

Responsible Business Forum: Making Business Mutual

12 -13 May 2017

Saïd Business School, Park End Street, Oxford OX1 1HP, United Kingdom

Introduction

Since 1970 when Milton Friedman first proposed what is now known as the Friedman Doctrine – that the purpose of business is ‘to make as much money as possible while conforming to the basic rules of society’ – the question of the contribution of business to society has been increasingly questioned.

Financialisation, the economic and financial crisis of 2008, growing awareness of the impact of business on the environment, and concern about the role of business in addressing human and social problems has led to a re-evaluation of the purpose of business. Nevertheless, the short-term financial interest of shareholders and the measurement of value creation on the basis of financial metrics prevail.

Partnerships

The *Responsible Business Forum: Making Business Mutual* is part of a joint research programme on the Economics of Mutuality between Saïd Business School and the Catalyst think tank at Mars, Incorporated, the global food and beverage company. The Economics of Mutuality journey began in 2007 when the Mars leadership – one of three shareholders of Mars – posed the question what is the right level of profit for the company. Catalyst was asked to address this and the outcome was a recommendation that evaluations of the prosperity of the company should not be restricted to narrow financial metrics but also encompass other forms of capital, notably human, social, natural, and shared financial capital – the way in which value is distributed. Catalyst has subsequently examined whether putting mutuality – the interests of others – ahead of profit maximisation can generate more value for both stakeholders and the company than traditional profit maximisation in the context of a number of pilot projects.

In June 2014, Mars Catalyst and Oxford University’s Saïd Business School signed a multi-year joint research partnership agreement to co-develop a business management theory for the Economics of Mutuality with corresponding teaching curriculum, new management practices, and business case studies. Together, Oxford and Mars are poised to crack this breakthrough approach and are now exploring how to make businesses based on Economics of Mutuality self-sustaining and scalable and assess how this approach to value creation can travel across businesses by inviting other companies to join the research programme.

Purpose

This is the second responsible business forum at the Saïd Business School. It is about real-world examples of what works and what fails in the pursuit of profitable responsible businesses and who

benefits and losses from it. It involves subjecting actual cases and examples of what companies have done and are doing to in-depth analysis and assessment. It will provide a comprehensive oversight of how companies can and are seeking to adopt mutual business practices and where they fail to do so.

It will establish when, how and why doing good is good for business and how the best businesses do good through the co-creation of commercial and social benefits. The objective of the Forum is to inform everyone present about the determinants of successful responsible business and how the adoption of mutuality principles and the Economics of Mutuality approach to value creation can contribute to the commercial success of firms.

Presentations

The Forum will examine a series of cases that describe specific examples of the ways in which companies have attempted to adopt mutual approaches to business. Mutual companies in this context satisfy two criteria: (a) they expound explicit purposes or values that reflect objectives beyond pure financial performance, and (b) they demonstrate a serious commitment to implementing them through their ownership, governance, and leadership, measurement, and management practices.

Implementation will be illustrated by the presentation of cases at the Forum that record the nature of the activity, how it is undertaken and how it is reflected in human, social, and environmental as well as financial benefits. The cases will illustrate examples of failure to implement responsible activities as well as successes.

In addition there will be a series of master classes that will provide in-depth analyses of how Economics of Mutuality can be implemented. They will consider the measurement of different forms of capital (namely natural capital, social and human capital, and shared financial capital and how these metrics are correlated with each other), the process of business ecosystem shaping, innovative business practices, leadership, business education, and policy formulation through laws and regulation that promote mutual conduct.

There will be panels on mutuality in the innovative economy, on financial investment in mutuality and its governance and values. Throughout the Forum there will be presentations by MBA students and there will be a student led debate on mutuality.

Participants

There will be six classes of participants at the Forum: Oxford MBA students, faculty and thought leaders from around the world, the businesses participating in the presentation of their case studies, institutional investors, policymakers, and NGOs.

Participating senior business leaders, investors, and policymakers will derive as much benefit from attending the Forum as students. They will learn about the state of art of making social and sustainable activities commercially beneficial and viable. The Forum will therefore be a knowledge powerhouse for promoting transformational change and creating a movement to reform business for the 21st century.

Process

The Forum will be held over one and a half days on Friday, 12 May, and the morning of Saturday, 13 May 2017, at Saïd Business School, University of Oxford. There will be parallel presentations of case studies and master classes on mutuality on the Friday and the Forum will conclude on the Saturday morning with three panel sessions.

Day One

Friday 12 May

08:15-8:45

Registration and Coffee

Welcome

08:45-08:55

Colin Mayer Peter Moores Professor of Management Studies, Saïd Business School, University of Oxford, and **Bruno Roche** Chief Economist Mars, Incorporated and Catalyst MD

08:55-09:30

Responsible Business: Oxford MBA Students' Perspective on the Global Landscape
Maren Mende and **Yan Xue**

09:30-09:45

Introduction Day 1

Clara Shen Director of Emerging Markets, Mars Catalyst; **Kate Roll** Senior Research Fellow, Saïd Business School, University of Oxford

09:45-10.15

Refreshment Break

10:15-11:30

Paired Case Studies 1: Building purpose-driven and flourishing family businesses

Family Business Network Caroline Seow Executive Director, FBN Asia

Bel Group Valentine Fievet Vice President, Supervisory board, Unibel S.A. and Caroline Sorlin General Manager, Bel Access

Maua and Bloom: Mars, Incorporated Ian Burton President, Wrigley Asia Pacific and Clara Shen Director of Emerging Markets, Mars Catalyst

10:15-11:30

Paired Case Studies 2: Transforming Risky Markets

BlueOrange Capital Bertrand Badré Founder and CEO

Zurich Insurance David Nash Head of Z Zurich Foundation

10:15-11:30

Paired Case Studies 3: Empowering the Poor at the Base of the Pyramid

Danone Ecosystem Fund Frédérique Desroches Knowledge and Social Impact Manager, Nature and Cycles Sustainability

Interface Jon Khoo Innovation Partner, and Miriam Turner Co-Founder, Net-Works and ZSL

10:15-11:30

Paired Case Studies 4: Driving Organisational Change

Blueprint Charles Wookey CEO of Blueprint for Better Business/ **Vodafone Group** Annette Fergusson, Head of Sustainable Business

TiL Ventures Milan Samani Partner, and Founder of The Intrapreneur Lab, / **Pearson** Teodora Berkova Director of Social Innovation

10:15-11:30

Paired Case Studies 5: Rethinking Supply Chains

Dell Louise Koch Corporate Sustainability Lead for Europe, Middle East and Africa

Marks & Spencer Mike Barry Director, Plan A

11:45-12:15

The Meaning of Making Business Mutual: The Big Picture

Colin Mayer and **Bruno Roche**,

Evaluations of the prosperity of a company should not be restricted to financial metrics alone, but should also encompass other forms of capital: notably, human, social, natural and shared financial capital – ultimately, the way in which value is distributed. Can mutuality – putting the interest of others ahead of profit maximisation – generate more value for stakeholders and the company? What is mutuality and how can businesses integrate this concept into their current system?

12:15-13:00

The Economics of Mutuality Journey and Business Context at Mars, Incorporated

Introduction: **Jay Jakub** Senior Director of External Research, Mars Catalyst. **Colin Mayer in conversation with Ian Burton** President, Wrigley Asia Pacific and **Loïc Moutault** President, Royal Canin

This session will explore real-world Economics of Mutuality examples of what works and what fails in the pursuit of responsible business. We will focus on the learnings from case studies and pilot projects that focused on the implementation of mutuality

13:00-14.00

Lunch

Master Class 1: Measurement in Economics of Mutuality

Chair: **Alastair Colin-Jones** Senior Manager, Business Research, **Franco Cordaro**, Senior Scientist, Mars Catalyst

Experts: **Claudia Senik** Professor of Economics, Paris School of Economics and University Paris-Sorbonne; **Alain Desdoigts** Professor of Economics, University Paris I Panthéon Sorbonne; **Justus von Geibler** Project coordinator, Wuppertal Institute for Climate, Environment and Energy

14:00-15:15

A business can only manage what it measures. Is it possible to measure profit and loss of forms of capital beyond the financial? If so, what elements of social, human and natural capital do we consider? How do we integrate multi-capital measurement into the current form of performance measurement used widely by businesses?

Master Class 2: Management in Economics of Mutuality

Chair: **Kate Roll** Senior Research Fellow, Saïd Business School, University of Oxford

Experts: **Yassine El Ouarzazi** Demand Lab Director, Mars Catalyst; **Nicolas Glady** Professor at Essec Business School, Accenture Strategic Business Analytics Chair Holder; **Jan Ondrus** Associate Professor of Information Systems and Chair of Networked Business Models at ESSEC Business School

14:00-15:15

What does it mean to manage a business committed to mutuality? What practices can underpin a mutuality-driven business model? In this master class we argue that it requires a robust understanding of the players in the ecosystem and a focus on strengthening the ecosystem in which the firm operates. This class will use examples of work currently underway, tracing the process from ecosystem mapping to ecosystem shaping.

Master Class 3: Transformations in Leadership to deliver on the promise of Mutuality

Chair: **Robert Krenza** Founder and CEO, BlackWolf Consultants LLC

Experts: **Gabriel Krenza** Senior Sustainability Consultant, Black Wolf Consultants LLC; **Jane Craig** Mars Global Strategic Capabilities Director; **Cedric Bachellerie** Mars University Regional Director for Middle East, Turkey, Africa; **Andrew White** Associate Dean for Executive Education and Corporate Relations, Saïd Business School, University of Oxford; **Farhad Motiwalla** Senior Communication Specialist, BlackWolf Consultants LLC

14:00-15:15

We have never experienced a more demanding, fast-paced and complex leadership environment. The vision of mutuality requires unprecedented leadership abilities to navigate today's rapidly changing context and cascade new leadership skills into the entire organisation. How do we teach managers the Economics of Mutuality and ultimately transform leaders for a new business world?

Master Class 4: Evolving the Regulatory and Legal Environment

Chair: **Daniel Hurstel** Partner, Willkie Farr Gallagher

Experts: **Marcello Palazzi** B Corporation Global Ambassador and Co-Founder, B Lab Europe, **Heerad Sabeti** Co-Founder and CEO, The Fourth Sector Group

14:00-15:15

Profit maximisation for shareholders has isolated companies from society. Short-termism is being gradually replaced by a long term view addressing questions of social, environmental and human impacts as well as profitability. To what extent will company laws need to adapt, and what kind of legal framework will be necessary to support this new form of business?

15:15-15:45

Refreshment Break

Plenary Session

Debate 'This house would oppose the enforcement of mutuality in business.' Moderator: **Laalithya Vadlamani**

15:50-17:00

Participants: **Tasnim Hadi, Ewen Hollingsworth, Stephanie Mambo, Andrew Ng, Kristina Partsinevolos, Filip Trnka**

Summary of Main Teachings

Colin Mayer and Bruno Roche

17:00-17:15

17:15-18:30

Drinks Reception

Day Two

Saturday 13 May

08:15-08:45

Registration and Coffee

08:45-08:55

Opening Remarks and Welcome

Colin Mayer and **Bruno Roche**

08:55-09:15

Keynote Address: Martin Radvan Global President, Mars Wrigley Confectionery

09:15-10:05

Panel I: Economics of Mutuality in the Innovation Economy

Moderator: **Patricia Falco Beccalli** Founder and CEO, Principle AG

Speakers: **Rachel Botsman** Author; **Jean-Christophe Flatin** President, Mars Global Chocolate; **John Palfreyman** Director, IBM Blockchain

We are entering a new economic world. We are seeing the traditional vertical economy challenged by the horizontal collaborative economy. This emerging economy, expressed through platforms of all kinds, is built on the foundation of trust; this is a concept central to the economics of mutuality. As this new economy grows, is there opportunity for the economics of mutuality to be accelerated as well?

10:05-10:25

Refreshment Break

10:25-11:25

Panel II: Investments and Economics of Mutuality

Moderator: **Patricia Falco Beccalli**

Speakers: **Bertrand Badré** Founder and CEO, BlueOrange Capital; **Michael Bontrager** CEO, Chatham Financial; **Gabriel Schulze** Founder and Executive Chairman, Schulze Global Investments

We know that financial institutions have been historically preoccupied with short-term earnings. Can investor perspectives shift to be refocused on long-term, broader goals than financial performance? Can investors of different kinds take into account notions of human, social and environmental capital as key decision points for investment? Could economics of mutuality concepts add value for investors?

11:25-12:35

Panel III: Impact of Economics of Mutuality on Corporate Governance and Values

Moderator: **Patricia Falco Beccalli**

Speakers: **Avishay Braverman** Economist and former Politician; **Jürgen Kluge** Chairman of the Board, Foundation Lindau Nobel Laureate Meetings and Member of the Council Lindau Nobel Laureate Meetings; **Clara Miller** President, Heron Foundation; **Lynn S. Paine** John G. McLean Professor of Business Administration, Harvard Business School; **Xiang Bing** Founding Dean and Professor of China Business and Globalisation, CKGSB

Economics of mutuality is not only an approach to how value and profit are measured. It is a holistic vision of the governance of organisations of all kinds. How should we approach corporate governance and design organisational values in a way that assists them with achieving their goals of mutuality?

12:35-12:50

Concluding Remarks

Oxford MBA Students: Nabilah Soobedaar, Nikhita Nadkarni

Moderator: Patricia Falco-Beccalli

12:50-13:15

Conclusion and Next Steps

Colin Mayer and **Bruno Roche**

Conference Director

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