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for Business Leaders

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The 4 Priorities of Benevolent Capitalism

Business is now at a turning point. Economies have entered a new era. We live in a time of accelerating change in the global landscape. To prosper and thrive in the decades ahead, leaders have to think differently about the way they operate their business. Yet most leaders and managers do everything they can to keep their timeworn conventional business models in place writes **Steven Bowman**.





If leaders choose to align the capitalism maxim with the maxim of a sustainable future for people and planet, there are still abundant possibilities and revenues to be actualised—revenues made in ways that generate a sustainable future rather than damage the planet and endanger our future. This is benevolent capitalism.

At the moment, too many business endeavours tend to be about enriching the few at the expense of the many. Enriching the few is not so much the problem, it is more the ‘at the expense of the many’.

Conventional business executives are generally not focused on the social or environmental implications of how businesses operate. The norm is business done with the view to maximise profits for shareholders and owners. That is not even questioned: it is decreed in business schools and an edict in many organisations, especially publicly traded companies.

When business executives only focus on the short term of what they can actually create for themselves instead of a sustainable reality for the world, they deny themselves a sustainable future. And profit, capitalism, sustainable reality, and sustainable futures are not mutually exclusive! Whole Food Markets is a living example of this.

Businesses must measure their success not only by their financial performance but also on how they are being a contribution to society and the world, as well as by the impact on the environment and on the society in which they operate.

There are four priorities that underpin the benevolent capitalism movement.

Priority 1: Generating a sustainable future

The process for creating your business from a benevolent approach begins with believing that your success is not only possible but also inevitable. While the idea of operating business that consistently grows and earns profit and prospers financially while ‘doing no damage’ to society and the planet may seem impossible, recognise that just because something appears impossible does not prove it to be illusory or erroneous. It just challenges your concept of what is possible.

You must be willing to question existing models and to question the common assumptions behind current practices. If you remain captivated by the code of conventional capitalism and the defensive attitude it fosters, the idea of adopting this new business paradigm seems impossible and unconventional.

The reality is, many organisations and business leaders are still devotees of the conventional capitalism paradigm and subscribe to Milton Friedman’s dictum that the one social responsibility a law-abiding business has is to maximise profits for its shareholders. These executives have not realised that a short-term, profit-only approach has its downsides, for the reason that greed tends to incur excessive exposure to hazards and doesn’t maximize long-term results. This traditional approach to capitalism has accelerated

the quantity and intensity of social and environmental problems that risk society's stability.

Sadly, too many business leaders still believe that maximising profits for investors is the only acceptable justification for corporate actions. When you are taken over by these myths and notions of how business should be operated, you cannot function at your finest in business and in life in general. When you are being captivated by a business model that values financial gain more than anything else, your decisions will often be based on achieving short-term financial gain at almost any cost, rather than attaining a sustainable future. From this space you will produce unintended harmful consequences for society and planet. By sustainable, we're not just talking 'survive', we're talking about where business and society actually grows and becomes something even greater

Priority 2: Doing no damage

The nature of business practice is under scrutiny as well. The role of leadership in business is coming under increasing focus, with calls for more accountability in governance to address a wide array of business concerns about the planet, the natural environment, workers' rights, consumer protection, human rights etc., at the senior executive team and board levels. Seldom has a week gone by without a media report of a business that has self-destructed, been called to account for the negative impact they have on the environment and on the society in which they operate, as well as for alleged inappropriate use of assets and natural resources, or criticised publicly due to perceived lack of leadership.

This means that a business must contribute to making the planet better than it would have been without that business. It means that any business should enrich the world by its existence and create value for all stakeholders as well as for everyone it touches, whilst also delivering superior financial results and long-term economic value. In reality, any company is better off creating synergies between bottom-line and the benevolent capitalism priorities.

When you still regard the requirement for generating a sustainable planet as merely a cost to the corporation, something to be dealt with through regulatory compliance and risk management, your business success is at risk. This viewpoint, like any other fixed points of view that are based on conventional business paradigms, will close access to your awareness and possibilities for generating something greater.

Priority 3: Maximising possibilities, not just revenue

In today's world, business leaders cannot afford to ignore their duty to maximise the possibilities and optimise value of our entire complex, interdependent system, because the guaranteed costs and impairments are otherwise much too high. It is vital to take action to change the current unsustainable route. Businesses need to start to function from maximising possibility and from where they are going to create more in the world for everybody, not just for them, otherwise resources will be terminally depleted. Are you aware that the choices you make can have a direct influence on the survival of large parts of society, the environment and the world at large? The bottom line

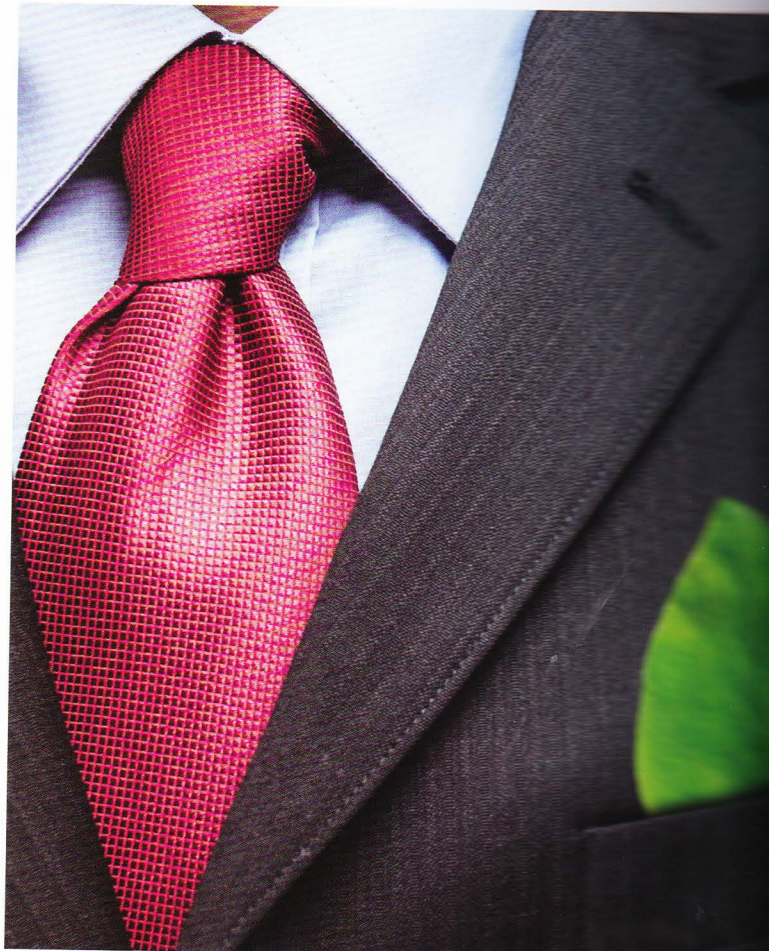
is: our individual and collective decisions determine our future and affect all of us.

Business leaders must choose to act out of a responsibility to the whole system and from awareness and appreciative of the interconnectedness of all constituents of a business. This is remarkably different from the ways many businesses and leaders have been functioning, which is to act out of a belief that everything is separate and that what they choose to do doesn't have an impact on the whole—or, if it does, that it's not their concern.

To thrive consistently over the long haul requires discipline and a conscious benevolent strategy for dealing with new opportunities and unforeseen adversities.

If you're going to formulate strategies that maximise possibilities, first you must be willing to break with your own successful conventional practices and discover different ways of seeing the world. You must choose to operate beyond the goal of competing and instead actively seize new and different possibilities.

'Businesses need to start to function from maximising possibility and from where they are going to create more in the world for everybody.'



How? Make the most of your awareness, stop following business-as-usual paradigms, boldly renounce the status quo, do not take on the limited points of view that other people buy into, and refuse to let bureaucracy stifle your awareness. More importantly, you must not allow yourself to operate within the limitations of this reality or be bound by what is.

So, if you find yourself only focusing on the advantage gained by short-term profit, this is your clue that you may be contracting your zone of awareness. You will rarely see it as a different possibility to generate new revenue or potential for innovation.

Priority 4: Empowerment through benevolent leadership

A benevolent leader's duty is to maximise the possibilities and optimise value of our entire, complex interdependent system.

Organisations that maintain a strategy and leadership approach based on the conventional capitalism paradigm will not be able to thrive in today's environment. As trade barriers between nations and regions diminish and as information becomes instantly and globally available, leaders must constantly keep an eye on the big picture. But since the big picture keeps changing, you must cultivate an ability to be aware of future trends and how these trends may affect your business. Rather than closing your eyes to forewarning indications and hoping things don't change too much, you must be willing to break with your own conventional practices and discover different ways of seeing the world.

"Benevolent" comes from ancient Latin 'bene'- to be well, and 'volent'- to wish, and actually means 'to wish well'. "Capitalism" originally meant organic growth of existing wealth, which could be money, resources, people, or the original derivation of the word "capita" meaning head, usually of cattle or other livestock. Benevolent capitalism is about creating organic growth whilst at

the same time wishing all well. It is about being with the world in a different way, with finances, with business, and with your life. It is a fresh perspective about creating and generating that will provide you with insights, experiences and tools that have the power to transform your business and life. The website is www.benevolentcapitalism.com

A whole lot of what's happening in the business world right now is based on the probability of future, rather than the awareness of future and the willingness to have an awareness of how our choices are going to create a future instead of avoiding the risk. What has been eliminated is the idea that we can create a sustainable future. The one thing most businesses are avoiding is awareness of the future.

It is important to recognise that if all business leaders choose to maximise possibility today, the world can have a future that has a different reality. By choosing to maximise possibility, businesses can become the catalyst for a different possibility in the world. It's just a choice!

So, take a moment to ask yourself: What are you choosing to create as your life and living? Do you believe that it is truly possible for you to become a catalyst for change? What would it take for you to become a benevolent leader? What would it take for you to be a contribution to create a better world and a sustainable future on this planet in every way possible and in how you live every day? How would your life change if you were to become a benevolent leader and to use your business to create a change that's possible beyond this reality?

This would likely result in a significant lifestyle change for most people.

When benevolence guides business principles, vision, and practices, the result can be exceedingly affirmative. Benevolent leadership can be the very thing that helps to steer the planet away from suffering and towards a common flourishing. The benevolent way of being is essential for every sector in the business arena whether you are a small, medium or large-size company. You don't have to be a giant corporation to embrace benevolent capitalism priorities. Entrepreneurs as well as small and mid-sized companies can follow these priorities, as it will set forth different approaches for leadership and innovation to create businesses that don't harm but actually contribute to the world. **BFM**

Steven Bowman is a leading international advisor in strategy, governance and leadership. He currently consults with over one thousand nonprofit and corporate organisations each year in the USA, UK, Australia, NZ and Asia. He is a fellow of the Australian Institute of Company Directors and a Fellow of the Corporate Law and Accountability Research Group, Monash University.