MULTINATIONAL CORPORATE BUSINESS AND SUSTAINABILITY CRISIS

XII INTERNATIONAL COLLOQUIUM
Visions of Sustainable Development: Theory and Action
20 – 21 – 22 of May 2015

praneo
Levin College of Law
University of Florida
University of Brasilia
IN AN IDEAL WORLD...

What would society look like?

Business
Law
Finance
Governance
Citizen / Consumer
IN AN IDEAL WORLD, BUSINESS WOULD EVOLVE

From
- Shareholder’s profits
- Pushing products
- Communicate on CSR
- Promote to sell
- Return on Investment

To
- Value chain benefits
- Supporting circular economy
- CSR as a growth strategy
- Promote sustainability
- Return on Life
IN AN IDEAL WORLD, LAW WOULD EVOLVE

From
- Laws from lobbies
- Obeying by the letter
- What I have the right to
- Traditional constitution

To
- Laws for citizens
- Judging by the spirit
- What is fair
- Nature and minority
IN AN IDEAL WORLD, FINANCE WOULD EVOLVE

From
- Quarterly focused
- Speculating - day trading
- Debt and limitless growth
- Financial ratings

To
- Value creation cycles
- Real economy investments
- Support sustainability
- Triple Sustainability ratings
IN AN IDEAL WORLD, POLITICS WOULD EVOLVE

From
- Power
- Mediocrity
- Ideology

To
- Service
- Democracy
- Problem solving
IN AN IDEAL WORLD CITIZEN/CONSUMER WOULD EVOLVE

From
- Egocentric decisions
- Money Fame Power
- Competition - Fear
- Linear sequential thinking
- Hierarchical leadership

To
- Optimizing greater good
- People Profit Planet
- Compassion - Love
- Tackling complexity
- Situational leadership
GUESS WHAT?
... ALL OF THIS IS ALREADY EMERGING

Yesterday’s dream
today’s reality
SOME PIONEERS DEMONSTRATED THE VALUE OF HUMAN CENTRIC BUSINESS MODELS

Vineet Nayar
HCL – 90’000p – $6bn

Bill and Vieve Gore
Gore Tex – 10’000p
$3 Bn – 2000 patents

Rich Teerlink
Harley Davidson
10’000p – $4bn

Carlos Verkaeren
Poult – 350p – 200m€

Jean-François Zobrist
FAVI – 400p – 71m€

Laurence Vanhée
Belgium Social Ministry

22/05/2015 - Corporations and Sustainability
THE IDEAL CITIZEN/CONSUMER IS ALREADY EMERGING

To

- Optimizing greater good
- People Profit Planet
- Compassion - Love
- Tackling Complexity
- Situational Leadership

Barret Brown
Metaintegral

John Elkington
Volans - PPP father

Matthieu Ricard
Compassion - Altruism

Gilbert Probst
WEF 2014

Juergen Appelo
Management 3.0
THE IDEAL BUSINESS WORLD IS ALREADY EMERGING

To

- Value chain benefits
- Supporting circular economy
- CSR as a growth strategy (CSV)
- Communicate on sustainability
- Return on Life

Examples from Michael D'heur 2015
Davos 2015 WEF
Michael Porter in HBR - 2011
WEF Agenda 2015 Mike Hanley
World Investment Report 2014
THE IDEAL LEGAL WORLD IS ALREADY EMERGING

To

- Laws for citizens
- Judging by the spirit
- What is fair
- Constitution protecting Nature and minority

SDGs & integration
Stakeholder Forum

Montesquieu
1748

B-Corporations

Ecuador – Costa Rica
THE IDEAL FINANCIAL WORLD IS ALREADY EMERGING

To

- Value creation cycles
- Real economy investments
- Support sustainability
- Triple Sustainability ratings
  - From social world
  - From financial world

FT - 2011 A long history of myopic investing
By John Plender

Loi Fédérale sur l'Acquisition d'immeubles par des étrangers

Capital Institute 2010 - John Fullerton

Social Progress Imperative

Dow Jones Sustainability Index
THE IDEAL POLITICAL WORLD IS ALREADY EMERGING

To
- Service
- Democracy
- Problem solving

Peter Head 2014
Sequestration Trust

Gottlieb Guntern 2010
Revealing democracy through mediocracy

Transformational challenges for developed world
Stakeholder - 2015
HOW TO INTEGRATE ALL THIS?

Pioneers did their jobs

- Each from their perspective
- Parts are very successful
- Limited in scale and duration

Global Change will occur when

- We leverage these fragmented trials
- Start working as a whole
INTEGRATED BUSINESS VIEW FOR TRANSFORMATION

EMPLOYEE MINDSETS

<table>
<thead>
<tr>
<th>Competition</th>
<th>Collaboration</th>
<th>Compassion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linear sequential thinking</td>
<td>Parallel &amp; iterative action logics</td>
<td>Arborescent &amp; dynamic consciousness</td>
</tr>
<tr>
<td>Understand simplicity</td>
<td>Address complexity</td>
<td>Embody theory of constraints</td>
</tr>
</tbody>
</table>

BUSINESS MODEL

<table>
<thead>
<tr>
<th>Pyramid Org.</th>
<th>Matrix / Project</th>
<th>Shared value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term action few months</td>
<td>Business development 1 to 5 years</td>
<td>Long term strategy 5 years and more</td>
</tr>
<tr>
<td>Innovation is about new products &amp; services</td>
<td>Innovation is about a top of mind brand</td>
<td>Innovation is about creating new market and value propositions</td>
</tr>
</tbody>
</table>

CORPORATE CULTURE

<table>
<thead>
<tr>
<th>Specialists</th>
<th>Multi-disciplinary</th>
<th>Transdisciplinary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great employee is a good soldier</td>
<td>Entrepreneurial spirit is highly valued</td>
<td>All are co-responsible co-creators</td>
</tr>
<tr>
<td>Agreed upon certainty</td>
<td>Continuous improvement</td>
<td>Everything is always perfectible</td>
</tr>
</tbody>
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EXTERNAL SOCIETAL IMPACT

<table>
<thead>
<tr>
<th>Profit driven</th>
<th>Project driven</th>
<th>Purpose driven</th>
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</thead>
<tbody>
<tr>
<td>silos &amp; ego-centric attitudes</td>
<td>Unleash people potential</td>
<td>Sustainability at the helm</td>
</tr>
<tr>
<td>Maximize for self</td>
<td>Optimize the parts</td>
<td>Govern for the common greater good</td>
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</tbody>
</table>
IMPROVE HOLISTIC CAPACITIES FROM THE INDIVIDUAL’S VALUES AND ACTIONS

**Societal Governance**
- Morality
- Integrated Vision
- Aligned Metrics
- Cooperation

**Individual Mindsets**
- Intentions
- Ideas
- Speech
- Behaviors

**Employee Mindset**
- Employee Development
- Circular Economy
- Create Shared Value
- Triple Sustainability

**Corporate Governance**
- Business Model
- Societal Impact
- Corporate Culture

**Finance**

**Legal**

**Business**

**Politics**

**Citizen Consumer**

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CONCLUSION: OUR CALL FOR ACTION

We designed and experienced this roadmap with large multinationals in 3 continents / 15 countries.

To upgrade at a higher stage and reach triple sustainability at the citizen level, we are looking for

- Bank
- Company
- University
- Political support

In a single region
THANK YOU !