It is not directly concerned with volumes—such as how big the community is or how big the business is.

How does it measure and how does it present results?

The current main tool uses an online survey (twenty questions) which is usually answered by representatives from both sides of a relationship. Those results are used to directly generate an overall Proximity Score and detailed scores against five key measures of relational health. The scores for each of the five measures tell the user where the strengths and weaknesses are in the relationship. The differences between responses from representatives are also informative. Detailed correlation of the 20 measures can provide further insight to experienced practitioners.

The results are usually presented in tabular form—such as a Relational Balance Sheet™ to present the scores across all stakeholders for a business—or in graphical form to quickly identify problem results.

The results have been used to facilitate discussion to improve the results or merely to inform users so that they can take independent action. In South Africa, the tool is being used as part of the published Annual Report of some major corporations in order to comply with King III governance requirements.

It is possible to apply the idea of Relational Proximity without the survey. Relationships Global itself is working on other mechanisms for measuring Proximity.

Pros and cons of these

- The underlying concepts are specifically derived from the Bible. The value of those concepts is likely to be quickly grasped by Christians and non-Christians alike.
- The way the results are calculated from the survey is transparent and simple which helps users understand what is being seen in the results.
- The survey involves self-reporting and then comparison between views. Self-reporting is mostly about perception. Thus the tool currently facilitates understanding of differences in perception. Additional work is required confirm how perceptions relate to reality. The model does provide the framework for that additional work.
- A company needs to be licensed to use the survey.
- Whilst the ideas are easy to grasp at first, it takes time for practitioners to understand how to change what they do based on what they learn from the tool. This is why it is being rolled out through consultancy firms, so that companies can be mentored in their application of the ideas.
- It primarily focusses on quality of relationships rather than quantity of impact. This is deliberate because the think tank founders argue that this is God's primary concern. However some metrics users may have a strong preference to count converts or churches planted and this tool does not do much to help that.

For what is it recommended or useful? How? Why?

It fits well within any of the three frameworks (Balanced Score Card, Context Capacity Roles and Quadruple Bottom Line). With BSC, it fits within the stakeholder assessment categories. With CCR it can be used to define the way the roles work and the influence that roles have. With QBL it fits within social impact measures or spiritual impact measures. In South Africa, it is already being used as part of the Integrated Reporting approach by KPMG and other firms.

It can be used as a diagnostic to identify problems in relationships and help design corrective actions or it can be used to measure overall progress towards health social and spiritual relationships.

The idea of Relational Health is an extremely powerful one. Most BAM ventures should at least consider apply the model in some way or other. Secular businesses—both big and small—are already adopting it and integrating the thinking in their strategy.

How to access it

The tool is licensed commercially through Relational Analytics www.Relational-Analytics.com. The parent company is Relational Research www.RelationalResearch.org.

Note: Relational Research and its sister organizations have a wide range of tools and initiatives relating to healthy relationships. Many of those tools and initiatives are explicitly Christian when they are marketed such as the Relational Studies Institute, whilst others are like the Relational Health Audit and the Relational Manager course are designed be adopted by people regardless of their religious background.

Guide to Social ROI and Impact Map

Short introduction

Although the value we create goes far beyond what can be captured in financial terms, this is, for the most part, the only type of value that is measured and accounted for. Social Return on investment (SROI) is a framework for measuring and accounting for a broader concept of value. SROI seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits. SROI measures change in ways that are relevant to the people or organizations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them.

What is the main focus of this tool?

SROI is about value, rather than money. Money is simply a common unit and as such is a useful and widely accepted way of conveying value. In the same way that a business plan contains much more information than the financial projections, SROI is much more than just a number. It is a story about change, on which to base decisions, that includes case studies and qualitative, quantitative and financial information.

What is its scope (and what does it not cover)?

An SROI analysis can take many different forms. It can encompass the social value generated by an entire organization, or focus on just one specific aspect of the organization’s work. There are also a number of ways to organize the implementation of an SROI. It can be carried out largely as an in-house exercise or, alternatively, can be led by an external researcher. There are two types of SROI:

- Evaluative, which is conducted retrospectively and based on actual outcomes that have already taken place.
- Forecast, which predicts how much social value will be created if the activities meet their intended outcomes.

How does it measure and how does it present results?

Carrying out an SROI analysis involves six stages:

1. Establishing scope and identifying key stakeholders. It is important to have clear boundaries about what your SROI analysis will cover, who will be involved in the process and how.
2. Mapping outcomes. Through engaging with your stakeholders you will develop an impact map, or theory of change, which shows the relationship between inputs, outputs and outcomes.
3. Evidencing outcomes and giving them a value. This stage involves finding data to show whether outcomes have happened and then valuing them.
4. Establishing impact. Having collected evidence on outcomes and monetized them, those aspects of change that would have happened anyway or are a result of other factors are eliminated from consideration.
5. Calculating the SROI. This stage involves adding up all the benefits, subtracting any negatives and comparing the result to the investment. This is also where the sensitivity of the results can be tested.
6. Reporting, using and embedding. Easily forgotten, this vital last step involves sharing findings with stakeholders and responding to them, embedding good outcomes processes and verification of the report.

Pros and cons of these

SROI is an attractive tool since it tells the story of how change and value is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. There is a great need to complement quantitative and monetary indicators and performance measures with a qualitative understanding of what it is that really creates value 'behind the scenes'. Possibly this way of thinking and investigating appears somewhat uncertain and unfamiliar to business people and entrepreneurs.

For what is it recommended or useful? How? Why?

SROI is useful for measuring and accounting for a broader concept of value. It seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits.

How to access it

For more information on SROI, refer to the SROI Network website www.thesroinetwork.org

DCED Standards for Results Measurements

Short introduction

The Donor Committee for Enterprise Development (DCED) has published a Standard for Measuring Achievements in Private Sector Development (PSD). The DCED Standard provides a practical framework, whereby programs can monitor their progress towards their objectives. This enables programs to better measure, manage, and demonstrate results. The Standard comprises all of the minimum elements required in any results measurement process, in order for the findings to be credible to external observers and the development community in general.

What is the main focus of this tool?

DCED provides a tool and a framework for program managers to build a results measurement system—without needing to 'reinvent the wheel'. This system also serves as a robust approach for articulating the logic of the program, and for validating the assumptions on which it is based.

What is its scope (and what does it not cover)?

The DCED results measurement initiative offers the following benefits to programs:

- The opportunity to think through the logic or results chains, leading to greater clarity around priorities.
- A management tool to orient all staff efforts around those priorities, and to encourage understanding of how their work contributes to the ultimate goals.
- The means to generate approximate numbers for impact (where appropriate) that have credibility; also the means to capture wider market change.
- Interaction with other programs, for exchange and learning in key skills areas required for results measurement.
- Recognition in the field, as being seriously engaged in the results measurement agenda.
- Time-saving through not having to 'reinvent the wheel' for results measurement processes.

How does it measure and how does it present results?

The 'Management Cycle' implied by the standard starts with the drawing of a results chain or logic model, showing how the activities lead to the desired outcomes and impacts. Indicators are defined, based on this logic. A baseline is established, and a projection made of anticipated impacts. Measurements are made, based on the logic, serving also to validate the assumptions on which the design of the program is based. Attribution and market-wide changes are then considered; the results are related to the program costs, and communicated clearly. Finally, the standard provides for a system for results measurement, to ensure that it is not a one-off exercise, but rather a useful management process.

To measure changes in indicators various tools can be used—including in-depth interviews, focus group discussions, stakeholder meetings, quasi experimental studies, time-series studies, etc. As a final summary of the results measurement process, the standard calls for programs to document the key changes in the indicators at least annually, so that they can be communicated within the internal program-related community (donor, management staff, program staff) and the external community if deemed fit.

Pros and cons of these

The DCED standard provides good opportunities for programs to critically monitor their progress towards their objectives. It enables programs to articulate the logic of the program, to better measure, manage, and demonstrate results and to validate the assumptions on which it is based. This is generally very important. Quantitative and qualitative data are combined, possibly providing a richer understanding of change and development.

For what is it recommended or useful? How? Why?
DCED is useful not least because it enables programs to articulate the logic of the program, to better measure, manage, and demonstrate results and to validate the assumptions on which it is based. This touches on a fairly general problem in development programs of various kinds.

How to access it
For more information on DCED, contact Results@Enterprise-Development.org.

Ibex Model

Short introduction
The Ibex Model, developed by Steve Pavarno, is a measuring tool designed to quantify multiple levels of impact that a Business for Transformation (B4T) company is having in its sphere of influence with the specific purpose of helping organizations which support multiple entities to assess their effectiveness over time and against each other. This model was developed by surveying several existing models for analyzing multiple bottom lines and comparing their weaknesses and strengths and then developing a new model for assessment based on these findings.

What is the main focus of this tool?
The stated purpose is to assist B4T operators throughout the world, to be able to easily and accurately assess their companies, tracking changes over time on multiple bottom lines and target specific areas for improvement. Initially this project was developed out of a challenge by BAM Think Tank Co-Chair, Mats Tunehag, to those in academic circles to work together with BAM practitioners to develop an agreed upon metrics for measuring two of the four bottom lines of a typical B4T.

What is its scope (and what does it not cover)?
The four bottom lines are defined as financial, environmental, spiritual and social. There already exist many measuring tools for the financial and the environmental components, however, there is very little data on how to measure the social and spiritual impact. The models that were part of the initial survey were the OASIS, (Ongoing Assessment of Social ImpactS), The Bertelsmann Transformation Index or BTI, and The Corruption Perceptions Index (CPI). In addition to this actual B4T practitioners were questioned on their current methods for measuring the outcomes of their businesses multiple bottom lines. Out of this set of data a new set of criterion were developed to create a more comprehensive test for B4T.

How does it measure and how does it present results?
The stated focus of this project is to design a tool narrowly matched to the needs of Social Purpose Enterprises. These enterprises are defined as for-profit businesses with an explicit mission of social transformation, or 'B4T'. It is the intention of this tool to measure "value" based on the above mentioned areas of impact, or bottom lines: Social and Spiritual. The IBEX model is based on a 14 point questionnaire that is given to the owner or operator of a B4T company. Each question is designed to mine data related to a specific assessment criterion table and to allow the administrator of the test to assign a numerical value to social and spiritual impact columns. These columns can then be tallied to reveal a total score on multiple areas of impact, such as employees, suppliers, customers, community, authorities and the business itself. Finally these scores are placed on a multi

access grid to develop a three dimensional graphic which will represent the numerical scores. This allows for an easy comparison of scores between businesses and across time. In addition to this average scores can be easily represented and any severe deviation from these scores can be easily highlighted and separated out for further attention.

Pros and cons of these

There are several strengths related to the IBEX model that make this test worth considering as an assessment tool. It was designed from the ground up to target B4T enterprises and to address their needs. The tool has been developed out of a recognition of a shortage of measurement tools that target the spiritual dimension of an enterprise. It has been designed to be easy to administer, to score and to compare against other companies and against itself over time. The aim is to measure present reality not vision or goals. The tool has been designed to allow the assessment and overview of several businesses for one central board or organization. It relies on open ended questions and makes use of the openness scale, both of which mine accurate data as opposed to data that the interviewee assumes the interviewer is looking for. The tool focuses on actual impact results in the target area rather than on the business from an operational standpoint.

In terms of weakness there are several aspects which need to be considered. Although it claims ease of use, it combines this with an open ended questionnaire process. These two tend to work against each other. The open ended nature of the questions leaves a great deal of subjective interpretation on the part of the administrator of the test to assign accurate numerical values. To overcome this they recommend that only one or perhaps two people be responsible for the scoring, and that they check each other’s work and come to mutual agreement over disputed scores. This in itself does not render the test useless, but makes it harder to compare tests administered by different people due to the subjective nature of the scoring process. When it comes to attempting to quantify spiritual and personal aspects of one’s life or business there are automatically risks involved. These are aspects of life which, by their very nature, resist the reductionist tendencies of precise measurement. Relying on the outputs from this test for any decision making purposes must be resisted unless other factors are included in the process.

For what is it recommended or useful? How? Why?

By self-admission this is very much a work in progress. Long term there is a plan to make the scoring of this document much easier through the use of an online data entry and analysis site. At the moment it is quite cumbersome to organize the data into a usable format. Until this takes place the user is left with some ambiguity about the original intent of the test-makers. It is possible to work backwards from this, however, it would be much better to see the complete system in place before this is widely adapted. With this in mind it is a useful tool for organizations which are involved with oversight of multiple B4T operations.

How to access it

Ibex model can be requested by email from Steve Pavarno pavarnos@gmail.com

The Timothy Center Quadruple Bottom-Line Metric

Short introduction

The Quadruple Bottom-Line Metric is, as its name implies, a fairly simple performance based test designed to evaluate progress in all four of the bottom lines of a business. These bottom lines are defined as Economic, Environmental, Social and Spiritual.

What is the main focus of this tool?

The main focus of this tool is to provide an easy to understand format for tracking and comparing the four main focal points of a B4T. It accomplishes this through a standardized grid of 5 output focused assessments on each of the 4 bottom lines. Over time these scores could be compared to determine if the company is moving closer to or further away from its stated objectives.

How does it measure and how does it present results?

There are 5 possibilities for each of the output measurements. These are assigned a numerical value from 1 to 5, with 1 being "not applicable" and 5 being "excellent progress". By adding together the numbers in each grouping each of the four bottom line categories achieve a single numerical value which will represent the total score for that bottom line. In this way the highest score possible would be 5x5=25 in each of the financial, environmental, social and spiritual columns.

Pros and cons of these

The test itself is simple and by simply looking at it one can easily understand the intended method for administering it and for summing up the score totals. It is also one of the few tests which attempts to cover all four of the bottom lines in a B4T model. The simple nature of the test, while being a strength, can also be seen as a weakness. The definitions for the terms in each category are not standardized and leave much room for subjective interpretation. Furthermore the actual scoring options are also not defined and leave it up to the individual to determine the lines between "steady progress", "some progress" and "excellent progress". Finally, the reliance on output based categories means that the test cannot account for different contexts and the impact that they may have on a business.

For what is it recommended or useful? How? Why?

This test would be useful in an organization if one administrator was able to test different B4T's over time and develop a baseline for trends in the companies being measured.

How to access it

More information can be found at http://www.thetimothycenter.org/ttc/blended-value-enterprise.

B Corps and Global Impact Investing Network

Short introduction

The B Corps and GIIN is really part of a larger group known as IRIS, which stands for Impact Reporting and Investment Standards. These are not so much a group of metrics as they are an attempt to bring clarity and standardization to a world of multiple bottom line reporting where each company is free to choose what terminology, input, output and final outcome it desires to pursue.

What is the main focus of this tool?

The main focus is to improve the credibility and consistency of social and environmental performance reporting amongst those seeking multiple bottom line metrics. GIIRS, which is the Global Impact Rating System, is designed to work with IRIS standardization. Companies desiring a GIIRS stamp of certification on their business need to use data based on the IRIS standards in order to enter their information on the GIIRS format. Out of this process GIIRS will issue a fund-level rating which will allow investors and customers to see how the company is doing according to its stated goals and objectives of multiple bottom lines.

What is its scope (and what does it not cover)?

This is a remarkably comprehensive project and there is a lot of data to filter through in order to understand how to use the metrics. The specificity requires Sector Categories to analyze data specific to multiple industries. They isolate Agriculture, Education, Energy, Environment, Financial Services, Health, Housing/Community Facilities and Water. Each of these sectors has questions to answer specific to its field.

How does it measure and how does it present results?

It must be made clear that this is not a traditional testing system. Rather this is a system for preparing custom built metrics that will adhere to a widely practiced standard. To engage in the process, a company will need to register with IRIS. This will give the added value of having your company data analyzed and able to receive a GIIRS stamp of certification. By using the IRIS standardized terms and the indicators for inputs, activities and outputs a customized test for a company would be created. From this GIIRS will then issue a score that represents how your company is measuring up against their IRIS chart of standardized objectives.

Pros and cons of these

This system is well thought through and does try to bring order to an otherwise haphazard and disjointed system of subjective reporting. As multiple bottom line companies gain traction on the world stage there will need to be a continued improvement in quality of reporting and agreed upon objectives. This group moves a long way forward in trying to make this happen. The main weakness is that there is no category for spiritual impact in this grouping. In addition to this, the fact that the development of actual metrics is left to the individual companies leaves a wide open window for companies to continue to practice what this program intends stop, which is the natural tendency to develop tests that place their strengths in the brightest light and hide weaknesses in the shadows.

For what is it recommended or useful? How? Why?

This is used primarily to obtain third-party evaluation or judgment about a company. It does also claim that results will help companies to identify areas of improvement regarding their social impact goals. Combined with IRIS this brings a stamp of authenticity and standardization to a company's social impact targeting.

How to access it

More information can be found at http://www.IRIS.thegiin.org/giirs

Appendix D – Selection of Metrics: Advanced Concepts

Metrics for Management

The selection process for management metrics

The selection of metrics can be considered a discrete project. Obviously in a large business it would be managed by a dedicated project team, even if the final decisions are made by senior management or the board. However, even in a small business, it is helpful to plan the selection of metrics as a project.

In the planning stage, it is helpful to consider who is going to ultimately decide which metrics should be used, who must be consulted—including people outside the organization such as the government—who might have a helpful contribution and who might be impacted by the collection and use of metrics. It is not necessary to get every potential contributor around the table. Some contributions are made by reading the relevant commercial law or at least asking a lawyer or accountant about the law. Some contributions can be made by questionnaire. Some contributions can be made in workshops or individual interviews. The important thing is to plan a selection process that not only gets to the right set of metrics for the business but also one that furthers the aims of the business in the process. Discussion of objectives and measures can be a most influential event for the stakeholders in the business. Phrased well, even questions about spiritual matters in a restricted country can be mutually beneficial.

In the light of the fact that the metrics will influence the business, it is important for businesses to be willing to get outside help in the selection of the metrics. Large established business pay good money for such projects because, even though they might have good insight into their existing metrics, they appreciate the value of getting it right. Small businesses and start-ups should consider investing in advice on this topic even if they try to do everything else themselves.

The big-picture strategic objectives of the business should be kept in mind at all times during the selection of metrics. The number and choice of metrics should all serve those greater goals. If a metric is important, it should be reflected in those big-picture objectives and each big-picture objective should be reflected in at least some of the measures.

The things to consider for management metrics

Issues related to the relevance of measures

In their excellent article "Creating Shared Value" (Harvard Business Review, January 2011), Michael Porter and Mark Kramer suggested that there are six challenges to measuring the impact a business has on social issues. They also suggest ways to address those challenges:

- Challenge #1: A Wide Range of Social Issues Could Be Addressed and Measured: Identify and measure the few high-priority social results that the shared value strategy seeks to address.
- Challenge #2: Measuring Social Outcomes for Large Populations: Determine social outcomes early in the product development process and select measurable outcomes.

- Challenge #3: Business Value Accrues on a Different Timeline Than Social Value: Measure intermediate social outcomes.
- Challenge #4: Measuring Business Value for Cluster Investments: Use proxy indicators to track business results.
- Challenge #5: Determining a Company's Attribution When Strategies and Activities Require the Efforts of Many Partners: Focus measurement of social results on contribution, not attribution.
- Challenge #6: Management Desires an Aggregation of Social Impact Data: Aggregate results selectively and only for the same social outcomes.

The challenges facing a business when measuring social impact are very similar to those when measuring environmental or spiritual impact. It is perhaps even more important to avoid arguments over such things as attribution when considering spiritual issues—for example, whether or not your company actually had the most significant influence in planting a church—and concentrate on whether the business made any contribution. We do encourage BAM practitioners to read the Porter and Kramer article and reflect on how those principles might be reflected in their selection of metrics.

Generally we would recommend that the business should look for as many ways as possible to build the collection and use of metrics into the standard business procedures. As is discussed earlier in the report, integrated reporting is likely to be more effective and efficient than periodic appraisals. Similarly, we would recommend that emphasis be placed on diagnostic measures. There is little point in finding out that something is not working as desired if management does not know what to do about it. A good system will alert management to an issue and then allow them to get into increasing detail in order to work out the cause of the issue.

Using a metrics framework (as described in 'Making Sense of the World of Metrics') may help the business identify gaps in their thinking. It may also help clarify who needs to see which type of measurement.

It is important to remember two things throughout the selection process. Firstly the business must remember to be talking and responding to God at every step. Secondly, the business must remember that the measures used by people outside the business—whether government regulators, customers, suppliers, or family of employees—may be far more important than the ideas of the management.

Issues related to the size and maturity of business

For start-ups in an unusual or unknown market, it can be very hard to tell what is going to happen and therefore what should be measured systematically—apart from measuring the basic financial and business activities. In these circumstances one of two approaches can be taken. The simplest approach is to plan a periodic internal appraisal which can be done in retrospect when you know roughly what has happened and can therefore look in more detail to understand more about what happened. A problem with this approach is that it may be too late to react to the issues identified in the internal appraisal.

A more systematic approach to uncertainty is described in "Discovery-driven Planning" by McGrath and Macmillan (Harvard Business Review, July 1995). The basic idea is to guess what will happen, then make a note of those guesses and a note of when and how you will be able to tell whether your guess is correct. The advantage of this is not only that it increases the likelihood that the business reacts promptly but it makes clear to management what they are unsure about.

Many managers are confused by uncertainty. In reality it is rare for there to be complete uncertainty; some things will be very likely and some things will be mutually exclusive—if this happens then that won't. So by encouraging management to document what they are having to guess, in the process you identify what you do *not* have to guess about!

For most start-ups and small businesses, the management really does not know the proper measures of success at first. However, this does not mean their market is unusual or unknowable. In most circumstances it is possible to ask similar companies how they measure success and to learn from industry associations, consultants and board members. One major reason for including industry specialists on a board is that they will be able to give the management team a view on the standard metrics in the industry. Of course such metrics may need to be adjusted to fit the national or corporate culture, and the business strategy, but at least they will not start with a blank page.

Whether or not the small business or start-up is in an unusual market, it is important to remember the points raised in the section of the report on ‘Pitfalls of Using Metrics’. Particular care must be taken to ensure than any advisors are advising a system of metrics appropriate to the size of the business. It is very easy to assume that what the market leader in an industry does is good practice for all companies in that industry. This is simply not true. When selecting a consultant, advisor or board member, make sure that they have experience of businesses of a similar size and maturity to this one. Data overload and system overload are particularly common when a big-company consultant advises a start-up.

For established businesses—or large businesses entering a new market—there will be an existing set of metrics and those metrics will have a specific place in the organizational culture. In this case, there will be two aspects to the selection project, one is a process of checking whether the existing metrics are appropriate and the second issue is to check that the metrics will work well with the national culture(s). This latter issue requires particular cross-cultural awareness. The business is unlikely to have such skilled staff on its payroll. Asking a standard management consultant what is done in-country may be of some use but ultimately the company is best serviced by using consultants with explicit cross-cultural analytical expertise to help negotiate a revision to the standard set of metrics.

The implementation process for management metrics

The metrics project does not finish with the selection of the metrics—the selected metrics need to be implemented. This may involve multiple phases. For example, there may be a pilot phase where the metrics are gathered and kept on a spreadsheet (for example, Excel) during which the results are occasionally reviewed separately from the main management meetings. Then there might be a phase when the measures are built into the accounting and other systems but are still reviewed separately. Then there might be a phase where the metrics are reviewed by the relevant managers as a natural part of the business process. Finally, there might be a phase where some of the metrics are communicated to shareholders, employees or other stakeholders.

Even then the project is not quite over, because the business should review the impact the collection and use of metrics is having on the business and its relationships.

Particular care should be taken during implementation to ensure that the metrics achieve an appropriate place in the corporate culture. This is a change management project and should be managed carefully. Whenever there is a change in the business—and every few years—the whole system of metrics should be reviewed.

Metrics for External Decision-makers

The selection process for outsider metrics

As with the selection of metrics for the management team, the selection of metrics for other users—such as financiers or mission agencies—will involve a project. Similarly the selection needs to take into consideration the objectives of the outside organization that will be using the metrics, as well as the interests of the various stakeholders. This should especially include the staff and board members of any financing organization or mission agency involved, as well as the staff, customers, suppliers and board members of the BAM venture being assessed.

Obviously the biggest question for the project team is to determine why the outside organization needs to measure the performance of a business (or set of businesses). A vague definition of the purpose of the measures is likely to result in a poor selection of measures. fOne way to help clarify the purpose is to ask what decisions would be made as a result of the metrics and who would make those decisions.

A common focus for mission agencies is on accountability and pastoral care. Many organizations in the mission community are experienced in accountability, alongside individual or team pastoral care because this is an outworking of the Christian value of caring for people. It is therefore important to realize that BAM introduces some new factors into the idea of accountability and corporate care. The business is not merely a group of individuals (some of whom may be members of a mission agency). The business itself exists as an entity and has rights and responsibilities. In many ways the business becomes the primary "person" and the business then relates to its employees and other stakeholders. Of course the business may choose to have an explicit relationship with the evaluating organization, but until the terms of the relationship are agreed, an outside organization must treat the business with a significant degree of honor. The evaluating organization has rights and responsibilities for its own assets and its own staff and members, but those rights and responsibilities are modified as soon as assets are transferred to a business—or members of that organization or agency are employed by a business. The evaluating organization cannot simply walk into a business and repossess assets. Similarly it cannot simply dismiss employees from the business. Thus, when the project team asks what decisions will be made as a result of the metrics, care must be taken to treat the business involved as its own entity, with discrete assets and responsibilities.

Financiers or investment organizations may choose to specialize in certain industries or businesses of a certain size at a certain stage of maturity. They may also specialize in certain geographic markets if necessary. This means that financiers will usually develop a set of metrics suitable to their target community. Obviously it is advisable that they run a project to develop a set of metrics for one particular niche at a time, rather than trying to develop a universal system of metrics.

Most mission agencies have no such luxury, they are unlikely to be able to only focus on one particular type of BAM company. This could create a significant problem for the project team selecting the metrics. There are two possible solutions to this problem. One solution is to encourage BAM ventures to develop relationships with industry bodies and to adopt the metrics common in those bodies. This may work to ensure that the business has appropriate metrics for itself, but it does not address the issue concerning what the agency should be measuring about the business. As is discussed below, we recommend that agencies do not put themselves in the position of being regulators of the business. Thus the only practical solution for most mission agencies will be to be concerned about a very small set of metrics. These metrics will probably only include some of the spiritual, social and environmental measures. It is likely that a primary purpose of those metrics will for prayer. The response to those metrics is likely to be along the lines of, "Do we give thanks for what we have seen or do we give thanks for what we are still waiting to see?". Or, perhaps “Should we be concerned that the managers of the company are not tending to the spiritual, social and environmental issues that reflect our mission?”

Things to consider for outsider metrics

Issues relating to disclosure and responsibility

Since the primary producer and user of the metrics will not be the business itself, care needs to be taken about what information is made available. In some cases the outsider may be in a position to force a business to disclose information the outsider wishes to know. For example, there may be moral pressure on the CEO of the business to disclose information to the sending mission agency because the CEO is a member of that agency. Just because it is possible to force someone to disclose useful information, it does not mean that the outsider should seek that information. Amongst other reasons, there are potential legal consequences for both parties in disclosing information. In many legal jurisdictions, there are clear limits and obligations regarding who can legitimately receive information about the business. Disclosure can open up either the business or the outsider to legal action.

There is also a moral hazard in obtaining information. For example, if a sending agency seeks to keep track of the financial viability of a limited liability company or the appropriate ethical behavior of its members working in the company, then the sending agency may be implicated if there is a financial problem or the member behaves unethically. There has been at least one instance where a mission agency has covered the debts of a limited liability company because it felt a moral obligation due to its supervisory role. There was a strange irony in the fact that the shareholders in the business and the directors of the business had their liability limited, but the mission agency—which had no financial interest in the business—allowed itself to have unlimited liability.

A commercial bank is very careful about what information it gathers from a business. The terms "due process" and "due diligence" do not mean that everything is disclosed but that what is appropriate is disclosed. The boundaries of personhood are maintained—at some level the bank accepts the statements of the authorized representatives of the business. To do otherwise is abusive and leaves the bank open to moral and legal hazard.

Note that when a business receives funding from or undertakes other activities outside of the primary country of location, it is possible for the legal jurisdiction of the funding country, or other country, to apply to some or all of the activities of the company. Similarly the company may arrange for its contracts to explicitly name a legal jurisdiction (such as the UK or US) and in those cases both the local and the named jurisdiction may apply. BAM practitioners should be aware of the legal issues in the relevant jurisdictions and should have access to legal counsel on a regular or retainer basis. For example, in what ways does a venture working Mongolia have to comply with the UK or EU data protection acts when it is providing aggregated metrics to an outside organization? The answer is often not as simple as we would wish.

All this means that in practice an outside organization should be very careful to collect only the appropriate level of detail. If the outsider is going to ask for information that is not publicly available, then the outsider must be prepared for a business to politely refuse to disclose.

Issues relating to the use of measures

One of the key choices for an outside user of metrics is the discussion of lead/lag indicators and process/performance measures. If the business is aware of the assessment, then the issue of fairness will inevitably arise. Some businesses will object that lag indicators and performance measures are unfair because the business could be working really hard and faithfully but not yet had the results to match its efforts. Some businesses will object that lead indicators and process measures are micro-managing the business. Even without the objections of the businesses, the outside evaluator does need to discern which measures are most appropriate.

Similarly the outside evaluator needs to think about whether or not the data is only for its own use and only for a specific decision. Some outside organizations may want to maintain a specifically bounded relationship with the business. Other organizations may want to position themselves as advisors and partners to the venture. In this case, the outside evaluator may choose to collect some metrics that are informative to the business (or to other parties) on an ongoing basis. For example, the evaluator may choose to implement an Independent Reporting system rather than merely a one-off External Appraisal. Of course such additional metrics or services may or may not be welcomed by the businesses being evaluated.

It should be noted that where evaluations are going to be published the evaluator should do two things. Firstly, the evaluator should ensure that the basis of the evaluation is beyond legal dispute. Secondly, it is strongly advised that the evaluator show at least the first evaluation to the business and give the business time to correct any misinformation—or indeed correct its performance.

One way to overcome the reticence of businesses to submit to external evaluation, is to provide the business not only with information about itself but also to provide either benchmarking data or market environmental data. An evaluator who provides the businesses with an evaluation of the spiritual state of the country may get more cooperation from companies seeking to have a spiritual impact.

The application of outsider metrics

There has already been much discussion about the issues of power and external evaluation. We would recommend that as part of the outside evaluator's own performance metrics, the organization does a regular review of the appropriateness of its relationship with the businesses being assessed. Not only is it possible for the organization to become accidentally abusive, but it is also possible for it to start unintentionally colluding, as happened with the credit rating agencies and the banks prior to the 2009 credit crisis.

As with the metrics for management, the outsider should also plan to review the impact of the metrics and periodically review the appropriateness of the metrics.

Appendix E – Determining the Calling of a Business

Context, Capacity and Roles

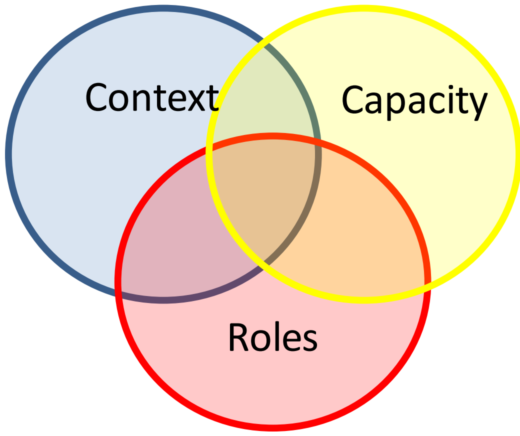


Figure A: Factors that contribute to an understanding of calling

Capacity

Capacity describes the assets available as the business plan is implemented. What are the strengths or abilities of the company? What are the unique attributes the company possesses? What are the unique gifts of the BAM practitioners and those connected to the company?

Context

Context refers to all things external to the company, the environment in which the company functions. This includes the political, social, economic, historic, spiritual and even geographic environment. It makes a difference if the economy is growing or contracting. It makes a difference if the social status of foreigners is high and desired or high and despised. Consider these possible questions about context to reflect on how we should be planning, responding and measuring our spiritual impact:

- What is the social and legal attitude toward Christians and toward converts? This can range from positive/accepting to negative/hostile, each has its own implications.

- What is the spiritual situation of the local community? Knowing that they are largely Muslim, Buddhist, Hindu or Christian is important but inadequate. It's also important to know if they are nominally Muslim or devout, if they are Sunni or Shia. Do they define their culture or tribe partly by their shared faith, or, is it, as in many western countries, separate from their social identity?

- Are relationships primarily internal or external? What is the mix of employees? A business with a mix of believers in the company will have different opportunities compared with one that only employs one or the other. Companies with primarily internal relationships can focus more easily on long term impact on employees while those with primarily external relationships will perhaps focus on making a less intense impact on many different people. For example, a small mail order firm might hesitate to put in place a strategy for large scale evangelism if they have very few personal interactions with people.

Roles

By 'roles' we mean the role of the business in the development of the Kingdom of God in its context. The role of the business can be worked out by bringing together the capacity or abilities of the company and its context.

Working out the proper role of the business is not trivial. It requires a basic understanding of missiology as well as historical and practical theology and a solid dose of business acumen. With these skills it is possible to work out—with prayer and humility—what the role of the company may be in developing and building the Kingdom in its context. For example, in hostile environments, the role of the company may be that of a peacemaker helping to reduce conflicts and violence. The role of the company may be that of an evangelist or that of a disciple and developer of leaders, working arm in arm with a growing national church. It may be that of a providing a context for church planting in a closed country.

Consider the following questions and examples of various situations:

- Are relationships largely based on social equality or is there clear hierarchy in the relationships? A medical clinic in a poor neighborhood will have staff that is from a higher social class than the client base and this will impact the way clients interact with the doctors, nurses and even the clerical staff. A yacht repair shop in a wealthy seaside community will have upper class customers, while the sales staff at a bookstore in a middle class neighborhood will largely be dealing with peers. The social standing of the manager and employees of these three businesses will result in significantly different natural relationships with clients. Understanding this can help direct the way spiritual impact is planned and evaluated. In all of these cases it is appropriate to pray about and plan for impact with clients, but the way it is done and the metrics to be applied will be quite different.

- Are the interactions short or long? A waiter at a coffee shop has a short interaction with a client. A language instructor in a one on one setting has a much longer relationship with the students she teaches, while in a larger class setting that same instructor will have less individual relationships. Each of these settings provides different limitations and opportunities for spiritual impact.

Summary

Below are examples of how the calling of a company might be established by bringing together elements of capacity, context and role:

- A firm that is importing an expensive product in low quantities and selling it to a small number of distributors will not have the volume of interactions that a pastry shop or bookstore will, but will also likely have the opportunity for deeper relationships. This would call for longer term planning for impact. Strategy here means deeper relationships leading to more effective ministry and measures would reflect that approach.
- A Christian bookstore in an open country has a very different set of opportunities with customers. Many people will come, a large majority of them being Christians. Some will be seeking help with problems and others may be looking for connection with the believing community. In this case, the purpose for the business is about discipleship. Understanding what opportunities are presented in this context allows the bookstore managers to plan and measure for process, training and action that can help them accomplish God's call for them in this setting.

Appendix F – Business Profile: CrowdTech

Business History

CrowdTech is a growing company based in the region of South East Asia, now expanding to other parts of the world. The company began in 2009 with the idea for a business model that could grow quickly and would provide South East Asia with virtual jobs in computer work.

Martin Bruin first established a software development company, Leaf Technology, three months after arriving in South East Asia. His original mindset was for the company to be a side job as he did other ministry work in the region. Just prior to moving to Asia, the Bruin family was forced to leave the Gulf Region after living there for a year and a half. Martin remotely managed an American software company while his wife Amy worked as a finance director at a local school. Martin and a friend also reached out into the labor camps filled with men from South Asia.They took 12,000 bibles in 12 different languages along with food donations to the camps during the last nine months they were in the Gulf.

While back home visiting family, three church pastors in the USA challenged Martin and Amy to see where God was working in Leaf Technology. Shortly after returning to South East Asia they noticed the demand for data-entry jobs from developed countries and the supply of talented workers desperate for these types of jobs. As an established software company, they realized they could build software to connect the talent to the demand. Martin could already see the brokenness in the growing crowd-sourcing industry, especially a lack of accountability that resulted in poor-quality work. In order to solve this problem, CrowdTech looked for inspiration and found some in the Grameen Bank's solidarity group model and different church planting movement (CPM) models that focused on small healthy teams that promoted accountability.

Business focus

CrowdTech is in the business process outsourcing (BPO) industry. The company utilizes advanced web based software to manage their data entry workers that work remotely. The company takes large data entry projects and core business processes that involve data and breaks them down into micro-tasks. The tasks are then processed in various 'virtual assembly lines' in an online environment. To date they have served 20-30 customers across Europe and North America. CrowdTech currently has over 100 full-time staff who develop software, manage client projects, and oversee the worker teams. Currently there are around 2500 part-time data entry workers. This virtual team has grown by as much as 250 workers a week and the target is over 8,000 data entry workers by the end of the year.

Vision and purpose

The purpose of CrowdTech is to enable hundreds of thousands of workers in the developing world with basic computer work and empower to them to tackle issues in their own communities. CrowdTech is in the process of rewriting their core values. Martin explains, "We previously wrote what we envisioned them to be, but now we are re-evaluating what values truly reflect our company mission and the culture God has already created within CrowdTech."

CrowdTech's goal is to create opportunities for people in the developing world by plugging them into the global economy. "We believe that leadership requires competent people that develop the character needed to be a part of restoration of their own community. Taking wisdom from the bible and learning to apply it to life is the best way to build character and create leaders. We believe that at the heart of poverty is broken relationships and the root of that problem can only be fixed by being restored to right relationship with God through Jesus," shares Martin. He goes on to say, "The bigger purpose is restoration. That is why we are here. Our investors, key managers, and board of directors agree with this core purpose."

CrowdTech has been processing tasks round the clock since late 2011 and has seen huge growth during the intervening period. They have grown from processing 1 million tasks a year to 1 million a week and now over 1 million per day. "Things are really taking off and we are scaling the business quite aggressively. We have client work booked already that will see us grow five times more before the year ends", says Martin.

BAM experiences

Martin still meets with almost every full-time employee when they join CrowdTech and tells them his story. He sets the expectations from day one by explaining that the company exists because of Jesus. Martin shares along the following lines, "Our faith in Jesus motivates our work and we have made a commitment to run the company according to his teachings. This all comes down to loving God and loving others. We think it is a great thing for you as an employee and we encourage you to keep us accountable! We have dedicated the company to Jesus and will pray and read from the Bible during meetings from time to time. We know and respect that everyone has different beliefs and there hasn't been problems with this so far. Feel free to talk to any other employees or let us know what questions you have about how we are different in this area, but we want to know if you think you'll be comfortable coming into an environment like this?"

In this way Martin sets the foundations for the CrowdTech environment. With the opportunity for these one-on-one discussion he observes, "It is amazing how the Holy Spirit uses people to foster the positive environment of our company."

Martin also is a member of the Open Network, a group of Christian business practitioners who gather to share ideas and questions with one another in an open and transparent environment. One of the discussions they have been having as a network is on the process of building and existing as a leadership team in business as mission. "We are trying to figure out how structured or unstructured should the ministry team be in CrowdTech's context. We are still working out how upfront the leaders should be about their faith and being in love with Jesus. It is about the ongoing process of being obedient to God," says Martin.

Reflecting on other challenges, Martin explains, "It was hard at first having everything we are used to completely change. The language, the culture, new friends, being away from friends and family are a few examples of great changes we faced personally as a family. We struggled with guilt of having higher standard of living to ensure our family and visiting guests were in a healthy and clean environment. As a company and personally our team prayed, "Lord we don't fit anywhere—the missionary world, business world and non-profit world— they all don't get us. Please help us trust, obey and apply your word to the context of our lives." Eventually with time we grew more comfortable in our own skin. We may be confused sometimes and we can admit to it. We have a young, but also experienced team. Our company crosses over national and international boundaries by integrating a diverse group of managers, engineers, and data entry workers. There may be Western and a South East Asian cultural mindset, but in all circumstances we strive to be rooted in a Kingdom of God cultural mindset. We are different and we must show others that difference."

CrowdTech strives to teach the value of hard work to everyone, especially Christians. A key finding has been that Christian employees either really excel and work hard or they do not fit with the company work ethic and expectations. The solution has been to introduce a trial period for new workers that is taken seriously. In the past they have needed to fire many workers, particularly who have come from ministry backgrounds, because their work ethic and professional growth did not meet company standards. CrowdTech provides opportunities and an environment for them to reach their potential growth and the rest is up to the individual.

Creativity and relationships are also important aspects to CrowdTech's excellent work. "We do not want to make robots but life-long friends. We desire to build a family environment that comes together and build relationships that matter to everyone", reflects Martin.

Metrics

CrowdTech has desired to be a company that understands how to interpret and apply data to their practices—especially given that they are a technology company whose core business is to handle data. At first they adopted a complex dashboard system that they simply could not maintain as the company grew and rapidly changed, especially in the start-up phase. They realized that having more key performance indicators did not necessarily mean a better dashboard. The things they were tracking needed to be simplified for this early business stage.

The simplest dashboard was composed of three key performance indicators:

- People connected to work: Tracks the numbers of workers who have earned a minimum amount from CrowdTech. This helps measure commercial success and business growth.
- Pay out to workers: This is a tool to measure financial success. Martin explains, "The company's revenue has a direct correlation with workforce payout and as we protect our margins we know our revenue and profit is growing at the same time. However, we prefer to put the focus on getting as much money into the pockets of our workers."
- Number of 'worker meetings': These are weekly meetings for workers that focus on character growth (see below). This provides a way to measure social and spiritual impact.

CrowdTech leadership also keeps track of project goals by daily, short "stand-up" meetings where they each share results and then set goals for the day.

One of the major social and environmental impacts occurs every six to eight weeks through community service projects. Each team of workers (currently about 500) decides how they will serve their community. Some examples of projects include: serving at schools and daycare centers, fixing up local parks, organizing community clean-up days, and funding children's school fees.

Focus on accountability

The board of directors meets over Skype every two months, the senior management team every two weeks and the ministry leadership team every week. Many of the ministry leadership team have prayer partners around the world to help encourage and hold them accountable. The ministry leadership team currently includes senior leadership responsible for client projects, research and development, worker management, sales, finance, the CEO and all of their spouses.

Worker managers play a key role in keeping workers accountable. They are usually young leaders who are responsible for teams of workers and ensure that meetings happen consistently and follow the framework of excellence in work and personal growth.

CrowdTech has tried many different ways to connect the employees work to their desire to minister to others. This has included monthly gatherings of all believing staff for prayer and worship. Most of the worker managers are believers and choose to meet weekly to pray and worship before heading out onto the streets to mentor and oversee their teams. Each manager oversees up to 20 teams or 100 data entry workers.

The teams of data entry workers are designed to intentionally teach and build up good character traits during the process of working together. The worker meetings occur every week and will be attended by a worker manager every other week. During a worker meeting each member shares something that is causing stress, and something they are thankful for. The first portion is mainly about work related learning and challenges, while the second portion is spent discussing one of the company principles. Each group member uses a sheet of paper and draws three columns. In the first column they rewrite the biblical principle. In the second, they write the principle in their own words, showing understanding. In the third, they write out their goal to apply and also share the principle with someone in the week.

Every Monday morning in the building there is a cross-functional meeting known as “All Aboard”. The gathering both recognizes the staff and sets the vision for the week. It is a time where they celebrate victories, recognize an “action hero” person of character for that week, and share together about what the company is doing.

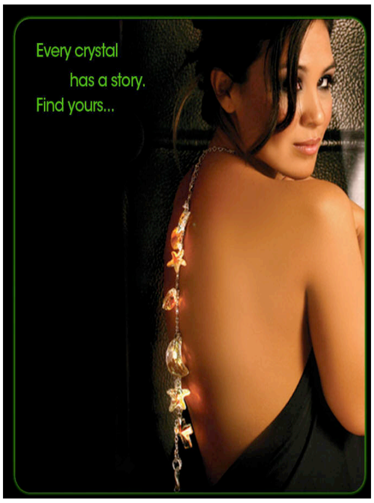
Lessons learned

An example of the business model’s positive impact is the fostering of meaningful relationships across experience levels. Brand new engineers are stunned by the treatment they receive from the senior workers. They are shown respect as equals beginning from their formal training program. Their ideas and efforts are celebrated. They are given freedom to share concerns and ask questions. These are opportunities to practically demonstrate the counter-cultural value of servant leadership within the company.

The next step for CrowdTech is continuing to grow their client and data entry worker pool. They have already started hiring workers in Africa and are planning to expand into eight to ten other developing countries in the next five years. The goal remains to build a sustainable and scalable model that will provide jobs, as well as raising up men and women of high character that will transform their communities.

Research:
Research and profile written by Jayne Jaderholm, sourced from interview with Martin Bruin Founder and CEO of CrowdTech. Pseudonyms are used.

Appendix G – Business Profile: Forever Crystals Jewelry



Business History

"Every Crystal Has a Story", is the tag line of Forever Crystals. Every person also has a story. Here is the story of Merari Pena and her business Forever Crystal Jewelry.

It started with her father. Merari, a native of Puerto Rico, was raised in the church and at the age of 16 she became a Christian. However it was some years later, in 2003, that she came back to the Lord, wanting to passionately follow Jesus. Although Merari comes from a missionary family, she has always been a business person. Early on in her business career Merari had a specialist advertising agency selling outdoor media space. It was out of a motivation to help her father reach his dream of going to Cuba as a missionary that she got involved in the family jewelry business.

Living from commissions on successful advertising sales, Merari had a lot of time on her hands and she offered to help manage her father's jewelry kiosks to support him in his work in Cuba. "It really started because I had a desire to serve and do something for God. Running the kiosks was the only thing holding my father back," she explains, "I didn't know anything about the jewelry business when I started helping my father. For me it was an enlightening process of learning by trial and error, and just walking with God and him showing the way because I didn't know anything about it!"

Merari took over the management of her father's two small jewelry kiosks, but they didn't really have a name or a particular brand. Soon after she became involved, she began to see that the business had much potential. She gave the business a new name and logo and soon remade the brand, coming up with a scalable business concept for the kiosks. Since then the business has grown to nine company-owned retail stores, in Puerto Rico and the Dominican Republic, employing around 90 people. As well as the company-owned stores, Forever Crystal also has 7 franchise stores in Puerto Rico and a licensed distributor in Costa Rica. The business also sells jewelry wholesale to other small Caribbean Islands. The business is profitable and sustainable with a growth strategy in place.

Merari describes an amazing story of God's provision. At a crucial stage in the life of the business she got a very large order to supply jewelry to 95 stores in other locations. It was a huge opportunity, but also a financial challenge because she had to pay money up front for the products. It was going to be 60 days between making the order, delivery to her, and processing, before the goods could be shipped; plus another 60 days before her invoice would be paid by the client. The order was so big, she did not have the cash flow available to take it on. However, what happened next was, according to Merari, something ”supernatural”. At that moment, in her advertising business, she won a contract with a big company for billboard advertising, and they would pay her for the advertising space upfront. This gave her the money in her account needed to finance the jewelry purchase. Profit from that deal gave her the capital she needed to hire new managers and grow the business. So far there have been no other investors involved. “Not that we are not open to investors,” Merari adds, “Because of course we do want to keep the business growing, but up until now we have not felt it was the right time, and haven’t yet found the right person with the right mindset.”

Business Focus

Forever Crystals began with a simple idea: to create a pleasant experience of acquiring jewelry that is fashion driven, at accessible prices. It is a business embedded in its Latin culture. It aims to celebrate the spirit of Latin American women, embracing their beauty and flamboyance and desire to make a bold statement.

As the website expresses, “Forever Crystals is a company dedicated to bringing together design and fashion through crystal. We specialize in lifestyle accessories which include sports, music, fashion, foods and animals; we believe everyone has a story to tell… and it is best said in crystal. With fashion in mind, all of our products are made to allow expression. We are committed to fashion and produce the trends that will get noticed.”

The main target price point for products is around US$20 in order to reach as many customers as possible. The business aims to stay fashionable with new collections launched every year. Their greatest competitive advantage is that they sell fashionable designs that appeal to Latino women, at a price that they can afford. “Many people would ask at the beginning what made our stores different from the Swarovski stores, where they also sell jewelry. Apart from the prices, the very big difference that makes us unique is that our design is very Latin so that makes it colorful and vibrant, their design is very European, and European women are different. We Latin women like sparkly things that represent who we are.” explains Merari.

Values

Quality of product and excellent customer service are important values for the company. The business is committed to provide their customers with products of a high quality, using the best materials. As the website promises, “Our unique pieces are mainly made with Swarovski elements to assure a superior quality providing each client that special shine.” Forever Crystal uses Swarovski crystals in their jewelry pieces and collaborated with Swarovski Gems on a collection made with zirconia that was the first partnership of its kind in the world. Merari shares that when the opportunity to work with Swarovski opened up it felt like a supernatural connection.

Customer service is another important area for Forever Crystals. The company wants to go beyond mere politeness and helpfulness, but to interact with customers in such a way that they share the love of Christ in a tangible way—to let people know that God loves them. This is one of their competitive advantages according to Merari and something she hears over and over again when the customers come back to her stores: They feel loved when they come in! Moreover, the shopping experience is intentionally luxurious with each item placed in beautiful boxes and gift bags, despite highly competitive prices. Merari reports that often customers enjoy being in their stores for hours.

BAM Experiences

Merari talks about the importance of being a blessing in the market place. She believes that businesses can—and should—be a blessing to their surrounding stake holders and to the community in which the business operates.

Forever Crystals is quite open about their missional aims. Apart from sharing the gospel message directly in their stores, it also shines through all of their business ethos and operations. The website describes, “Our responsibility with clients, employees and shareholders goes beyond just simply providing a product. We strive to give back with grace what has been given by grace to us. We provide this in many ways that include but are not limited to, strategic partnership with missionary organizations, providing employment in a dignified and creative environment and using our operation towards helping in the progression of the great commission.”

A key scripture to Forever Crystals is John 6:35: “I am the bread of life. Whoever comes to me will never go hungry, and whoever believes in me will never be thirsty.” This verse is the motivation behind the many programs of evangelization and social work being supported by Forever Crystals through various partnerships.

Missionary trips are part of company activities, as company materials explain, “True to our mission and our vision we maintain active programs of evangelization. Through our missionary work we give food, shelter, churches and the “bread of life” to our local and international communities.” They regularly take their employees into the community to work with homeless people, providing breakfast and also teaching.

Merari relates one recent story from the Dominican Republic, “God is doing wonderful things. One of our teams from our stores in the Dominican Republic was onsite in one of the projects to which we give a monthly donation. With this donation they provide for the children of 100 families. These people are very poor, their houses are made of zinc, the floors are dirt and they have no electricity.” The donation the company gives goes to local church that gives the the childreen a breakfast every day and a bible class. For most of the children, it is the only class they take because many of them do not attend school. With money left over they have installed water filters in the houses of key community members that distribute potable water to the rest of the community—the first time they have had potable water. “Apparently some time ago they mentioned to the kids that we provided the funds and one of the kids carved our name into a tree... and today when our staff went they showed it to them!” shares Merari, “We can only say it is because of God's grace and glory!”

Merari and her colleagues have undertaken partnerships with many different non-profit organizations, community groups and churches. These partnerships are vary in approach with different organizations. One of them is Operation Christmas Child, where local children donate items for gift-filled shoeboxes that are then distributed to needy children through the international relief organization Samaritan's Purse. In the past the business has also sold gifts and toys on behalf of the local Salvation Army.

In general, Merari makes both storage facilities and retail space available for collections or sales of various items for special events or campaigns—such as the collecting of secondhand clothes on behalf of humanitarian organizations. In one partnership with the local community, the jewelry stores functioned as collection points for a container of Bibles which were sent to Cuba, and more recently to Equatorial Guinea.

Merari also designs jewelry to raise funds for health organizations. For instance, she has created and sold jewelry especially for a breast-cancer campaign and donated the profit made on those sales back to the cancer research organization.

Providing great products and good jobs is right at the core of the company vision and missional aims. Forever Crystals is a family business, not only because it really took off when Merari decided to help fund her father's ministry, but also because the family of the business includes the employees. Merari states that it is has been a blessing that the business has been like a family in which the members pray, watch and consult each other. This is also a great business advantage because it helps keep the business on track with its strategy, mission and vision. As Merari puts it, “When you have people around you with the same heart for Jesus it is easier to get back to the right perspective.”

Metrics

Merari admits that the metrics they use at Forever Crystals may not be ideal, but they do honestly help her know how they are doing. Firstly, they use quantitive metrics, as they are easier to measure. Easily measured are sales per store, per container and the speed and quantity of restocking. According to set targets, the company is graded related to performance. For instance, for the sale benefitting the breast cancer campaign, the quantity sold was between 80 to 85 percent, which according to the set performance goals, received a B grade. Total sales for all lines are always graded. This grading brings greater focus on their ‘numbers goals’ and urges the company as a whole to do better.

Merari lists a number of metrics she is currently focused on, “The first metric for us as a business in this challenging time is economic; this year's sales versus last year's sales and targets. This keeps us checking that we are actually taking care of the business.” Other metrics relate to the yearly mission-related projects, Forever Crystals seeks to accomplish within the company's set business goals. “For example,” Merari continues, “We have been collecting Operation Christmas Child boxes for the last three years. Every year we have a goal and our employees have an active part of reaching out to the community to reach those goals. The first year we collected 1000 boxes in our mall stores and every year we have surpassed that. By doing this we promote in our employees the part of our vision, to give by grace what has been given to us.”

A third metric Merari mentions is employee turnover. This metric focuses on how long the business is keeping happy, productive employees and to find out why the ones that are leaving are leaving. According to Merari, Forever Crystals gives their employees a significant amount of professional growth, “Although we want them to grow in our company, we also really strive for them to accomplish their goals, so when they are ready to leave we help them get there.”

The fourth metric is more qualitative in nature and relates to the level of employee commitment to the company's vision and mission. “One of the evaluations of our management team is how committed are our employees to the vision and mission, we are looking for them to pass this on in a positive way”, Merari explains.

Different kinds of qualitative metrics are used in the business but Merari admits that these are more difficult to handle as they often are highly subjective in nature. One example is the social or "human impact" that Forever Crystals is having on its own employees. The lives of employees are being transformed and this is something that can be seen and heard in daily interactions with employees. Merari includes such feedback as she assesses the business performance of Forever Crystals.

In general, Merari notices how people around her behave—especially towards others. To her, "being sensitive to others" is an important character trait. "There is a fine line between discipline and grace, I see how employees treat other people" she adds, "In a business, it is about teamwork."

Merari feels that employees must understand what the company stands for in all their actions and she assesses this by conducting long-term evaluations. She wants to maintain the business with people with the same mission and vision—who can love people and make them feel loved. She stresses that the business is not hers, it belongs to God, and that she want to do everything with excellence because she is doing it for God.

Merari's attitude is, "There is always more to do." She is constantly open to new business ideas and strategies, and to take on new and bigger challenges. Her drive is something she has passed on, she shares, "Overall I feel our employees want to do more every time, they really want to be part of helping others. That is very good, definitely I think we can always do more!"

Future plans

The desire to grow and improve led Merari to consider how to expand her business beyond the nine existing company-owned stores. Beginning in 2012 with one franchise, she decided that one of the ways to grow and have a more significant impact in the future was to sell the business to other people through a franchising arrangement. Today they have grown to seven franchises and they have also begun to focus on licensed distribution. "We have recently learned that we can continue to grow through distribution agreements that allow us to distribute the brand through third parties in developing countries," shares Merari, "The group that are the distributors in Costa Rica include Pastor's wives that are not able to get a full time job because of ministry commitments but still need an income. Through direct selling of our products they can earn an income."

Merari sees franchising as a way of growing while maintaining some control of the company vision and mission. However, she knows it is a challenge to develop so that the business is handled in a way that will also multiply the vision and impact. One challenge is to find the right business leaders, since they must work for themselves, but also share her values and mission. She knows that franchise owners will be the ones to decide what kind of initiatives they will do in the business, so she is asking herself, how can we keep the vision and mission central when we do not actually own the stores? One solution has been to raise up their own leaders from within the company. "Recently the franchise owners are coming up from former employees of Forever Crystals. They have proven to have passion for our mission and vision and they have learned first hand how to implement it." says Merari.

Merari explains that she has looked for the same skills in future franchisees as she, herself, possesses since they have been indicators of success. For her some prior business experience is a key criteria, "You cannot manage such a business without business experience," she states. Merari also considers it important to be focused on the goal, and to a drive to be successful, "You have to be passionate, you have to have that drive, you can see it in the eyes!" She reads people's attitude in their body language and looks for business excellence and a missional heart. Merari admits these are more difficult to find together but argues that it is possible.

Lessons Learned

Forever Crystals has learned the hard way that being open about mission and Christianity can bring difficulties. In one situation they had to leave a mall in which they had their most profitable store because of complaints from another tenant that had a longer contract with the mall. The other tenant was opposed to Forever Crystals displaying Bibles in their store. They have since renegotiated with the mall to have a new store there, but are still facing opposition and complaints.

In her first experiences with franchising Merari has found that it is a challenge to launch a business concept and infuse the same values *and* sound business practice. Merari describes the failure of a kiosk in Chicago, the first franchise attempt, explaining that they made many mistakes through inexperience.

A major factor in the failure was the cultural differences in the location since the area had a majority Caucasian population and their colorful jewelry is targeted to Latin people. Secondly, the franchise was opened in a kiosk and as Merari puts it, "According to this market, you should not buy jewelry in a kiosk, only in a store!" Most crucially of all the operational costs were too high and the rent for the kiosk space absorbed nearly all the income from sales. Despite reasonable sales figures for a new brand, the business was not able to sustain profitability. One of the things they have evaluated from the experience is that they were not as open about their vision, values and missional goals in this location compared to the other stores and Merari felt this was a mistake.

This first franchise experience has led Merari to make some adjustments to the plan for the future. She has decided to stay true to their original vision and make sure they communicate openly about their mission. Secondly, she has moved future planned stores and franchises geographically closer to better check up on business performance. Since the failure in Chicago, the franchisee moved the franchise to a location in Puerto Rico and it is doing well. The immediate plan for expansion into the USA is to open a store in Miami, which is not only closer, but also has a vibrant Latin population. Merari also has a three year goal to open a store in Panama. In the longer term she is aiming to solidify the franchise concept and take it to the Middle East within 10 to 15 years.

"Our vision is to give back by grace what by grace has been given to us," reminds Merari, "So we are continually looking for new ways to carry out our vision. That happens in many ways, not only in service or giving money to missionary work, but in our own stores we continue to look for new ways to be a blessing in the marketplace."

Research and writing:

Research by Linda C, source www.forevercrystalsjewelry.com [retrieved 25.03.13] and interview with Merari Pena. Written by Linda C and Jo Plummer.

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Appendix H – Self-Assessment Tool for a BAM Company

Where am I, and what should I do now?: Orientation for a BAM company to self-assessment and mentoring

Paper written for the BAM Think Tank Korean Regional Group by Sam Cho

Abstract:

An assessment tool has been developed to help business as mission (BAM) practitioners and mentors evaluate performance of a BAM business in a balanced way.

The whole tool is based on the idea that critical performance factors of a BAM company differ by its stage of growth. Depending on the status of the company within six phases of business growth, the priority of 13 success factors will change.

The assessment tool was applied to 11 Korean BAM cases.

Contents:

Introduction to the tool

Who is the tool for?

Launching and managing a BAM company is a more difficult task than managing secular companies in general. The value of God's Kingdom must be a focus, and at the same time missional efforts must be made. Also, extra care is required when managing business profits. Even more so, all these processes usually happen, not in a familiar culture, but amidst foreign culture! Effort is required and it can take more time to set up a BAM business than an average business.

Over a long period of much effort, the question of "Where am I at?" burdens many people managing BAM companies. Many ask themselves, "Am I doing all right at this stage?"

The assessment tool was developed while collecting many cases from Korean BAM companies and organizing the data. The specific questions used for the assessment measurement are at the end of the document. It should be noted, that this assessment is best suited to occasional appraisal of BAM companies. It is an informal system for assessment, that has been applied to certain BAM companies and has not yet been tested on further businesses.

This assessment tool is designed to help people see various perspectives of a BAM company so that companies can be assessed in a balanced way. Also, the tool can support people who want to mentor BAM companies with a balanced perspective. This tool is best suited for the following purposes:

- Give an assessment to help people who launch or manage BAM companies to understand which stage they are at.
- Help BAM practitioners understand what priorities should be checked at each stage of BAM companies.
- Help BAM practitioners receive balanced mentoring for a BAM company.

How to use the tool

There are many ways to use this assessment. To get the most out of it, we recommend that a mentor use it while having a conversation with the company's leaders or management team. In this case, following steps are recommended:

- Before the session begins, it should be indicated that the purpose of the assessment is not to judge the company, but to help. Mutually agreeing on this part makes the assessment more effective.
- It is helpful to organize objective information about the company before having conversation. It is useful if the following facts are organized beforehand: Company's revenues, operating income, financial structure, ownership structure, number of employees, main customers of the company, main products/services of the company, location, history of the company, faith background of the leader, family relationship of the leader, ministries in mission, characteristics of the region, and so on. These objective facts can help with evaluating where the company is at. This will be explained in more detail later.
- Now the mentoring session can begin. Read together the assessment questionnaires in the end ‘Questions for assessment’ section and answer the questions. Encourage participants to be honest and open minded to the assessment questions.
- Have a conversation guided by topics. You may divide the topic into four large areas as indicated by the assessment questionnaires, or divide the topic into thirteen specific areas.
- Mentoring input can be tailored depending on which growth stage the company is at. See below for a description of growth stages.
- A further assessment by rating various factors and mapping them onto a radar chart (or spider chart), as shown in Figure C and D, is also helpful. For this assessment, it is more objective if mentors, not the CEO of company, give the ratings for the company. Try to interpret findings firstly by observing the holistic balance of the company, and secondly by comparing the company with other companies' average ratings, bearing in mind which stage the company is at.

Multiple issues of a BAM company

Sustainable Kingdom influence

In order to develop a set of assessment questions, the dual purposes of a BAM company were considered, see Figure A.

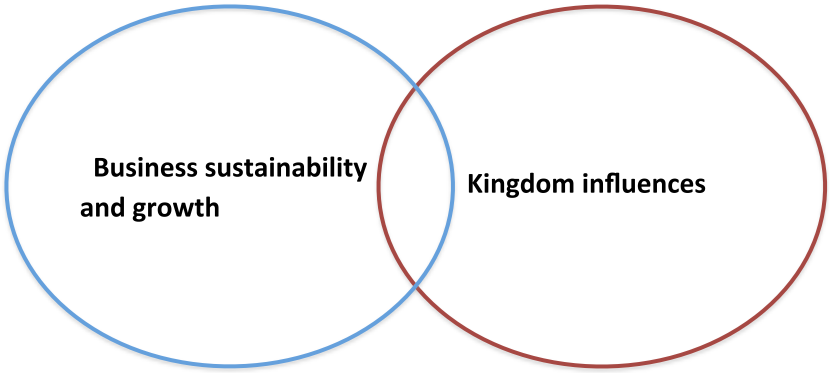

Figure A: Two balancing points for managing a BAM company

As with individual Christians, the most important purpose for managing a Christian company is proclaiming God's Kingdom influence throughout the whole of life on this earth. This intentional focus for a BAM business we have called ‘Kingdom influences’. To ensure that this influence is long term, it needs to be sustained by monetary exchange activities at economic market—this is BAM. For this reason, business sustainability and growth must be another main purpose of BAM. If needed, the business must be expanded and developed to expand the Kingdom influence.

The working definition of BAM in Lausanne BAM Think Tank: consists of four factors:

1. Profitable and sustainable businesses.
2. Intentional about Kingdom of God purpose and impact on people and nations.
3. Focused on holistic transformation and the multiple bottom lines of economic, social, environmental and spiritual outcomes.
4. Concerned about the world’s poorest and least evangelized peoples.

These four factors of the Think Tank’s definition of BAM are similar to the balance of the two factors in Figure A in that the last three factors of the definition are about “Kingdom influences” and the first factor is about the “business sustainability and growth”.

Figure A shows the two balancing points for the essence of management of a BAM company. The common area between the two points indicates that these two points are not always in tension with each other. The process of developing a sustainable business itself witnessing to the Kingdom of God as far as it proceeds with Christian values. These two points also complement each other. When the "business sustainability and expansion" is stable, the Kingdom influences can continue for the long term.

There may also be tensions between these two areas. Sometimes business opportunities must be overlooked for bigger Kingdom influences and sometimes the chance to enlarge Kingdom influences can be delayed because of the focus on basic business sustainability. The priorities between these two change according to the company's growth stage. More will be explained about this later.

Multiple layers of a BAM company

Let us examine these two balancing points more closely. Firstly, the “Kingdom influences” can be considered from two perspectives:

1. Missional intention and efforts.
2. Kingdom values in business process.

Missional intention and efforts purposefully tries to integrate the company into a location or culture where there are spiritual, economic or socially lacks. It specifically tries to share the gospel of Kingdom of God in the culture and makes a revolutionary effort to transform the local society and people to reflect the values of Kingdom of God. Kingdom values in business process means that the business does not conform to the worldly values or standards in operations. The business makes an effort to show the values of Kingdom of God by discovering and applying biblical values.

Now let us examine more closely the second balancing point "Business sustainability and growth". This point acts as a support to ensure Kingdom influence can be in effect for the long term. It can also be considered from two perspectives:

1. Business sustainability and competitiveness.
2. Leader’s lifestyle.

Business sustainability and competitiveness means not only the sustainability of the business as of now or in near future, but also the competitiveness to expand the business in the long term. Second, there is the Leader's lifestyle perspective that is about whether the company's leader has a good balance in spirit, health, and relationship for the long term sustainability of the BAM company. For small businesses, the leader's lifestyle is one of the biggest factors for the long-term survival of the company, as well as for the well-being of the corporate culture.

The balance and growth in these four perspectives enable a BAM company be an influence for the Kingdom of God in the business world for the long term.

Thirteen success factors for BAM companies

Based on these four perspectives, thirteen success factors for BAM companies have been identified. The table in Figure B illustrates the thirteen BAM success factors. These factors can also be divided into more specific questionnaires, which can be found in the last section.

An example

Let us now visualize the answers to the BAM Assessment questions with four perspectives of BAM and thirteen success factors. Figures C and D show an example of the results of company "A" based on this assessment mapped onto a radar chart. In this example, point 4.00 represents "Excellent"; 3.00 "Well managed"; 2.00 "Needs some improvements"; and 1.00 "Requires fundamental changes."

Company "A" can be analyzed on four perspectives, for example in Figure C. In this example, company "A" shows weakness in "Kingdom values in process" among the overall rates for that company, and this part also shows weaker values compared to an average value of companies. On the other hand, the company shows strength in "Missional intent and efforts." Although the company has strength in missional intent, integrating God's Kingdom values is weaker in the actual business activities. Leader's lifestyle is not very healthy either.

Balancing points	Four layers of BAM company	13 Success factors of BAM
Kingdom influence with mission intention	1. Missional intention and efforts	1. Missional intention
		2. Missional efforts and fruits
		3. Cooperation through networking
	2. Kingdom values in business process	4. Accountability
		5. Kingdom influence in business activities
		6. Legitimacy
Sustainability and growth	3. Business sustainability and competitiveness	7. Financial bottom line
		8. Market and customers
		9. Strategy and management
		10. Risk management and exit plan
		11. Self-management
	4. Leader's lifestyle	12. Cultural understanding
		13. Family relations/ community

Figure B: BAM success factors

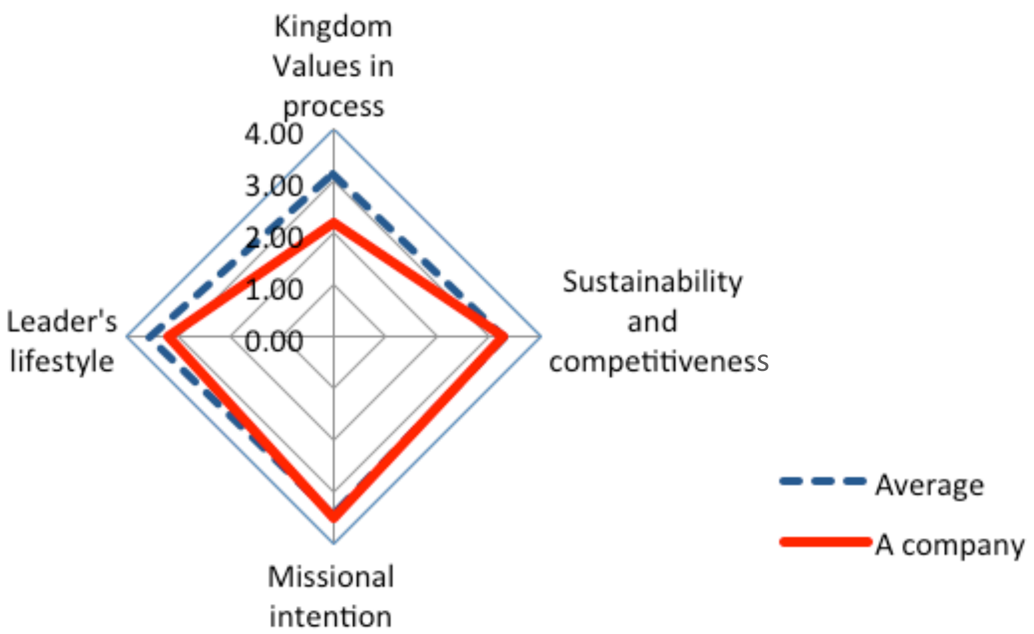

Figure C: Evaluation of company "A" based on 4 dimensions

The same company “A” is analyzed in detail in Figure D by the thirteen success factors. When assessed by the thirteen factors, there is more detail about what the previous four perspectives indicated regarding the company. The company shows overall satisfactory results in missional focus and efforts. The company is weak in "Kingdom values in process" because of weak accountability. In other words, while running a BAM company there is weakness in communicating with interested parties and exerting transparent, accountable management. Also, in business sustainability, the legitimacy of the company establishment is solid but financial sustainability, understanding of the market and customers, strategies and management all show weaknesses. The results show that as for the Leader's lifestyle, although he has a deep understanding about the local culture, he needs improvement in family relationship.

Figure D: Evaluation of company "A" based on 13 success factors

Six stages of BAM growth

As seen in the case of other typical companies, BAM companies also experience birth and growth and eventually disappear from the market. As previously mentioned, the most important success factors are contingent upon each company's unique stage of growth. First, let us examine the life stages of a typical company.

Different seasons of a small business

There are many models that analyze companies' growth. The model developed by Neil Churchill and Virginia L. Lewis is designed to analyze small and medium-sized businesses. This can be a useful tool for BAM companies[2].

- Stage 1 – Existence: This is a stage in which companies start to sell goods and services to clients. It is important for a company to develop a group of customers and to have an access to capital to start. This is also a stage for exploring different business models.

[2]Churchill, Neil C. and Virginia Lewis (1983). The Five Stages of Small Business Growth. *Harvard Business Review*, Vol. 61(3): 30-50.

- Stage 2 – Survival: Regular clients are formed, and the business model takes shape. A minimum amount of cash flow is needed to maintain its running.
- Stage 3 – Success: The company reaches the break-even point to finally enhance profits. The company strives to maximize the current capacity of production in order to have more profits. If it wants, it can expand its size by hiring more employees and investing in expanding infrastructure. Or, the company also may choose to maintain its current level of operation and use its profit in non-business related activities. If they choose expansion, the company needs to take further steps to develop and refine production systems and structures.
- Stage 4 – Take off: In this stage, the company will expand and diversify its operation to achieve further growth. The important aspect in this stage is efficient reinvestment of its profit and refinancing of its operation. As the company experiences quantity growth, it needs to delegate tasks and develop management systems that can handle multi-divisional tasks. The company needs to rely less on a single leader or CEO, but more on systematic cooperation that is based on team leadership and operation, plus professional managers.
- Stage 5 – Resource Maturity: At this stage, the company matures based on its experience and resources. It has a system that can withstand pressures and failures. In order to manage diversified operation, a decentralized management system and strategic management are needed. A professional CEO needs to run the company. A potential downside at this stage is the danger of the formation of an excessively bureaucratic culture and risk-averseness within the company.

The aforementioned five stages are an arbitrary categorization. Thus, when these are applied to companies, they can in reality be at a stage in between any category. Typically, the most difficult stages are the first stage of existence and the fourth stage of take-off.

Long incubation – the importance of Stage 0

In the case of BAM, because they operate in a different culture, stage 1 can especially be a more lengthy process compared to a regular business. In the case of a foreign missionary starting a cross-cultural business, it often takes two to three years for him or her to learn the language. It might take another four to five years as an employee in a business to become familiar enough with the local culture in a particular industry. It can take even longer than that to form a trustworthy network in that industry. If this stage is ignored and intentionally "expedited," it may increase the possibility of failure due to a lack of experience. By contrast, if the stage 1 is stretched too long, he or she may lose the original passion to start a new business.

Not everyone needs to be an entrepreneur to work in a BAM company. Some people may actually work better under existing BAM companies. In their case, they do not need to build the company from scratch, which carries a much higher risk. Another possibility is to form a partnership with those who already have a business model and want expand its model to other locations or countries.

Due to its length, it might be helpful for BAM companies to divide Stage 1 into two: Stage 0 for Incubation and Stage 1 for Existence. Incubation is the period when a BAMer gains an understanding of local and business culture, as well as language. During this stage, he or she may spend time to understanding the country's business practices and culture. If it is possible, working as an employee for a local company or multi-national that operates in the area could be an ideal way to absorb the local business culture. At the same time, collecting information on the market, and research and testing of business products or services could be done in this stage.

Figure E below provides a chronological list of preparation for a missionary family that has just decided to go into a particular country and start a business. Of course, a missionary is not only the candidate for BAM entrepreneurship; any Christian business man or woman can set out with this goal. However, here we have used the example of a missionary because they may be the candidate with the least business knowledge and experience. Entrepreneurship in a foreign country without solidly adapting to its culture is doomed to fail because business and economic activities are embedded in its unique practices and culture.[3] In tandem, business provides a conduit to learn that culture's world perspective and lifestyle. Only by participating in its business practices, can one thoroughly understand its society and culture. An incubation period of up to 10 years indicates that BAM entrepreneurship can never be a short-term process.

Time required	Accumulated Time	Preparation	Business Launching point
2 years	2 years	Language learning/ settling in	No
2 years	4 years	Vicarious business experience as an employee	No
1 year	5 years	1st sabbatical/ networking with resources and equipping with skills	No
4 year	9 years	1st launching point for a new business	Yes
1 year	10 years	2nd sabbatical; networking with resources for business	Yes
1 year and more	11 years and more	2nd launching point for a new business	Yes

Figure E: A typical example BAM incubation stages

Matching issues with stages

Depending where you are in six different stages, including stage 0, the priority of the 13 success factors in Figure F changes. This section provides a blueprint for matching the thirteen success factors for BAM to the six stages of evolution of a company. Figure F presents business success factors in the order of importance based on the developmental stage of a company. Although 13 success factors are all important, some factors take a priority to others depending on the stage.

[3] Mark Granovetter (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, 91(1): 481-510.

This approach provides a tool for BAM founders to prioritize different tasks at different stages. The surveys of BAM companies show that BAM practitioners tend to demonstrate ‘schizophrenic’ attitudes and behaviors, trying to focus on too many things at once. Many cases show BAM practitioners are under constant pressure to perform well on all sides – according to both business and traditional missions criteria.

Let us focus on the emphasized factors on each stage. The categorization in Figure F is provided in this paper based on the experience and personal discretion of the author. They need to be reviewed by other BAM practitioners to be further validated. Factors with two emphasized points are the most important ones at any given stage.

4 perspectives	**13 success factors**	**Stage 0 Incubation**	**Stage 1 Existence**	**Stage 2 Survival**	**Stage 3 Success**	**Stage 4 Take Off**	**Stage 5 Resource Maturity**
Mission Intention and Effort	Mission Intention	✔	✔			✔	
	Mission Effort and Fruit				✔✔	✔	✔
	Network and Cooperation	✔	✔			✔	✔
Kingdom influence from the process	Accountability		✔	✔	✔		
	Kingdom Influence in Business Activities		✔	✔✔	✔	✔	
Business Sustainability and Competitive-ness	Legitimacy		✔	✔			
	Financial Sustainability		✔✔	✔✔		✔	
	Market and Client	✔	✔✔	✔			✔✔
	Strategy/ Management				✔	✔✔	✔✔
	Crisis Management					✔	✔
Leaders' lifestyle	Self-Management			✔	✔	✔	
	Cultural Understanding	✔✔	✔				
	Family Relation	✔	✔	✔		✔	

Figure F: Check Points for Company Growth

Stages of company growth and priorities

Stage 0 – Incubation

Figure F indicates that during stage 0, network cooperation play an important role in terms of missional intention and efforts. In business sustainability, understanding the market and securing customers are critical. Cultural understanding and family relations are important success factors in leader's lifestyle.

In stage 0, the most important aspect is leader's lifestyle. In this stage, leaders and their family go through a period of cultural adaptation to a new environment. It is a period of adjustment and often a high level of stress. However, this period is also a period of excitement and "honeymoon" in a new culture. It is recommended that the leaders slow down their pace to adapt to a new culture and spend more time with their family for the first two to three years. This is also a period of researching missional needs. Actual implementation to fill the needs will take place later. However, it is at this stage for a would-be BAM practitioner to start developing a blueprint for future mission activities.

As shown in Figure E, this stage could be stretched to as long as 10 years. It is recommended to work for an existing company to gain a better understanding of local business culture instead of creating a company right after the completion of the language training.

Observing markets and studying about needs of possible customers are important activity in this stage. The effort needs to be put into researching to uncover a niche market, potential demand due to development of new products or services, and unsaturated or growing demands in the market. Understanding the market and customers' needs is the beginning of a business.

Receiving mentoring and advice from those who are currently operating BAM companies is a valuable asset at this stage. Networking with other business people that already have an operating business model could provide helpful future resources for the business.

Stage 1 – Existence

This is a period when a specific market and customers are targeted, the company is registered as a legal entity, and the planned business model is actually tested in reality. For the mission aspect, the priorities are similar to that of the Stage 0. In terms of Kingdom values in the business processes, it is important to build a healthy and transparent accountability with stakeholders. For business sustainability, focus on market and customers, legitimacy, financial sustainability are added as priorities. For leader's lifestyle, understanding culture and family relationships are ongoing success factors, similar to those in Stage 0.

The most important priorities in this stage are business sustainability and competitiveness. It is important to establish the legitimacy of the business for that. Legal procedures for the establishment of a (foreign owned) company need be studied and thoroughly observed. Developing effective communication channels with local government and business-related officials cannot be emphasized highly enough. If these aspects are not well managed, the very existence of the company can be jeopardized in the future.

Given the uncertainty in the beginning stage, enough seed money for investment is needed. The revenue needs to cover at least the basic variable cost to float the business. Careful cash management is required; fast cash turnover is always helpful to avoid possible shortage of cash leading to a bankruptcy. Building a financial structure to minimize the proportion of fixed costs can alleviate the burden of raising enough cash reserves.

In this stage, the company goes through a validation of whether their initial assessment of the market and clients demands are as expected. This stage also tests whether the company has the supply capacity to meet all the demands. An examination of the business in light of this reality check is required, along with fast responses to it, as needed.

This is also a period for growing a responsible relationship and accountability with investors and other stakeholders who provided resources for the business. A healthy governance structure as well as a periodic communication with shareholders needs to be developed. It is easy to exaggerate the positive sides of business prospects with the hope of drawing more investors; this is something for a BAM practitioner to avoid. Entrepreneurship in a foreign country is always a risky business. Realistic expectation and honest communication based on realty forms a proper foundation for long-term relationships with various stakeholders.

The relationship of the business owners and other founding members has to be defined concretely. Typically in this stage, cash is in short supply overall. Thus, there could be colleagues or other missionaries who are working without any remunerative benefits. Mutual expectations about the ownership of the company need to be communicated with candor as early as possible. If this is neglected, troubles in relationships and ownership could erupt at a later stage of BAM development.

In addition to the issue of co-founders, it is important to be transparent with shareholders during the beginning stage. Without an early establishment of transparent relations with shareholders, forming trustworthy relationships with them at a later stage is more difficult. Without transparency, distrust with shareholders easily emerges, especially at the point where a profit is made. On the other hand, a well-established transparent relationship can become a very valuable invisible asset for a BAM company.

Missional intent and family relations are also important at this stage. This is still a period of learning the local culture. Having the advice of other experienced BAM leaders and attaining resources from networks are valuable.

Stage 2 – Survival

This is the 'make or break' stage, when there is either success or failure of the company. The company needs to revise its business model to aspects of the market that have been uncovered. If the company can quickly adapt to the reality of the market and customers, the probability of survival increases. If not, it will struggle for survival. The ability to react fast to the changing conditions of the market is essential for its future success. The company's leadership must act fast and come up with alternative strategies quickly.

Figure F again presents the following success factors: First, the mission intent and effort aspect becomes less important because the survival of the business takes over as the most important priority. However, the Kingdom principles embedded in the operations of the business need to be actively promoted over the survival of the company. Similar to the previous stage, the business sustainability and competitiveness remain important. Self-management and family relations become even more important because of high levels of stress and workloads.

The most important aspect, however, is business sustainability and competitiveness. Cash liquidity is important because it may be needed in emergency situations. Through networking and mentoring, guidance and resources can be obtained.

In this stage, the company can be vulnerable to compromising its Godly principles because of its urgent needs and the hostile business environment. During this time, it is important to discern the right will of God in making business decisions because this could lead to either a virtuous or vicious cycle for future business practices. In this stage, the company must strive to make business practices that are practical, wise and holy at the same time.

As in the previous stage, the company's founders need to communicate transparently with shareholders and colleagues to establish relationships based on trust. In this stage, the entrepreneur may fail entirely. However, if a trustworthy relationship is established, the failure of business does not lead to a complete breakdown of the network. A continuous healthy communication with shareholders and coworkers can provide another opportunity to build a new company even after failure.

This stage is a busy period. Whether a business thrives or struggles, leaders will be fully occupied. This could lead to a life pattern of prioritizing work instead of balanced self-management. Good practices of self-management need to be implemented. A previously established support network can be a huge strength in this period. In addition, the support and understanding from a spouse becomes essential (if married).

Stage 3 – Success

This stage is the period where the business delivers positive operational profit and grows into a sustainable business model. In some cases of BAM—especially when supported missionaries are involved— the leaders do not include their salaries when calculating the business profit and still think the business makes profit. This, however, is not a good way to assess the financial sustainability of the company. It not be possible for a salary to be paid at the level of a foreign expatriate salary in a global company. However, at least the equivalent salary for a local manager in a similar position should be deducted as an expense from the revenue in order to calculate the operating income of the business.[4]

In this stage the most important corporate decision is about growth and expansion. A first option would be to maintain the current company size without expanding further and in this case maximize the profits. A second option would be to take account of current and potential demand and use the profit to expand the company size and capacity. This may be the stage to bring in additional external funds if necessary. Choosing one of these two options will result in very different directions for the company.

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[4] There are many issues around the level of compensation for missionaries who conduct BAM. One argument is that BAM missionaries should not receive any support or donation but be compensated only from business operation. In the opposite extreme there is an argument that BAM missionaries should not attain any financial rewards from business but continue to rely on supports from church donations in order for them to maintain their integrity as a missionary. The suggestion here is that BAM missionaries should receive compensation from the business and decrease relying on church donations as far as they can do. At the same time they should build in an agreed accountability system with various stakeholders of the BAM business, including supporting churches. However, BAM missionaries may need financial support in the early stages of the business when the business cannot generate sustainable revenue. We should not forget that they take the disadvantages and risks of developing a business on the uneven ground of others cultures. They may need to be supported until they build enough business capabilities and social networks.

In the case of maintaining the current company size, the profits can be used for additional Kingdom influence. Of course this is a choice, not mandatory. However, even in this case it is still necessary to save some income and use it to prepare for the future changes in the business. The nature of capitalism tells us that current demand in the business slowly wanes with the advent of new competitors. It is necessary to save a portion of income to prepare for such changes.

Choosing the second option to harness the growing opportunities in the market by expanding the business leads to growth in company size. As the size of the company enlarges and the number of employees increases, there are stronger demands for communicating the strategic directions within the company and more needs for production management systems and human resource systems. For this, work forces are rearranged to form a functional structure of the company to maximize the efficiency of the business.

At this stage, there is a big change in "missional intention and effort." There may have been "missional intention" in the past, but there was not much room for its implementation in time or finance. Now is the time to find the balance in carrying out the missional intention. Financial margins can be coupled with missional ministries, or potential margins can be sacrificed to reduce the number of work hours for outside ministry. It maybe that "missional intention" can be also carried out in an additional entity separate from the business, such as an independent Non-Government Organization (NGO). Creation of an NGO may be effective when the company chooses to focus on growth and if there are more demands for work hours and project sizes.

Also, this stage is crucial for communicating with investors and other stakeholders about the usage of profits. After all, the profits of a company are a right of the owners. Whether to divide the profits, or invest more, or use profits in ministries must be decided by having transparent conversations among interested parties. This stage is also the time when there might be dispute over property between owners, or when hidden greed can manifest. If this part was not clearly defined legally or by conversation during the incubation stage, different expectations can surface.

As the business begins to make a continual profit, and the owners are getting used to the business model, leaders can become complacent and lose their original intention for Kingdom. It is necessary to remember the original purposes and renew the heart of the business.

Stage 4 – Take off

This stage is when the diversification of a company happens with the growth momentum. The types of business is diversified by expanding the previous business model or creating new projects or business opportunities. This is the point when there is an attempt to transform the existing functional structure to divisional structure. As the company's size grows bigger and there are more types of business, decision making done solely by the leader must be changed to cooperation and communication as a team. Also, this is the stage when the work energy that was previously used to keep up the market demand and maintain customers must be allotted to use on internal management systems and setting up organization structure, and at the same time increase the efficiency of the production.

The important success factors at this stage are incredibly similar to that of the incubation stage. First, "missional intention and effort" must be re-enforced. There is much demand for the company's financial and human resources, especially if there is company expansion in process. As a result, the danger is that the missional perspective is weakened. Some BAM practitioners give up opportunities for corporate growth to avoid the diversification and systematization. This is due to the fear of losing the identity as a BAM company. At this stage, the original missional intention must be renewed and some contemplation must be done to keep the BAM identity strong, along with the expansion.

The positive aspect about the mission at this stage is the leader can use the previous BAM experiences to help other BAM practitioners and mentor them. In other words, leaders can help BAM companies who are at the initial stages through networking and supporting. Also, as previously mentioned, spinning off an NGO as a separate entity can be a good idea.

In the management aspect there is a need for administration systems and structural systems. At the same time, there is much demand for the leaders' time. In this case, the leadership structure used to manage a small businesses might not be suitable. Experts in business administration who have worked in big firms may be needed. There will be a process to hand over some leadership authority to such administration experts. Systems and culture for managing the company with be required.

This stage is not an easy stage. Available cash may lacking due to new expansion and diversification and external funding may be needed. At the same time, priorities on Kingdom influence in the company might be weakened compared to previously, due to realistic needs of business. In the process of running the business some Christian values might have been compromised. This is the stressful stage for the leader. The leader must reflect on the basic principles of self-management. This is the busy period that needs balance and rest so that there are no difficulties in family relationships.

Risk management has to be considered as well. It is important to think about scenarios for handling crisis—such as disasters or unforeseen incidents—that could jeopardize the whole business. There must be a 'Plan B' in case of needing to close the business. Enterprises do not go on forever and have a finite lifetime. Even when a business closes, the Kingdom influence should be manifest. In preparation for such a case, the leader must prepare an exit plan. In some cases, moving into other region after completing the closing and divesture of the company is more profitable for the "missional intention" or "business sustainability" aspects. If the leader does not prepare beforehand, he or she cannot close down well because there is much demand in terms of knowledge, time, and cost in closing down a business.

Although it is a difficult stage, if managed well, this is a golden opportunity to expand Kingdom influences with more resources.

Stage 5 – Resource maturity

This stage is the period when the ownership and management are separated. Operational structure is completed and the whole organization transitions to strategic management by coordinating various business processes. Types of business, customer base, scope of regional market are much diversified compared to that of previous stages. Each business has accumulated experiences, a work force, and team work that make the holistic management very stable. However, this is also the stage when a an overly bureaucratic culture may emerge and the entrepreneur's vision at the initial or take-off stages is on the wane.

For the Kingdom influence, this is the stage when the company reaps the missional fruits, and at the same time shares accumulated experiences and business resources with developing BAM companies. It might be more efficient for the original founder who established the BAM company create a separate organization to focus on Kingdom influence.

For the business aspect, attention must be paid to new markets, change in customer base, and especially technological and environmental changes that affect the whole industry. Also, it is recommended to hire professional managers who have worked in other companies to bring in a new perspective for the company. This stage needs the second foundation of the company to break the bureaucratic culture that responds very slowly to the change in organization. As mentioned above, risk management and preparation of exit plan should be continued.

Preparation for crisis scenarios, divesture of part of business, creation of new business, and expansion into new regions are important decisions to be made at this stage. The whole business portfolio must be evaluated and adjusted according to the two big BAM objectives, "Kingdom influence" and "business sustainability."

Questions for assessment of BAM processes and performance

This document was prepared for the purpose of self-assessment and mentoring. For effective use, please reflect on your organization and yourself as objectively as you can and carefully answer the questions. If possible, it is recommended to review the answered questions with your mentor(s).

An ideal business would have the points averaging at around 4 and be balanced across all categories. Assessment should bear in mind that various categories may be more or less important than others depending on the growth stage of the business, as previously explained. When more than one company use this assessment together, they can enjoy the benefits of comparing and evaluating the questionnaires and engage in meaningful conversations.

Please carefully answer the following questionnaires rating with the following numbers. Answers may be elaborated upon. Each number has the following meaning:

1. Not doing well. Requires fundamental changes.

2. Needs some improvements.

3. Well managed.

4. Excellent performance.

N. Not applicable.

Questionnaire Section I: Kingdom values in business process

This section will ask about your effort in revealing the love and righteousness of the Kingdom of God in your business operations They are not questions of mission or evangelism, but rather of revealing the values of Kingdom influences in your business process and lifestyle.

A. Governance structure and accountability

1. If there are investors or other owners, are you having transparent communications about the purpose of the company, operation process and results? (   )

2. Are the reckoning of the investment for the company start-up and management, plus agreement about ownership relationships, clearly stated and agreed among interested stakeholders? (   )

3. Do you report or communicate on a regular basis about company management to individuals, organizations, or churches that helped the business? (   )

4. Do you receive mentoring regularly for the company's management or ministry focus, whether to consult or evaluate? (   )

If so, who is the mentor?

B. Kingdom values in the process of business

5. Do you have fundamental principles to keep the values of Kingdom of God within business process? Are they well shared in the leadership group of the company? (   )

6. Do you reflect the values of Kingdom of God when meeting customers? (   )

7. Do your products and services give healthy benefits to the community? (   )

8. Does your company have fair and respectable relationships with other competitors? (   )

9. Does your leadership team respect one another and have a cooperative atmosphere? (   )

10. In hiring, training, evaluating, rewarding, and dismissing the employees, does the whole process reflect well the values of the Kingdom of God? (   )

11. Do the values of the Kingdom of God manifest in relationships with suppliers, distributors or contractors? (   )

12. For government, legality, and foreign/immigrant relations, does your company respect laws and customs and show an ethicality that reflects Christian values? (   )

Mentoring Session 1

Above questions were focused on your company's "Kingdom values in the process of business." More specifically, we have asked the following two areas:

- Governance structure and accountability
- Kingdom values in the process of business

In answering above questions, what do you think are the strengths and weaknesses of the company?

Are there any parts where you want to receive mentoring or pray together? What would you like to share?

Questionnaire Section II: Business sustainability and competitiveness

The following questions ask about the financial and legal sustainability of your business and the potential growth of the company.

A. Legal and social legitimacy

1. Was the company's establishment according to correct legal procedures (for foreigners/immigrants)? ( )
2. Are there any threats to the company due to legal problems during the establishment of the company, or uncovered since? ( )
3. Are there proactive efforts to maintain a good relationship with business-related government organizations and agencies? ( )
4. Does the company make efforts to maintain its good reputation in the local community? ( )
5. Have you examined which external organizations or people have an influence on the business and have strategies to keep good relationships with them? ( )

B. Financial sustainability

6. If the salary of the leader is included in the company expenses (at the local standard), is the company financially sustainable? ( )
7. Is the company well-funded for its operation? ( )
8. Have you been successfully paying off the interest and principal on debts and loans? ( )
9. Is the company's cash management adequate to prepare against bankruptcy risk and for future expenditures? ( )
10. Is the revenue of the last fiscal year outstanding compared to the competitors of the same market? ( )
11. Is the operating profit of the last fiscal year outstanding compared to the competitors of the same market? ( )

C. Market and customers

12. Is the demand for the current business adequate in the market? ( )
13. Do the products and services offered by the company satisfy the customers? ( )
14. Do you research regularly to find out about the demand in the market and the customers' need? ( )
15. Does the current business model have a sustainable competitive edge? ( )

D. Management

16. Is the current work force competitive? (   )

17. Are the current production management and service systems effective? (   )

18. For the next three years, do you foresee a continual growth in sales? (   )

19. For the next three years, do you foresee a continual growth in operating profit? (   )

20. Are the company's future strategies and plans shared internally? (   )

21. Does the company prepare and invest based on future competitiveness and improvement? (   )

22. Do you regularly assess the company's competitiveness and prepare for new business opportunities? (   )

23. Does the current leadership team excel in leading the company? (   )

24. Do you continuously develop the leadership team and delegate? (   )

25. Do employees think about the company's future as aligned with theirs? (   )

26. Is delegation of the leadership effectively conducted? (   )

E. Risk management and exit plan

27. Have you prepared scenarios and plans in case off a crisis? (   )

28. Do you think about and prepare for a future exit plan of the company? (   )

29. Do you think ahead and prepare a plan to transfer or sell the current business when and if it is needed? (   )

Mentoring Session 2

This section evaluated "business sustainability and competitiveness". We looked at the following five factors:

- Legal and social legitimacy
- Financial sustainability
- Market and customers
- Management
- Risk management and exit plan

Taking into account these five factors, what are the current business' strengths and weaknesses?

Are there any parts where you want to receive mentoring or pray together? What would you like to share?

Questionnaire Section III: Missional intention and efforts

The questions on "missional intention and efforts" reflect the intention to enter into the culture group, region, or people that need relatively more Kingdom influence. The questions ask if there are efforts made to share the Gospel and share Kingdom influences. These efforts are not only limited to the traditional missional ministries that might focus on church planting, but on a whole range of Kingdom-focused impacts.

A. Missional intention

1. Is there a clear intention in your business to share the Gospel where relatively few people are reached? (   )
2. Is there a clear intention in your business to serve people who lack financially? (   )
3. Is there a clear intention in your business to transform the social conventions to more reflect the values of the Kingdom of God? (   )
4. Are these intentions well shared and agreed among the owners of the company? (   )

B. Missional efforts and results

Do you know specifically what missional purpose will be established through the business activity? If so, please share about it.

5. How much is the missional purpose of the business reflected in the actual decision making and management of the company? (   )
6. How much has this missional intention already been realized? (   )
7. Is the gospel shared during the business activities? (   )
8. Through the business activities, do the lives of people involved in the business become transformed to be more like Jesus? (   )
9. Through the business activities, is there healthy transformation in the community? (   )
10. Is the profit of the company used effectively for Kingdom influence? (   )

C. Networking and expansion for the kingdom

11. Do you make efforts to cooperate effectively with other Christian businesses and organizations for Kingdom purposes? (   )
12. Do you cooperate well with local churches and organizations? (   )
13. Do you share your experiences and knowledge with others and learn from others? (   )
14. Do you cooperate with others to reproduce or expand the current business or ministry models? (   )
15. Is the communication between other partner organizations healthy and transparent? (   )

Mentoring Session 3

This section's questionnaires evaluated "missional intention and efforts." More specifically, we asked questions about the following three areas:

- Missional intention
- Missional efforts and fruits
- Networking and cooperation in the kingdom

Taking into account these three areas, what are the current business' strengths and weaknesses?

Are there any parts where you want to receive mentoring or pray together? What would you like to share?

Questionnaire Section IV: Leader's lifestyle

The lifestyle of an organization's leader(s) is most crucial to the organizational culture. His, her or their lifestyle can be an evident example of discipleship. In BAM companies, a leader's lifestyle is itself a witness and influence on those around them.

A. Healthy lifestyle

1. Do you regularly spend time to read the bible and pray? (   )
2. Do you regularly attend the worship at a church or faith congregation? (   )
3. Do you have people to regularly with share about problems and pray together? (   )
4. Do you try your best during the work hours? (   )
5. Do you take rest on a regular basis? (   )
6. Do you make an effort to share the gospel with people you meet during the business activities? (   )

B. Understanding local culture

7. How much do you love the local people and culture? (   )
8. Do you understand the local culture well? (   )
9. How fluently can you speak the local language? (   )
10. Do you have close friends among the local people? (   )

C. Family life and community

11. Is your family in harmony? (   )
12. Do you spend enough hours with your spouse and children (if applicable)? (   )
13. Is your spouse happy (if applicable)? (   )

14. If you are not married, do you belong to a group in which you can share about your joy and troubles on a regular basis? (   )

Mentoring Session 4

This section's questions evaluated "leader's lifestyle." More specifically, we asked about the following three areas:

- Healthy lifestyle
- Understanding and love of local culture
- Family relations and community

Taking into account these three areas, what are the current business' strengths and weaknesses?

Are there any parts where you want to receive mentoring or pray together? What would you like to share?

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