The business activities of a co-profit must first do no harm.
The co-profit model is based on the belief that many, but not all, societal problems can and should be solved most effectively by bringing sensible, responsible market forces to bear. In other words, the business activities of a co-profit must first do no harm.

Beyond working on eliminating unsustainability, a coprofit business must address its social context. In this domain, social entrepreneurs take the lead in stretching the boundaries of traditional business activities. Social entrepreneurship has been defined as "innovative, social value-creating activity that occurs within or across the nonprofit, business or government sector."

The co-profit model embodies this approach in a unique way by linking a company with a nonprofit in such a way that the company—explicitly working toward sustainability in its own operations—also contributes financial resources to cover the nonprofit’s overhead so 100 percent of all outside contributions directly serve the nonprofit’s mission. In addition, each employee contributes expertise and a percentage of work time to support the nonprofit.

The co-profit model aims to leverage the benefits of the various approaches laid out in Figure 1. In this sense, co-profits make contributions in time, money and expertise to heal social and ecological systems. The public’s awareness in social and environmental concerns is leading to a more informed market, creating either advantages or disadvantages for companies depending on how they have aligned their operations. As James Austin wrote in Entrepreneurship in the Social Sector: “Bad business can be bad for business.”

By providing exceptional meaning in their work, co-profits can inspire more productive work forces. By attracting and retaining top talent, co-profits will cut costs. By engaging with new and different activities in the nonprofit sector, co-profits can spark new ideas and innovations from within to help create new business opportunities. By genuinely contributing to the creation of a sustainable society through systematically eliminating direct and indirect negative impact and proactively working to have a restorative effect—co-profits will build trust and a strong reputation. In this way, co-profits and their stakeholders do well while doing good.

These claims may be little more than conjecture at this point, but given the growing body of research around business for sustainability and social entrepreneurship activities, it is reasonable that the same driving forces will carry over and potentially be amplified within this new model.

While we believe the co-profit model is new and unique, it is similar in many ways to what Google has done through the development of Google.org and The Google Foundation. Google.org grew out of a commitment to "contribute significant resources, including 1 percent of Google’s equity and profits in some form, as well as employee time, to address some of the world’s most urgent problems." Google.org itself is a hybrid organization; it carries out traditional nonprofit work, such as grant-making, but can also invest in for-profit ventures. However, the combination of Google and Google.org, while not explicitly so, is akin to a co-profit. Although Google is not explicitly a sustainability-oriented company (as for-profit entities are in the co-profit model), its relationship with Google.org is similar to a co-profit model. As Google.org points out on its Web site, “We can tap Google’s innovative technology and, most importantly, its inspired workforce.”

To be successful in business, they say: Do one thing, and do it well. They say keep it simple, stupid. Many people view the rather inconvenient fact that we live in an increasingly complex global economy as all the more reason to do one thing well. But as Einstein said, “Make it as simple as possible … but no more so.”

A part of Google philosophy is to do "one thing really well". Yet, as Google continues to improve its core search technology, it finds new and exciting ways to apply it. In dealing so intimately with the Internet, it’s not hard to imagine how Google has come to see how everything is interconnected, and seemingly unrelated or altruistic causes are vital to core business.

When you accept the challenge of saving the world—of creating a sustainable, socially and ecologically restorative global society—you’re forced to deal with some complexity. Still, complexity need not be overwhelming. Proven frameworks and concepts using systems thinking and integral theory allow for "simplicity without reduction." That is, making things as simple as possible, but no more so.

By fostering a common understanding and shared vision of sustainability across collaborating for-profit and nonprofit organizations, we believe it is possible to manage the complexity of these challenges without becoming overwhelmed. We see great potential in the co-profit business model for making a meaningful contribution in creating a sustainable society and effectively addressing today’s toughest problems.