Executive Summary

A promising new methodology for measuring the performance of organizations – the MultiCapital Scorecard™ (MCS) – has been developed and is now ready for use. The MCS is the world’s first integrated measurement and reporting system and more than meets the requirements of the International Integrated Reporting Council’s (IIRC) Integrated Reporting (<IR>) standard. Interested parties are invited to contact us for more details.

Background

Ever since the term Triple Bottom Line (TBL) was first introduced by John Elkington in 1997, managers in organizations have been looking for ways to do it – that is, to operationalize the measurement and reporting of organizational performance in all of its dimensions: social, economic and environmental.

Many attempts have been made to implement the TBL, including the Global Reporting Initiative (GRI), the world’s leading sustainability reporting standard. Most such efforts have fallen short, however, largely because of their failure to adequately address Sustainability Context. GRI itself suffers from this shortcoming.

Indeed, Sustainability Context is indispensable for measurement and management, too, not just reporting. It requires that social, economic and ecological thresholds in the world be taken explicitly into account when attempting to assess the performance of organizations. Integrated reporting, that is, must be context- and thresholds-based.

The sustainability of water use, for example, cannot be ascertained without first determining how much water is available in a particular place and how much of it should be assigned to a specific user. A rate of use can then be compared to a sustainable rate of supply. Sustainability thresholds can similarly be defined for other areas of impact, including social and economic ones. Performance, in turn, can then be assessed in consistent integrated terms. The MCS makes this possible.
Performance is Capital-Based

In addition to being Context-Based, the MultiCapital Scorecard™ is Capital-Based. It is a quantitative means, that is, of assessing the impacts of organizations on the quality or sufficiency of Vital Capitals and without resort to dubious monetizations or the subordination of non-financial capitals to shareholder value.

Performance instead is assessed relative to what an organization’s impacts on Vital Capitals must be in order to be sustainable – socially, economically environmentally – with the units of measurement being determined by each capital. Performance norms are thereby set in ways that are fair, proportionate and specific to each organization and never in ways that imply accountability for all of the world’s problems.

The economic doctrine behind MCS is Multicapitalism. It calls for organizations to manage their impacts on all Vital Capitals of importance to stakeholder well-being, as opposed to only those of importance to shareholder well-being. It is a new economic doctrine predicated on the importance of all Vital Capitals for the sake of human well-being, in general.

Vital Capitals can be grouped into five categories: natural, human, social & relationship, constructed and economic. The performance of an organization can thereby be defined in terms of what its impacts are on Vital Capitals relative to company-specific norms, standards or thresholds for what they would have to be in order to be sustainable. Thus, MCS addresses a question of importance to all organizations: Are we sustainable? No other system does this!

Opportunity to Get Involved

At this time, we are inviting organizations interested in testing, evaluating or adopting the MCS to contact us for more details. The methodology is completely scalable, so small and large firms alike are encouraged to respond.

In return, we offer the opportunity to become involved in what is arguably the most game-changing development in the field of performance management in years: the advent of the world’s first context-based Triple Bottom Line methodology for assessing the integrated sustainability performance of organizations: the MultiCapital Scorecard™.

For more information, contact Martin Thomas in the UK at martin@call4change.com or Mark McElroy in the U.S. at mmcelroy@vermontel.net.