

# Rhode Island CPAs Create Pilot Program Around Sustainable Business Metrics

Rhode Island is a small state with big challenges - high unemployment, declining income and limited choices... but a group of Rhode Island business thought leaders and consultants in collaboration with the Rhode Island State Society of CPAs and the Social Enterprise Organization of Rhode Island have decided it's time for a change.

After the June CPA continuing education event entitled, "What Really Drives Business Value, Business Growth & Successful Transition Planning," and the subsequent challenge made by keynote speaker Paul Herman of HIP Investor, Rhode Island businesses decided to create the first-ever new metric, new business pilot program: Re-Define, Re-Invent, Re-Vitalize Rhode Island. The pilot is being designed to take a comprehensive, multi-sector, cross-disciplinary approach to solving their business and economic challenges.

"By implementing sustainable business strategies that are aligned to an impact-focused framework of Health, Wealth, Earth, Equality and Trust, we believe this type of business model can lead to financial stability, job creation and the potential success to drive business value, social enterprise and profitability, as well as reduce costs and risks for businesses. This is about integrating a "people-driven" business model into our traditional "profit-driven" business models to create what we are calling a "prosperity-driven" business model – it's the triple bottom line that can create big wins for all stakeholders."

The RI team is currently developing the mechanics of the pilot program and selecting their team of consultants, participants and sponsors (including Admirals Bank), and they intend to roll out the initial phase of the pilot in October 2012 in tandem with a New Metric, New Business Paradigm seminar, at which Mr. Herman will again be a keynote speaker. The seminar will highlight the new metrics and ESG criteria that need to be translated into business strategies, measured and reflected in financial statements to accurately depict business value and risks in the 21st century. The pilot will also highlight some specific qualities of what transformational leadership is all about and how CPAs and social entrepreneurs can be those leaders and the catalyst for positive business change now.

The pilot will use a multidisciplinary assessment to establish baselines in the five impact areas of Health, Wealth, Earth, Equality, and Trust and will utilize five specific business strategies and trainings aligned to these five areas:

- Health ~ Stress/wellness culture
- Wealth ~ Employee benefits, 401K plans and retirement assets scored for sustainability, impact and risk
- Earth ~ Energy and real estate efficiencies
- Equality ~ Leadership training/employee engagement
- Trust ~ Mini-valuations, sustainability reporting and re-created financial statements

The program will be broken down into modules, with each discipline executed one at a time. Assessments and results will be collected and quantified and then integrated into financial statements and sustainability reports.

The pilot has five main objectives and a distinct Community Signature™ that will seek to demonstrate how these strategies and metrics can:

1. Enhance business profitability, bottom line and business value (EBITDA)
2. Reduce costs and risks for businesses
3. Create positive social impact AND create jobs
4. Demonstrate how to score your investment portfolio for Sustainability (ESG) and Impact and why it is important to do so
5. Quantify data and use it to re-create financial statements that more accurately depicts company value and risks

The community signature will link to and support Rhode Island's education system by bringing visibility to the No Child Left Inside legislation and the need to create a more holistic approach to education by integrating curriculum centered on environmental literacy and emotional intelligence.

Concurrent with the pilot will be a focus on designing curriculum to continue to develop and educate the CPA and business communities on these new metrics, and create a version of that curriculum to integrate into schools as part of the NCLI movement and tie to the evolving RI Environmental Literacy Plan.

Will your CPA lead you to a more sustainable world? In Rhode Island, that's the goal.

“We believe the innovative, forward-thinking CPAs, in collaboration with other business thought leaders and social entrepreneurs, will be the transformational leaders in this new metric/sustainability space. The ones that recognize this will be of most value to their clients. The CPAs that do not embrace these changes run the risk of being left behind. That said, our goal is to ensure that all of our CPAs and the business community have access to the education and resources to compete now and for the future. Creating a sustainable CPA practice and sustainable business models should be of primary concern in these times of rapid economic change.”

Robert Mancini, Executive Director, RISCPA  
Joy Pettirossi-Poland, President, Building Bridges 2012

If your CPA state society or business group would like to take the Paul Herman challenge and participate in our pilot, please contact Joy Pettirossi-Poland at [joyppoland@aol.com](mailto:joyppoland@aol.com). We are thrilled for the opportunity to work with other thought leaders across the country!