

A Purpose that Connects, Conscious Capitalism



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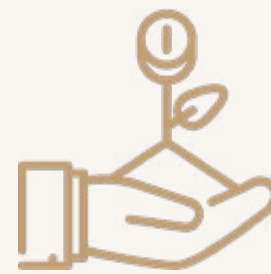
A PURPOSE FOR A START-UP

Jan Beránek, David Siska, and Vit Horky are entrepreneurs from the Czech Republic. After 40 years of expertise, and approximately 70 commercially successful innovations, they confess that along with the satisfaction for their accomplishments, they also experience frustration at not having had the same success from an environmental and social perspective (Horky, Beranek and Siska, 2020).

They are convinced that humanity has the potential to solve the great challenges of the world, and that this is not accomplished because of the lack of connection between:



a) Young and innovative companies with a solid purpose, but without enough capital for change.



b) Investors and friends who want to support these young companies, but maybe without enough capacity to do so.

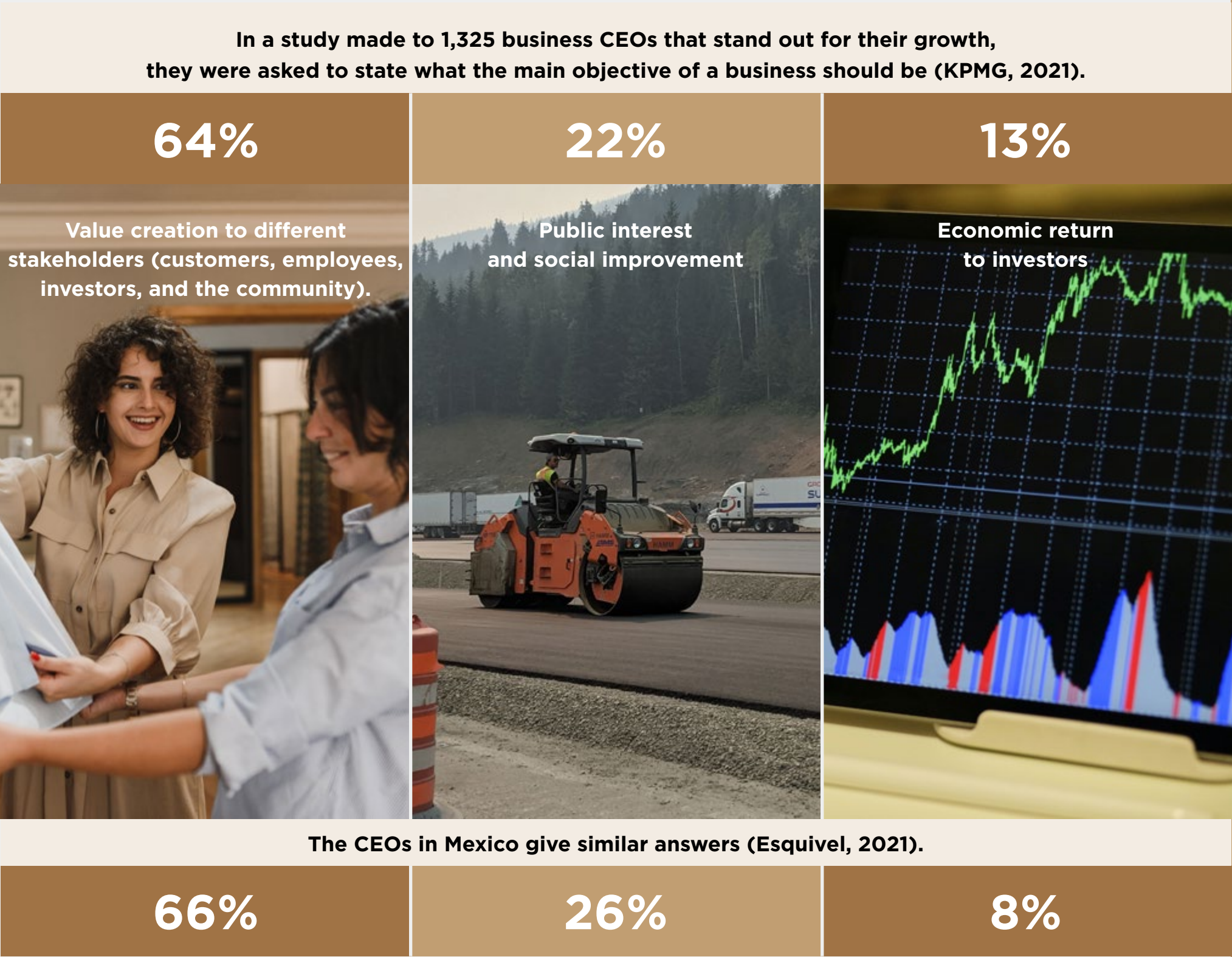


c) Large companies with the resources and the capacity to escalate a change, but who lack the drive and the innovation capacity of those young companies.

BEYOND THE ECONOMIC RESULT

Today, it would seem obvious that businesses are trying to create value not only for investors, but we cannot forget that for many years this was considered to be their main objective. An association where the most important CEOs of the main companies in the United States belong, the Business Roundtable, for years defined serving the stockholders as the main reason for existence of businesses. In August of 2019, there was a historical declaration about the duty of a business in which 181 CEOs define and commit to a new business objective. This seeks the benefit of their different stakeholders in an integrated way: customers, employees, suppliers, investors, and communities (Business Roundtable, 2019).

Images: Arina Krasnikova, Braeson Holland and Burak Kebapci in Pexels, 2022.



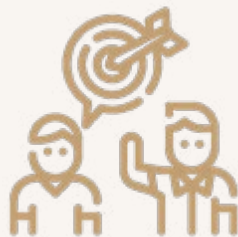
Bhattacharya (2020a and 2020b) gives the companies a series of recommendations, so that this creation of an integrated value does not end up in only good intentions:



a) Defining a purpose: the fact of defining a purpose makes explicit the reason why a company exists. Creating value for all the actors related to it and not only for the stakeholders. Identifying and directing efforts towards the purpose is visualized as a characteristic of the new work reality.



b) Making this purpose the life of the company, defining their own sustainability objectives, and analyzing the trend in the demand of their products, and their supply needs.



c) Empowering and involving all the key actors of the business (stakeholders) in these sustainability goals with solid arguments and appropriate tools.



d) Collaborating broadly with the other actors of the industry, including competitors, as complex problems need the participation of everyone.

THE DECISION

Having an integral purpose that not only includes economic aspects, but social and environmental ones too, by listening and participating with their different stakeholders, is not only an ideal. Nowadays, there are testimonies of companies where we can observe the quest to become real “conscious” businesses (Conscious Capitalism, 2021; Murray y Meyer, 2020; García, 2020; Gregoire, 2021; Schaninger, Simpson, Zhang y Zhu, 2020).

In many cases, these testimonies correspond to large companies. Going back to the initial query stated by Jan Beranek, David Siska, and Vit Hork, we must consider that SMEs in Mexico are a majority and that they generate approximately 52% of the gross domestic product (GDP) (Senado de la República, 2020). With all the entrepreneur potential that is being developed, we would have to ask ourselves how to help define and communicate this purpose and achieve these connections and value contribution.

- Can an SME be a conscious business and play their part in the construction of a better future for everyone?
- How to define or redefine the purpose of these SMEs?
- How to achieve that this purpose inspires because of its authenticity and not only by being a slogan?
- How to best communicate this purpose to the different external and internal actors? Which actors?
- How to communicate and promote a conscious change with other companies towards a better future in business?

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