

# **BUSINESS AS MISSION BEST PRACTICE GUIDELINES**

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## **1. Introduction**

Businesses are almost as varied as the entrepreneurs and professionals who create and work in them. Nevertheless, there are good business practices which are widely recognized as being essential. This document is not intended to be prescriptive, narrow in application, or exhaustive. Rather, its goal is to provide a checklist of items (generally in the form of questions), which, if given careful consideration, and appropriately applied to each unique business as mission (BAM) situation, should assist BAM practitioners (BAMers) in achieving the desired Christ-honouring outcomes. It is recommended that this document should be studied at the earliest possible stage when an individual is considering serving as a BAMer, and periodically throughout their BAM ministry. Doing this in consultation with their accountability group, co-workers, and other leaders will in all likelihood help maximize the benefit of this exercise.

## **2. Understanding BAM Concepts**

One helpful approach defines BAM as marketplace ministry that harnesses the potential of business for intentional mission impact, with a view to profitability and sustainability. By extension, a BAM enterprise is one in which the entire business, from its underlying vision and intent, through every aspect of its operations, is deliberately seen as an opportunity to demonstrate and proclaim the Kingdom of God. Similarly, a BAMer is typically an individual in a BAM imitative as an owner, manager or otherwise in a significant leadership, decision making, direction and pace setting role.

- Does the business model Christ-like servant leadership in the marketplace?
- Does the business strive to be profitable and sustainable in the long term?
- Does the business have a Kingdom motivation, purpose and plan that is shared and embraced by the senior management and owners?
- Does the Business aim for Biblical wholistic transformation of individuals and communities?

## **3. Business Plan and Commercial Operations**

Failing to plan is planning to fail. If you want to make God laugh, show Him your business plan. These two statements capture the paradox inherent in business, in which the human and the divine come together in mysterious collaboration. They highlight the tension between careful strategic analysis and the intrusion of unexpected circumstances, be they adverse or positive. Best practice in BAM requires business and professional competence, takes planning seriously, is undertaken prayerfully, and remains responsive to the leading of the Holy Spirit in the context of real life.

- Has the proposed business been carefully researched and has this process been broadly consultative and informed by sources with a range of experience?
- Does the business have a visible concept with realistic implementation strategies?
- Does the business plan adequately address vision and objectives, market opportunity and marketing strategy, goods and services being made and offered, production and delivery processes and requirements, sales strategies and projection, management and staffing capacity and requirements, capitalization and other financial elements such as budgeted sales, cost of sales and overheads, capital expenditure and cash flow, etc., and risk analysis?
- Does the plan adequately address anticipated growth?

- Does the business plan have an exit strategy (i.e. does it address issues such as leadership succession, contingency planning in case of crisis, emergency, company failure/closure, or the BAMer moving on from a successful business to other locations and/or ventures and/or calling)?

#### **4. Regulatory and Ethical Considerations**

BAM companies, almost by definition, are working in environments which typically are economically poor, commercially undeveloped, systematically corrupt, and where the legal framework is complex, opaque, risky, and maybe quite different from what the BAMer has previously encountered. The BAMer will confront hostility, frustration and challenges on an almost daily basis. S/he will require vision, commitment, realism, and good preparation in understanding and responding to these difficulties in a manner consistent with biblical principles.

- Has the regulatory context in which the business will operate been thoroughly studied, including issues of ownership, investment, exchange controls, employment and taxation, insolvency, bankruptcy and closure of operations (whether under conditions of distress or success)? Is the BAMer aware of their potential legal liability and have they taken adequate steps to protect themselves?
- Has advice been sought from local, informed Christians regarding how best to deal with these issues?
- How is the business structured, and is this most appropriate for the local context?
- Are the company's financial policies and practices morally responsible and consistently applied, e.g. in regards to accounting and reporting, banking and currency transactions, bribery, buying and selling, debtors and other investors, commissions and facilitation payments (service charges, agent fees, etc.), taxation, wages (or other employee benefits, compensation, social insurance, etc.)?
- Is the business sufficiently resourced with legal and financial audit capacity?
- Does the business demonstrate integrity before God and all its stakeholders by its wholesome witness to the values of honesty and truth, responsibility and commitment, justice and fairness, and dedication to work, family and community?
- Does the business exercise good stewardship in its conduct towards God and man by diligently caring for the environment and all other resources at its disposal, legitimately realizing reasonable profit and prudently using that profit to protect and grow the business, to share with those who have participated in the business risk, and to be generous towards others in the community in local charitable activity?
- Does the business make a reasonable contribution to the social and economic development of the local community in which it operates e.g. by providing goods and services which build up the quality of life of people in the region; by using, as far as possible, local resources and talent; by providing employment opportunities and training; by being mindful of opportunities to help the less fortunate?
- Does the business have a written Code of Ethics?

#### **5. Risk Analysis, Tolerance and Management**

Companies are exposed to a wide variety of commercial risk. Before risk can be managed effectively, it must be recognized and assessed as realistically as possible, and then it must be determined what tolerances are acceptable to the business – for risk can never be completely eliminated. Risk for BAM companies is often increased, on account of the cross-cultural dimensions and generally more challenging environment, which can render the BAMer and his/her business more vulnerable. Best practice in BAM will acknowledge and accept the possibility of catastrophic risk materializing, and even bring total business failure as a result, but will in the meantime do everything reasonably prudent to mitigate that possibility from arising.

Categories of risk (which should be addressed in the business plan and re-evaluated on a regular basis) include:

- Safety and security risk to company assets including financial, tangible and personnel;
- Financial risk including access to capital, volatility in currency, banking hazards, customer default, escalation in wages and other prices, and risk arising from insolvency and default on outstanding debts to government, creditors and other business partners;
- Relational risk including falling out between business partners or other colleagues, disgruntled employees, and indirectly, domestic and local relationships;
- Legal, political and religious risk;
- Loss of key personnel;
- Market risk, including competition, disruptive technologies or other the intrusion of other goods/services;
- Supply chain and operational risk affecting production and delivery of goods/services

## **6. Financial Considerations**

Business is the legitimate activity of providing goods and/or services to earn profit. While BAM is neither nor predominantly about generating profit to increase the wealth of business owners, the best practice of BAM ideally will result in trading that is profitable and sustainable. Business is also founded on relationships, and the best practice of BAM will be built upon, and lead to the strengthening of trust across the spectrum of stakeholders associated with the business. In the light of these principles, financial considerations are a critical element of BAM, and ones which are often paramount in the minds of observers of business initiatives.

- Does the BAMer have clearly articulated, defensible perspectives regarding taking on financial risk, making and using profit, managing financial distress, and accepting loss, that contribute in a sensible way to shaping the company's operations, and that promote and positive perception of the business by the community in which it operates?
- Does the business plan, raise, spend, monitor and return its capital with integrity, modesty and competence?
- Does the business have reserves in place, in time and in sufficient amount to address any likely costs associated with the closure of the business (e.g. government taxes, employee severance, and key creditor claims). Particularly in order to maintain as credible a testimony to the gospel, so good business practice, and to minimize risk to the BAMer and other colleagues?
- Does the business take its financial obligations seriously (e.g. to its suppliers and vendors, customers and clients, lenders and investors, and the government)? Do its credit policies and financing activities (e.g. giving or taking too much credit, borrowing or lending) expose it to inappropriate additional risk, with respect to its ongoing operations and/or other financial obligations (e.g. to investors and the government)?
- Does the business have an appropriate perspective and reasonable practices regarding the role of subsidies, grants or donated capital for the age, type and location of the company, and other contextual considerations? In particular, does it have an appropriate policy and practice regarding compensation of expatriate personnel?
- Are the company's accounting documentation, and reporting practices, appropriately consistent with generally accepted accounting principles; are they regular, transparent and conducive to building trust?

## **7. Cross-Cultural Considerations**

Mission is a cross-cultural mandate, calling and exercise. BAM is not just about doing business successfully in a limited commercial or economic sense. Nor is it about doing mission in a narrow or culturally paternalistic manner. Good BAM requires a breadth of awareness,

sensitivity and capacity to engage with the nations (*ethnos*) with theological and missiological excellence. It is also thoughtfully contextualized in ways similar or dissimilar to other mission initiatives in a common geographical, religious and cultural domain.

- Is the BAMer appropriately equipped to engage effectively in cross-cultural mission, using business as their chosen means of ministry? What degree of competence in language and expertise with the religious context is appropriate?
- How do the policies, practices and productivity of the business reflect in informed, sensitive and efficient engagement with the beliefs, cultural norms and underlying worldview of the community(ies) in which it operates?
- How does the BAMer seek to integrate his/her business ministry with other ministry initiatives in the community(ies) in which the company operates?
- How is the BAMer developing his/her missiological understanding and practice?

## **8. Security Considerations**

Companies in general are exposed to a variety of security threats, and this danger is typically increased on account of the relatively harsh environment in which BAM companies operate. Best practice in BAM will be informed and prudently seek to minimize these dangers to the business and its stakeholders.

- How does the business reasonably attempt to protect its financial assets from fraud, theft, loss or mismanagement?
- How does the business reasonably attempt to guard its plant and equipment from damage, theft or loss?
- How does the business reasonably attempt to protect its customers from harm, particularly from product failure or loss of sensitive information?
- How does the business reasonably attempt to protect its employees from abuse, work related accidents, illness or violence?
- Is the business exposed to litigation, extortion, or other forms of intimidation, and how is it dealing with those threats?
- Does the business have access to good security advice?
- Are communication channels and protocols between the various participants in a BAM initiative secure (e.g. those internal to the company and between company personnel, between the BAMer and others in his/her larger community, within the larger community in conversation about the business and the BAMer, and in matters of publicity, recruitment, etc)?

## **9. Leadership, Governance, Decision Making and Accountability**

BAM companies should strive for excellence, operate with trust and transparency, and have an effective, appropriate system of accountability. Serious BAM affirms mutual accountability, flexibility, participatory leadership and local decision making as key values and operating principles, and these apply equally in the practice of BAM.

- Does the business have leadership capacity and structure appropriate for its age, type and size? How is the business preparing for leadership succession?
- Are there written job descriptions for management? What is the process of performance review?
- What are the decision-making processes of the company and are decisions made closest to the point(s) of impact?
- Does the business have a functioning Advisory Board or Board of Directors appropriate for its age, type and size? Does the governance of the company include mechanisms for oversight of both commercial and spiritual objectives? Is the Board well informed and actively involved in the challenges of the business, particularly during times of unusual

growth, and any situation involving financial distress?

- How are board members chosen, and do they have written terms of reference? To be effective, a Board should be comprised of members sufficient in number, who share the vision of the business, are of good reputation, sufficiently independent (i.e. without material conflict of interest), available and engaged, informed, and who bring relevant skills and experience. It is reasonable for the BAMer to be a fully voting member of the Board (e.g. as CEO, Managing Director, etc.), however, there should be robust checks and balances in place particularly with regard to his/her scope of decision making and other managerial roles and responsibilities (e.g. strategic, financial and human resources), performance evaluation, compensation and business income and/or distributions.
- How often, and how, does the Board meet?
- Does the business have appropriate (including backup) documentation of its Articles of Incorporation, ownership of shares, property and other assets, Board minutes, financial statements, tax filings, and other legal records?
- Is the Board appropriately aware of the relationship that the BAMer has with his/her mission agent and its implications?

## **10. Spiritual Impact Plan**

As it is with the commercial operations of a business, so it is with its spiritual impact, BAM is a complex and dynamic calling and activity in which business and missional objectives are sometimes complementary and mutually reinforcing, sometimes contradictory and incompatible. In the same way events can overtake the best commercial plan, a desired spiritual impact may be obstructed and delayed, or take unexpected turns. The BAMer is spiritually mature, aware of and using their spiritual gifts, and focused on outcomes that will bring glory to God and reach people for Christ.

The following questions may provide a useful framework for focused planning and implementation of spiritual impact goals for the business:

- What is the basic premise of the business? What values does it represent? How will it demonstrate that it belongs to God and exists for his glory? What does it seek to reveal about the character of God and how will it do that?
- What will the company's financial and other operational practices be?
- What role will prayer and scriptures have in the business?
- What and how are staff employed, nurtured and developed?
- How will the business acquire customers?
- How will the business influence the larger society? What issues does the business attempt to address in a redemptive way through its particular circumstances?
- Does the business have appropriate and sufficient Christians on staff to maintain and grow its intentional spiritual impact?
- Does the ownership structure of the business enhance or put at risk the intended spiritual impact?
- What contact will the business have with other BAM companies?
- How is the spiritual impact plan developed, and how widely is it understood, agreed and disseminated? Is it written down, and is it periodically reviewed and revised?

## **11. BAM and Community**

BAMers do not work in isolation or with autonomy, but in collaboration with other co-workers seeking the advance of the Kingdom of God, seeking the transformation of lives and communities through encounters with Jesus Christ. The problems they seek to address will have multi-disciplinary solutions, grounded in God's truth. In addition, they will be working together in environments with variable national Christian presence. The following questions

may provide a useful framework for focused planning and implementation of spiritual impact within this larger context.

- Have the BAMer's objectives and strategy been shaped in a consultative manner with other colleagues, and are they compatible with realities in the country of service?
- How will the company and the BAMer relate to the local Christian community?
- Does the BAMer have a personal ministry plan and how does this reflect an appropriate balance in the various spheres of their life and ministry?
- How does the BAMer build, protect and use the social capital available to his/her business – and vice versa, contribute to the larger network of which s/he is a part?

## **12. Measuring Success**

Because BAM is a wholistic integration of business and mission elements, any complete measure of success must take both commercial and spiritual outcomes into consideration. Implicit in this statement is an acknowledgement that there will sometimes be tension between those apparently competing outcomes. Because tension is unavoidable, and indeed, often useful, the creative management of tension is an important character trait of the effective BAMer.

- What commercial measure is the business using to determine success and why (e.g. financial, market share, etc.)?
- What social measures is the business using to determine success and why (e.g. jobs created, impact on the marginalized, etc.)?
- How does the business assess and seek to minimize its environmental impact?
- What spiritual impact measures is the business using to determine success and why?
- How is the business using and balancing quantitative and qualitative approaches to assessing its success?
- Does the business have independent appraisal of its performance, and if so, how?
- How does the business report to its stakeholders?

## **13. The Personal Life of the BAMer**

BAM is a demanding calling and should not be entered into lightly. It will attract opposition and the BAMer needs to be prepared. Ultimately, the most important asset for a BAM company are its spiritual resources, and it is critical that the BAMer keeps these in adequate supply.

- Has the issue of motivation been thoroughly addressed? Does the BAMer demonstrate an appropriate commitment to accountability and mutual submission?
- How is the BAMer guarding his/her devotional life?
- Is the BAMer's spouse (especially) on board?
- Is the BAMer's character compatible with doing business well, cross-culturally?
- Is the BAMer wholistically healthy?
- How is the BAMer appropriately balancing the various spheres of life and ministry?

## **14. Exiting a Business**

The one certainty in life and ministry is that things will change. Business is no exception. For various reasons – desirable or undesirable, anticipated and planned, or of unexpected necessity, BAMers may leave a business. Of particular interest are those situations in which a business may need to be closed. In this context, closing a business when it is failing, as opposed to its being in a situation of strength and success is of special concern. This section draws together items throughout the document, and again, requires reference to other BAM related material.

- Does the business plan have an exit strategy (i.e. does it address issues such as leadership succession, contingency planning in case of crisis, emergency, company failure/closure, or the BAMer moving on from a successful business to other locations and/or ventures and/or callings)?
- Has the regulatory context in which the business will operate been thoroughly studied, including issues of insolvency, bankruptcy, and closure of operations (whether under conditions of distress or success)? Is the BAMer aware of their potential legal liability and have they taken adequate steps to protect themselves?
- Are the company's financial policies and practices morally responsible and consistently applied, particularly in regards to debtors and other investors?
- Categories of risk (which should be addressed in the business plan, and re-evaluated on a regular basis) include financial risk arising from insolvency and default on outstanding debt to government, creditors and other business partners;
- Does the business have reserves in place, in time, and in sufficient amount to address any likely costs associated with the closure of the business (e.g. government taxes, employee severance, and key creditor claims), particularly in order to maintain as credible a testimony to the gospel, to good business practice, and to minimize risk to the BAMer and other colleagues?
- How does the exit from the business reflect an informed sensitive and effective engagement with the beliefs, cultural norms and underlying worldview of the community(ies) in which it operates?
- How is the business preparing for leadership succession?
- Is the Board of the business well informed and actively involved in the challenges of the business, particularly during times of decline, contemplation of closure, etc.? Does the Board understand its liability in the event of insolvency?
- Is the Board appropriately aware of the relationship that the BAMer has with his/her mission agency and its implications for a partner's evacuation or exit?
- Is the sending mission agency appropriately engaged in the consultative process associated with the closure of a business? Does the BAMer demonstrate an appropriate commitment to accountability and mutual submission?

## **15. Mentoring and Pastoral Care of the BAMer**

BAM is a journey. The African proverb applies well to the best practice of BAM: "if you would travel fast, travel alone. But if you would travel far, travel with others." Mentoring and the provision of pastoral care to the BAMer is essential for long term fruitfulness. Giving and receiving well are both Christian graces.

- Does the business have access to effective mentoring, particularly with regard to commercial challenges it might face, and does it demonstrate responsiveness to that mentoring input?
- Does the BAMer have access to effective mentoring in regards to his/her missional and personal growth and does s/he demonstrate responsiveness to that mentoring input?
- Is the pastoral and logistical support for the BAMer appropriate (informed, comprehensive and relevant, timely and sufficient)?
- How is the BAMer taking responsibility for his/her own care?
- Does the BAMer have appropriate relationships with the local church?

## **16. BAM for sending agencies**

Integrating BAM into the operations of an existing sending agency, for example, in the context of its the National Office(s) (NOs) and Country Teams (CTs) is an essential part of overall best practice.

- Does the BAMer have an appropriate and current Memorandum of Understanding (MoU)

with his/her NO, CT, and where relevant, with the company? Do the relevant parties understand and have a documented agreement regarding financial liability, authority and accountability, and crisis management (e.g. under circumstances of high risk, potential evacuation, etc.)? Are the parties maintaining effective and relevant communications on an ongoing basis?

- Are the BAMers NO and CT aware of critical needs and are they being appropriately addressed?
- How are the NOs attempting to enhance their engagement with BAM, particularly with regard to recruitment and selection processes, member care and accountability?
- How are CTs attempting to enhance their engagement with BAM, particularly with regard to strategy, placement, member care, spiritual impact and accountability?
- Given the limitations and constraints that Nos and CTs typically face, it is often advisable, and an effective way to build capacity, to avail themselves of third party business expertise and support.

## **17. Conclusion**

The fruitful pursuit of excellence in all we do honours God. It is with this in mind that the guidelines above are offered, in full recognition and confidence that their application must and will be creatively informed by the mind of Christ given to each one. Ultimately He is the one who gives fruit. It is our prayer therefore, that the Lord might be pleased to use a growing number of BAMers and their companies to extend His Kingdom, for His glory alone.