Future-Fit Business Benchmark

Release 2.1

Future-Fit Foundation

Contents

Future-Fit Business Benchmark: Release 2.1 updates

The Future-Fit Business Benchmark is a free tool to help companies and investors transform how they create long-term value, for themselves and society as a whole. This document outlines where and what content has changed within the Benchmark[1] between **Release 2** (November 2017) and **Release 2.1** (April 2019).

1. Methodology Guide

The Methodology Guide presents the core components of the Future-Fit Business Benchmark, together with details of the development process, and the scientific foundations upon which it was built.

1.1 An expansion of key system science concepts

Donella Meadows' seminal work around systems has been more firmly integrated into the Methodology Guide. This includes guidance around how to think about systems, how a system can be characterized, what drives behaviour within a system, and how these concepts can be applied to explain how social systems function and how to transform them.

In sections 3 and 4 of the Methodology Guide, the term "social system" is used in many places where the world "business" or "company" was previously used in Release 2. This is to emphasize that the concepts being described apply at a fundamental level: not only to companies, but to a wide range of other social systems such as cities and households.

These changes – most of which are introduced in section **3.3: A systems view of the world** – informed improvements to the Positive Pursuits guidance (see below), and should give readers a deeper understanding of the systems thinking upon which the Benchmark is built.

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[1] The suite of documents which comprises the Benchmark includes the **Methodology Guide**, the **Implementation Guide** (formerly the Cross-Goal Action Guide), **23 Break-Even Goal Action Guides** and the **Positive Pursuit Guide**. All of these documents can be downloaded here.
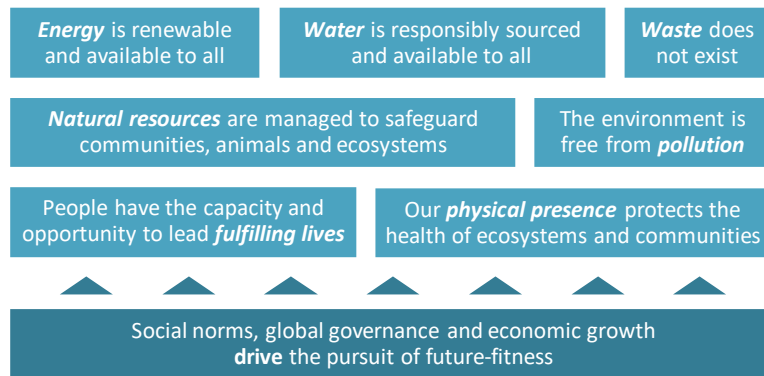
Figure 1: Properties of a Future-Fit Society.

## 1.2 A precise definition of a Future-Fit Society

Release 2.1 offers a precise definition of what a Future-Fit Society would look like, in terms of seven core properties and an eighth enabling property.

These changes make it easier to think about Future-Fit outcomes holistically and with respect to certain themes – energy, water, and so on – which both the Break-Even Goals and the Positive Pursuits contribute to (see Figure 1). The most relevant section to read is section 4 and in particular section **4.3: Properties of a Future-Fit Society**.

1.3 An enhanced way to think about impacts

A new section – **4.4: The role of every social system** – introduces an improved way to think about the types of impact a social system might have, across two dimensions. These changes are expressed in a new diagram (see Figure 2), which should help to clarify the delineation between Break-Even Goals and Positive Pursuits.

Figure 2: A social system's impacts may be considered across two dimensions: positive versus negative, and direct versus indirect.
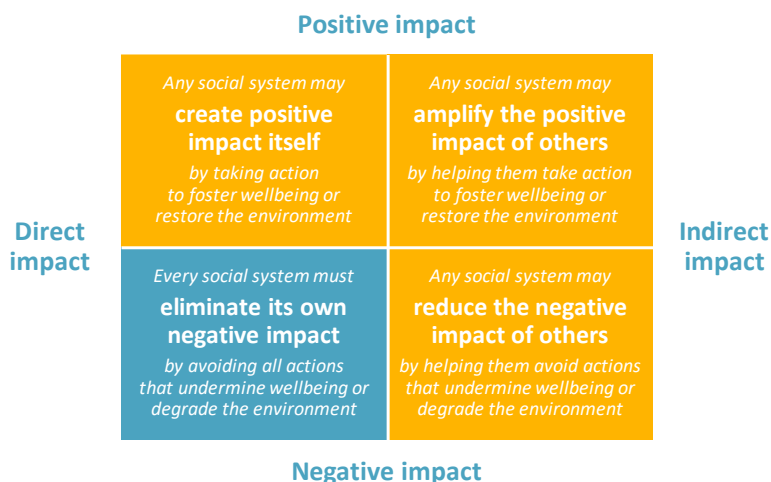
2. Positive Pursuit Guide

The Positive Pursuit Guide describes what Positive Pursuits are, how they relate to the Break-Even Goals, and how they can be used to pursue, assess and communicate progress toward delivering positive outcomes for society.

2.1 An improved explanation of what Positive Pursuits are and how to use them

Section **1: Introduction** of the Positive Pursuit Guide now offers clearer guidance on the relationship between Positive Pursuits and Break-Even Goals, the kinds of activity that contribute to one or both, and how Positive Pursuits may be used to think about an organisation's purpose and its contributions to the Sustainable Development Goals (SDGs).

2.2 A more actionable list of Positive Pursuits

Building on the enhanced system framing in the Release 2.1 Methodology Guide (see above), the Positive Pursuit categories have been reformulated and described in more depth. These changes are designed to make it easier for an organization to understand how it can act to speed up progress toward a Future-Fit Society.

The following changes to the Positive Pursuits are particularly worthy of note:

Guidance on how to 'shift the system'

Four Positive Pursuit relate to changing the drivers of system behaviour, such that acting in a Future-Fit way becomes not the exception but the norm. These are:

- Infrastructure is strengthened in pursuit of future-fitness;

- Governance is strengthened in pursuit of future-fitness;

- Market mechanisms more effectively signal and reward the pursuit of future-fitness; and

- Social norms increasingly align to support the pursuit of future-fitness.

For more information see section **2.8: Social norms, global governance and economic growth drive the pursuit of future-fitness**.

An enhanced framing for 'wellbeing'

One way in which the Future-Fit Business Benchmark differentiates itself from other standards and frameworks is by focusing explicitly on the removal of barriers to wellbeing (rather than on subjective increases in individual satisfaction or happiness). The value of this approach depends upon a clear definition of what "wellbeing" really means, and this

has been an area of significant development for Release 2.1.[2] For more information see section **2.7: People have the capacity and opportunity to lead fulfilling lives**.

An improved SDG mapping

A key aim is for companies to see Positive Pursuits as a business-relevant way to pursue and express contribution to the SDGs. The revised set of Positive Pursuits was formulated with this aim in mind. Section **1.3: Introducing the Positive Pursuits** offers a high-level summary of the SDG connections, and additional resources are being prepared to further highlight these linkages.

2.3 A revised assessment approach

Release 2.1 provides more guidance on how to assess and communicate both the intended and realized impacts of a company's actions. It builds on the work of the Impact Management Project and introduces a way to assess progress consistently across projects (and products), from initial inputs through outputs to actual outcomes and impacts. Note that this supersedes the 'impact intensity' approach introduced in Release 2. These changes can be found in section **4: Assessment**.

Improving the way positive impacts can be quantified is an area of ongoing development.

3. Break-Even Goal Action Guides

There is one Action Guide for each of the 23 Break-Even Goals. Each Action Guide offers specific guidance for practitioners working with, or inside companies, on how to transform business operations, procurement practices, and products in the pursuit of future-fitness.

3.1 Introducing assurance guidance

The Break-Even Goal indicators are designed to help companies self-assess their extra-financial performance, and to factor this information into their day-to-day decisions.

Some companies may wish to have a third-party check their assessment approach, to increase their own confidence in the information being used to drive decisions, or because they intend to report publicly on their Future-Fit progress. The Benchmark has been written with this in mind, to help facilitate assurance using the ISAE 3000 Standard.

Release 2.1 introduces an *Assurance* section in each Break-Even Goal Action Guide, which outlines key considerations on how to ensure that data is gathered, manipulated and tracked in ways that an independent assurer would expect.

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[2] This new work draws on Amartya Sen's Capabilities approach, Maslow's hierarchy of needs and the Universal Declaration of Human Rights.

3.2   Updated progress indicators

The progress indicators for several goals have been updated so that progress can be captured in a more nuanced way. This applies to the following goals:

- BE09: Community health is safeguarded

- BE15: Product communications are honest, ethical and promote responsible use

- BE16: Product concerns are actively solicited, impartially judged and transparently addressed

The progress indicators for two goals have been split into multiple parts, to better signal and guide progress with respect to different areas of impact, and to ensure stronger alignment with the Benchmark's core concept of mutual accountability.[3] The two goals affected are:

- BE04: Procurement safeguards the pursuit of future-fitness

- BE23: Financial assets safeguard the pursuit of future-fitness

3.3   Renamed context indicators

The "Supplementary Indicators" in Release 2 have been renamed "Context Indicators" to emphasize the fact that these are critical (rather than optional) data points which must be disclosed together with the progress indicators.

4.   Implementation Guide

The Implementation Guide offers supplementary guidance on how to begin pursuing future-fitness and how to assess, report on and assure progress.

The Implementation Guide was formerly called the Cross-Goal Action Guide. The main change in this document is the addition of in-depth guidance on how to embed future-fitness within an organization in a systematic way that supports the possibility of data assurance at some future date.

5.   Sustainable Development Goals

The mapping of the Break-Even Goals to the SDGs has been updated, and a new Positive Pursuits mapping has been introduced. See Future-Fit's website for the latest mapping.

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[3] This is about ensuring that the Break-Even Goals cover all (and only those) areas of action which are in the company's direct control to address. For more information see section 5.3 of the Methodology Guide.

Join the movement today

We must all play our part in society's journey toward future-fitness – and we'll get there faster if we work together.

For more information visit:
futurefitbusiness.org

Who we are

Future-Fit Foundation is the non-profit developer, promoter and steward of Future-Fit Benchmarks. Our vision is a future in which everyone has the opportunity to flourish. Given where we are today, this vision can only be realised through a rapid and radical shift in the way the global economy works.

Our mission is to catalyse that shift – by translating systems science into practical, free-to-use tools designed to help business leaders, investors and policy makers respond authentically and successfully to today's biggest challenges.

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