

The New Business Paradigm

"Companies can no longer attract the brightest and best in the world unless they genuinely identify and connect with the dominant social movements of our time." This was the timely warning delivered by Matthew Bishop, U.S. business editor and NY bureau chief of *The Economist*, to participants of IESE's "Doing Good and Doing Well" conference on Feb. 28-29.

Bishop was one of numerous high-profile speakers presenting at IESE's annual student-organized conference on responsible business. "Doing Good and Doing Well 2009" drew 650 participants from 200 organizations, a 30 percent increase according to organizers, perhaps reflecting a heightened interest in new business paradigms.

Keynote speaker Anil Soni, CEO of the **Clinton Foundation HIV/AIDS Initiative (CHAI)**, began by noting several stark statistics: 25 million men, women and children have died of AIDS; 25,000 children die of extreme poverty every day; and 2.5 billion people in the world currently live on less than \$2 per day.

He said that the private sector can play a decisive role in helping diminish human suffering across the globe through a range of activities in areas such as financial contributions, products and assets, soft assets, new technologies, financial services for the poor and large-scale financing.

Soni gave an overview of **CHAI's** activities and how the organization works with governments to reduce the price of AIDS treatment and improve access in countries where the need is most acute. Since its creation in 2002, **CHAI** has sought to work as a partner with governments to help "make complex systems work more efficiently," he said.

New focus on corporate citizenship

In his presentation, Bishop said corporate citizenship is now being taken deadly seriously by CEOs, many of whom have come to realize that the

current system has been brought into serious disrepute by those who have neglected their company and society's long-term needs.

In addition, society is witnessing a massive growth in "philanthro-capitalism," that Bishop described as "the coming together of the head and the heart; of the business world with the non-profit sector."

Bishop cited as an example the historic moment in 2006 when Warren Buffett, then the second richest man in the world, pledged 85 percent of his wealth to the **Bill and Melinda Gates Foundation**. For the first time in the history of modern capitalism, the two richest people on the planet had decided to give away the vast bulk of their enormous wealth. By doing so, Gates and Buffett have become role models for all successful business leaders interested in giving back to society.

Social entrepreneurship gains in stature

During the same period, social entrepreneurs have been gaining in importance. Social entrepreneurs look for innovative solutions to social problems, creating a direct and measurable impact, and sustainable structures. While entrepreneurs are focused on financial returns, social entrepreneurs are motivated by additional criteria such as the number of people served or jobs created by the enterprise.

According to Bishop, "they will be one of the great forces involved in shaping the new business paradigm." What is more, they can expect to enjoy genu-

ine and far-reaching support from the Obama administration, especially given the new president's background as a community organizer, he said.

Scaling up

The greatest challenge now facing philanthropists and social entrepreneurs is that of building viable models to provide both development and long-term profits. They will have to bring the full range of their entrepreneurial skills to the fore in order to solve the world's most intractable problems.

Large-scale thinking and planning – as exhibited, for example, by the founders of **Google** – as well as the adoption of higher standards of accountancy and transparency, more effective marketing and the hiring of the best and brightest minds are all helping transform the not-for-profit sector.

Building a meaningful career

Like Bishop, Mark Albion, a venture philanthropist and founder of the **More Than Money Institute**, sees grounds for optimism in the not-for-profit sector, particularly because the new generation of MBA graduates are not focused solely upon making money but also seek to build meaningful careers.

To illustrate his point, he pointed to the findings of a recent survey on MBA graduate's career priorities. The top two criteria for happiness among MBAs were the community they belonged to and their working environment. In a session brimming with career advice,



Albion stated that, “we do not change until the pain of not changing is greater than our fear of change.” Albion is the author of the *New York Times* best-seller *Making a Life, Making a Living* and the new book *More than Money*, which aims to help MBAs find sustainable and satisfying careers.

“Success is personal and must be measured by more than just money,” according to the author and venture philanthropist. For Albion, the two crucial

questions we should ask ourselves before embarking on our career paths are “Who am I?” and “What do I want?”

Rather than focusing purely on adapting our skills and know-how to the market we should strive to “find ourselves by losing ourselves in something bigger than ourselves.” To achieve this, we must first find what we truly love doing. Albion warned participants, “Don’t get too good at what you don’t want to do.”

In his welcoming remarks, IESE Dean Jordi Canals stressed that the MBA students should make every effort to make a positive impact on organizations by being “agents of change.”

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