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|  | | Letting Business Solve Social Problems | | | | |  | |
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|  | | | | Christine Baxter |  | | | |
|  | | | | May 8, 2021—Innovation through Technology—Mack Jackson Jr. |  | | | |
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|  | Abstract | | | | | | |  |
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|  |  |  | In today’s global environment enriched with innovative technologies, a person could wonder if a physical location is needed and whether business can really solve social problems. Even in today’s ‘remote’ world, the physical location of a business makes a difference in sales and potential future customers and/or employees. Our society is also facing many social problems ranging from climate change and inequality to not enough food and displacement of workers through automation as well as numerous others. Both items are discussed in more detail, elaborating on various facts, and including thoughts from well-renowned businessman Michael Porter. | | |  |  |  |
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|  | | Global Business – Physical Location | | |  | |
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|  | Does the physical location of a business matter? When thinking about the importance of a physical location for your business, there are many facets to consider such as the effect on employees, suppliers, customers, and the business itself. In addition, a physical location can provide a face-to-face experience for the customers as well as enable the customer to touch, feel, and try the product (Woods, 2021).  Choosing a physical location pushes a business to think about items like, will employees have easy access to coffee shops or restaurants, will customers feel safe during the walk to/from building, or will they have to pay for convenient, secured parking (Oppong, 2018). These are just a few of many examples that could encourage or discourage customers and employees to stay with, leave, or shop at your company.  Another area to consider is related to suppliers. Speed of product delivery can have a large impact on productivity and customer satisfaction so ease of access for your suppliers should be high on priority list. In addition, a business would want a physical location that is not only convenient but also attracts customers to increase sales and brand visibility.  Even in today’s ‘remote’ world, the physical location of a business can make a difference in sales and potential future customers/employees. Innovative technology solutions are allowing businesses with physical locations to bridge gaps such as having physical location and online access or a restaurant with pickup/delivery service. | | | | |  |

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|  | | Global Business – Solving Social Problems | | |  | |
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|  | Can business solve social problems? In 2021, we are facing many social problems ranging from climate change and inequality to not enough food and displacement of workers through automation as well as numerous others (Edmans, 2020). As Michael Porter mentions in his TED talk, solutions are being worked but we are not making enough progress due to inability to scale the solutions and are ultimately “…experiencing a resource problem” (Porter, 2013).  As a result, it is imperative that we work towards a new paradigm, one that has business as the solution versus it being the problem. Business generates resources through profit and that profit allows for scalability. Working to understand that purpose and profit are more aligned, that increasing/maximizing profits do not need to exploit society through cutting wages or hiking up prices, a company can have a primary objective of creating social value (Edmans, 2020).  Overall, profits are a by-product of serving society. Professor Alex Edmans article includes a great example of this in action. He mentioned that CVS renamed themselves to “CVS Health” and, at the same time, they stopped selling cigarettes since that product contradicted the company’s purpose of “helping people on their path to better health”. This decision cost CVS Health a $2 billion revenue stream, but it was the right thing to do, and was supported by their shareholders (Edmans, 2020).  According to Michael Porter, “Shared value is capitalism, but it’s a higher kind of capitalism one that meets important needs.” (Porter, 2013) Lastly, Professor Edman ended his article with the following conclusion: “To reach the land of profit, follow the road of purpose.” What a short but profound observation/statement (Edmans, 2020). | | | | |  |

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