RESPONSIBLE BUSINESS FORUM 2018:

ECONOMICS OF MUTUALITY

PROGRAMME

Friday 18 - Saturday 19 May, 2018

Saïd Business School, University of Oxford

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**WELCOME**

We extend a warm welcome to students, faculty, thought leaders, businesses, institutional investors, policymakers, and NGOs from around the world.

The third annual *Responsible Business Forum: Economics of Mutuality* brings global companies, scholars, students, and policymakers together to share their experiences of tackling key challenges in their ecosystems to generate financial, social, and environmental value at scale. Creating this value for stakeholders is at the core of what we term ‘mutuality.’

Senior business leaders, investors and policymakers should derive as much benefit as students from attending the Forum, and we welcome everyone’s contribution to making the Forum a powerhouse for transforming business into a profitable and scalable force for the common good in the 21st century.

**INTRODUCTION**

Business and finance are undergoing profound change. As the size and influence of multinational corporations have grown to a level that rivals nation states, the importance of business for our prosperity, survival and wellbeing has never been more evident.

Traditional economic models based on scarce financial capital are increasingly irrelevant in a world of abundant financial capital and scarce human, social and natural capital. Economics is concerned with the management of scarce resources but its application to the corporate sector has failed to reflect these changes. Business leaders are ill equipped to manage the new complexities of today, and the financial sector, originally designed to provide funding for the real economy, has become increasingly disconnected from it.

The consequence of these profound changes is that we operate today with an out-dated and sub-optimal system, which is undermining the role of business in society. This system contributes to growing inequality, social unrest and environmental degradation. It also deprives business of significant opportunities for growth and value creation, as well as to make unparalleled contributions by both creating social impact and restoring the environment. Our understanding of business’ role in advancing the common good brings us together at the 2018 Forum.

**PURPOSE**

Today, there is both a duty and an opportunity for business leaders to reflect the changing needs of society and the environment, restoring trust in business. The purpose of this conference is to pursue ways in which business both stays true to its nature, which is to deliver performance, while also delivering positive benefits for all stakeholders and addressing the loss of trust in corporations.

Since 2016, the University of Oxford’s Saïd Business School and Mars Catalyst have organised the Responsible Business Forum as part of their joint Mutuality in Business research programme. The programme explores the concept of mutuality in business and develops a business management theory for the Economics of Mutuality, teaching curricula, new management practices, and business case studies.

The Forum brings together C-suite executives, leading academics, foundation leaders, NGOs, investors, government officials, and MBA students to share and explore innovative ways to transform business performance and practice for the common good. Past contributors have argued that responsible business practices that benefit individuals, communities, and the environment, while sharing financial capital, are at the core of how business must operate in the 21st century.

**PROGRAMME OVERVIEW**

This year, we will build upon the success of the previous two years, using the third Responsible Business Forum to focus on two key areas: the need to change the business practices of today to increase trust and reduce negative impact, and, looking forward, the new challenges and opportunities that are being brought by the fourth industrial revolution. Over these two days, the Forum will explore these topics through keynote speeches, panel discussion, case study presentations, and master classes.

The first day begins with an introductory session and a series of master classes that will explore key aspects of the economics of mutuality. In the afternoon of the first day and the morning of the second day, 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. These companies satisfy two criteria: they expound explicit purposes or values that reflect objectives beyond pure financial performance, and they demonstrate a serious commitment to implementing them through their ownership, governance, leadership, measurement, and management practices.

In addition to the cases and master classes, there will be panels and keynotes on mutuality, presentations by MBA students and the Forum closes with a student-led Oxford Union-style debate on mutuality.

**THE ECONOMICS OF MUTUALITY**

Spurred by a far-sighted question in 2007 by the leadership of Mars, Incorporated - ‘what is the right level of profit?’ – Catalyst, the think tank of Mars, Incorporated, started to explore the relationship between modes of profit-construction and business performance giving Mars an opportunity to explore the aforementioned issues question ahead of many others.

Partnering with world-class academics from leading universities around the world, and with the University of Oxford’s Saïd Business School since 2014, Catalyst has undertaken over a decade of research on mutuality. This has included field experimentation in the company’s business ecosystem, in-depth reviews of best practices, and business pilots to explore how business can address the people, planet and profit equation in the wider ecosystems in which it operates.

This initiative is called the Economics of Mutuality – in reference to the mutuality principle at Mars, explained in 1947 by Forrest Mars, Sr. as the ‘total purpose for which the company exists’.  Mutuality, along with the company’s other principles (Quality, Responsibility, Efficiency, and Freedom), is the philosophical cornerstone of the family-owned, privately held firm.

The Economics of Mutuality has evolved from a pioneering research initiative to become a management innovation and a new growth model that empowers business to adopt a responsible form of capitalism – fairer and more efficient than the purely financial one that dominates business practices today. Founded on new performance metrics, innovative management practices, and new modes of profit construction, the results of the Economics of Mutuality are promising. If business invests strategically in non-financial capitals – in its communities, people and environmental ecosystems, measured by non-monetary standardised indicators – not only is value for stakeholders greater but so too is the financial performance of firms.

This approach can therefore promote a more equal, social, environmentally-oriented and financially successful economy, at the heart of which lies a new concept of profit construction and a new relationship between business, society, the environment, capital and work.

**Day I**

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| 8:15-8:45 | **Registration and Coffee**  |
| 8:45-8:50 | **Welcome and Programme Overview** **Dr Kate Roll**, Senior Research Fellow, Saïd Business School, University of Oxford |
| 8:50-8:55 | **Welcome Addresses****Prof Colin Mayer CBE**, Peter Moores Professor of Management Studies, Saïd Business School, University of Oxford**Bruno Roche**, Chief Economist, Mars, Incorporated and Mars Catalyst Managing Director  |
| 8:55-9:25 | **Introduction to the Economics of Mutuality****Bruno Roche** and **Jean-Christophe Flatin**, Global President, Mars Edge, Mars, Incorporated |
| 9:25-9:40 | **Keynote Speeches****Barati Mahloele** and **Eleanor Brown**, MBA Students |
| Section I | **Transforming Performance for People, Planet and Profit: The Duty and Opportunity to Restore Trust in Corporations and Financial Sector**Business has often failed to deliver sufficient benefits for society and the environment, and business accounting continues to primarily focus on financial metrics and short-term performance. To what extent can the Economics of Mutuality help corporations regain stakeholders’ trust? What are the obstacles to its full enactment, especially in the financial and investment sectors? |
| 9:40-9:45 | **Introduction to the Masterclasses****Dr Kate Roll** |
| 9:45-9:50 | **Transit time** |
| 9:50-10:40 | **Masterclass I: Mutual Profit vs. Financial Profit**This masterclass explores new definitions of profit and the role of finance in driving mutuality in business. It examines the extension of accounting practices to non-financial capitals, enabling the development of more responsible modes of profit construction. It takes as one example the Economics of Mutuality’s non-financial capital metrics, which can be combined with current financial capital metrics to create an integrated single-bottom line and deliver ‘mutual profit.’Host: **Zafeer Nagdee**, MBA studentSpeakers:  **Robert Eccles**, Founding Chairman of SASB, **Jacek Szarzynski**, Global CFO Mars Petcare and **Barend van Bergen**, Partner, Ernst & Young LLP |
| 9:50-10:40 | **Masterclass II: Re-examining Economic Models Through a Mutuality Lens** This masterclass examines how the Economics of Mutuality approach can be extended beyond management to drive a new investment paradigm. The class further explores how the Economics of Mutuality can become part of the curriculum for the next generation of business leaders.Host: **Sudhir Rama Murthy**, Research Fellow, Saïd Business School, University of OxfordSpeakers: **Bertrand Badré**, Founder and CEO, Blue Like an Orange Sustainable Capital and **Marie-Laure Djelic**, Dean, School of Management &Innovation, Sciences Po Paris |
| 9:50-10:40 | **Masterclass III: Promoting Mutuality in Business – An Ownership and Governance Perspective** This masterclass examines the evolving role of legal and regulatory systems in addressing both volatile, short term capital ownership and unequal stakeholder participation in the governance of public companies. The class asks how regulatory tools can be used to drive more mutual outcomes for all stakeholders.Host: **Yuri Kim**, MBA student Speakers: **Daniel Hurstel**, Partner, Willkie Farr & Gallagher LLP and **Erinch Sahan**, Chief Executive, World Fair Trade Organisation |
| 9:50-10:40 | **Masterclass IV: Deploying the Economics of Mutuality in Business through Ecosystem-Based Strategies** This masterclass introduces methods of implementing the Economics of Mutuality in business, including:1. Identifying the firm’s purpose and mapping the firm’s ecosystem pain points
2. Designing innovative mutuality-driven interventions to address these pain points
3. Measuring performance with financial and non-financial metrics
4. Accounting for value created using a new P&L construct
5. Educating firms’ executives and managers

Host: **Kim Scriven**, MBA studentSpeakers: **Yassine El Ouarzazi,**Senior Programme Director, Mars Catalyst and **Prof Jan Ondrus**, Associate Professor of Information Systems & Chair of Networked Business Models, ESSEC Business School |
| 9:50-10:40 | **Masterclass V:  Managing Mutuality in Business – A Natural Capital Perspective** This masterclass offers a practical discussion on different approaches to accounting for natural capital in a business context. It asks: How do these different approaches help business account for and address the increasing scarcity of natural capital? And, what impact do these practices have on business performance?Host: **Jared Retka**, MBA studentSpeakers: **Prof Cameron Hepburn**, Director of the Economics of Sustainability Programme, Institute for New Economic Thinking, Oxford Martin School and **Michael Beutler**, Director of Sustainability Operations, Kering |
| 10:40-11:00 | **Refreshment Break** |
| 11:00-12:00 | **Panel I:** To what extent and under what conditions does Economics of Mutuality help business and finance regain the trust of stakeholders? Moderator: **Clara Shen**, Senior Director, Business Development & Ventures, China, Mars, IncorporatedSpeakers: **André Hoffmann**, Vice-Chairman, Roche, **Andrew Ng**, Kingdom Wealth, **Prof Belén Villalonga**, Professor of Management and Organizations, NYU’s Stern School of Business, **Prof** **Bin Xu**, Professor of Economics & Finance, CEIBS |
| 12:00-12:10 | **Q/A**, moderated by Clara Shen |
| 12:10-12:30 | **Keynote Speech:** Natural Capital, Business and Society**Prof Kathy Willis**, Professor of Biodiversity, Oxford Martin Senior Fellow, Oxford Martin School, University of Oxford |
| 12:30-12:40 | Responses by **Eamon Devlin** and **Olya Krestyaninova**, MBA students |
| 12:40-12:50 | **Main Teachings****Prof Colin Mayer** and **Bruno Roche** |
| 12:50-14:00 | **Lunch**  |
| Section II | **Transforming Performance for People, Planet and Profit: The Opportunities and Challenges of Tomorrow**During the second part of the day we look at the extent to which mutuality can contribute to two key areas of rapid change and opportunity: The digital revolution’s disruptive impact on business and society, and the imperative to do more with fewer natural resources. |
| 14:00-14:10 | **Introduction** **Prof Colin Mayer** and **Bruno Roche** |
| 14:10-14:40 | **Keynote speech:** The Future of Work, Automation and Demography**Hal Varian**, Chief Economist, Google |
| 14:40-15:00 | Responses by **Alec McLaurin** and **Aparna Shrivastava**, MBA students, followed by Q/A with the floor |
| 15:00-15:05 | **Introduction to Case Studies and Transit Time****Dr Kate Roll** |
|  | **Case Studies in Parallel** |
| 15:05-15:50 | **Mondragon Group** **Ibon Zugasti,** International Project Manager at LKS, Mondragon Corporation, Partner/Director at PROSPEKTIKER |
| 15:05-15:50 | **Kate Spade** **Taryn Bird**, Senior Manager, Social Impact and Communications, Kate Spade |
| 15:05-15:50 | **Timberland Rhodes Trust****Atlanta McIlwraith**, Senior Manager, Community Engagement and Communications, Timberland, and **Hugh Locke**, President and Co-founder, Smallholder Farmers Alliance, and President, Impact Farming |
| 15:05-15:50 | **Divine Chocolate** **Jamie Hartzell**, Chair of the Board, Divine Chocolate  |
| 15:05-15:50 | **Solvay** **Jean-Marie Solvay**, President, International Solvay Institutes for Physics and Chemistry, and **Michel Washer**, Deputy Chief Sustainability Officer, Solvay |
| 15:50-16:10 | **Refreshment Break** |
| 16:10-16:40 | **Panel II:** How can the Economics of Mutuality contribute to building innovative modes of profit construction? And, how can new ways of thinking about profit alter business behaviour and the allocation of resources within firms? **Prof Robert Eccles**, **Prof Colin Mayer**, and **Bruno Roche**Moderator: **Dr Judith Stroehle**, Postdoctoral Researcher, Saïd Business School, University of Oxford |
| 16:40-17:00 | **Keynote Speeches****Vitor Kneipp** and **Shruthi Vijayakumar,** MBA students |
| 17:00-17:10 | **Summary of Main Teachings** **Prof Colin Mayer** and **Bruno Roche** |
| 17:10-18:30 | **Drinks Reception** |

**Day II**

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| 8:15-8:45 | **Arrival and Coffee**  |
| Section III | **How can Business be Transformed as a Force for the Common Good?** In the final part of the programme, we examine the extent to which the Economics of Mutuality can be a catalyst to transform business performance for the common good. |
| 8:45-8:55 | **Opening Remarks and Welcome** **Prof Colin Mayer**, Peter Moores Professor of Management Studies, Saïd Business School, University of Oxford**Bruno Roche**, Chief Economist, Mars, Incorporated and Mars Catalyst Managing Director |
| 8:55-9:10 | **Keynote Speech:** The Economics of Mutuality as a Means of Transforming Premium Businesses**Loïc Moutault,** President, RoyalCanin  |
| 9:10-9:15 | **Q/A**, moderated by Dr Kate Roll |
| 9:15-9:30 | **Keynote Speech**: “Yesterday’s successful business practices are destined to be tomorrow’s business graveyards” **The Very Revd. Prof Martyn Percy**, Dean of Christ Church, University of Oxford |
| 9:30-9:35 | **Q/A**,moderated by Dr Kate Roll |
| 9:35-9:40 | **Transit Time** |
|  | **Case Studies in Parallel** |
| 9:40-10:25 | **Upwork** **Dr Greetje (Gretta) Corporaal,** Postdoctoral Researcher,Oxford Internet Institute, University of Oxford, and **Michael McGeary**, Public Policy Manager, Upwork  |
| 9:40-10:25 | **Agriledger and AgUnity** **David Davies**, Founder and CEO, AgUnity |
| 9:40-10:25 | **Esquel Group** **Dee Poon**, Managing Director of Brands and Distribution, Esquel Group |
| 9:40-10:25 | **Sabka Dentist** **Vikram Vora**, CEO, Sabka Dentist |
| 10:25-10:45 | **Refreshment Break** |
| 10:45-11:45 | **Panel III:** How can business be transformed as a force for the common good? **Dana Bezerra**, President, Heron Foundation, **Dr Avishay Braverman**,Former President of Ben-Gurion University, **Serena Kao**, Chairwoman, San TehFoundation, and Founder and CEO, GoPurpose, and **Martin Radvan**, Global President, Mars Wrigley ConfectioneryModerator: **Alastair Colin-Jones**, Senior Manager for Business Research, Mars Catalyst |
| 11:45-12:40 | **Oxford Union Debate:** “This house believes that mutuality is the best way to restore trust in the corporation.”MBA Students: **Amanda Forman**, **Nikhil Dugal**, **Conor Healy**, **Sam Hilditch**, **Marisha Naz**,and **Nikita Srinivasan** |
| 12:40-12:55 | **Summary of Main Teachings** **Prof Colin Mayer** and **Bruno Roche** |

**THANK YOU**

I would like to extend my personal thanks to all our speakers, panellists and case presenters for joining us in Oxford and sharing your insights with us at the Responsible Business Forum: Economics of Mutuality. Your contributions are invaluable in advancing our collective understanding.

The Forum is important for us as a business school community if we are to address world-scale problems. The Forum’s specific focus on model innovation and integrating social, financial and environmental value highlights how companies operating around the globe are rethinking responsible business.

I would also like to thank all the delegates and students for joining us for these two days; I hope that you find this time helps bring together the themes of the Responsible Business Integrated Module.

And finally, my sincere thanks to Colin Mayer and Bruno Roche for their leadership in this initiative and this event, to Mars Catalyst for their support, to the Mutuality in Business project team for their contributions, and to all the students, faculty and staff member who collectively make this Forum possible.

**Professor Peter Tufano**

Peter Moores Dean, Saïd Business School, University of Oxford



**Points of contact**

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