# A sustainable business model for GRI

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**GRI is facing a critical time in its evolution: how to stay independent while funding development of a new set of sustainability reporting guidelines. Arup explored what could be learned from other international standards-setting organizations to help GRI achieve a sustainable business model.**

1.

### Introduction

A recent article[1] about the emerging importance of non-financial reporting stated: 'the big problem is that the genre's development so far has been haphazard. No one powerful organization has taken responsibility for its progress… more discipline needs to be brought to bear on its standards.'

A 'powerful organization' in this role needs to be well-funded, intellectually sound, free of conflicts of interest, and command the respect of a diverse set of constituents in the international community, both financial and non-financial. The Global Reporting Initiative (GRI) could become this one powerful organization. It is revising its 2002 sustainability reporting guidelines to bring more discipline and rigour to them: addressing materiality, improving comparability, and developing performance-based indicators are all innovations planned for what have been dubbed 'G3'.

But only if GRI can sustain itself until then. The irony that this body produces sustainability reporting guidelines and yet does not have a sustainable business model is not lost on its constituents. Its early supporters - foundations, corporations, and governments alike - all want to know how GRI will ensure its own economic viability in the future.

Achieving a sustainable business model without conflicts of interest is essential for maintaining the trust of stakeholders and ensuring successful development of its next generation of reporting guidelines. Both aspects are critical to the future viability of GRI.

### Easy money?

Over 2000 companies currently produce non-financial reports, and analysts have noted that no company serious about reporting on its social and environmental performance embarks on this task without first taking a look at the GRI guidelines. If each of these companies paid just $650 for the guidelines, GRI's operating budget ($1.3M in 2003) would be easily covered, maintaining as it does a small staff of only about 20 people in Amsterdam, co-ordinating the development of the guidelines, sector supplements and technical protocols, and managing stakeholder input. The budget includes administrative and overhead expenses, but not programme-related costs, which generate income.

#### What is GRI?

The Global Reporting Initiative 'is a multi-stakeholder process and independent institution whose mission is… to support global progress towards sustainable development[.] The GRI Sustainability Reporting Guidelines will become the generally accepted, broadly adopted worldwide framework for preparing, communicating and requesting information about corporate performance… These guidelines are for voluntary use by organizations for reporting on the economic, environmental, and social dimensions of their activities, products, and services... Started in 1997, GRI became independent in 2002, and is an official collaborating centre of the United Nations Environment Programme (UNEP) and works in co-operation with UN Secretary-General Kofi Annan's Global Compact.'[2]

GRI's first set of guidelines, published in 2000, are now used by over 600 companies. A second generation has been publicly available, free of charge, since 2002. They were produced through an exhaustive multi-stakeholder process, bringing together experts on a broad range of environmental and social topics.

But the path to a sustainable business model for GRI is not as simple as charging reporters for the value of using the guidelines. This could interfere with some of its basic goals of improving the quality and quantity of sustainability reporting. GRI believes that the guidelines should remain free and in the public domain, to encourage uptake and eliminate barriers to use, in particular for small and medium-sized enterprises and non-governmental organizations.

Conflicts of interest lurk behind every attractive revenue stream: offering accreditation/certification of consultants, taking contributions from those to whom the standards apply, engaging in consulting activities, and even providing education to stakeholders, can all potentially bias the work products or the organization itself. Navigating these minefields while remaining true to the vision and still generating a solid revenue base is a significant challenge.

GRI is not alone in facing this conundrum. All standards-setting organizations grapple with maintaining independence and neutrality, especially while offering a public service, in the face of pressure to generate revenue rather than rely on handouts.

**'We would like to engage with Arup'**

In January 2004 GRI invited some experts, including Arup, to explore ways to optimize the value and ease of non-financial reporting by developing software-based reporting tools for use by reporters. The Arup team presented GRI with ideas on developing tools such as SpeAR®, and creating performance-based indicators from the guidelines.

The same month GRI issued a request for proposal (RfP) with the stated objective of developing software-based tools based on its 2002 reporting guidelines. However, Arup's prior experience with software development, and the fact that new guidelines were anticipated for 2006, engendered concerns about the risks of tool development, the competition GRI would face, the funding required for such an initiative, and the potential obsolescence of such a tool in 2006. Also, this was a significant deviation from GRI's core mission of developing reporting standards. It might create confusion, if not suspicion of conflict of interest, in reporters' minds.

For these reasons, Arup did not propose software-based tool development, but instead a strategic engagement for GRI to minimize the risks associated with such a venture. Arup could assess the competitive landscape and market conditions, gauge the potential features and functionality of such a tool based on user research and demand, and determine the corresponding price points and the business model for such a venture which, if profitable, could be funded by outside venture capital firms. Rather than partner with a technology provider, Arup would remain independent and 'technology agnostic' so as to provide the best strategy possible.

A call from GRI in May 2004 came as a surprise. It had received 34 other responses to the RfP (all proposing to build a tool and partner with GRI to bring it to market) but, though concerned about pushing the timeline back to conduct strategy, GRI decided that these questions had to be addressed before embarking on a technology project: 'We would like to engage with Arup.'

The team's response was two direct questions: what was the motivation behind this project, and why did GRI want to develop software tools when it was essentially a standards-setting body? The answer was not the expected concern about reducing transaction costs for reporters, or responding to stakeholder demands, but a simple, pressing, need to make money. GRI was in 'a desperate situation' from giving its guidelines away for free. It would not make it to 2006 unless it developed revenue streams.

The crux of the issue was therefore, how could GRI sustain itself, and still produce guidelines that could be offered for free as a public good?

One project became two. Arup did evaluate the potential for GRI software, but quickly learned that reporters wanted better guidelines from GRI, not better digital tools. Arup's global network of sustainability consultants conducted stakeholder research, interviewing NGOs, financial analysts, reporters, non-reporters, and business schools to understand how the guidelines could be improved to address stakeholder needs. Based on this research, the team developed the conceptual approach to innovations required for the guidelines, such as a flexible framework, incorporation of materiality into indicator selection, performance-based metrics, and benchmarking, as well as the technology strategy for delivering the new guidelines on line.

Separately, from August 2004 Arup looked at the business model for GRI as an organization. The goal was to make the transition from a philanthropy-based model toward a self-sustaining model that would continue to allow GRI to innovate and promote its guidelines and serve its constituents' needs while remaining independent. A sustainable business model for GRI would enable it to:

- create stable, diversified revenue streams
- reduce or eliminate its dependence on grant income and corporate contributions
- generate sufficient income to cover its operating expenditures and future investments in product development
- expand its geographical and business reach cost-effectively
- avoid conflicts of interest.

To begin to develop such a model, Arup reviewed those of other standards-setting organizations, and interviewed over 70 GRI stakeholders to understand what kinds of products and services GRI can and should offer to meet their needs.


2. GRI's 2002 guidelines, and 2003-2005 business plan document.

**Table 1: Comparison of business models for international standards-setting organizations.**

| | International Accounting Standards Board | Financial Accounting Standards Board | Social Accountability International | International Organization for Standardization | US Green Building Council | AccountAbility | Global Reporting Initiative |
|---|---|---|---|---|---|---|---|
| **Website** | www.iasb.org | www.fasb.org | www.sa-intl.org | www.iso.org | www.usgbc.org | www.accountability.org.uk | www.globalreporting.org |
| **Year established** | 1973 | 1973 | 1996 | 1947 | 1993 | 1995 | 1997 |
| **Mission** | To develop a single set of high-quality, understandable, and enforceable global accounting standards that require transparent and comparable information in financial statements and to achieve convergence in accounting standards around the world. | To establish and improve standards of financial accounting and reporting for the guidance and education of the public, including issuers, auditors, and users of financial information. | To improve workplaces and combat sweatshops through expansion and further development of the currently operative international workplace standard, *SA8000*, and its associated verification system. | To develop and disseminate international voluntary standards in the fields of engineering, industry and technology. | To promote the design and construction of buildings that are environmentally responsible, profitable, and healthy places to live and work. | To promote accountability for sustainable development by:<br>• creating a credible assurance standard and underlying accountability framework<br>• providing quality professional development and certification<br>• influencing public policy for organizational accountability. | To develop and disseminate globally applicable Sustainability Reporting Guidelines for voluntary use by organizations for reporting on the economic, environmental, and social dimensions of their activities, products, and services; GRI aims to make sustainability reporting as transparent and ubiquitous as financial reporting. |
| **Voluntary compliance?** | Yes | No | Yes | Yes | Yes | Yes | Yes |
| **Stakeholder involvement** | The public is invited to meetings and to comment on draft documents. Different regions and diverse stakeholders are represented in governance structure. | FASB follows an extensive 'due process', open to public observation and participation, and co-operating with other national standards bodies. | Convenes stakeholders from diverse backgrounds to develop standards. | Each country has a standards body represented in ISO; other stakeholders can take part in ISO by becoming involved with ISO members from their own country or serving on their country's national delegation to ISO. | USGBC is a consensus-driven, stakeholder-based organization; Members are from diverse backgrounds in the building industry and are active participants in developing the LEED rating system. | As part of the revision process for the AA1000 Assurance Standard, AA has been running a series of consultation meetings with key stakeholder groups: small assurance providers, large assurance providers, company users, investors, large reporting organizations, and NGOs. | GRI produces its Guidelines and sector supplements through an intensive multi-stakeholder collaboration involving international members of civil society, NGOs, corporations, the financial community, academics, intermediaries, and others. |
| **Certification and accreditation schemes** | None | None | Accredits certification bodies that certify facility compliance with social accountability standards, and accredits training organizations that provide education. | ISO does not directly audit/certify; Member organizations serve as accreditation bodies which can then 'accredit' other organizations to serve as 'certification' bodies to conduct auditing and certification of management systems (*ISO 9000, ISO 14000*). | Types offered:<br>(1) Certification of buildings against the LEED rating system (2) Accreditation of professionals from various disciplines in the field of green building with respect to their knowledge of the LEED standard. | Jointly with IRCA, AA has developed a Certified Sustainability Assurance Practitioner Programme for business managers, internal auditors, internal practitioners, external assurance providers, trainers, and consultants. AA provides consulting to evaluate the quality of assurance processes. | No formal programmes. GRI verifies all 'in accordance' reports - a small number of the total reports that are voluntarily submitted to GRI. |
| **Memberships** | No formal membership programme. | No formal membership programme. | No formal membership programme. | Open to national standards institutes and restricted to one member per country. | Organizational members only; trade associations cannot become members; individuals can participate through membership in local chapters. | AA has developed a series of membership levels accessible to both large and small organizations, academic institutions, NGOs, and individuals. | GRI has a membership scheme for 'Organizational Stakeholders' who pay an annual fee to be involved in its governance. |
| **Education programmes** | Publications and question data bank; no courses offered. | Only publications and reports. | Undertakes public education through outreach, consultative workshops, conferences, research, publications, training, and conferences. | No courses offered by ISO; training under ISO standards provided by outside parties. | A wide variety of courses and training seminars, extensive resources via its website, and an annual conference; local chapters help organize training sessions. | AA has developed a suite of training programs to support organizations in building their competencies and capacities in the field of accountability-related policies, systems and standards. | No formal education or training programmes beyond what is in the guidelines and sector supplements, available on GRI's website. |
| **Funding sources** | Grants from public/private sources, primarily accounting firms (76% revenue); publications and subscription service (23%). | Accounting support fees from SOX (60%); licensing/royalties (17%); subscription services (14%); publications (7%); contributions, seminar revenue and other (1%). | Government grants (53% revenues); accreditation fees (10%); course fees (11%); conference revenue (26%) and publications (<1%). | National membership dues (65% revenue); royalties for purchase/ reproduction of standards documents (18%); publications (15%). | Conferences and training programmes (45%), membership dues (28%), accreditation of professionals (8%), publications (7%), sponsorships (5%), grants (4%), and certification of buildings (1%). | Projects (48.9%); membership (15.4%); grants (11.2%); conference/events (6.5%); (14.3%), publications/other (3.8%). | Grants (96%) and other (fees for membership programme launched in 2003 and guidelines sales). GRI accepts contributions from foundations (30% revenues), governments/ public agencies (35%), and corporations (31%). |
| **Revenue and costs, 2003 except where noted ($M)** | Operating revenue: 21.9<br>Operating expenses: 22.7<br>Net operating loss: 0.23 | Net operating revenue (for FASB and GASB): 34.2;<br>Total expenses: 26.2;<br>Net operating profit: 8.0 | Total revenue (2002): 1.7<br>Total expenses (2002): 1.95<br>Net operating loss: 0.26 | Total revenue: 23.7<br>Total expenses: 24.2<br>Net operating loss: 0.5 | Total revenue (2002) 6.4<br>Total expenses: 5<br>Operating profit: 1.4 | Total revenues 1.42<br>Total expenses 1.38<br>Net operating profit 0.04 | Total revenue: 3.82<br>Total expenses: 3.79<br>Net operating surplus:0.03 |
| **Notes on viability of business model** | IASB relies primarily on support from grants. Each of the 'big four' accounting firms contributes $1M pa. | FASB's business model radically changed after the Sarbanes-Oxley Act, which charges issuers of securities mandatory fees to fund FASB. As a result, FASB's 2003 revenue increased 74% over 2002, with 22% operating profit. | Relying heavily on government grants, SAI operated at a loss in 2002. | ISO has a solid membership base with broad government support, but operated at a slight loss in 2003. | USGBC has much the most successful business model studied, with 22% operating profit margin in 2002; 96% of revenue is based on fees for services, with grants contributing only 4%. Diversified stable revenue streams include a successful annual conference and strong educational programmes. Certification of green buildings, their *raison d'être*, provides only 1% of revenue. | AA has a diverse model, operating at 2.8% profit in 2003; AA expects revenues to increase dramatically (84.3% from 2004 to 2005), due to its new joint venture programme with IRCA. AA derives close to 50% of its revenue from consulting projects. AA is the only organization that sets standards and offers consulting. | GRI finances took a turn for the worse in 2004 due to heavy reliance on grants, resulting in an operating loss. It needs to diversify its revenue streams and increase membership revenue. |
| Data source | IASCF Annual Report 2003 | Financial Accounting Foundation 2003 IRS Form 990 | Social Accountability International IRS Form 990 | ISO Annual Report 2003 | Financial Accounting Foundation 2003 Annual Report | Financial Accounts 2002/2003 fiscal year | Annual Accounts 2002/2003 fiscal year |

### Learning from others – a view into standards-setting bodies

In its third-generation ‘G3’ GRI aims to produce globally applicable guidelines that enable sustainability reporting to be as rigorous, comprehensive, and ubiquitous as financial reporting. In a sense, it aims to become the non-financial reporting equivalent of the International Accounting Standards Board (IASB).

Much can be learned from standards-setting organizations because they all face the challenge of creating a sustainable business model while avoiding conflicts of interest. Many also are committed to offering their ‘core product’ for free, as a public good. Arup reviewed the business models of several international standards-setting bodies to understand the essential elements as a basis for informing GRI’s business model.

Other types of business model were also reviewed, but are not presented here. The process of evaluating alternative business models helped GRI to hone its mission and commit to producing its core products and services centred on the guidelines, rather than diversifying into other areas, such as offering software tools to assist with the process of reporting. The organizations that offered the most relevant case studies for GRI were International Accounting Standards Board (IASB), Financial Accounting Standards Board (FASB), Social Accountability International (SAI), International Organization for Standards (ISO), US Green Building Council (USGBC), and AccountAbility (AA) (see Table 1 opposite).

They were chosen because they all offer generally accepted standards created through a multi-stakeholder process relevant to a broad (if not international) constituency. They also provide a mix: some have been around for quite a while, others are relatively new on the standards-setting scene. ISO boasts the greatest longevity with 57 years to date. FASB and IASB were both introduced in 1973, and the rest in the 1990s, GRI included.

The types of standards these organizations produce are also relatively varied: IASB and FASB produce accounting standards, AA promotes assurance activities, SAI develops standards related to human rights in the workplace, ISO generates a broad array of standards for intra-government adoption, and USGBC was the first to establish principles for the design and construction of green buildings in the US. All the organizations establish standards that are adopted voluntarily except FASB, which is mandated by the Securities and Exchange Commission in the US.

3. GRI stakeholders: Elvis Au (China), Lewis Hawke (Australia), Giusy Chiovato-Rambaldo (Italy)

### Highlights of the analysis

With two notable exceptions (FASB and USGBC), these organizations are generally unsuccessful in generating cash to support their ongoing activities without relying upon grants or donations.

Conflict of interest challenges present the major difficulty in developing sustainable business models, and each organization handles them differently. Only USGBC both certifies and accredits under its standard. SAI and ISO accredit organizations which can then certify other organizations under the standards, whilst AA has just launched a new Practitioner certification programme in partnership with the International Register of Certified Auditors for professional certification in assurance against the *AA1000* Assurance Standard; neither of the two financial accounting-related bodies undertakes any certification/accreditation. AA couches its consulting revenue as ‘project-related’. No other organizations engage in consulting, which can affect non-profit status and present a conflict of interest. IASB accepts equal contributions, $1M annually, from each of the ‘big four’ accounting firms: KPMG, Deloitte, PricewaterhouseCoopers, and Ernst & Young.

**New-found profitability – FASB benefits from SOX**

FASB’s business model changed radically following the US Sarbanes-Oxley Act of 2002 (SOX), which as part of its tightening-up of financial and accounting disclosure mandated that all issuers of securities pay a fee to the organization. This fee helped FASB to increase its revenues 74% in one year, and become financially self-sufficient.

FASB’s accounting support fee is collected from all publicly traded companies, based on market capitalization, and by sales of publications. The Securities and Exchange Commission (SEC) approves FASB’s annual budget, prohibits contributions to maintain independence, and requires an annual audit. The SEC continues to require FASB standards to be adhered to by its registrants. Document sales continue as a major source of funding, but its Accounting Standards and Concept Statements are now available at its website free of charge, benefiting investors by enabling and encouraging transparent financial reporting and removing another possible FASB conflict of interest by eliminating the requirement for purchase of FASB publications. Allowing FASB publications to reside in the public domain and eliminating specific corporate contributions will help restore public confidence in financial reporting.

The cash infusion for FASB came none too soon. The annual reports of the Financial Accounting Foundation, FAF (FASB’s parent organization) indicate an operating deficit of $4.3M in 2002 and $1.1M in 2001. FAF incurred operating deficits for the past five years because contributions and publications sales did not match expenses[3].

**Viability considerations: USGBC leads the way**

The one organization with a truly self-sustaining business model is USGBC. With diversified revenue streams, a solid membership base of individuals and organizations, and strong demand for its educational workshops and annual conference, USGBC has become a strong, independent, self-sustaining organization in just 11 years. Today, it includes over 5300 member companies and organizations, representing more than 1000% growth in the past four years alone.

USGBC's *raison d'être* is green buildings - it writes the standards for design and construction and certifies buildings according to the standards. However, this core activity generates only 1% of revenue, partly because the building process is protracted and the review process complex. Only 121 buildings were certified by USGBC in 2004. USGBC's revenue-generating mainstays are the one-day LEED training workshops given around the US and the professional accreditation programme open to architects, engineers, and green building professionals. These products are brilliantly synergistic, driving traffic to one another. A successful chapter model ensures broad reach and access to customers (over 40 local chapters in the US). USGBC has both benefited from and contributed to the recent boom in the $5.8bn US green building products and services market. Not just a case of being in the right place at the right time, USGBC has intentionally crafted a sustainable business model that creates and supplies the market demand for education and professional validation, while allowing it to continue its core mission of promoting green buildings as healthy places to live and work.

Table 2: Potential revenue streams for GRI.

| Revenue stream | Comments |
|---|---|
| **Membership programmes**<br>GRI will revamp its membership programmes to better meet stakeholder needs, and leverage technology to keep costs down. Benefits will include greater interaction with GRI and discounts on programmes and services. Fees will be on a sliding scale, and highly competitive with other organizations. | GRI is currently under-performing on membership. Its OS programme represents both a greater commitment (governance of GRI) and expense than most are looking for. A lower-cost programme with more relevant benefits will better serve stakeholders. |
| **Educational programmes**<br>GRI will develop educational programmes for launch in 2006, including fee-based workshops offered regionally, and technical manuals. | GRI has amassed a vast pool of Intellectual property that can be mined for educational programmes. By 2007, education will form its largest revenue stream. The trick will be to leverage their extended global network for trainers and delivery venues, similar to USGBC. This will keep distribution costs low and revenue in house. |
| **Professional accreditation**<br>GRI is considering a programme to accredit professionals on their knowledge of the G3 guidelines. Demand for accreditation will parallel growth in the thriving consulting market. | This is the most controversial proposed revenue stream, but GRI will avoid problems by following a similar accreditation model to USGBC. It would not cover professional practice, only knowledge of the reporting guidelines as evidenced in an exam. |
| **Report registration**<br>GRI will require self-declared GRI reporters to meet minimum requirements for reporting, and register their reports with GRI for a nominal fee. | While not a significant revenue stream, this protects the reputations of GRI and reporters4. GRI will not validate report data or content, only check that minimum reporting requirements have been met. |
| **Publications and advertising**<br>GRI will develop 'thought leadership' publications related to trends in reporting, and consider peer-to-peer advertising of resources, related to sustainability reporting on their website. | To avoid conflicts of interest, GRI will not engage in rating or ranking reports. |
| **Strategic partnerships**<br>GRI will develop a strategic partnership programme using XBRL (eXtensible Business Reporting Language) which is becoming the standard for financial reporting. Advance copies of the code will be offered to technical partners, allowing them to reduce time to market for G3 tools. The open source code will be free to the public after G3 launch. | A technology partner programme will provide a small revenue stream and allow GRI greater control over use of their guidelines in reporting tools. Through this programme, GRI can meet stakeholder needs and facilitate development of reporting tools without becoming a software provider. |

## Parallels to GRI

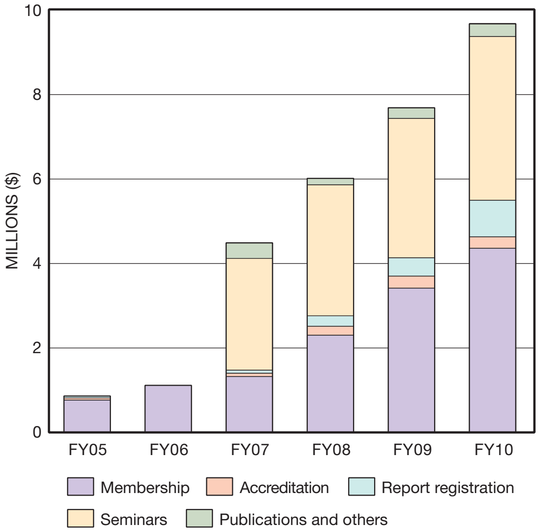
Because most organizations studied were on the brink of financial instability, and/or heavily reliant on unsustainable forms of income such as grants and contributions, they did not, except for USGBC, represent aspirational business models for GRI. But FASB's situation also raises interesting questions about support for GRI from those attempting to restore public confidence in corporations through better reporting.

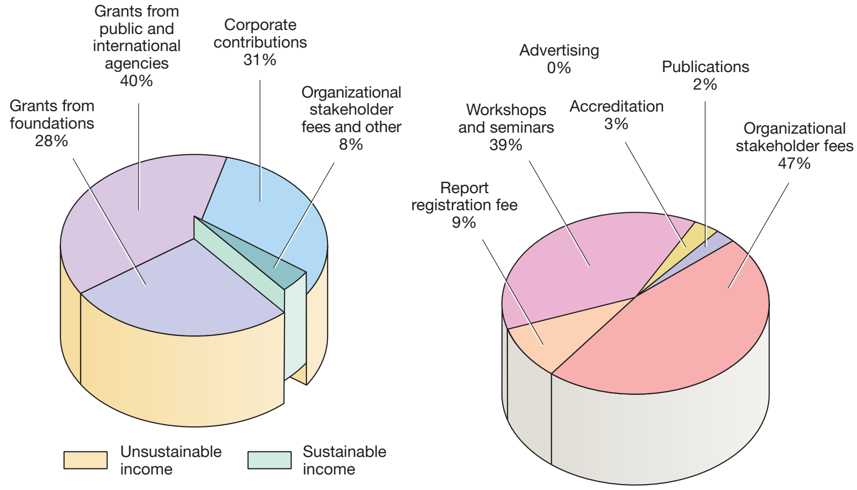
Like USGBC, GRI enjoys a dedicated, even zealous global following and has amassed a vast reservoir of intellectual property that it can draw upon. GRI could learn much from USGBC about creating a small number of educational programmes to meet stakeholder demands and developing a network of local chapters to facilitate delivery - this keeps costs low and the revenue in-house.

Like FASB, GRI is working to promote transparency and comparability in reporting. GRI takes a broader and longer view of risk by setting standards for disclosure of environmental and social parameters with material implications. Securities regulators and exchanges are beginning to take note: the Johannesburg exchange already requires sustainability reporting for its listed companies. As non-financial reporting becomes mainstream, a funding scenario like the SEC/FASB model may be possible for GRI. The challenge will be to demonstrate the utility of GRI reports to the financial community and to the public. GRI will also need to be prepared to accept the impact that such a relationship would have on its independence. In this scenario, not all stakeholders will be created equal.

In the meantime, GRI will need to focus on developing stable, diverse revenue streams based on providing valuable products and services to stakeholders.

4. GRI programme revenue (cash Inflow).






Breakdown of GRI income in FY03

Breakdown of GRI expected revenue in FY10

5. Diversification of revenue streams, current and projected.

## Making the transition

GRI will be best able to meet the needs of its stakeholders, remain free of conflicts of interest, and generate revenue from its activities, by developing programmes to benefit stakeholders (Table 2).

GRI's programme revenue is expected to rise from under $1M in fiscal year (FY) 2005 to nearly $10M in 2010 with the launch of the new products and services (Fig 4). These numbers are based on conservative projects for market growth and capture. Revenue from membership and educational services will form most of GRI's income streams in the future.

GRI's operating expenses will grow relatively steadily from $1.3M per year in 2005 to $2.0M in 2010. A significant investment* for transition to the sustainable business model will be required concurrent with the development of G3, but with release of the new guidelines and rollout of the new programmes and services in 2006, GRI will have achieved a sustainable business model by 2008. Diversity is the key to its stable financial future (Fig 5).

By 2010, GRI will have improved its reliance on sustainable forms of income from 3% to 100%, and no longer be dependent on grants or contributions to fund its activities. It will have achieved a diverse and robust business model based on providing fee-based services that meet stakeholder needs, while ensuring that the guidelines remain free and in the public domain.

## A call to action

A recent publication[5] rated the Top 50 non-financial reports produced in 2004, and no less than 47 of them used GRI's guidelines in their preparation. *The Economist*, commenting on this[1], highlighted the problems with even the best sustainability reports - lack of comparability, departure from material issues, and absence of key performance indicators. It even disparaged GRI for offering a 'one size fits all' approach. Ironically, these are all innovations planned for GRI's next release.

It is in the best interest of everyone who benefits from the guidelines to support GRI's transition to a sustainable business model. From asking the right questions, Arup developed with GRI and its board of directors such a business model that should enable it to regain solid financial footing and become a self-sustaining organization, as opposed to being reliant on grants and philanthropy.

Since then GRI has been putting in place the machinery to begin developing the programmes associated with the new revenue streams. The new programmes and services are slated to be rolled out concurrent with the new reporting guidelines, scheduled for late 2006. Maybe then GRI will be recognized internationally as the one 'powerful organization' leading the field of non-financial reporting.

Global Reporting Initiative

*'Arup's work with the GRI has been distinctive on three fronts:*

- *Strategic: the Arup team developed quickly a good understanding of the GRI's sustainability mission and multi-stakeholder organization. Building on this, the team moved quickly to add significantly to the GRI's understanding of its technical and strategic opportunities.*
- *Inspiring: the Arup approach is a wonderful blend of can-do, matter-of-fact, and aiming-for-excellence.*
- *Teamwork: Arup proved ready to make a journey with the GRI. Learning and risk-taking could be a two-way process as Arup became a stakeholder in the GRI's sustainability mission.'*

Ernst Ligteringen, Chief Executive Officer,
Global Reporting Initiative

*GRI is currently raising funds for the development of G3 and transition to a sustainable business model. Funds raised will be allocated to development of the following programme areas:

• $2.3M G3 standards development • $0.1M Report registration process • $2.2M Educational programmes
• $5.3M Technology platform (significant in-kind funding for development of the technology platform has already been committed) • $0.9M New membership programmes
• $1.2M Accreditation.

**Credits**

**Client:** Global Reporting Initiative **Consultant:** Arup **Business framework project team:** Andrea Fernandez, Jean Rogers (Arup), James Murphy, Ralph Thurm (GRI)

*Digital guidelines evaluation project*
**Client team:** Sean Gilbert, Ernst Ligteringen, James Murphy, Alyson Slater, Ralph Thurm **Arup team:** Katharine Adams, Cody Andresen, Lucy Avery, Sara Bordoley, Andrea Fernandez, Caroline Fricke, Aidan Hughes, Gary Lawrence, Georgina Legoe, Yoshiyuke Mori, Stephane N'Diaye, Samantha Plourde, Jean Rogers, Amy Westervelt **Subconsultants:** Renee Andersen (information architecture and content), Ara Avakian (technology), Suzanne Abele Ebanks (funding), Dominic Lusinchi (statistical analysis), Noreen Santini (visual design) **Illustrations:** 1-3 GRI; 4-5 Nigel Whale

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