

WHAT IS CONSCIOUS CAPITALISM?

Conscious Capitalism is a fast growing global movement around a business philosophy that has four key characteristics:

Higher Purpose: Business can and should be done with a higher purpose in mind, not just with a view to maximizing profits. A compelling sense of purpose creates an extraordinary degree of engagement for all stakeholders and catalyzes tremendous organizational energy.

Stakeholder Orientation: Conscious businesses are explicitly managed for the simultaneous benefit of all of their stakeholders, represented by the acronym SPICE: Society, Partners, Investors, Customers and Employees. A conscious business aligns the interests of all stakeholders, so that what is good for one is good for all. Society is listed first for an important reason: businesses must ensure that they are on the “right” side of society, that they have a positive net impact on the world.

Conscious Leadership: Driven primarily by service to the firm’s purpose, rather than by power or money, conscious leaders lead by mentoring, motivating, developing and inspiring people, not through command-and-control or the use of “carrot and stick” incentives.

Conscious Culture: Captured in the acronym TACTILE: Trust, Authenticity, Caring, Transparency, Integrity, Learning and Empowerment, the word tactile also suggests that the cultures of these companies are very tangible to their stakeholders as well as to outside observers; you can feel the difference when you walk into a conscious business versus one that is purely driven by a profit motive and just for the benefit of shareholders.



In our research (published in the groundbreaking book *Firms of Endearment: How World Class Companies Profit from Passion and Purpose*, Wharton School Publishing), we found that investors in companies that adhere to these principles outperformed the market by a 9-to-1 ratio over a ten-year period (1111% versus 123% for the S&P 500). These companies also outperformed the companies in the best-selling book *Good to Great* by a 3-to-1 ratio over a ten year period. Beyond financial wealth, these companies also create many other kinds of societal wealth: more fulfilled employees, happy and loyal customers, innovative and profitable suppliers, thriving and environmentally healthy communities and more.

The Conscious Capitalism movement now includes numerous CEOs and thought leaders globally. The movement has a fast growing presence in Europe as well as in Asia, particularly India and South Korea. The knowledge hub of this movement is the Conscious Capitalism Institute (CCI), whose mission is to conduct research, develop teaching materials and create management development programs to further the spread of Conscious Capitalism.

For more information on Conscious Capitalism or the work of the Conscious Capitalism Institute contact raj.sisodia@consciouscapitalism.org or visit consciouscapitalism.org.