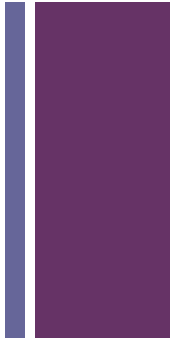


An introduction to Conscious Capitalism

December 2013





*Business is the most powerful
institution in the world today*

*What becomes possible when we
move from an mindset of 'Me' to 'We'?*



Corporate profits as a percent of the economy are near a record all-time high. With the exception of a brief happy period in 2007 (just before the crash), profits are higher than they've been since the 1950s. And they are VASTLY higher than they've been for most of the intervening half-century.

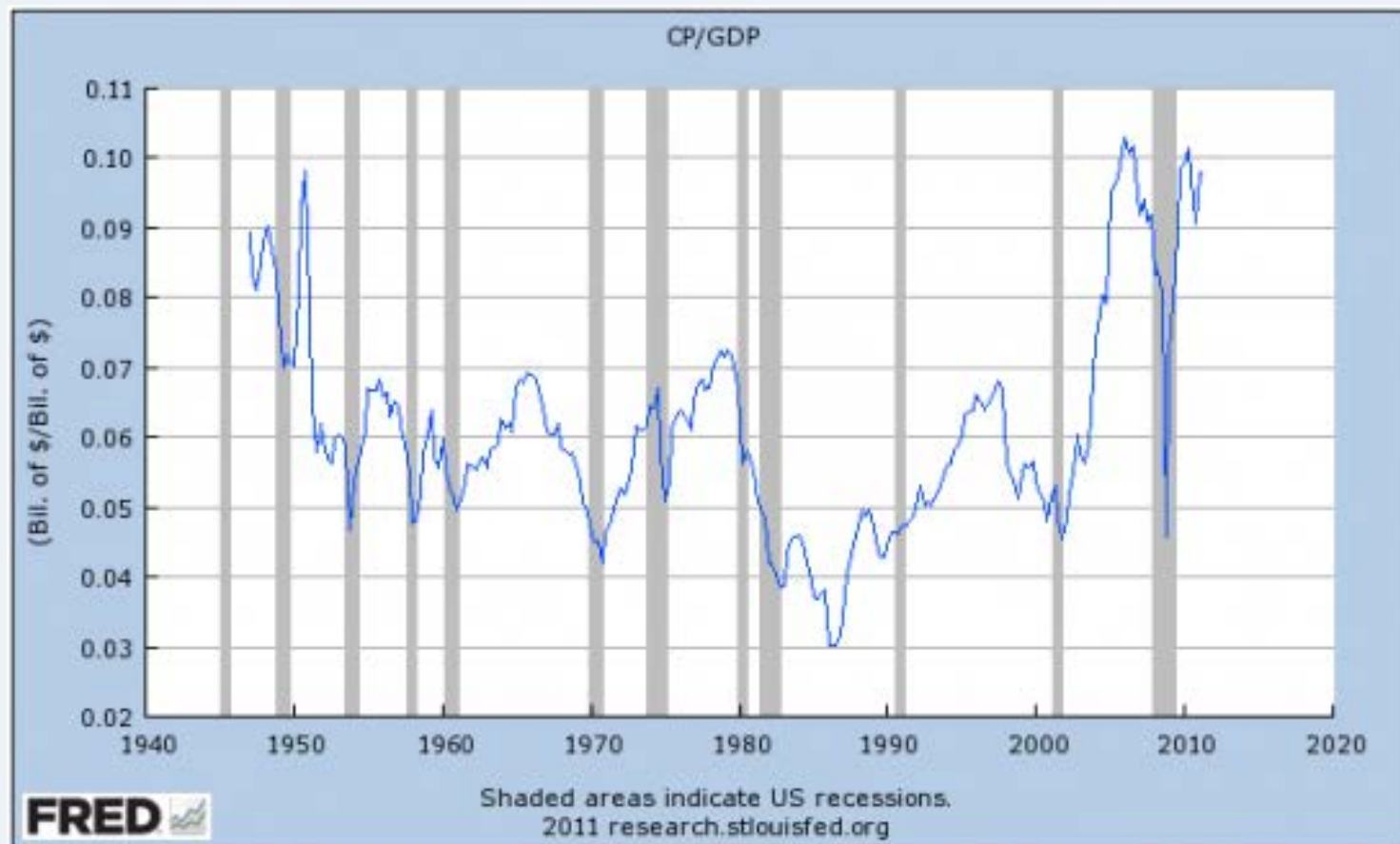
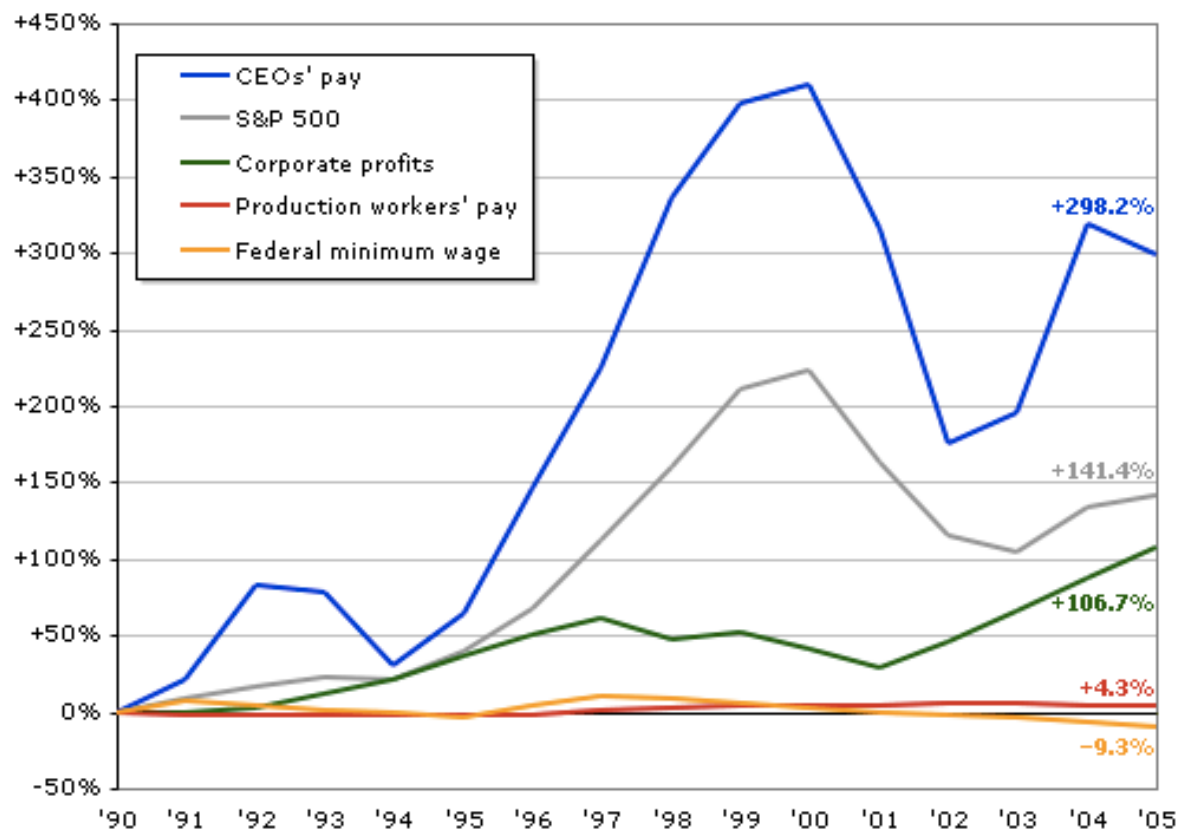


Image: St. Louis Fed

CEO pay has skyrocketed 300% since 1990. Corporate profits have doubled. Average "production worker" pay has increased 4%. The minimum wage has dropped. (All numbers adjusted for inflation).

**Figure 9: CEOs' average pay, production workers' average pay, the S&P 500 Index, corporate profits, and the federal minimum wage, 1990-2005
(all figures adjusted for inflation)**



Source: *Executive Excess 2006*, the 13th Annual CEO Compensation Survey from the Institute for Policy Studies and United for a Fair Economy.

Yet, Mistrust of Business is Pervasive

The New York Times

"The majority of the public... believes that executives are bent on destroying the environment, cooking the books and lining their own pockets."



Only 2 percent of investors believe that CEOs are "very trustworthy"; 72 percent believe that wrongdoing is commonplace at companies.

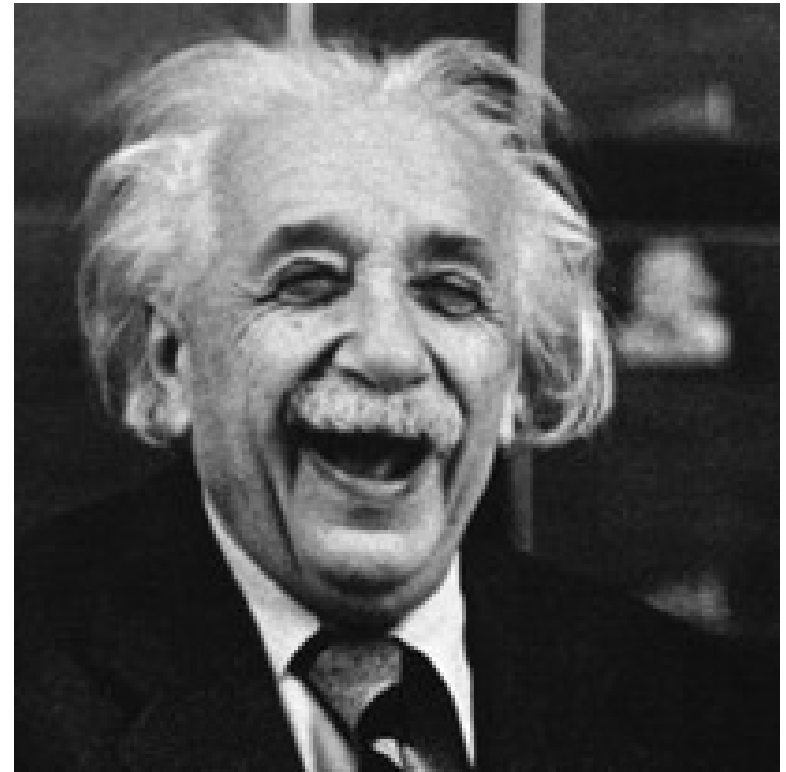
Harris Poll

90 percent of Americans believe that big companies have too much influence on government, up from 83 percent in 2004.

80% believe business is too concerned about making a profit and not enough about responsibilities to workers, consumers, and the environment.



*You can't solve
a problem from
the same level
of consciousness
that created it.*



‘Evolutionary imperative’

IBM's Global CEO studies

2012: 1,700+ in 64 countries

Biggest challenge is to respond to the complexity of the connected economy through:

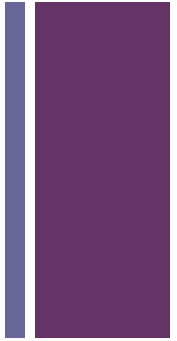
- 1) More **open and collaborative** cultures. Empowering employees through values, **free-flowing ideas**, more **creativity** and **innovation**, happier customers, better results

*“**Collaboration** is the number one trait CEOs are seeking in their employees, with 75 percent of CEOs calling it **critical**”*

- 2) Amplifying **innovation** through partnerships

“Extensive partnering for radical innovation”

“Their evolution as leaders directly impacts their organisations’ behaviour, culture and ultimately, results”




**THE RISE
OF
CONSCIOUS
CAPITALISM**





“An idea, a movement, an approach to
conducting and advancing business
Conscious Capitalism **exists to elevate
humanity** Built on the foundations of
capitalism;voluntary exchange,competition,
entrepreneurship,freedom to trade, rule of law





“A more complex form of capitalism is emerging, that has the potential to **enhance corporate performance AND advance the quality of life** for billions of people on the planet.”



CONSCIOUS
CAPITALISM®
INSTITUTE

Traditional Capitalism

- Profit maximization (and others are a means to this end)
- Win-lose and trade-offs
- Short-term prosperity
- Value extracting
- Taking

"There is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits... to make as much money as possible. The use of the cloak of social responsibility, and the nonsense spoken in its name... harm(s) the foundations of a free society."

- Milton Friedman

Conscious Capitalism

- Creating shared value
- Win⁶
- Long-term sustainability
- Value creating
- Giving

"We need red blood cells to live (the same way a business needs profits to live), but the purpose of life is more than to make red blood cells (the same way the purpose of business is more than simply to generate profits)."

- Ed Freeman

The conscious leader, the conscious business



Conscious Leaders:

- Self aware
- Living their calling
- Analytical, emotional, spiritual, systems intelligence
- Servant leaders
- High integrity
- Capacity for love & care
- Authentic/humble
- Compassionate management
- Global citizen/mindset
- Inspirational

Conscious Businesses:



Whole Foods

Improve the health of people, the food system
and the planet



Southwest Airlines

Give people the freedom to fly



Google

Organize the world's information and make it
easily accessible and useful





REI

Reconnect people with nature

Creating a true peer community based on shared values

Members need to:

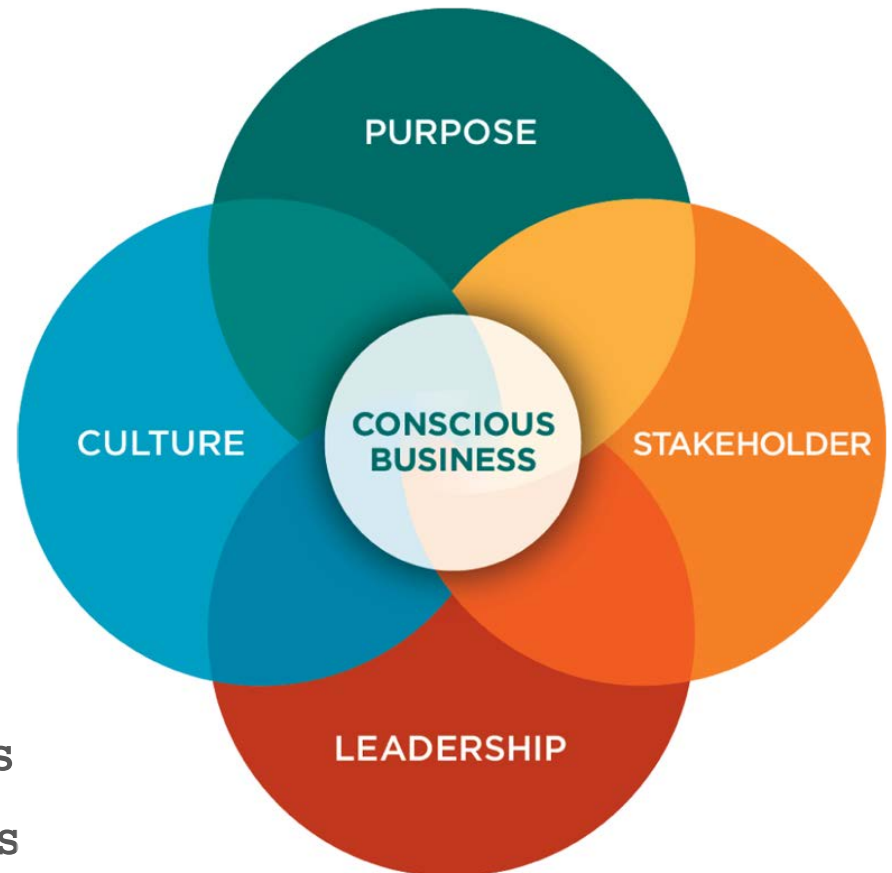
- Embrace 4 principles
- Alignment of values
- Commitment to knowledge sharing
- Balance between idealism & pragmatism
- Embodiment of conscious leadership
- Shared vision and purpose
- Mutual exchange of value

Corporate membership: 2 levels

Individual membership: 3 levels

Chapters; 20 (14 US based)

Conscious Businesses:



The Unconscious and the Conscious Leader



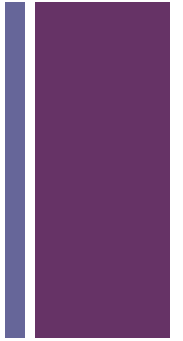
■ Reaction

- Contract and fearful
- Feel separate – commitment to ‘me’
- Win-lose (zero-sum game)
- Scarcity mindset
- Victimhood/blame/entitlement
- Playing small
- Knocked off course/shaped by outside forces & circumstances
- Changeable and incomplete
- Gossip
- Looks out from judgement
- Resisting what is happening; lost in story; apathy or resentment

■ Awareness

- Open and expansive
- Commitment to the whole
- Win-win for all (me, others, organisation, all stakeholders)
- Abundance mindset
- Taking responsibility
- Courageous and source of solutions
- Self-possessed & self-guided, impervious to disapproval
- Integrity – keeps agreements
- Speaks the truth and is direct
- Looks out from appreciation
- Becoming that which is required

Business that is conscious of the experience it wants to evoke in its customers and the values it expresses as part of its existence



- **Aware (conscious) of internal workings**
- **Aware (conscious) of external effects**
- **Takes responsibility for all of this**
- **Trust, transparency, collaboration**
- **Decentralization & empowerment**
- **Compassionate management**

They narrow the gap between executive pay and employee pay – executives aren't paid exorbitantly.

They encourage employees to volunteer services to the community – during work time.

They hire people who are passionate about this higher purpose.

They pay people well and provide excellent benefits to employees. They are generous with training and development.

They see customers, employees, suppliers, shareholders and the community/society as all equally important stakeholders and don't let one benefit at the expense of the others.

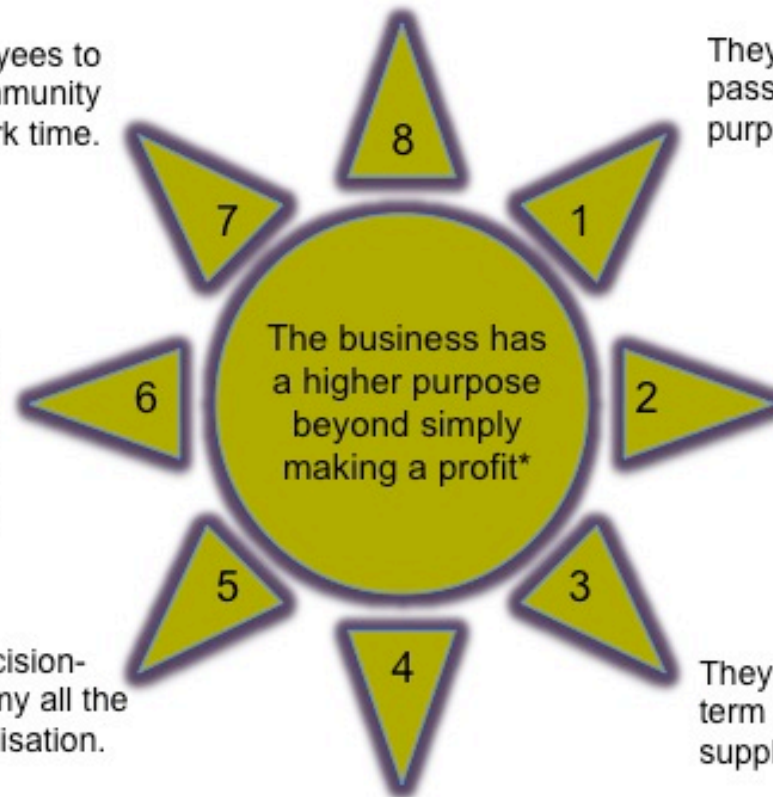
They encourage decision-making and autonomy all the way down the organisation.

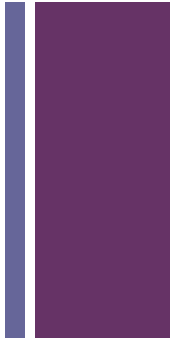
They believe in cultivating long-term relationships with their suppliers.

Leaders have open doors, even at executive level.

Transparency is important – financial information is made available to everyone.

* Profit is still important, just not at the expense of everything else.





*“Companies that practice
‘Conscious Capitalism’
perform 10x better”*

HBR



Sheer Driving Pleasure



TOYOTA



The Container Store®



Timberland 



patagonia®



FoE Compared to *Good to Great*

#1 BESTSELLER
THREE MILLION COPIES SOLD

Why Some Companies
Make the Leap...
and Others Don't

FIRMS *of*
ENDEARMENT

	15 Year		10 Year		5 Year		3 Year	
	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
FoE Return	1646.1%	21%	254.4%	13.5%	56.4%	9.4%	77.4%	21.1%
GTG Return	177.5%	7%	14.0%	1.3%	-35.6%	-8.4%	-23.2%	-8.4%
S&P 500 Return	157%	6.5%	30.7%	2.7%	15.6%	2.9%	10.3%	3.3%

JIM COLLINS

Coauthor of the bestselling
BUILT TO LAST

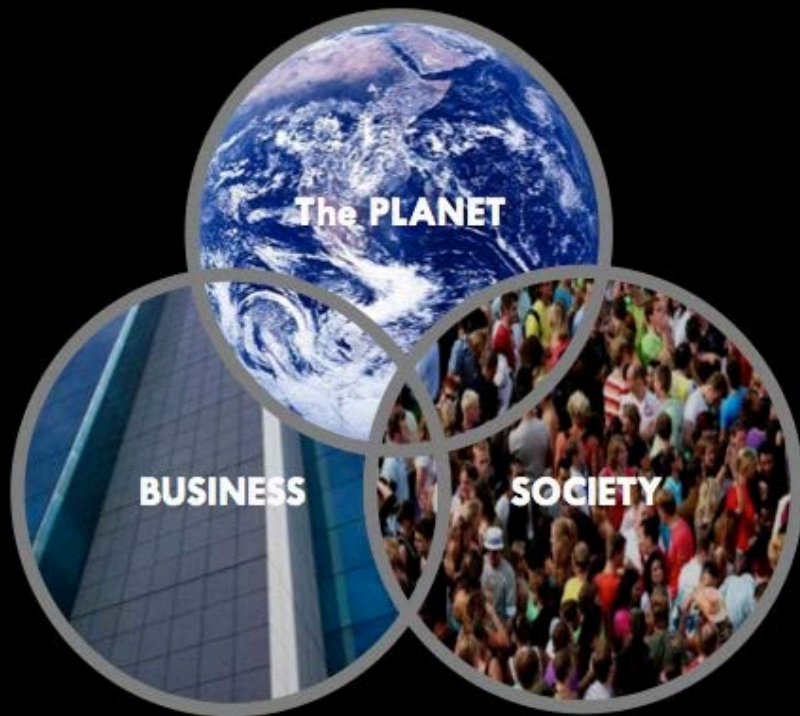
Raj Sisodia

Jag Sheth

David Wolfe

with a foreword by Warren Bennis

Business, Society and the Planet



Traditional View



Conscious View

People. Planet. Profit

Triple bottom-line



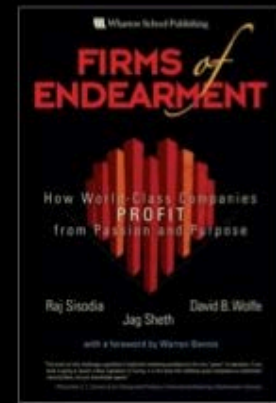
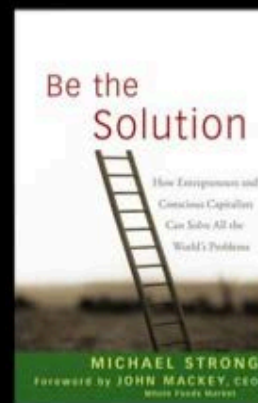
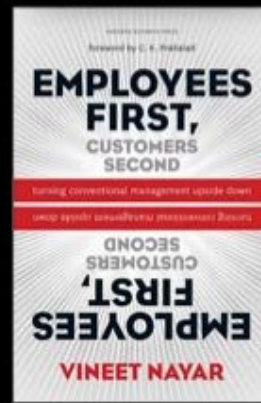
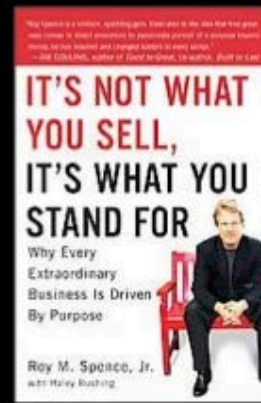
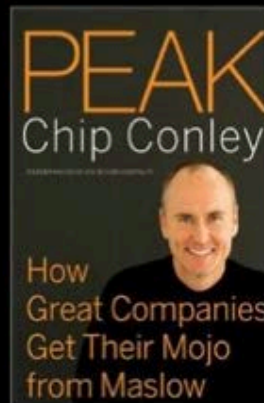
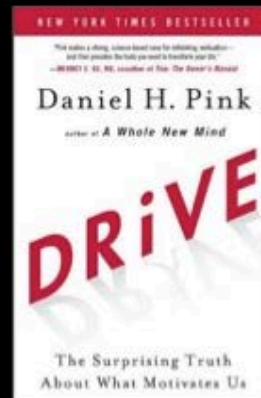
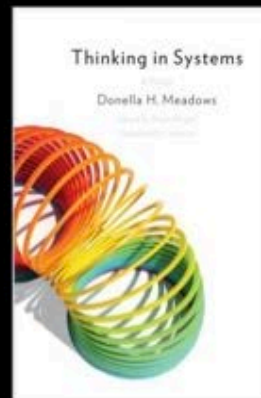
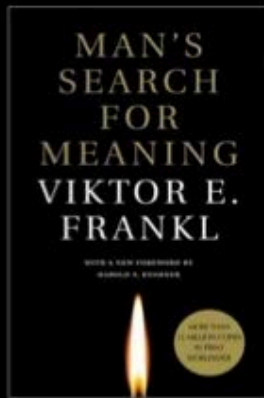
UK Values Alliance



An evolving eco system



Essential Reading for Conscious Capitalists





Thank you

