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TITLE

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AUTHOR(S)

David Cooperrider with Ante Glavas and Nadya Zhexembayeva

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Aizlewood's Mill, Nursery Street, Sheffield S3 8GG, UK

Tel: +44 (0)114 282 3475 Fax: +44 (0)114 282 3476

info@greenleaf-publishing.com <http://www.greenleaf-publishing.com>



Postscript

Business as an Agent of World Benefit: How the Holy Grail of business—innovation—can be magnified through the power of sustainable value creation

Professor David Cooperrider, Founder and Chairman, Center of Business as an Agent of World Benefit, with Ante Glavas, Executive Director, and Nadya Zhexembayeva, Associate Director

It's not usual for a conservative, financially driven, \$10-billion-dollar-a-year multinational—a dependable, high performance company which has increased annual dividends paid to shareholders for 51 consecutive years (among the top five longest-running dividend increase records in the S&P 500 index)—to call together the largest corporate strategy summit in its history in order to focus on “the ten largest global problems facing humankind.” The key question:

“How might we turn these social and global environmental issues into strategic business opportunities to ignite innovation in new products and operations, open new unexpected markets, ignite customer passion and loyalty, turn on and energize an entire workforce, accelerate learning, build better supply chains, reduce risks, radically bring down energy costs, and produce tangible and intangible value such as brand loyalty and higher market cap—and build a safer, more secure, better world?”

By the end of the three-day session, the grey pinstripes were replaced with business casuals, and spontaneous cheers echoed as a new vision of the company's future—as a solution provider to the ten largest global challenges facing humankind—began to take shape and a substantive form.

The chief architect of the summit wanted to find a way to connect and unify a totally diversified global company, and to turn on and elevate the imagination and passion of an entire 57,000 workforce leading, ultimately, to a whole new magnitude of business innovation. The meeting was top secret, and still is for proprietary and competitive advantage reasons, until the strategy package is completely bundled and ready for prime time.

What's going on here? This is a company near the top of Barron's list of 500 Best Performing Companies for its superior financial management based on several factors:

- The company's stock performance
- The median cash flow return on investment for the past three years and cash flow return on investment for the current year compared with the three-year historical median
- Sales growth over the latest fiscal year adjusted for acquisitions and divestitures
- Cash flow return on equity

Again, it's not usual for a firm such as this to so radically alter its long-term strategy, business identity, and mission. But these are not ordinary times.

Chris Laszlo's message is huge and simple: we are on the eve of one of the greatest revolutions in management history, an era of deep-seated transformation, where "sustainable value creation" is and can emerge as the most powerful unifying thread for propelling industry-leading innovation in complete and simultaneous convergence with solutions to the call of our times. In *Sustainable Value*, Chris Laszlo makes the vital point not with abstractions but with the real thing—inside stories from some of the largest corporations in the world, and with frameworks, tools, and methods that take sustainable value creation out of the theoretical to the concrete. This volume is a masterful synthesis—part novel and part executive briefing—a refreshing kind of prophetic pragmatism, helping leaders anticipate and see the future in the texture of the actual. Chris Laszlo speaks with resounding clarity; he speaks directly to the living challenges, the real dilemmas, and haunting questions of CEOs everywhere.

Chris Laszlo calmly predicts that, over time, mainstream business will pursue sustainability performance when it advances their business priorities. And that doing good and doing well is increasingly the smartest way to do business, if you have the knowledge and competencies to turn eco-imagination and social entrepreneurship into an innovation engine.

Where can executives go for leadership education in sustainable value creation?

We were absolutely thrilled when Chris Laszlo joined our faculty for executive education at Case Western Reserve University to help us found and create an applied research center for sustainable value creation at the Weatherhead School of Management—a school the Aspen Institute singled out as “on the cutting edge.”

While it is beyond the scope or purpose of this postscript to give a full description of the Center for Business as an Agent of World Benefit (BAWB), we accepted Chris Laszlo’s invitation to reflect for a moment on the center from the perspective of the main thesis of his book. And it’s true: even the remarkable genesis of BAWB is a telling tale for, in fact, the domain of sustainable value creation is moving faster than any management school can keep up with.

In 2004, Kofi Annan, Secretary-General of the United Nations, called us at the Weatherhead School of Management. In many ways it was an astonishing call. Having been briefed on the power of the large group Appreciative Inquiry Summit method, the Secretary-General decided that it could be the best method to advance the UN Global Compact. In short, our team was invited to facilitate what became the largest meeting in history between the UN and hundreds of CEOs, from companies such as Hewlett Packard, Green Mountain Coffee Roasters, Nokia, Microsoft, Lafarge, Novartis, Novo Nordisk, Tata, and many others. The summit was an exploration into the next phases of global corporate citizenship, where Kofi Annan reached out his hand to the business leaders and said: “Let us choose to unite the strengths of markets with the power of universal ideals, let us choose to reconcile the forces of private entrepreneurship with needs of the disadvantaged and the well-being of future generations.”

The summit was powerful. And three years later a second summit took place. During the time between those world summits, an explosion of energy occurred: as of this moment there are now 4,000 companies (mostly multinationals) that are part of the UN Global Compact’s new corporate citizenship movement.

But Chris Laszlo taught us, when we were co-creating the BAWB Center that the word “citizenship” was “off.” In the world of ideas, as Thomas Friedman wrote, to name something is to own it: “if you can name an issue, you can own the issue.” Like Friedman’s analysis of the word “green,” the one thing that always struck us about the term “corporate cit-

izenship” was the degree to which, for so many years, it was defined as the opposite of the real business. Opponents especially, people who wanted to disparage it, would roll their eyes if you brought it up at a senior executive strategy think-tank, defining it as “charity,” “expensive regulatory compliance,” “liberal,” “a side-line distraction,” and “vaguely relevant.”

Well it’s time to rename “corporate citizenship”—this is what Chris Laszlo said to us. We need to reposition it as geo-strategic, opportunity-producing, as an innovation turbocharger. It’s precisely what’s happening—if you really pay attention—to the emerging stars in virtually every industry. Just as the Internet boom sent people scrambling to invest in the next Google, the same thing is now happening to companies that are emerging as pioneers in clean tech, micro-enterprise (eradicating poverty through profitability), and sustainability.

Who is going to surprise us with the next new “Prius,” or who will be the next new “Whole Foods” or “Fairmount Minerals”? Likewise, why is there so much investor excitement with paradigm-shifting NanoSolar—with its workforce on fire—and its promise of building a world that is clean and profoundly renewable in its energy options? It’s all about sustainable value creation, says Chris Laszlo: it’s revolutionary and it is re-naming.

At the Case Western Reserve University’s Weatherhead School of Management, we believe that management is a matter of world affairs, a noble profession, and that every global and social issue of our day is a business opportunity. The school’s interdisciplinary centerpiece for advancing sustainability and social entrepreneurship is the BAWB Center. Through advanced research and tremendously innovative executive education as well as applied sustainable design with whole systems, our passion is to help our partners—corporations, entrepreneurs, and industry associations—succeed and become the top-rated stars in their industries while, at the same time, building a world that is:

- Clean and profoundly renewable in its energy options
- Securer and safer and more than just the one we are inhabiting
- Economically alive with a new spirit of innovation, entrepreneurship, and moral imagination

In the end, the greatest gift that Chris Laszlo leaves us with is a choice. He shows us that sustainable value creation is possible, and that the future is not predicted so much as created. Let us choose. Let us “out-innovate.” Let us participate in a task of historic proportion.

What executives can expect from the BAWB Center

An increasing number of senior managers, educators, and researchers are sold on the case for doing well by doing good. They are past the debate of *why* this is something that is needed and have moved on to the question of *how* we do this. Very few institutions offer solutions for the *how* to do well by doing good. At BAWB we provide the *how* through:

1. **Discovering and sharing** existing knowledge about what works—our World Inquiry program has collected the largest collection of best practices in the world with over 4,000 interviews completed, and over 100 stories published. Our BAWB Global Forum, Colloquium series, quarterly newsletters, and other emerging opportunities allow us to disseminate the most potent and valuable know-how on the “how to” of sustainability
2. **Co-learning and co-creating**—our strength is as a convener of multi-stakeholder, complex dialogs using methodologies such as Appreciative Inquiry. For those questions that we do not have the answers to—and many such questions exist due to the field being so young—we bring the leading experts together with business leaders to co-learn and co-create models (for both practice and research) through a learning lab environment

Topic areas

- **Sustainable value**—transforming your business into one that profitably addresses its own unique set of social and/or environmental issues
- **Social entrepreneurship**—starting with social and/or environmental issues to which a business model will be applied so that profit can be made while addressing them

Examples of social and environmental issues that we focus on are poverty, the environment (such as climate change), health, and peace.

Focus areas

- **Practice**—a hands-on approach using whole-systems methodologies to work with complex, multi-stakeholder issues facing companies in a diverse range of sectors:
 - Discovering and applying what already works
 - Co-creating new innovative solutions for sustainable business

We are working with leading companies, large and small, that are becoming models and benchmarks for other businesses around the world, helping their industries reach a tipping point where management practice is transformed.

- **Education**—through collaboration with leading associations, institutions, networks, and schools, we are working to transform management education so as to influence the millions of students graduating from business school each year
- **Research**—developing new models for business that will be used by businesses and taught in schools around the world

To learn more about the BAWB Center and what it can do for you, contact:

BAWB, 10900 Euclid Avenue, Cleveland, Ohio 44106-7235

Phone: 216.368.3809

worldbenefit.case.edu