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Corporations Must Become Socially Conscious Citizens

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I recently heard that the only group held in lower regard than corporate executives in the United States is Congress. Wow! Think about that. What a terrible blow to business. And yet, I'd argue it's our own fault. By serving narrow self-interests, we—the nation's business leaders—earned the country's mistrust. We have been purveyors of our own doom.

The shine on corporate executives has been more than just tarnished by the economic events and hardships of the past few years. It's all but gone. Too many corporations view their role as extracting profit ("hit the numbers!," "deliver the bottom line!") from society as opposed to viewing profit as a byproduct of delivering a valued service over the medium and long term. A stock pop on the heels of the release of monthly sales results contributes little to customers, employees, or communities, and yet that is exactly what all too many corporate executives live and die by.

Given that the business community is responsible for its sorry reputation, I think we're also responsible for restoring its luster.

Enter new approaches to capitalism — some are calling it conscious capitalism or enlightened business. I'd call it simply "enlightened self-interest." This notion of a conscious and long-term approach to value creation — when put into proper application — serves long-term shareholders extraordinarily well and has the capacity to favorably reshape the public's perception of corporate America. It is built on the fundamental premise that every business has a deeper purpose than merely short-term profit maximization and, more importantly, a responsibility to all of its stakeholders (customers, employees, vendors, investors, community). With such a model, profit is merely the byproduct of delivering something that serves society and a broad range of stakeholders.



When I go to the ATM, I'm usually required to make a deposit before I make a withdrawal. I'd argue it's the same in business. We have to spend less time figuring out how to extract economic value from our stakeholders and more time creating what is valuable to them. Doing so is what ultimately creates long-term value.

There are countless ways in which companies are beginning to do exactly that. I find an experiment that the Panera Bread Foundation conducted to be a promising example.

About two years ago, we began noodling around this idea of leveraging Panera's core skills to effect positive — heck, lasting — change in the communities we serve. Panera operates some 1,600 bakery cafes nationwide. We've been opening two cafes every week. Our belief was that our operation's national scale provided Panera with an opportunity to turn that core competency against a societal ill and uniquely make a difference in addressing the food insecurity in this country. We continued to kick the tires on this idea and decided: we were going to tackle an issue using our skills and sweat equity rather than, say, hand-outs or day-end product donations, which Panera had been doing, and continues to do, through its Dough Nation program.

This revelation manifested itself in true bricks-and-mortar form as a [Panera Cares Cafe](#) in a St. Louis suburb — a non-profit, community-based, pay-what-you-can iteration of our established, commercial Panera, LLC cafes. Today, we are four cafes strong. The ultimate hope is to open one in many of the markets Panera serves. We call them community cafes of shared responsibility.

Panera Cares cafes are virtually indistinguishable from everyday Panera cafes — same menu, same comfortable environment, same friendly people. Instead of prices, however, we simply suggest people leave their fair share. In lieu of cash registers, there are donation boxes. All guests are on their honor and all guests are welcome, including those who can't afford to leave a monetary contribution.

Though Panera Cares is still somewhat of an experiment, our four community cafes have proven to be sustainable thus far. We expect to serve as many as 1 million people in these four cafes and to add additional programs to benefit the community.



My point is this: Corporate America will both serve its shareholders and strengthen its reputation when it finds ways to use its expertise and core competencies, as well as its scale, to be truly conscious citizens. Imagine if more large corporations were more active in addressing social needs locally.

For every vital service now being provided by a not-for-profit or government entity in this country, there is almost certainly a large corporation with the skills, experience, and scale to vastly improve and increase the capacities of those organizations.

Food banks serve a vital function, but they are often disorganized and inefficient. There are, however, huge national retailers with vast experience in procuring, moving, and delivering goods, including perishables. The nation's largest home-builders, construction companies, and industrial

designers could vastly increase the humanity, efficiency, and capacity of our community homeless shelters.

Consider the key competitive advantages that companies hold. What might Google do with the world's best search algorithms? How about Apple's prowess in design? Or UPS's and Federal Express's mastery in logistics? There is no dearth of expertise to be passed on.

Rethinking why our respective organizations exist might change the public's perception that capitalism is wrong or even "evil." Businesses won't be stigmatized for making money if they are truly conscious about their place and purpose in society. More importantly, contributing what we do best will make a difference in our communities.

All leaders have a lens through which they view success and accountability. You often hear CEOs say their primary obligation is to their shareholders. I agree, but public companies are chartered to serve society, not simply the shareholder. In the end, long-term shareholder value is delivered when companies relish their broader role. Today we call it conscious capitalism; tomorrow a new term will emerge. Whatever the name, we need more of it.