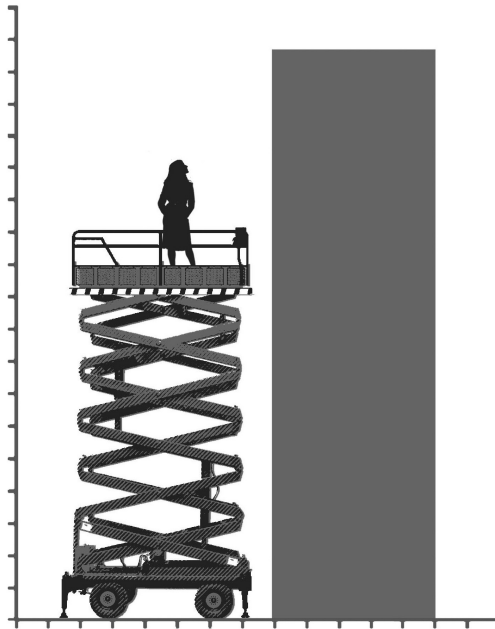


4

The Next 250 Years: The New Age Of Enlightenment



The world is broken and has been breaking for a long time. Many people are now coming to the realization, hastened in part by the global impact of the coronavirus pandemic, that things need to change. This change will begin with business.

In this chapter, we're going to examine the role of the entrepreneur and consider how they will catalyze the change.

The rise of entrepreneurship

There's a real desire to be an entrepreneur at the moment. Entrepreneurism has been romanticized and brought into the mainstream by shows like *Dragons' Den* and *Shark Tank*. People are inspired by the stories of founders who have gone out on their own to do the right thing, typically in consumer-related industries. Initiatives like those of Patagonia who give to the rainforest,³⁴ and of Starbucks who give to charities, have made people more aware of ways to create positive change.³⁵

The new generation of businesspeople sees that there is a way to change things, and that you can live like an artist and a creator if you create a company around what you want to do. That's a big shift from how things used to be when the only real option was to work for someone else. Now you can create a whole business from your bedroom, a business that caters to your own interests and that is founded on your ideas.

Businesspeople today have aspirations to live and work differently from how generations have before and the urge to create is stronger than in the past. If you think about it, entrepreneurship is creating. People who may not have traditional artistic abilities, but who do have an artist's mind, can create something by founding a company.

People are looking at their parents and thinking, 'Do I want to give twenty or thirty years of my life to a corporation? Do I want to put in thirty years of service just to get a gold watch when I retire? Do I want to work without creativity forever?' It's true that we need to work in order to provide for our families, but what if you could provide for your family *and* create something great with your life at the same time? People are now thinking differently about work and seeing it can be more aligned with their lives if they pursue a more entrepreneurial approach to their careers.

People now feel they deserve more out of life than what's currently being offered to them. They can see

there's a huge world out there and they want to travel, meet people and stretch their wings. Their ambitions are not all about economic gain. People want to be happy, live a purposeful life, and enjoy freedom. What gives you more freedom than building your own business? If you're an entrepreneur, you're creating a business that is related to your being and that gives you the freedom to express yourself in everything you do, every day. You can also build a team that shares your values.

We predict that entrepreneurship will become the biggest movement of the next 250 years. Entrepreneurship will be based on purpose and will connect business with humanity. There are 582 million entrepreneurs in the world today and it's likely that there will be over one billion entrepreneurs in the world by 2050.³⁶

It will be the job of the entrepreneurs to create business models that are sustainable and lead organizations that are purpose-based. If they achieve this, the days of big business may soon be behind us.

The rise of the gig economy

Alongside the rise of entrepreneurship, we're also seeing the rise of the gig economy. Many people have great ideas but then they get lost along the way. They like the romantic idea of being an entrepreneur, but

they don't really know how to go about it, or they don't have the courage of their convictions. They end up getting a job but then realize that it stinks, that it's not for them. As a consequence, we're seeing the rise of the gig economy.

The gig economy gives you the best of both worlds. It provides you with a life raft, so you can explore entrepreneurship while working in more traditional employment. Gig workers are independent contractors, temporary workers and freelancers who choose short-term contract work over permanent roles. Gig employment is great preparation for entrepreneurship because it enables you to have the best of both worlds. You can build a business while paying the bills by doing contract work or freelancing on the side.

Many of the people working in this way are younger and more socially conscious, environmentally conscious and economically conscious than in previous generations. They have an individual awareness and a drive to become a better person, a happier person. For these gig workers and entrepreneurs, there's a mission running through what they're doing and this is going to pave the way for the purpose-based businesses of the future.

Entrepreneurs are game-changers

There's a difference between a business owner and an entrepreneur. Entrepreneurs make and disrupt markets they are in. They focus on the purpose of their product beyond just dollars, pounds, or cents. They want to capture the hearts and the minds of their customers and prospects.

There will always be optimizers, opportunists and mercenaries who will found, fund, or inherit successful businesses, but we can't really call these people entrepreneurs. The true entrepreneur is a game-changer who has innovation at the core of what they do. Everyone else is just a business owner.

Purpose-based businesses are the future

In the next 250 years we'll see a blending of the two key ideas of Adam Smith: his moral philosophy and his capitalist principles. In the future, the purpose is going to be the business and the business is going to be the purpose. Marc Benioff stated that businesses are 'the greatest vehicle ever created for societal change and economic benefit for all' and he's right about this.³⁷ The businesses that will succeed in the New Age of Enlightenment of capitalism will be the ones where there's an instilled sense of shared ownership and purpose, because employees are seen as

members of the team and rewarded with equity and other benefits.

One of our heroes is Milton Hershey, founder of the Hershey chocolate company, who offers a really good example of how businesses could operate in the future. Hershey's factory didn't just provide its workers with a wage, it also provided them with a whole community and an enhanced quality of life.

WHO WAS MILTON HERSHEY?

Milton Hershey (1857–1945) was the founder of The Hershey Company. He trained in the confectionery business and first launched the Lancaster Caramel Company after pioneering a new way of manufacturing caramel using fresh milk. He then sold the company to found The Hershey Company, which mass produced milk chocolate. Chocolate had previously been a luxury product and so by mass producing it, Hershey made it available to everyone.

Hershey's chocolate bars were so popular that he was able to fund the building of a small town to house his workers. The town of Hershey provided good living standards for employees of the Hershey factory and reflected Hershey's belief that comfortable living positively affected staff morale. Hershey built a whole community, complete with housing, a bank, a hotel, schools, churches, parks and even a zoo, to enhance his workers' lives. He considered his workers to be like family and by treating them with dignity and giving them prosperity, he inspired both their loyalty and admiration.

Hershey founded a school for local orphans to provide them with a productive and fulfilling life. Now the school is an institution that supports over 2,000 young people a year to reach their social and academic potential by providing them with the skills and resources they need to become successful. When he died, Hershey left the entirety of his fortune to the school.

Hershey believed that if you do good, you do well, and the truth of this is evident in his legacy.

Source: Biography.com Editors, 'Milton Hershey Biography'³⁸

Hershey's philanthropy of the 1900s followed on from that of the progressive industrial factory owners of the previous century. Business owners' realization that looking after their employees leads to greater happiness for their workers and better outcomes for their business saw the rise of community towns and public spaces in the 1800s and 1900s, and these towns and spaces and communities are still there today. That's quite a legacy. It's this type of progressive, community-first thinking that has been lost with contemporary capitalism, and it's this we need to bring back if we really want to make the world a better place.

In the future, employees will demand more from the businesses they work in and they'll have a duty to care for their employees in the same way that Hershey cared for his. Sure, a business might have one owner,

but wouldn't it be great if everyone in that business also shared ownership in it? The practice of collectivism through ownership will be key to the way in which successful businesses operate in the future.

We need business owners to share Hershey's mindset that when the company does well, everyone in the company does well. With shared ownership there's an incentive for employees to work hard because they're ultimately going to profit from their work – and it provides a way for individual employees to enjoy some of the qualities of an entrepreneur, because they will be creatively contributing to a business that they own. The next 250 years will be a time for capitalism to flourish and companies built by true entrepreneurs will understand, appreciate and support the notion of collectivism within the workplace.

Over the years, there's been a separation of social good, business and the economy. This is starting to change. Business has become central to the overall economy and human beings now want more purpose and greater happiness, so we're going to see a resolution of differences and an integration of social purpose, individual purpose and business purpose in the economy of the future. Our job is to encourage and support a new structure whereby humanity, business and the economy are connected and mutually supportive.

Capitalism is the greatest economic system ever created, but it's gone off the rails with its history

of human exploitation. Now people are standing together and saying, actually, this is not OK any more. Profit should not be made off people's backs, but should be shared with the people helping to make it. With the right direction and focus, capitalism will continue to flourish for the next 250 years. We just need to nudge capitalism onto a new course, put in some guard-rails to keep it on track with tax systems that reward not just penalize behavior, and create our vision of compassionate capitalism where everyone comes out a winner.

CASE STUDY - ZAREEN AHMED AND GIFT WELLNESS

Entrepreneurs start businesses for a variety of reasons. Some want flexibility over their time, some want to make a life-changing sum of money, some want to be able to work from anywhere and some want to prove to their ex-boss that their idea was a good one. Every so often, the reason for starting a business runs deep and is very personal. That was the case for Dr Zareen Ahmed, whose driving force is about creating a legacy.

In 2007, Ahmed was working as the CEO of a national charity in the UK. Her career was demanding but rewarding. She was frequently speaking to large audiences, commenting in the media and leading a team of over 100 people. It was in the midst of this that tragedy struck. Her teenage daughter Halimah was murdered by a man with mental health issues who had become obsessed with her.

Ahmed was thrown into a pit of despair and pain that no mother should ever experience. In a bid to make sense of what had happened, she committed that she would turn her daughter's tragedy into a legacy of hope and inspiration. Ahmed and her daughter had shared a passion for causes that could change the world and had made a pact that one day the two of them would start a charity together.

Ahmed envisaged creating businesses and organizations that would do good in the world and would honor the commitment her and her daughter had shared. Ahmed launched a trust in her daughter's name and began fundraising. Those funds went into establishing the Halimah School of Excellence and the Halimah College in Pakistan, which provide education for hundreds of vulnerable girls.

In 2011, Ahmed saw the potential for entrepreneurship to impact even more people. After inaugurating the girls' schools, she was sitting in an airport lounge in Lahore when she read an article about the plight of women in refugee camps and the practical issue of how hard it was for women menstruating without access to sanitary products. Ahmed had found an issue that she could work on and launched Gift Wellness in 2012, with a vision of sending container loads of products to these women, funded through the sale of high-quality products in Europe. Gift Wellness offers a range of toiletries and sanitary products made with a total commitment to wellness, the environment and society. Not only are the products made with the finest ingredients, but every purchase helps to fund a gift of sanitary products to women living in refugee camps. To date, Gift Wellness has given over 5.5 million sanitary kits to women living in hardship.

Additionally, Ahmed and her team are on a mission to eradicate plastic from bathrooms. She has researched and developed ways to remove plastic packaging and waste from her products at scale, while enhancing the quality and results each product delivers. Her business helps women's health, removes plastic from bathrooms and solves an important problem for women refugees.

Doing all of this in under ten years requires drive, passion and relentless innovation that can only come from someone who has a burning mission inside them, and Ahmed believes she is only just getting started. Her vision and mission has never been stronger and her commitment to work together with her daughter to create a positive legacy is helping millions of women globally. She's connecting women and girls from the most upmarket bathrooms in Mayfair to the most difficult camps on the Syrian border.

Source: Zareen Ahmed, 'The Gift of Wellness story' and WEF³⁹

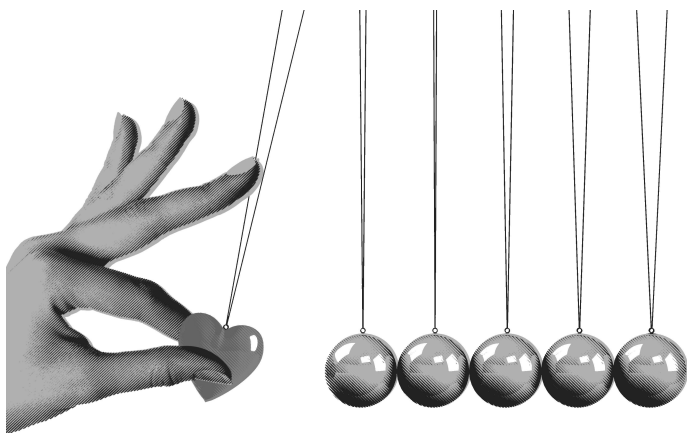
Summary

Capitalism is the greatest economic system that the world has ever known, but it's just not working the way it should be. It has fallen off course and this has left the world in disarray. But it's not too late to fix things. Capitalism itself provides all the resources with which to change, it just needs to be re-imagined. Entrepreneurs will be the vehicle for this.

5

Mission-Led Business

Special contribution by Daniel Priestley



Small businesses are making huge impact. They are changing the world in an important and meaningful way, improving people's lives, enhancing the environment, protecting animals, reducing waste and spreading a powerful message.

Not so long ago, improving society or the environment was nobody's business. No one took an active role in making the world a better place. It was every person for themselves and the world seemed like it had unending resources that could not possibly be squandered.

In the nineteenth century, governments began to recognize that big companies could externalize costs to society or the environment in order to maximize their profits for shareholders. This didn't seem fair and many governments began to pass laws to offer protections. In the twentieth century, even big businesses started to raise the alarm that certain practices wouldn't be sustainable. Progressive multi-national corporations accepted that paying workers a livable wage, caring for communities and the environment was all part of investing in a future that would be best for everyone, including the shareholders.

As we move deeper into the twenty-first century, we are seeing entrepreneurs, startups and small businesses becoming a force for good in the world. Small companies with fewer than 100 employees have the power to think globally, act locally and make a difference.

Small businesses are in a unique position to make change in the world. The shareholders are normally the people running the business day to day. They do not need special approval to spend money on community-focused activity. Often the person leading a small business has the latitude to focus on more than just making a profit – they are free to spread a message or work with a supplier who fits with their personal values.

Because there are hundreds of millions of small businesses globally, the mission-led startup movement is powerful and it is shaping our world one community at a time. It's time for large businesses to join in, too. Getting mission-led businesses of all sizes focused on solving more meaningful problems will ultimately lead to a better world and a better economy.

What is a mission-led business?

A business can be mission-led in the following five ways:

1. The nature of the business itself

A mission-led organization is engaged in a business that is good for the world. It might be reducing waste, preventing harm or providing important services to people who need them. There's little point, other than atonement, in running a business that is terrible for society but gives some money to charity. To be a mission-led business owner, you must be constantly moving your company towards what's best for our shared future as well as the bank balance.

2. The way the business runs

An important factor for a mission-led business is making sure things are running in a way that everyone can be proud of. A mission-led business owner runs things in such a way that they would welcome a team of reporters in to take a closer look. They would not fear being caught out doing the wrong thing by employees, the community or the environment – if there were complete transparency, the leadership team would be proud of how things operate. In the age of the smartphone and social media, this isn't just a nice thing to do, it's a way of safeguarding the businesses reputation. Mission-led businesses empower their team and their customers to find ways to improve their operation in small and big ways.

3. The influence of the business

A mission-led business, even a small one, can have huge influence. It can influence its suppliers, customers, staff, community and even the world to do things differently. It can raise funds for charity, produce thought-provoking social media content, request better practices from suppliers or educate the market about important considerations inherent in the sale.

Businesses that have influence like this not only feel good about it, they end up hiring more talented people, building stronger brands and turning customers into loyal fans.

4. The use of the business's unused resources

Every business has excess capacity that could be used to fuel a positive mission. A business might have talented people, technology, intellectual property, excess stock or useful training materials of enormous value. Directing this capacity towards charities, social enterprises or promising startups fuels the move towards a world that works for everyone. The term 'pro bono' is derived from a Latin expression meaning 'for the public good'. A business working with that in mind, putting unused resources to work pro bono, would certainly be mission-led.

5. The donations the business makes

Mission-led businesses look for ways to make strategic donations or investments in line with their broader outlook. Well-selected donations are actually investments of a different kind – the return on investment can be manifold and include a better community, better markets, happier employees and, of course, a better world.

The idea that we are all in this together is patently obvious when we zoom out to view the earth as a whole. It's not possible long-term for businesses to succeed if the majority of people are poor. There's no point in making profits if the natural environment collapses. Morally and financially, bankrupt societies have never lasted long and it never ends well for the rich and powerful who failed to take action. With wealth, influence and power comes the responsibility to think long-term and focus on a mission that benefits everyone.

6

The Mission Corporations



In the last chapter we looked at the five aspects of mission-led business, which entrepreneurs and business owners will need to embrace to flourish in the future. Now we're going to examine exactly what a Mission Corporation is and consider how Mission Corps – or M Corps – will shape the future of business.

Going global

One reason why some of the ethical principles of capitalism have become lost is simply because there are now so many more people in the world than at the time when Smith was writing. This has changed the role of business itself within the economy.

Back in the 1700s, the world was a lot smaller, the economy was smaller and you had a personal relationship with the people you were doing business with. So the local community was a more powerful influence on the conduct of any business. With globalization and the massive increase in the world's population, transactions have become faceless and many people don't mind taking advantage of their competitors because they don't know them personally.

The pursuit of wealth and profit at the expense of all else has become the norm. It's been OK for businesses to cut corners, exploit workers, short-change suppliers and degrade the environment as long as they made money. The popular modern management theory that people will only act according to their own self-interest has seen both business and society deteriorate rapidly. But now that's starting to change. In an evolution of the traditional local community, social media has helped shine a light on the inner workings of business. Consumers no longer want to buy from organizations that are operating unethically or that are exploiting stakeholders for their own gain. Business is so instrumental in the world today that it has a responsibility to do the right thing and to do its bit to create a fairer society.

Traditionally, there's been a view that you've got society and social justice on one side of the equation and the economy on the other side. What's happening now – and this will become even more evident in the future – is a shift to a new way of thinking where social justice and the economy are no longer viewed as being diametrically opposed but are seen as being on the same side.

Historically, there's always been a polarization between liberalism and conservatism. So if you're for social justice, you're a liberal and if you're for free markets and low taxes, you're a conservative. The Mission Corps movement is a blending of the two ide-

ologies. We believe that contemporary capitalism will have to be a more compassionate form of capitalism, where you're combining a liberal's heart for justice, with a conservative's mind for money.

There has been some movement towards this already with 'stakeholder capitalism', but with Mission Corps, we're trying to move even further.

WHAT IS STAKEHOLDER CAPITALISM?

Stakeholder capitalism is an economic system in which corporations serve the interests of all their stakeholders. Key stakeholders include customers, employees, suppliers, shareholders and local communities. With stakeholder capitalism, a company's purpose is to create long-term value rather than maximizing profits for shareholders at the expense of other stakeholders. It's a more ethical approach to business.

What is a Mission Corp?

A Mission Corp is a business that puts its purpose, or mission, at the center of the business through real actions and has entrepreneurial values of disruptive innovation at its core. There are seven declarations that a business will have to publicly sign up to in order to be considered to be a Mission Corp, and these declarations are all aligned with stakeholder interests.

Through specific actions, and through the adoption of a Mission Corp structure, the business undertakes to align all stakeholder interests by making all employees owners of and contributors to the success of the business.

Mission Corps are forced by their very nature to give back. If you run a Mission Corp, your business will give back to society and to your stakeholders. If you're not giving back, then you're not running a Mission Corp.

For a true Mission Corp, innovation has to be at the heart of its purpose or mission. Mission Corps are fueled by innovation and produce solutions that offer faster, cheaper or better alternatives to what has been offered before. They disrupt the old ways of doing things and democratize the markets they are in.

Mission Corps are aligned with stakeholder capitalist principles, but our mission-based philosophy goes further than that. Stakeholder capitalism is targeted at larger corporations, with the emphasis being on reported earnings and board-led decision making. While we agree with the principles behind stakeholder capitalism, our philosophy is focused on new businesses and businesses that are innovative from their conception. It's not so much about the big multinationals.

Our Mission Corps movement is based on a constitution consisting of real declarations the company makes. The declarations, which we will set out in detail in chapter eight, are more than just a statement of intent – they are concrete, practical steps that a business needs to follow in order to be considered a Mission Corp.



In chapter four, we wrote about the rise of the entrepreneur and how entrepreneurs will be the catalyst for the types of changes that we’re talking about here. We’re already seeing that happen in a lot of places, but in order to encourage an even greater take-up of these principles, there has to be some kind of incentive for people to become entrepreneurs, and more financial support for mission-based startups.

We were deeply impressed by the UK government’s decision to reward entrepreneurship in the UK by creating Entrepreneurs’ Relief (ER), a tax scheme

designed to incentivize people to grow a business.⁴⁰ It is imperative that we see similar initiatives introduced in all countries around the world. In this case, you would really start to see a proliferation of Mission Corps in the world and this would result in positive global change. If companies that are doing the right thing for their stakeholders, their teams, and their communities could be rewarded for this through tax incentives, they would be able to grow more rapidly and effect real change.

After all, why should a hedge fund trader that shorts the stock market and creates nothing of value have the same tax treatment as entrepreneurs who are literally trying to change the world, hire people, and innovate? Why not grant Mission Corporations 10% corporate and capital gains tax as long as they have adhered to the Mission Corps declarations? What we're talking about here are economic changes at policy level that will cause global change and improve everyone's lives in the long-term.

Just like we have personalized credit scores that affect our ability to get better rates and incentives for goods and services we purchase, every taxpayer should have a tax score that rates their impact to society economically and socially. Mission Corp entrepreneurs and their team members would be rewarded for their impact and thus have a lower tax rate.

If the rest of the world could take the same approach as the UK, and embrace the idea of rewarding and incentivizing entrepreneurs and the angel investors that support them, we could start to see things change more rapidly all over the world.

The first wave of purpose-based businesses began with consumer-related businesses. Companies like Patagonia donated to rainforests,⁴¹ Tesla raised the profile of global warming,⁴² La Colombe promoted fairness to suppliers,⁴³ and Starbucks declared they wanted to change the world ‘one cup of coffee at a time’. In the future, it won’t just be consumer-related companies that will be doing their bit to make the world a better place – we’ll see evidence of this model in B2B businesses too.

B Corps versus M Corps

In chapter three, we examined the principles behind B Corps (Benefit Corps). While these principles are admirable, they don’t go far enough, in the same way that stakeholder capitalism doesn’t. Mission Corporations – or M Corps – take some of the same philosophy of the B Corp but expand on it and push it further through specific and real actions we call ‘declarations’ and by embedding systems and structures to support them. It is not solely about the environment or about saying the right ‘change words’ to get certified.

With M Corps, the business *is* the purpose. It's not about balancing purpose with profit, it's about the purpose. M Corps want to bring businesses into the twenty-first century and align them with the entrepreneurial values discussed earlier. You could say that M Corps are next-generation B Corps. B Corps helped set the stage for what we're trying to do now with M Corps.

You can be both a B Corp and an M Corp, but an M Corp is further along structurally in terms of its purpose. But a business that hits all the criteria of being a B Corp is not necessarily going to be able to hit the criteria of an M Corp. M Corps are different from B Corps, in that the whole business of an M Corp is structured around its purpose, its mission. It is action-oriented, fundamentally.

A true M Corp encapsulates all the qualities of being an entrepreneur. There's purpose, a desire to make the world a better place and to work flexibly and creatively. In time, we'll have a state of affairs whereby M Corps interact and do business with other M Corps and will actively choose to work with those businesses that reflect their own values.

We know the values that millennials hold dear are equality, happiness and purpose and research tells us that there's a direct correlation between finding happiness and having a purpose.⁴⁴ M Corps embed this idealism into the very structure of the business, so

they embody the values of millennials and the zoomers coming up behind them.

M Corps are going to provide millennials, zoomers, and later generations of workers with the structure in which to operate and realize their purpose. Those who are fed up with life as it is will know that if they go and work in an M Corp, or if they found an M Corp of their own, they're going to be able to achieve both purpose and happiness in their lives by virtue of the structure that they'll be operating in and hopefully be incentivized by government tax systems in the form of lower capital gains and corporate tax rates to do the right things.

UNITED NATIONS GLOBAL GOALS

A business needs a purpose beyond making money. Without a clear purpose, the enterprise either loses direction or develops a culture of opportunism.

A brilliant 'hack' for discovering a clear purpose is to use the United Nations Global Goals [for Sustainable Development] as a framework for tuning in to what really matters and where your business could make a bigger impact.

There are seventeen Global Goals to choose from; each has a main focus as well as deeper objectives and values to focus on.⁴⁵ Whether your business is small or large, each of the Global Goals can be addressed in a way that's relative to your business size.

THE MISSION CORPORATION

I encourage business leaders all over the world to choose their favourite Global Goal and then make a dent in solving it.

Here are examples of entrepreneurs within my network who have aligned their business to a United Nations Global Goal:

Neil How is the owner of an award-winning business called Limelight Consulting. Neil aligns his business to Global Goal 4 – Quality Education. The business deploys SAP related projects for FTSE 250 companies in London. For every day of consulting the firm bills, a child in the developing world is given a month of quality education through a partnership with Buy One Give One (www.b1g1.org). In 2018, over 15,000 children were educated as a result.

Antoinette Oglethorpe runs a training and coaching business which is aligned to Global Goal 8 – Decent Work and Economic Growth. The business primarily works with service organizations that rely on people for their success. Through leadership coaching, mentor training and career conversations programs, Antoinette helps organizations engage, retain and develop their people. The impact of this is empowered, productive employees, who deliver results and create growth.

Alexander Seery is founder of a company called Shifts to Success and author of *Police Officer to Entrepreneur*. Shifts to Success is aligned to Global Goal 16 – Peace, Justice and Strong Institutions. The business provides skills training and personal development for ex- and serving police officers in the UK. A portion of revenue is also allocated to charities abroad through the organization Buy One Give One.

Ray Littlefield has a management consulting business which is aligned to Global Goal 11 – Sustainable Cities and Communities. The business facilitates change for large, family-owned organisations that are the primary employer in small towns. The impact of this is to regenerate the town and local community by creating a strong and expanding central business.

Mark Escott has a business called Life Chance Education which is aligned to Global Goal 4 – Quality Education. The business is a therapeutic education provider that specialises in working with young people and families who have experienced trauma in their lives. It is committed to transforming the life chances of the young people and families it works with. It does this through its growing chain of independent day schools as well as a multidisciplinary therapeutic service that assess young people and families with a range of behaviour difficulties, emotional health difficulties and affected by trauma.

Richard Hose has a business called Intellico Dishwashers & Glasswashers, which is aligned with Global Goal 14 – Life Below Water. The business transforms restaurant dishwashing areas. They formulate the dishwasher chemicals so that these kitchens minimise their impact on waterways.

Helen Appleby is a Women's Leadership expert aligned to Global Goal 5 – Gender Equality. She teaches 'The Unwritten Rules of Women's Leadership' which helps women navigate and succeed in corporate life and helps companies build more diverse and stronger leadership teams.

Iltaf Khaliq has a business called IJK International which is aligned to Global Goal 8 – Decent Work and Economic Growth. The business works with technology, business, NGO and government bodies to build sustainable incomes for both local Jordanians and the three million refugees given shelter by the Hashemite Kingdom of Jordan, through the creation of banking and technology centers of excellence for the Middle East with the intention of increasing Jordan's GDP per capita by ten over the next fifteen years, from \$4,000 per annum to \$40,000 per annum.

Lucy Barkas is founder of 3WH, a leadership and team development consultancy, which supports Global Goal 5 – Gender Equality, and Global Goal 8 – Decent Work and Economic Growth. The business donates 10% of its profits to Lend With Care (lendwithcare.org) and Lucy serves as a business ambassador for the charity. Lend With Care supports female business owners to become self-sufficient and empowered, creating a ripple effect in their communities.

Mary Grant has a business of the same name which is aligned to Global Goal 12 – Responsible Consumption and Production. The business is a womenswear fashion brand that encourages customers to buy less fashion, not more. It creates impact by producing limited quantities and encouraging clients to build 'capsule wardrobes'.

Stacey Kehoe has a business called Brandlective Communications which is aligned to Global Goal 10 – Reduced Inequality. The digital agency creates impact by giving one day of a human rights worker's wages for every new client they sign and thirty days of access to basic living requirements such as food, water and

shelter to those in developing countries for every thirty-day contract they complete.

Robert Hessel is the founder and CEO of Source 1 Solutions (a security systems provider) and he is the author of the book *Safe City*. His business is aligned to Global Goal 11 – Sustainable Cities and Communities. Source 1 Solutions pioneers security systems to keep people and property safe and donates to charitable causes in the community.

Mark Burgess is the CEO of Iceberg Digital, which is aligned to Global Goal 4 – Quality Education. The business offers marketing automation and AI software for Real Estate Agencies. For every client Iceberg Digital serves, an underprivileged child is given access to an education they would otherwise not receive. Already this impacts hundreds of children.

Anna Maxwell has a business called Maxwellia which is aligned to Global Goal 3 – Good Health and Well-being. The business converts prescription-only medicines into versions that people can buy in a pharmacy or supermarket. Their aim is to widen access to medicines so people can look after themselves without adding pressure to already burdened GP clinics.

Jeroen van de Waal is the author of *Together We Can Turn Tides* (Rethink Press, 2017) and has a dive school called OrcaNation, which is aligned to Global Goal 14 – Life Below Water. The business takes groups of school students from around Asia and teaches them to dive, alongside educating them on ocean conservation. His aim is to ensure every family falls deeply in love with the ocean.

Consider that a strong purpose in your business won't just make you feel good, it will engage your team, your customers and might just change the world.

Adapted from Daniel Priestley, 'The power of aligning your business to a global goal'⁴⁶

B Corps are great for encouraging and rewarding service-led leadership or service-oriented leaders, but we want to go further. We want to create a workable structure for mission-based, purpose-driven businesses that incorporate entrepreneurial values, and where giving back to stakeholders is an inbuilt fundamental.

Summary

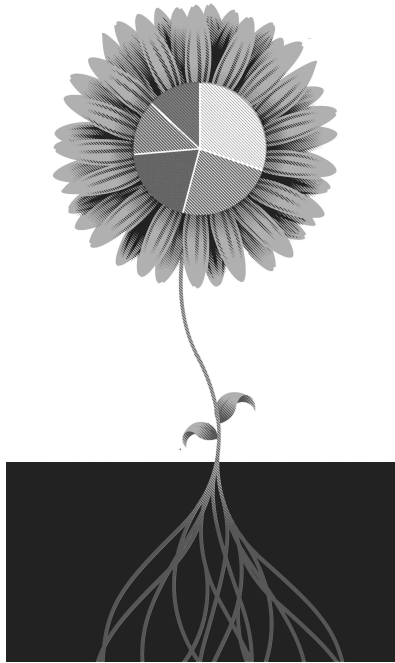
There's an important distinction between a B Corp and an M Corp. For B Corps, business comes first and purpose (historically predominantly focused on the environment) comes second. For M Corps, the purpose *is* the business. As such, M Corps follow more an entrepreneurial model than a traditional business model.

In the next chapter, we're going to introduce you to a business that absolutely encapsulates the philosophy of an M Corp, so you can see how these values work in practice.

7

The Business Of Giving Back

With Rob Pace



One thing that will distinguish the mission-based businesses of the future from the businesses of the past will be their ability to listen to their stakeholders.

Traditionally, corporations have been managed from the top down and from the inside out. Usually a few powerful people at the top are the ones who come up with the strategy and this is fed down to everyone else in the organization, because the people at the top have been there for thirty-plus years and they think they know best.

The successful organizations of the future will realize they need to be structured differently, from the bottom up and from the outside in. The rate of change in business is so great now that there are no single experts anymore. The crowd is now the expert. That's why organizations will have to be designed around stakeholder input. This is going to be a great leveler for a whole lot of issues, especially diversity.

The business of listening

Listening has to be at the core of business because it is going to do more to create good outcomes than anything else. In the old world, the only voice that had any relevance in the business conversation was the shareholder. The new world will be co-designed with teams, and it will be the stakeholders who have the most relevance in the conversation. With teams, everyone participates and everyone has ownership. Culture will not be driven from the top down, but will be created via networks within the organization. But to build the network, you need to listen. You can't have a successful network if you're not listening.

A recent study into salespeople concluded that the best salespeople were not the ones with the fancy lines, nor the ones who were most persistent. The best salespeople were the ones who truly listened.⁴⁷ The study found that salespeople who listened more than they talked made more sales than the ones who didn't.

If we apply these findings to business more generally, we can understand that in the future, businesses that do not listen, that rely on persuasion or place too high an importance on advertising, will not be as successful as the ones that do.

HundredX – an M Corp in action

One business that truly understands the importance of listening is Rob Pace's company, HundredX. HundredX is also a really good example of an M Corp, because with HundredX, Rob has made it his business to give back.

WHO IS ROB PACE?

Rob Pace is the CEO and founder of HundredX. He's also a former partner at Goldman Sachs and National Chairperson of the Salvation Army. Rob founded HundredX in 2012 with the ambition of establishing a startup that would synthesize doing business with doing good. Rob saw an opportunity to create a business that was based on outcomes rather than products and sales, and HundredX was born.

HundredX started out as an idea which was perhaps more of an interest and a passion than a business. Rob developed the idea around what he felt was an important need for society and a good business opportunity. The underlying issue of many businesses' failures is the inability to listen. It has so many derivative implications, and so HundredX was born out of a desire to teach businesses how to listen more carefully.

Businesses often obtain feedback by asking stakeholders to complete surveys. But with surveys, you have blind spots and you don't always hear what's

important. Listening is designed to ask the question, ‘What should I know?’, where surveys just don’t cut it.

In the future, if you want to win in business, you’ll need to connect with and provide the right products at the right time to a fast-growing demographic. When you listen to the wisdom of the crowd, you’ll start to solve a lot of the problems of modern capitalism such as racism and inequality. At the moment there are so many people around the world who are not heard and this needs to change – and it will.

WHAT DOES HUNDREDX DO?

HundredX is a technology company that generates crowd-sourced insights into leading businesses and brands. Rob Pace founded the company after realizing that the most important skill in business and investing was the ability to listen, and HundredX is a technology company with listening at its core.

HundredX replicates how human beings listen with technology. Technology has the ability to help us to do great things, but it also depersonalizes our relationships. HundredX offers a personalized and empathetic technological solution for gaining meaningful insights from stakeholders.

The technology at the core of HundredX is designed around the question of ‘How would the best human do it?’ and then replicates that experience. It does this by harnessing the power of the emoji and enabling users to skip questions they don’t care about. It’s more intuitive and far more practical than a survey, and

obtains specific, high-value feedback by asking open questions that users are able to skip if it's not relevant to their experience. Because the technology replicates how humans communicate, response rates increase dramatically, which means you get much better insights from the crowd. Organizations are able to filter through the noise and understand the feedback that matters.

What makes HundredX an M Corp business, though, is not just its game-changing innovation and its focus on listening to stakeholders. HundredX also gives back to non-profits every single time it receives data from its users. Users are incentivized to provide feedback, because when they do, HundredX donates \$2 to a non-profit of their choice. So non-profits win, businesses win and consumers win.

Source: Hundredx, 'Creating a world where people are heard'⁴⁸

The business of giving back

Business does not have to be inward-looking. It can look outwards, and you can still have a good and profitable business that does more than simply generate profit. We're moving into a situation whereby people are starting to look beyond the money and outside of themselves and towards their communities. In the future, everyone will look outwards a bit more, and this will be the same for businesses.

The more successful HundredX is as a business, the more money is going to be given away, and the more companies will learn about their customers. Businesses will have the information they need to understand how they can do things better.

Another benefit of HundredX's model is that by listening and by giving back, relationships between the business and its stakeholders are strengthened. We see a shift from the finite game of 'I win, you lose', to an infinite game where a living, breathing organization is constantly evolving to reflect the different values, wishes and desires of its different constituents, its community, its customers, its shareholders and its environment.

The river of business

If you look at how business works, you could compare it to a river. The river of business flows from advertising at the top, on to purchase, then to payment, and at the very bottom, you find this awkward survey. It's a clunky add-on: 'How did we do?' Well, that's not really listening. We know that people generally don't like to complete surveys and the information you receive from surveys is not always targeted or useful.

In the future, the river of business is going to flow in the exact opposite direction to how it does now. In other words, you won't be able to sell something

unless you're producing the outcome that people want. Consumers are going to buy based on the truth, and the truth will be based on outcomes. They'll be able to see 10,000 other outcomes that will tell them whether this product will work for them. The world's going to move from perception driving reality, to reality driving perception. That's a big difference and will lead to a much better world.

Historically, the river of business has flowed from advertising that tries to change people's thoughts and manipulate their behavior. In the future, the role of advertising will not be to try and convince you to buy a product, it will be to match your desired outcome with the product. Advertising will be less about persuasion and more about communication. It will be about finding the right outcome for you by listening closely to what you want. Businesses that understand this will show you how and why they solve your problem rather than trying to either convince you of something that might not be true or persuading you to buy something that you really don't want or need.

Summary

In the future, successful businesses will be the ones that are founded on a clear purpose, are outcome-based and that listen to their stakeholders.

The insights you're able to gain by listening have many implications and have a profound role in building business around what matters outside of the organization, in the world of the customer.

8

The Seven Declarations



In this chapter, we're going to set out the Seven Declarations of an M Corp. These declarations will take the form of specific actions that a business will need to take to be considered an M Corp.

An M Corp brings together younger and future generations of leaders and promotes ethical business values. M Corps provide stakeholders with an ethical framework of specific actions and a robust structure, which lead to inbuilt equality within the organization. M Corps begin with the end in mind, both for the markets they want to democratize and for the stakeholders they will serve.

The Seven Declarations should be displayed publicly in the organization and shared with stakeholders, so that the whole business model and the organization's core values become transparent and accessible to everyone. They are not just simple mission statements, or a changing of the term 'shareholder' to 'stakeholder' – these declarations are hard and fast rules for M Corp membership and, for some organizations, will require a restructuring of the organization from within.

With the Seven Declarations, you can't hide behind fake mission statements because your values are public and your values are intrinsic to the core of the business. If you don't make these declarations then you're not an M Corp, and if you make these declarations but don't abide by them, then you don't stay an M Corp.

Signing up to the Seven Declarations shows the world that a business truly lives by its values and is committed to the values of an M Corp.

The Seven Declarations

Every Mission Corp promises to uphold and implement the following changes to their corporate, capital, and operational structures:

- **Declaration One** – The organization will have a publicly stated mission or purpose that is beyond just economic gain or profits. The organization commits to using its business to positively democratize, change or disrupt a market, an industry, or a product set.
- **Declaration Two** – The organization will establish an equity or stock option grant plan where every full-time team member will receive equity. At least 10% of the organization's total shares, stock equity and/or option grants will be shared in this way upon becoming a Mission Corps or M Corps.

- **Declaration Three** – The organization will establish a ‘3-2-1 program’. 3% of employee time will be dedicated to charities or causes the company supports. 2% of all net income will be contributed to these same causes. 1% of the equity in the form of stock options or equity of the business will be contributed to these charities, or to charitable causes that support at least one of the seventeen United Nations Global Goals for Sustainable Development.
- **Declaration Four** – The organization commits to establishing a merit-based performance culture. The team will be measured against the organization’s core values for compensation, promotion, and recognition.
- **Declaration Five** – The CEO of the organization will not make more than twenty times the base salary of the organization’s lowest paid full-time employee.
- **Declaration Six** – The organization commits to creating a diverse and inclusive executive team, and the board of directors will have at least one director that is external to the organization.
- **Declaration Seven** – The organization will invest in its human capital and will provide training opportunities to all team members. The organization will contribute \$1,000 per team member per year towards their continuing professional development.

Unpacking the declarations

Declaration One – Purpose

The first declaration is important because it requires an organization to publicly state its purpose, which must be socially conscious. This represents a huge, public commitment to Mission Corp values and states clearly that the organization is concerned with the welfare of all its stakeholders and with more than economic gain.

CASE STUDY: DEVELOPER.ONE

Developer.One was created by technology and IT services entrepreneur Alex Zhitomirsky to change the way corporate software development innovations are purchased and delivered. Alex had created a successful IT consulting business with his firm Valex Consulting, but he saw an opportunity to create a mission-led business that could revolutionize the market.

Alex observed that there were two problems with the IT services market and both were a product of unfairness. First, he saw that the best engineers and developers were leaving to start their own software companies or consulting firms and, second, that clients of IT services firms took on all the risk of using unproven or new technologies. Developer.One was born out of desire to change the market and enable their consultants and engineers to participate directly in the profits of the projects they work on as 'co-owners of their innovation'. Developer.One also helps its clients by sharing both the

risks and the rewards on every project they deliver to ensure there is a balance of risk.

Developer.One calls itself a 'venture development' and looks to revolutionize a \$1 trillion dollar industry by treating clients and team members more fairly.

Source: Developer.One, 'Software can change the world'⁴⁹

Declaration Two – Sharing equity

The second declaration requires an organization to establish an equity or stock option grant program where every full-time team member receives equity in the business. 10% of the company's shares should be divided among full-time team members.

CASE STUDY: SAFEGUARD SCIENTIFICS

Pete Musser was a venture capitalist and founder of Safeguard Scientifics. When he invested in companies, he made sure they established an employee stock pool, so that every employee would have a share of the stock. When Safeguard Scientifics went public in the 1960s, for every ten shares they sold, it invested in budding innovative companies.

Source: United States Securities and Exchange Commission, Safeguard Scientifics, Inc⁵⁰

Declaration Three – The 3-2-1 program

The company will establish a 3-2-1 program that promises to dedicate at least 3% of employee time to non-profits outside of their business pursuits. 2% of a company's net income will be donated to charitable causes. 1% of the stock from the 10% of the stock option pool will be donated to non-profits or a charitable foundation supporting at least one of the United Nations Global Goals.

CASE STUDY: SALESFORCE

The 1-1-1 model pioneered by Salesforce is the inspiration for the third declaration. Marc Benioff implemented it to leverage his company's technology, people and resources to improve communities throughout the world. Under this model, 1% of the company's equity, 1% of its product, and 1% of employees' time is dedicated back to the community.

Sources: [salesforce.org](https://www.salesforce.org)^{51/52}

Declaration Four – A merit-based performance culture

The company commits to establishing a merit-based performance culture and embeds core values that the team will be measured against for compensation, promotion and recognition.

CASE STUDY: CAMBRIDGE TECHNOLOGY PARTNERS (CTP)

Cambridge Technology Partners (CTP) was one of the first publicly traded IT services and consulting firms. CTP was an innovative disruptor and turned the industry on its head by introducing a unique pricing model that allowed clients to access fixed-time and fixed-price engagement models for the first time.

CTP was committed to having a merit-based performance culture and they invested heavily in their human capital. The organization implemented a flat merit-based system whereby their consultants were judged on the effectiveness of their engagement (client feedback), their skills (manager feedback), and how well they fit the culture (organizational feedback). CTP was ahead of its time with their focus on culture and performance and its team of consultants came from very diverse backgrounds.

Eventually CTP merged successfully with Novell (led by Eric Schmidt), but it's worth noting that CTP created a billion-dollar business in fewer than ten years, largely as a result of its merit-based performance culture.

Source: Cambridge Technology Partners, Inc. History⁵³

Declaration Five – Limiting the wealth gap

This declaration requires that the organization prohibits the CEO of the company from earning more

than twenty times the base salary of its lowest paid full-time employee.

This might sound radical, but addressing issues of pay inequality is not only the right thing to do for employees, it can also result in business growth because it appeals to consumers' sense of fairness, while also reducing the recruitment and training costs of the business because labor retention much improves.

CASE STUDY: DAN PRICE – GRAVITY

Dan Price is radical in his approach to equality of salary and made headlines for his commitment to paying each of the 120 employees of his company, Gravity, an annual salary of \$70,000. He took a hefty pay cut himself in order to do this. Price was inspired by a 2010 study by Princeton behavioral economist Daniel Kahneman, which found that 'while people did not feel happier on a daily basis as their income rose above \$75,000, they were decidedly unhappier the less they earned below \$75,000.'

Price found that both productivity and profits increased as a result of the salary increases and customer retention also soon rose from 91% to 95%. The rate of labor turnover also dramatically reduced.

Source: Paul Keegan, 'Here's what really happened at that company that set a \$70,000 minimum wage'⁵⁴

Declaration Six – Equality, diversity and inclusion

Declaration Six requires the organization to create a board of directors that has at least one director that is external to the business. This ensures that there's always a guard-rail in place to protect against a situation whereby the founders of the organization make decisions that are against the best interests of the organization or its stakeholders.

The organization is also required to strive to create a diverse executive team, which will ensure that the principles of equality and diversity are upheld and celebrated throughout the organization.

CASE STUDY: APPLE

Apple views its diversity as its strength, and diversity is a business strategy that is embedded within the organization. At Apple, 53% of all new hires in the US are from historically under-represented groups in tech, including women and people who identify as Black, Hispanic, Native American or Native Hawaiian and Other Pacific Islander.

Overall representation of women at Apple is increasing and it has achieved pay equity in every country that it operates in. As part of its commitment to achieving pay equity globally, Apple has also stopped asking candidates about their salary history.

Source: Apple, 'Different together'⁵⁵

Declaration Seven – Investment in human capital

The organization will commit to investing in human capital in the form of continuing education for all team members. The organization will contribute \$1,000 per year per employee for any online course that they select.

CASE STUDY: GOOGLE

Google cares about its people and tries its best to support their self-development. Google is employee-focused and has been since day one. Its employees are able to spend 20% of the time that they're in work working on private projects. Google provides free Wi-Fi to everyone within its community to enable this.

Source: A Robinson, 'Want to boost your bottom line?
Encourage your employees to work on side projects'⁵⁶

Supporting the M Corps of the future

In order to be considered a Mission Corp, an organization would need to sign up to all seven of these declarations. When they commit to these values, they will be rewarded, because customers will want to buy from them, people will want to work with them and investors will want to invest in them.

Our vision is that eventually M Corps will be rewarded by governments with tax breaks similar to the UK's Entrepreneurs' Relief program.

We know that the consumers of tomorrow will be more discerning, and, as more and more businesses compete in a global marketplace, customers will vote with their wallet and do business with those companies who best represent their values. Remember, you do better by doing good.

The Three Phases of the Mission Corps

The establishment of M Corps will work through three different phases:

Phase One: The launch of the Mission Corps – Today

Phase One begins with this book. As part of this phase, we'll be launching dedicated online resources including a website that will host dedicated resources to help businesses on the journey towards becoming Mission Corps. Our goal is to help to create thousands of Mission Corps in the years to come. You can access the website here: www.themissioncorps.org

We will also be establishing an online MBA program for entrepreneurs (www.gsvmba.org) and a bootcamp that will support this mission (gsvbootcamp.com).

Phase Two: Tax incentives and global Entrepreneurs' Relief – 2020–2030

Phase Two will see the introduction of government tax policies that will reward M Corps through lower taxes for doing the right things. We want to see a global extension and adoption of parts of the UK's Entrepreneurs' Relief program and are currently lobbying for changes to government policy in the US. Countries will begin rewarding entrepreneurs and their stakeholders through lower capital gains and corporate tax treatments for better behavior.

We believe entrepreneurs building M Corps should, and will, have the lowest taxable rate in business because they change society for the better.

Phase Three: Mission Corps capital – 2030 onwards

Phase Three will see the formation of dedicated funds to support the growth of Mission Corps. We anticipate seeing more businesses becoming M Corps and committing to the Seven Declarations as the pool of funds increases.

Capital allocation to M Corps will occur due to the superior performance they will have compared to other organizations. This movement will be similar to what we've seen happen with the Environmental, Social and Corporate Governance (ESG) and sustainability movements in the public markets.

Capitalism's new renaissance

With the support of governments and investors, it's possible that we could see the emergence of over 100,000 M Corps by the time Phase Three is complete.

We're looking forward to a new renaissance for capitalism, where business and the economy are fueled by purpose and driven by innovative entrepreneurs who look after their stakeholders, protect the environment and who, from the outset, are committed to doing good in the world.

Summary

Committing to the Seven Declarations will set organizations on a path that will only bring benefits to the business, its stakeholders and, ultimately, the world. Business does not have to be a game of winners and losers; it's possible that we can all win together.