Are corporate ‘win-win’ strategies an effective way of alleviating social & environmental problems?

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Societal and corporate success are inextricably linked

- **The long-term competitiveness of companies depends on social conditions**
  - An educated and skilled workforce
  - Safe working conditions
  - Sustainable use of natural resources
  - A flourishing local economy

- **Business has an essential role to play in solving social problems**
  - Only companies can create **prosperity** that funds government and civil society
  - **Companies can create solutions** to many social problems in ways that governments and NGOs cannot
    - Companies have the **incentive to take risk**
    - Competitions fuels **innovation, efficiency, and adoption**
    - For-profit models are **scalable and economically sustainable**
Levels of Shared Value

1. Reconceiving Needs, Products, and Customers
   - Products and services that meet societal needs
   - Providing products to unserved or underserved customers and communities

2. Redefining Productivity in the Value Chain
   - Accessing and utilizing resources, energy, suppliers, logistics, and employees differently and more productively

3. Improving the Local Business Environment
   - E.g., improving skills, local suppliers, supporting institutions and cluster sophistication in the areas where the company operates
Zero-Emission Vehicles Without Tesla?

$1 Billion in pre-IPO Capital
Good Jobs increases profitability

- **MOD Pizza**
  - Assists justice-involved and at-risk youth ages 18 to 24 to reset their lives - developed in concert with the Department of Corrections, community-based organizations, and Department of Labor’s Education and Training Administration.

- **Dave’s Killer Bread**
  - Second Chance Employment means hiring the best person for the job, regardless of criminal history.

- **Managed by Q**
  - A janitorial services start-up bets on a strategy that puts cleaning-service workers on a professional path
  - Managed by Q, and it was paying $12.50 - $14.50 an hour, with full health care benefits and a 401(k) plan
  - Less than 10% turnover in customers, 5% in employees
Yara organized a public/private partnership to develop an agricultural cluster lifting 2 million smallhold farmers out of poverty.
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<th>Companies have begun to take leadership in transforming their entire ecosystem</th>
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<td><strong>Transforming the Chinese dairy sector</strong> to serve the nutrition needs of a multi-billion USD market in China</td>
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Developing “Hybrid Metrics” that link the most material social and environmental issues to key financial metrics:

• Energy
  • EBITDA/CO2 intensity

• Pulp and Paper
  • Revenue/tons of CO2 sequestered

• Food & Beverage
  • Sales/Nutritional value

• Retail
  • Cost of goods sold/value of waste avoided

• Service Industries
  • EBITDA/percentage of workforce above living wage

• Crop Nutrition
  • EBITDA/yield per hectare

• Pharma & Medical Devices Service Industries
  • EBITDA/contribution to daily adjusted life years

• Chemical and Industrial Production
  • Cost of raw materials/tons of recycled plastics used

• Financial Services
  • Revenue per customer/Change in Customer net worth