

Putting Principles into Actions: Sustainability applied to lending

As a commercial, for profit, FDIC-insured bank, ShoreBank Pacific's mission is to support the sustainable side of the economy. SBP uses The Natural Step principles as the basis of evaluation for loans, along with similar principles for community development. Traditional banking measures are also used. All three together make up our triple bottom line evaluation process, which can also be called 3E, or E³ approach. One leg is economics – traditional banking evaluations. The second leg is conservation or environment, and the third is community development, or as we interpret it, community from the direction of social equity. . Each element is rated from 0 to 3, where 0 is conventional, business-as-usual behavior, and 3 demonstrates sustainable, effective new operations or practices. The possible high score in each sector is 9 (low score of 0,0,0, high score of 9,9,9).

The conservation measures use three elements: Energy, Materials, and Land & Water Capacity.

Energy includes conservation (avoided use), on-site and regional distributed capacity, as well as alternative power, storage and transmission.

Materials includes recycling, reuse, durability and what are generally called green building concepts as well as food.

Land & Water Capacity looks at conservation of function along with restoration, building natural capacity and reducing impacts in managed and built environments.

The community development measures use three key elements: Work, Necessities, Stability/Quality of Life.

Work includes jobs, job quality, benefits, job safety and opportunities for personal growth.

Necessities include shelter, other buildings, infrastructure and transportation, education, food, medical care. Some green building components are also included: walkability, reduced driving and multiple modes of access.

Stability/Quality of Life includes wealth creation, leadership, connectivity, education, entrepreneurial development and other aspects of vital thriving communities.

The economic measures use key elements of risk ratings, local business interactions and scalability measures.

Conservation Sector: *Natural resources are the basis of our well-being, as individuals, as communities, and as societies.*

Conservation measures look at three key elements: Energy, Materials, and Land & Water Capacity. Underlying concepts of efficiency, green chemistry & engineering, and improving ecological resilience are connected to all three. These are grounded in the principles of The Natural Step, a process whereby any one can rethink operations and processes to reduce impacts on the natural world and society

- Energy includes conservation (avoided use), on-site production of energy, and regional distributed capacity, as well as alternative power, storage and transmission. All power production and use methods bring with them impacts, so reducing the need to use power in the first place is key, as is shifting from sources with high impacts to those with lower impacts.

- Materials includes recycling, reuse, durability, green chemistry, and green building concepts. Rehabbed buildings are also evaluated under materials. Redesigning products to reduce the need for problematic synthetic materials, increasing the ability of materials to be recycled, reused or easily biodegraded and retaining embodied energy of materials are all assessed within materials.

- Land & Water Capacity looks at conservation of function along with restoration, improving capacity and reducing impacts in managed and built environments. Natural productivity is included here, for fiber, food, and other

products. Locating new construction within urban growth boundaries and on relatively safe sites, reuse of former brownfield sites, and other location-based criteria are also evaluated under land & water capacity.

Community Sector: *The goal of community development lending is to create, support and sustain a thriving vital community.*

Definitions for community development abound. Taking concepts down to the core, similar to basic physics is not possible, but it is possible to find approaches that work on basics that are applicable across many kinds of societies. Our approach looks at these elements: work, security in access to necessities, stability and quality of life. Because the last two are closely related in outcomes, they are combined in the evaluation process.

Work: Availability of satisfying and useful work for community members – This covers work (wages, worker safety, job quality), opportunities for upward movement.

Security for members of the community in access to biological and social necessities – Physical and social safety for individuals, reasonably assured access to food, energy, shelter, transportation, medical support, education, information, public access, public gathering space. Environmental health & quality issues are taken up in Conservation.

Stability & Qualities that make community life varied, stimulating, and satisfying – A sense that the community has continuity, will continue to survive, has sufficient replacement members (births, immigration) entering as elders and emigrants leave: well-supported and good quality schools, social groups, stable and thoughtful governance, long term planning and foresight. Closely related to stability, quality of life includes social and recreational choices, innovation, music, art, education, esp. wealth creation.

Economy Sector: *“ShoreBank Pacific profitably assists businesses, and through them their communities, to be sustainable in their social, environmental and economic practices.”*

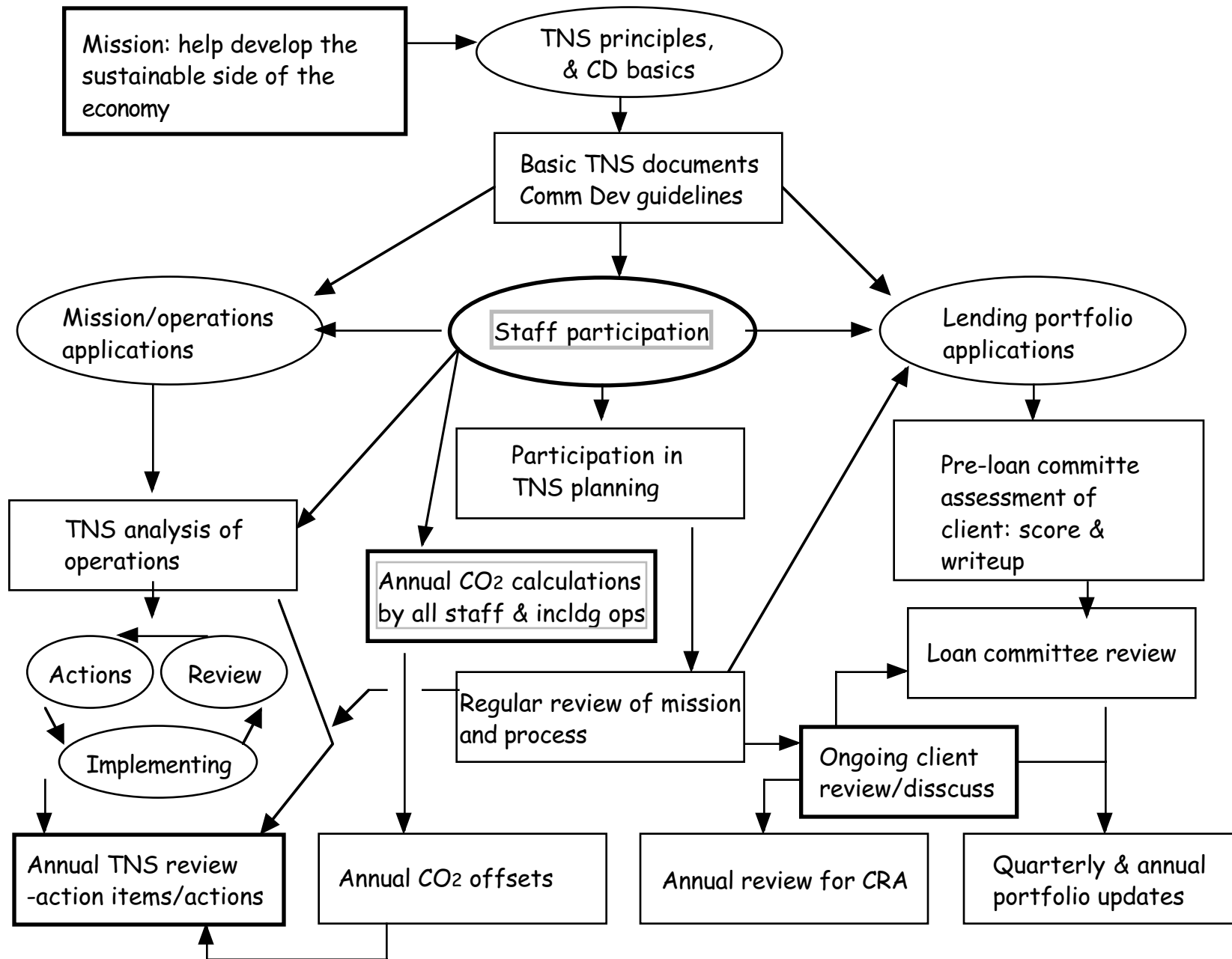
As a commercial, for profit FDIC-insured bank, SBP must operate within federal and state guidelines when holding deposits and when lending money. This means we use traditional risk ratings to evaluate each loan. However, while risk ratings give a general idea as to the likelihood of repayment, there are other ways to look at how well a business does that also bear on risk, and its potential for growth or influence inside and outside communities. The evaluation areas for the economy sector include risk, scalability and local business connectivity

Risk Assessment criteria include risk ratings, and how well a business management team operates.

Local Business Connectivity criteria look at the interactions between locally owned and operated businesses, the local community, and the use of local labor, goods and services. Outside ownership and provisioning, where goods and services are imported rather than created or produced locally, often have negative impacts on a community. We look at business creation, new business development and the capacity or depth that this may add to the community. Finally, we look at how the management team interacts on the nonprofit side of the community, and in leadership roles. Vital local businesses are active with nonprofit entities, and often take vital leadership roles in communities.

Scalability criteria look at business capacity for growth, the ability to franchise its approach in other markets, or the potential for an education franchise. Chains and franchises, as they are typically promoted, represent efficient mechanisms for removing capital from communities, both large and small, and reducing local business ownership. We are interested in seeing a new kind of chain or franchise emerge that corrects these historic problems, where there is more local ownership, where that ownership builds personal wealth, and where locally produced goods are sold instead of imports, supporting other local businesses and natural productivity.

In addition, some entrepreneurs and business managers develop new ways to do business that truly are spectacular departures from the norm, and which have great potential to improve business practices in many areas. Where these business approaches are in line with our guidelines to develop strong local economies in healthy environments, we recognize these individuals and approaches to business operations.



CONSERVATION: Energy

Concepts				
Efficient technologies				
<i>Typical Scores:</i>	0	1	2	3
	Conventional equipment for energy use (heating, cooling, lights, engines, other)	Efficient heat/cooling management with conventional equipment		Heat Pump (air, water, ground), esp for loans <\$100M; ground and water heat pumps for all clients
	None	Uses cool roofs, shading with plants, structures to reduce heat buildup		Indoor air management with effective, energy-conserving new systems; energy used is separate from grid or adds to capacity

Conservation				
Rationale: Avoiding the need to use energy (conservation) is the cheapest way to build capacity in the system.				
	None	Insulates to UBC	Insulates over UBC by 10%; significantly older building brought above code	Significantly over-insulates, more than 30% over UBC
	None	Wiring to code	Electrical wiring is all one size above electrical code	
	None		Uses passive solar heating to reduce energy use	Has applied all relevant conservation measures to operations

Power Production				
Rationale: On-site and local power production have huge community benefits: retention of capital, jobs, and resiliency to outside power fluxuations.				
Conventional facilities	Conventional technologies for gas, coal, oil, hydro, nuclear power production, transmission, storage	Conventional plants with exceptional safety and reduced emissions records - requires verification.	Conventional fuels, sources, with exceptionally clean new technologies - will require verification.	
General power levels produced by alternative technologies		Demonstration projects show feasibility, may show practicability of alternative energy products, <25% of power used is produced with these demonstrations.	On-site power production is more than 25% of site's usage. May net meter to grid	ON-site power production is more than 75% of facility's needs. Net meters to send power to grid when not needed in facility.
Solar thermal		Separates solar thermal from other energy uses; provides <25% of heat energy needed.	Uses solar thermal technology on site to provide >50% of heat energy requirements.	Uses solar thermal to provide >75% of heat energy requirements.

Typical Scores:		0	1	2	3
Photovoltaic	None		Uses small applications of PV technology to meet key power needs (ex: lighting public areas, power for elevators, water supply during outages)	Uses PV to produce >25% of energy used; net metering sends some energy to grid	Uses PV to produce >75% of electricity needed for building, business or other appropriate unit, net meters to grid.
Wind, biomass, geothermal, other, at regional production scale; ATPs (alternative power technologies)			ATPs reduce landscape and habitat level environmental impacts; produce energy that is <25% of local area's power load. Ex: wind turbines are large and slow moving, sited to reduce bird kill.	ATPs produce energy that is >25% of local area's power load.	ATPs produce energy that is >75% of local area's power load.

Green Chemistry and Engineering

Rationale: Businesses that account for carbon offsets with suitable, effective programs will stimulate conservation, new technologies, and other innovations.

Offsets	Business as usual continues status quo and supports global warming and destruction of ecosystem resilience and capacity.			Knows CO2 emissions equivalents and is considering both reductions in emissions and offsets for unavoidable emissions	Full CO2 offsets for biz operations
New technologies	Conventional equipment, plants, processes	Upgrades to existing designs, facilities reduces ecological impacts < 25% Efficiencies improve by < 25%		Upgrades reduce ecological impacts > 25% Efficiencies improve by > 25%	New designs avoid ecological impacts, reduce land or water usage, reduce > 50% Efficiencies improve by > 50%

CONSERVATION: Materials / Resources

Concepts

Recycling/Conservation

Rationale: Local recycling of materials retains value of embodied energy, turns waste to resource close to point of use.

Typical Scores:

	0	1	2	3
No recycling		Conventional practices with good quality control and waste recycling	Bulk recycling (scrap metal)	Reuse of equipment as is into local community
		State or multi-state level recycling Recycles out of area, out of state, rather than sending materials to land fill	Regional recycling of key materials	Local recycling and reuse of key materials Eliminates waste stream to landfill for local community
No materials reuse		Some materials reuse on site (<40%)	Materials reuse on site (40-90%)	Most materials reused on site (90-100%)
Concrete used has no recycled content				Concrete is crushed, reused on site; newly poured concrete has significant recycled content
Metals used are freshly mined, formed				Metals are recycled, metals used on site are from recycled sources
No recycling, wood used is freshly harvested		Wood is routed to MSW facility for chipping and to composting or mulch	Wood is routed to used lumber site	Wood is reused on site; new wood used is FSC-certified or reused from another building

Durable materials

Conventional products have short lifecycles (< 20 years)	Products have slightly longer lifecycles - more than 20 years for building materials	Lifecycle doubles, more than 30 years	Lifecycle extends to 50 years or more
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Local materials

Rationale: Locally produced materials have less shipping cost, energy, keeps cash in local economy.

No local or regional source materials	Uses some local-source materials (20% minimum)	Use of local-source materials, if not originally on site (to 50%)	All materials used on site from local sources (<50-100 miles)
Rate of extraction or harvest exceeds sustainable capacity of region			Extraction or harvest rate matches or lags natural production or formation rate, does not add to depletion of resource

<i>Typical Scores:</i>		0	1	2	3
Chemical Usage					
Rationale: Rationale: Process redesign to eliminate use of toxic organic compounds is optimal route to improved ecosystem and human health. Actions that impact environmental health also impact human health.			Conventional practices, with improved quality control and reduced waste	Reduced chemical usage without process redesign – 10-50% reduction in solvent use for example	Significant process redesign, with elimination or significant reduction in VOCs, organic solvents, toxins, et cetera. 50-100% reduction in solvent use
			Conventional image processing with good metals recovery processes that account for more than 90% of "waste" metals	Digital rather than chemical image processing for most uses	Consideration of all materials used and methods, with appropriate recovery and recycling, minimal waste, paper sourcing
Process Redesign					
Rationale: Reducing toxins in production improves both environmental and human health.			Reduces waste and solvent use (but does not eliminate)		Eliminates use of organic solvents in industrial process
Office Operations					
Rationale: Use of cleaning, surface compounds with reduced toxins improves work environment, promotes healthier workspace.		chemicals used in normal operations are conventional	Has started transitional process to minimal impact cleaning solutions, reusable cleaning cloths	Uses no disposable cleaning items	Cleaning compounds are all minimal impact, benign, with no chlorine, no synthetic additives; uses reusable microfiber products, other materials that can be cleaned and reused repeatedly
Rationale: Use of materials that can be and are recycled, or have some to much recycled content, improves flow of materials through reuse streams.			Knows sources and amounts of each material used in operations	Working to reduce materials waste, increase efficiency of materials use	Best management practices for all materials used in operations to minimize portion lost as waste, maximize recyclable portion
		Uses conventional papers	Uses papers with some recycled content	Most papers used have some recycled content	Paper used is 100% recycled or recycled plus alternative fibers
			Recycles paper, aluminium, beverage plastics		Recycles all materials possible

CONSERVATION: Land & Water Capacity

Land

Farms, Ranches, Timber-growing

Rationale: Production of food, fiber by most sustainable methods possible reduces impact on land and can restore ecosystems, it also promotes optimal food health

Typical Scores: **0** **1** **2** **3**

Conventional farming, feed lots	farm, woodlot, timberland, rangeland, conventional but with BMPs or other management method, short of holistic, sustainable or organic	organic farm, large scale, with more than 80% of land in production, less than 20% in conservation	Organic farm, esp. within urban boundary or adjacent to same, or with mostly direct and local sales
	Reduced pesticide use, some IPM Some riparian protection and land management practices	transitional farm or timberland, shifting to organic, sustainable certification or holistic management	3rd party certified organic farm FSC-certified timberland; Holistic Range management practices on grazing lands

Ornamentals

Rationale: Production of ornamentals by most sustainable methods possible protects soil, water quality and promotes optimal farm health.

Typical Scores: **0** **1** **2** **3**

Conventional production		Partially organic, or IPM operation, use of compost, good water reuse	Organic potting mix, materials all come from within 100 miles of operation, sales are regional to local; efficient watering system
	Predominately non-native plants propagated (<30%)	Some native plant materials (30-80%) propagated	Native plant materials propagated locally for restoration, more than 80% of materials

Waste recycling into higher value products

Rationale: Compost production of organic wastes returns valuable nutrients and soil modifiers to local soil systems rather than bringing in from outside.

Conventional MSW to landfills	Conventional organic waste recycling (land applications, storage)	Composting, vermiculture or other biosynthesis-based recycling of organic wastes
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Food processing and sales

Rationale: Local processing of locally grown foods improves food quality

conventional food processor-urban	conventional food processor - rural (often an important job source for rural community)	Organic food processor
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Typical Scores:

0

1

2

3

If mixed food processor (some organic, some other, 25% of volume is organic)

If mixed food processor, > 50% of volume is organic

If mixed food processor, > 75% of volume is organic.

wild or grass-fed or range food processor

Organic food retailer, at least 75% of products sold are organic.

local or direct sales of products from farm or processor

Value-add product development for farm or processor or retailer

Land rehabilitation

Rationale: Restoring ecological capacity improves resiliency of ecosystem.

Healthy ecosystems provide essential goods & services used ex-accounting.

We neither pay for them or pay for impacts on them at any level of society or government; these impacts are hidden subsidies.

Restoration of some uses, such as limited ornamental gardening, to soil

Wide range of uses restored, including food gardens, stormwater capacity

Full ecological rehabilitation of land to diverse, self-maintaining soil system; riparian and other habitats restored

Some percentage of work is ecol rehab (less than 10%)

10-60% of work is ecol rehab

>60% is ecol rehab; native soil is protected or enhanced with use of compost, mulch

Land Conservation

Rationale: Land conservation (of open, fully functional land) preserves existing function more effectively than restoration.

Society depends in part on conservation to provide the function of producing essential goods and services from the natural world; often ex-accounting.

Does not conserve "green" land or open space.

Conserves less than 5 acres

Conserves 5-50 acres

Conserves > 50 acres, or links up other areas into larger reserve

Maintains open space, biological productivity (not wild)

Conserves existing open space as is

Conserves, restores open lands to wildlands; links up existing reserves

Reduced need for roads, driving

Enhances on-site natural processes

Mining

Rationale: Conventional mining generally provides irreversible impacts on ecosystem; restoration is minimal and not effective.

Impacts are ex-accounting for regional resources (land, water, ecosystem health). Alternatives exist for some actions, and these should be explored, supported.

Typical Scores:

0

1

2

3

Conventional mining – and consider negative scoring

Effective containment for acid-leaching, active and effective rehabilitation programs

Substitutes recycling for mining

Uses plants to sequester and concentrate metals, land management is organic, sustainable in all elements; uses bacterial extraction to reduce pollution, use of highly toxic substances
Permanently retires mining leases

Impact on sprawl

Rationale: Increasing density of development will reduce impact on viable landscapes, especially on the edges of urban areas.

Outside growth boundaries, on open land

Site has access to infrastructure in planned growth area

Moderate density infill/reuse on urban site.

High density mixed use infill or reuse on urban site, multiple stories

New development on open land, outside UGBs, with extension of infrastructure out to development.

Provides additional infrastructure capacity to community, which will result in efficient infill within area.

Existing septic system upgrade, potable water system upgrade for existing entities in rural areas, small communities.

No, or less than 20% of area, stays in open space; open spaces are separated by access roads, trails and structures.

> 20 % of area stays in open space.

> 50% of development area in open space

75% of area stays in open space, structures and roads are clumped to reduce intrusion into remaining open areas.

Brownfields

Rationale: Brownfields contain a historic record of hazardous usage. Restoration is the single best alternative to reduce impacts on present and future usage.

Contributes to creation of present and new brownfields

Brownfield site has some limited uses

Brownfield site has capped, sequestered pollutants, few restrictions on use

Brownfield site had restoration to return ecological function (and check P1)

Existing Buildings

Shift to materials?

Rationale: Reuse of existing buildings conserves energy, materials and ecologically functional areas.

No reuse; buildings are demolished for new construction

Reuse of existing buildings with limited alterations

Reuse of buildings with materials and energy upgrades – example of conventional upgrade

Reuse, renovation with extensive energy conservation, production upgrades – is good example of current state of art

Water

Efficient water treatment technologies (potable water, sewage)

Rationale: Water conservation is good trigger for innovation; water shortages are growing more common and widespread.

Typical Scores:

0

1

2

3

Society depends on nature for recycling of potable water, ex-accounting.

Conventional water use (appliances, fixtures, processes)

Efficient water use with conventional equipment

Highly efficient technologies reduce need for water > 75%

Conventional water treatment devices

Technologies reduce energy, area, cost or facility or time needed to produce potable water or treat sewage

Discharges water that requires treatment prior to return to natural system.

Improves sewage discharge water to potable or near quality

Site-based use or return to environment

Rationale: Recharge to environment reduces impact on ecosystem and improves long term availability of water resource.

Conventional water systems

Demonstration projects show feasibility, practicability of alternative products

Separates gray and black water; gray water is returned to environment to substitute for potable water in irrigation

Black water is treated, polished, returns to environment in near potable condition with no impact on receiving waters

At least 50% of normal water volume is handled by system.

Full-scale application of alternatives; more than 75% of normal water volume is handled by system.

Stormwater

Rationale: On-site stormwater treatment reduces impacts on receiving waters, and reduces pollution in receiving water body.

Improving small scale water quality is faster and cheaper than improving large scale water quality. Degradation is often ex-accounting.

All facility surfaces are impervious

Some pervious surfaces

More than 30% pervious surfaces

Most facility surfaces are pervious

Stormwater goes to conventional underground collection and drainage system

Some stormwater is aerated, retained or polished before going underground

Uses bioswales, sumps to polish most stormwater

In addition to bioswales, sumps, stormwater is retained for irrigation, slower release; quality is acceptable for direct discharge because of treatment

No onsite retention or treatment of pptn. Water flows offsite through conventional subsurface collection system.

Some water is retained, < 25%

> 50% is retained, treated, polished or goes to groundwater recharge.

Only extreme pptn events see water leave site untreated.

Roof surfaces are conventional; no water retention.

Sod roofs are demonstration, hold <25% of water that falls on roof.

Sod roofs hold some portion of water (<50%) that falls on roof.

Sod roofs (Ecroofs) hold > 75% of water that falls on roof, overflow goes to retention ponds.

COMMUNITY: Work

Financially healthy working environment makes this a community of choice for workers

Concepts	Score			
	0	1	2	3
Not Applicable				
Working Conditions				
Rationale: Workers have safe environment in which to work	Conventional safety practices	Improves worker safety	Significant improvement in worker safety by redesigning process	Excellent improvement in worker safety by redesigning process
Wages, benefits				
Additional: Job options are available for advancement, and include living wage pay Additional: Benefits include competent medical coverage	All or most jobs are minimum wage, no way to advance	Some living wage jobs basic benefits	Living wage plus, with growth options some medical benefits	Full range of jobs, (minimum wage may be in part) to living wage and above, growth options full benefits available for living wage jobs and above, some for lower wages
Job Retention/Creation				
Rationale: Available workforce is well-utilized	Turnover higher than normal for category			Worker retention is excellent, turnover is well below average for category
Rationale: Job retention and creation are appropriate to community in scale, steady diversity in job creation	change in ownership reduces jobs in community, not related to business conditions			New ownership, business grows with additional job creation

COMMUNITY: Necessities

Vital communities provide range of housing choices over lifetimes, with good placement; access, and also have access to other kinds of b

Concepts	Score	0	1	2	3
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Not Applicable

Housing Affordability

Rationale: Strong communities have wide range of housing options for residents	one sort of housing available	narrow range of housing choices	good range of choices for housing	full range of home ownership and rental choices for various incomes, family sizes and preferences	EX: Habitat for Humanity
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Location

Rationale: Strong communities use land within boundaries first rather than expand randomly, and expand in responsible fashion, reducing living sites that put people in harm's way	Builds new on open (previously unused) land outside urban growth area or normal access to infrastructure	In-fill with new construction on formerly open land; may be narrow range of choices for types of housing	More than one use in space, appropriate and well located, reuse of urban land	diverse, mixed use in good urban location, good placement for community, for access	Innovative combinations, reuse of established buildings
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Livability

Rationale: Community is secure for most vulnerable members	not secure - classic test is are single women, elderly and women with children comfortable on streets and in community			walkable, safe, attractive, vital feel to community or neighborhood	
Additional: Community has diverse public amenities, including parks, libraries, museums, and diverse culture activities					
Additional: Amenities for children include good to high quality daycare and schools	no daycare, schools poor; or good schools unaffordable			daycare, schools are available, good quality and affordable for working families	

Necessities

Concepts	Score	1	2	3
	0			
	Not Applicable			

Potable water, sewage

Rationale: Access to potable water, competent sewage treatment are basic attributes of healthy communities	unsafe water; withdrawals cause environmental problems; system lacks capacity	potable water meets basic code		Potable water from renewable sources with adequate capacity, some growth capacity. Withdrawals do not cause environmental problems elsewhere
In addition, water usage that does not degrade the larger landscape or ecosystem quality strengthens region and community	inadequate sewage treatment - discharge creates problem for regional environment; unacceptable level of annual violations; methods are inefficient and waste energy	sewage treatment meets basic code with acceptable annual violations		Sewage treatment is effective, efficient, discharge does not cause environmental problems downstream

Power

In addition, local power production adds to job base and to power price stability for community	Poor quality power, brownouts common, blackouts common	Acceptable power network capacity and quality		Good quality power
	Other services need maintenance, upgrade or extension to work in neighborhood or community			Other services high quality
Uses more power than produces, no offsets for energy consumption (-1)		Net power consumption is neutral, offset by on-site production or off-site green tags (+1)	Net power producer, making more power for local, regional grid than is used by business	

Communications

Rationale: Good to excellent quality data and communication systems improves community quality	Inadequate communications network, inaccessible or poor quality	Acceptable communications network capacity and quality (phone, data lines, cable)		High quality communications
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Necessities

Concepts	Score			
	0	1	2	3
	Not Applicable			
Transportation				
Rationale: Wide diversity in transportation choices is better for communities than no or few choices	Location is difficult for transport modes, or requires extensive new construction outside urban area	Has reasonable access to RR lines, ports, or roads	Good location for access (RR, roads, ports)	Great location for all forms of transportation
	Location is dangerous for pedestrians Access is slow, unsafe for cars	Available (urban) parking is on surface, adequate, relatively safe		Safe, secure pedestrian access (Urban) parking is incorporated into buildings, not on street or surface - parking is safe and high density
If fleets of vehicles must be used, then those that are energy efficient, durable and easily recycled are more desirable than otherwise.	Fleet is conventional ICE vehicles		Fleet vehicles are replaced with HD or other highly efficient vehicles	
	Requires personal vehicle	Provides alternative transportation to replace some use of personal vehicles		Alternative transportation allows for car-free lifestyle
	Location does not improve on, or reduce traffic time and congestion	Reduces need to drive for basic services, residential and work related	Reduces need to travel for job - uses local staff and/or remote support	

COMMUNITY: Stability and Quality of Life

Strong social ties and commitment to community help strengthen all aspects of social life

Concepts	Score			
	0	1	2	3
	<i>Not applicable, or is conventional behavior</i>			
Community Catalyst				
Rationale: well-connected community members that are active in volunteer organizations can help strengthen communities	No support of community volunteer programs by business or business owner			Committed to volunteering in community
Additional: some people are striking catalysts for improvements and strengthening of communities through social and other non-profit organizations	Business owner is inactive in community; lives outside community	Business owner lives in community	Owner has strong ties and commitment to community through donations of money, time, and by encouraging workers to involve selves	Owner, managers act as community catalyst for improvements inside and outside business that strengthen community
Education & Wealth Education				
Rationale: Diversity of educational choices helps to bring all members of community along in needed skills	K-12 education, aimed at mainstream students	Educates mainstream group, well above conventional performance level	Education adds value beyond basic GED, Bachelors programs in good programs	Educates disadvantaged children, adults, in outstanding programs
Adult education, ongoing education programs	Aimed at mainstream students, college & professional	Specialized programs for professionals	GED and beyond for adults; continuing education within community	Exceptional retraining for adults reentering workforce, into higher income levels
Rationale: Teaching of good money management skills at all levels helps build stronger citizenry Leading by example – companies showcase competent & responsible wealth building skills		Funding or supporting first time purchase of homes	Funding or supporting first time purchases of investment properties for low-mid income individuals Trains people on money management skills as prelude to wealth building skills	Program helps lending to develop equity based on value of rehab (commercial, residential) when done Company actions encourage responsible wealth generation

Concepts	Score		
	0	1	2
	<i>Not applicable, or is conventional behavior</i>		
Entrepreneurial Training			
Rationale: where communities to support the development of entrepreneurial skills (beyond fad of moment)	Adverse to entrepreneurs [is this more about community attitude? Needs clarification}		Supports or offers programs aimed to develop entrepreneurs and businesses
Cultural & Ethnic Diversity			
Rationale: Diversity includes race, religion, social and recreational activities; acceptance of cultural difference by all for all strengthens community	mono-cultural regardless of income level, religion, ethnicity	Improves skills for NPOs; helps promote community diversity	widely multi-cultural and inclusive
			diverse social spaces for full range of social forums (clubs, churches, parks, others)

ECONOMY: Risk Assessment

Concepts		Score			
		0	1	2	3
		<i>Not applicable, or is conventional behavior</i>			
Conversion					
<i>RR are arrived at by compiling facts and understandings about the client; despite the apparent lack of detail here, this is a complex conclusion</i>	<i>RR > 6</i>	<i>RR 6-5</i>	<i>RR 4-3</i>	<i>RR 2-1</i>	
Operations					
<i>Biz is well run, local owner or manager has good management skills</i>	<i>Poor management skills, reflected in high turnover, inappropriate behaviour among staff, cash management issues</i>	<i>OK management skills, reflected in staff turnover, biz management skills</i>	<i>Good biz mngmt skills, low turnover, good operations</i>	<i>Great skills, well run biz, good relations with employees, cash management, etc.</i>	

ECONOMY: Local Business Connectedness, Effectiveness

Locally owned, operated businesses that use local labor, goods, services, and retain profits locally, benefit communities

Concepts	Score			
	0	1	2	3
<i>Not applicable, or is conventional behavior</i>				
Facilitation				
Some people create viable new businesses, processes, products, that are later successfully imitated by others	Conventional business concept, nothing distinguishing about product, concept, marketing	Adds some capacity or depth	Fills gap for needed capacity or depth in category – encourages duplication or replication	Brings in new category of business from elsewhere, or is leader in opening up new category, or improving quality
	Nothing new under the sun; in fact, looking backward, or working to keep things as they are, unable to accept change or need for change, growth		Several new or unique elements in otherwise traditional business	Creates viable new business, product, process, approach – may consider adding additional points to category (+2?)
Local Ownership/Management				
How locally earned wealth & experience are applied - inside or outside community (seed capital, personal expertise, NPO support, development)	Owner does not live or work inside community, or if living in community does not help or encourage new biz if living in	Owner lives in, has some social activity in community outside business	Owner lives in, has good connections, some leadership, activity in community	Owner lives in community, applies wealth locally to buiding up new biz, applying personal biz skills to community benefit
	Seeks out and connects them, or promote their products/services	Biz works in isolation from local resources, does not develop connections		Management networks, connects, builds local relationships that serve connected biz & community well
Local Goods & Services				
Sources for goods and services	Imports everything, even when there are local and regional sources for goods, services (ex: food franchises)	> 25% local goods, services	At least 50% local	Buys as much as possible through local producers, processors, local brokers; goal is 100% local, but over 70% local qualifys

ECONOMY: Scalability

The impact a business can have beyond its first set of open doors can be considerable, but how it develops impacts community

Concepts	Score			
	0	1	2	3
<i>Not applicable, or is conventional behavior</i>				
Capacity for Growth				
For small biz: is size appropriate?	Mgmt team is trying to grow biz larger than it is capable of being as configured		Biz is right size for management team, whether large or small	
For larger biz, is size appropriate?	Biz has grown too large too rapidly, or has growth-related problems		Biz is right size for management team, whether large or small	
Evaluate biz size issues: how large should this biz be? If it should be larger:	Mgmt team has no desire to grow biz, though it may be run very well		Management team is working to grow biz appropriately	
Succession				
Regardless of biz size, succession should be part of plan	No succession plan	Thinking about succession	Has low to mid level people training towards succession	Has active involvement of top mgmt staff in succession; insurance, other in place for biz continuity
Franchising to build local community				
Goal is franchises (great products, marketing) that use significant % of local goods & services, so that both profits and goods/services remain local	Conventional wholly-owned chains (profits are exported, goods are brought in, local jobs are low paying	Conventional franchises: local ownership builds some wealth, but goods & services are brought in	Local franchise: has expanded within region (< 50 miles), uses local suppliers for at least 50% of goods/services; retains local ownership, tie to local products	Great growing local franchise: uses local goods / services, local owners, has grown throughout region, expanding outside, retaining model at it grows to promote healthy economic conditions in communities
Education Franchise				
Instead of franchising biz, owner educates through internships, seminars, courses, work	No education interest within work			Active with speaking, training, tours, in all aspects of education in "how to"