This book is a welcome addition to the literature, it reinforces the message that there are organisations operating which challenge conventional mainstream notions that companies are only about ensuring profitable returns. The book is, as per the title, a study of hybrid organisations. Where hybrid organisations are described as companies “touting social and environmental missions much like a nonprofit organisation” (pvii) and operating in “blurry space between the for-profit and non profit organisation” (pvii) yet being clearly for profit. It begins with a foreword by Andrew Hoffman (Holcim (US) Professor of Sustainable Enterprise, University of Michigan) who describes the content of the book as being a “glimpse into the future” (pvii) where the companies studied within are “the first movers in market shifts that will eventually become mainstream” (pvii) and thus they indicate “how business will be done tomorrow” (pxi).

After the foreword and introduction there are eleven chapters. The first outlines the authors’ definition of a hybrid organisation – “A market-orientated and common-good mission-centred organisation” (p5) that may exhibit the following characteristics; non financial performance valuation, privately held by connected, individual investors, sub-market rates of return and alternative capitalisation. Following this the second chapter consists of a very brief literature review with the third and fourth chapters outlining the method of identifying hybrid organisations and the results of a mailed questionnaire to these organisations. Chapters five through to nine then outline five case study organisations and the tenth and eleventh chapter summarise the lessons from the study and offer some very brief conjecture on hybrid organisations in the future.

Turning back to the third and fourth chapters, the mailed questionnaire was sent to 87 hybrid organisations and 47 replied. This 54% response rate was important to the authors as it allowed statistical analysis to be conducted. However, statistical analysis as it might conventionally be thought of is absent from the analysis of the
questionnaire responses, rather percentages of respondents indicating their alignment to particular responses or trends, as they are termed, is presented. In total nine trends from this survey are presented, they are; (1) Hybrid organisations believe they do something completely different from competitors, (2) Innovative product and environmental features are sources of competitive advantage, (3) Hybrids have both positive and negative profit margins, (4) Significant portions of hybrid funding comes from patient capital1, (5) Financing hybrids can be both an advantage and disadvantage (6) Hybrids are led by transformational or participative leaders, (7) Hybrids believe they have “fully integrated environmental sustainability”, (8) Some hybrids track environmental metrics, and (9) Hybrids have notable innovations relating to product or service. After presenting these trends, unfortunately little commentary is offered regarding each, other than a statement that the organisations “believe themselves to be treading new ground” (p36). This lack of commentary or reflection on the findings from this mailed survey is disappointing as it leaves the reader with more questions than answers. For example there is no discussion of the likelihood that even though a range of options were offered regarding leadership style it is likely that respondents are going to choose those styles out of the range offered (charismatic, participative, transactional, transformational, quiet and servant) that would likely be the least contentious, least risky and would appear to be most ‘right’ regarding perceptions of self or how they would like to be perceived. Similarly little discussion or reflection is offered on for example patient capital and that this capital maybe patient because it has no other choice; because to be impatient would mean that no return on investment would be received. Likewise there is little discussion that this patient capital compromises sources that are likely to be similar to many other organisations who have not yet reached the status of being able to access standard capital markets and hence is this patient capital anything new or just the source of funding for all early stage businesses.

Although, the trends from the survey are not discussed, that they have been identified does have some value, although given the lack of discussion that value is limited. Following this exposition of the trends, they (the trends) are left and for the remainder of the book, as far as this reader can tell, not mentioned again. Again

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1 Patient capital is described as: below-market rate debt and equity, grants; founder(s), friends or family; and re-investment of operating profits
disappointing as some reflection upon the trends as they pertain to the case studies would have been welcome.

The next five chapters and the majority of the book (106 pages or 62% of the book) is dedicated to case studies on five organisations who were identified as meeting the researchers four screens of (1) whether the firm was founded with environmental stewardship in mind, (2) did the firm integrate environmental progress throughout the organisation, (3) did the firm track environmental metrics and (4) whether the firm was profitable. The case studies were formulated by a series of interviews and secondary data gathering and the five companies profiled were; Sun Ovens, Guayaki, Eden Foods, Maggie’s Organics and PAX Scientific. Sun Ovens provides solar cooking apparatus, Guayaki is a beverage company selling yerba mate (a South American caffeinated plant that is an alternative to coffee and tea), Eden Foods is a natural foods company, Maggie’s Organics is an apparel company dedicated to changing the way business is done in the apparel industry and PAX Scientific is a company that takes its inspiration from nature and produces new types of mixers such as propellers and fans.

These case studies are interesting reviews of the organisations and the challenges each has faced and each is closed with a review of the risks it faces. These risks read as if they are forced and add little (in the opinion of this reviewer) to the totality of the case as invariably they are risks such as financial risk, market risk, and organisational risk such as the identification of the next generation of leaders for the organisation. Hence these risks are not dissimilar to those facing any organisation. What is more interesting about the cases are the unexpected points that outline how these companies are away from the norm and facing more unique issues. For example, Sun Ovens faces gender and legacy risks. The gender risk is that women who would traditionally do the cooking where a Sun Oven might be sold are often reluctant to change because they (the women customers) are focused on “survival day to day” (p61). Similarly many entrepreneurs that might sell the ovens to the women are male and these individuals invariably have an “inability to relate to, communicate with, or even understand traditional cooking techniques” (p61). The legacy risk relates to whether the product operates well in the longer term as if it fails, in the past there has been “product backlash – sometimes resulting in physical abuse of wives” (p61) by husbands for serving cold food. Turning to Guayaki it had
quantified that the environmental impact of a consumer drinking their product: suggesting that with two servings a day, because of the way the yerba mate is grown, approximately one acre of rainforest is protected every year. While Maggie’s Organics had helped design a post-consumer recycled hanger, albeit the company had not patented the design and the hanger manufacturer was exploiting the product.

After outlining the case studies, the penultimate chapter distils lessons from the case studies into five points. These are firstly, the case study organisations implement their mission and it is embedded in how they do business. Secondly, the companies have personal relationships. Thirdly, the companies are patient because they recognise they are pursuing changes that could take generations to realise. Fourthly, the companies limit their growth rate to ensure alignment to their mission relative to financial returns, and fifthly they don’t compete on price with their products and services.

The last chapter of the book begins with a brief reiteration of these five points and a message of hope that although “there may be limits in the speed and scale in which these hybrid organisations can thrive, they may also ultimately be more effective and more self-sustaining than traditional for-profit or nonprofit organisations” (p153).

In summary, this book is a very fast read and could be read over the course of two cups of coffee. Its presentation of findings is interesting to know and is undoubtedly useful to know. Beyond this the book’s contents are also useful as a potential teaching aid for students. Not only to provide demonstrable examples of ‘hybrid organisations’ but also perhaps for the more advanced student as a book that could be critically appraised regarding the limitations of the study as it is presented – specifically its lack of reflection and discussion.

To close, as discussed, the lack of reflection on the findings from the study is, to this reader’s view, the main failing of the book. The authors provide an interesting turn of phrase regarding the case study organisations, where for these organisations they “operate in clear contrast to the cliché, ‘it isn’t personal, its business’” (p146). This statement coupled with the mission focus of the organisations and their relative
relegation of financial concerns to a secondary status (a common theme throughout the cases) challenges some foundational concepts of business theory such as competitive advantage and its focus and reduction to financial concerns\(^2\). Some exploration of this type would have been most welcome.

**References**


\(^2\) Michael Porter outlines that “Competitive advantage grows fundamentally out of the value a firm is able to create for its buyers” ... “ It may take the form of prices lower than competitors’ for equivalent benefits or the provision of unique benefits that more than offset a premium price” (Porter, 1985:XXii)