

# Mutual Value Measurement (MVM) Framework



As values-based businesses, the greatest challenge for co-operatives and mutuals, is to let our values shine. That's why the BCCM teamed up with researchers at Monash University, our members and the Co-operative and Mutual Enterprise (CME) sector, to find a new way of measuring our positive impact on our members, our customers, the community and the economy.

**The Mutual Value Measurement (MVM) Framework** helps the CME sector measure their total value creation (mutual value) through a set of common dimensions and shared language about measuring and reporting mutual value.

## Mutual Value Measurement



### The Framework uses six dimensions to cover the unique areas of value that CMEs generate

Dimension		Definition
	<b>Commerciality</b> refers to the generation of sustainable economic value for current and future members through business operations.	<b>What does your CME do to create economic value for current and future members?</b>
	<b>Shaping Markets</b> refers to the value of a CME's existence in creating, maintaining or shaping sustainable and competitive markets for goods and services.	<b>What is the value of your CME's existence?</b>
	<b>Member Relationships</b> refers to building and maintaining meaningful and sustainable relationships with members of the CME.	<b>How does your CME treat its members?</b>
	<b>Community Relationships</b> refers to building and maintaining strong and sustainable relationships with the broader community beyond the members of the CME	<b>What does your CME do to create value for the broader community and society that you exist in?</b>
	<b>Ecosystem and Reciprocity</b> refers to the CME thriving alongside other stakeholders as part of a mutually beneficial and sustainable ecosystem.	<b>How does your CME work with others to create value?</b>
	<b>Mutual Mindset</b> refers to acting ethically, sustainably, and consistent with mutual and cooperative values.	<b>How does your CME do the right thing?</b>

The MVM Framework can be used by CMEs across different industries, of different sizes, and with different capabilities. The Framework has been field-tested through research by Monash University's Business School and is available with an implementation guide and templates that will allow interested CMEs to assess and plan the full adoption of the Framework.

BCCM is now able to help your firm to apply this methodology in order to help you use your mutuality to thrive as a business.

The Mutual Value Measurement (MVM) framework and related material was developed by the Business Council of Co-operatives and Mutuals (BCCM) in partnership with Monash University's Monash Business School. All intellectual property and rights are vested with BCCM and Monash Business School and any use of this material should only be done with the express authorisation of BCCM and Monash Business School.

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## Harnessing commercial benefits from MVM

By deploying the tool and incorporating MVM into your business, the focus on the mutual value you create can bring direct commercial benefits. MVM can help you towards:

- Improving your strategic planning
- Engaging better with customers, employees and other stakeholders
- Developing ideas for marketing to drive sales
- Communicating your firm's economic and social value
- Accessing impact markets for investment

Initially of benefit for internal management use, the introduction of MVM can then be used for external purposes. Our team of mutual sector specialists can help you to apply the tool to help to add value to your business.

### Improve your strategic planning

Mutual value can be a central aspect of your firm's strategic planning by helping to focus on your core business purpose. Building an understanding of mutual value across your business leadership can engender a cohesive corporate stance.

### Engage better with customers, employees and other stakeholders

Relationships with members and other stakeholders are critical to the successful functioning of mutuals. MVM can help to concentrate attention on meaningful relationships that help deliver the business purpose.

### Develop ideas for marketing to drive sales

Differentiating your business offer in a crowded marketplace requires you to identify and drive forward clear communication of your unique value to members, customers and other stakeholders. MVM can help you to focus your marketing effort on the advantages that you have through your mutual ownership structure.

### Communicate your firm's economic and social value

Social and sustainability reporting is recognized as an important part of every firm's story as a corporate citizen. From the role played in markets, to environmental and social footprints, businesses are conscious of their responsibilities to the economy and society. MVM adds a new dimension to this, establishing mutual business practice as a key contributor to social value delivery.

### Help to access impact markets for investment

The growing impact investment market is a new opportunity for mutuals that intend to issue Mutual Capital Instruments. High quality social reporting that communicates the mutual value created and delivered by mutual businesses can feed directly into new prospects to raise investment capital.

## Mutual value measurement consultancy package

Our consultancy service delivered through Mutuo is designed through a 4-step package that can help you as a mutual leader to understand the tool, apply it to your firm and begin to take advantage of it.

In the current social distancing environment, it can all be delivered via video conferencing and online methods.

### Step 1 – Baseline review of business

- Desktop review of the firm's stated purpose, annual reports, marketing documentation etc.
- Consider the application of MVM criteria to existing practice

### Step 2 – Online Workshop with key leaders/ stakeholders to go through MVM tool

- Introduce MVM and reporting framework
- Go through MVM reporting items, discuss individually
- Using MVM – Test purpose, strategy & marketing against criteria of MVM

### Step 3 – We Produce a 'Mutual value report statement'

- We will make an assessment of how the mutual is performing against MVM reporting items
- A written statement, which could be used to communicate to employees, clients, partner organizations and suppliers, the mutual's chosen approach to mutuality
- We will share a draft report of this assessment with the mutual

### Step 4 – Consider feedback and finalize statement

- We will consider feedback from mutual
- Finalizing statement and providing report with recommended plans, drawing on case studies of different mutuals' approach to each MVM criterion
- Deliver final Mutual Value report to mutual

### Potential add-ons/ follow up work:

- Plans to leverage mutuality for ESG investments
- Developing Membership strategies
- Matching governance structures to mutual purpose
- Stakeholder engagement plans

**Fee: available on application (discounts apply for BCCM members)**

**For more information contact: [ceo@bccm.coop](mailto:ceo@bccm.coop)**

## About Mutuo

Mutuo is a leading advocate for mutuals, promoting all types of co-operative & mutual business through:

- Public affairs and policy advocacy
- Research and publications
- Management consultancy to the CME sector.

They have worked extensively within Australia and together with BCCM and mutual businesses across sectors, were instrumental to delivering new landmark legislation and the first positive change to the Corporations Act for mutuals in 18 years, through the Australian Parliament passing the Treasury Laws Amendment (Mutual Reforms) Act 2019 in April 2019.

