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Adopt the Right Aspirations

“We are the leaders we have been waiting for,” insisted a McKinsey & Company director in a recent report viewing California’s future through a triple-bottom-line lens.

That remains to be seen, but both he and the other five hundred or so economic leaders who attended the 2013 California Economic Summit, on which that report was based, understand that nowadays there is not just one California, but at least two: one coastal and fairly wealthy, one inland and poorer. As elsewhere around the globe, there are worlds of haves and of have-nots. Now, for better or worse, like it or not, transformational change is coming. “Our job as leaders,” explained Gavin Newsom, lieutenant-governor of California and former mayor of San Francisco, “is to create the right conditions where success is irresistible.”

Easier said than done. However, as we work toward a new economic order, breakthrough leaders are at last signaling that the old order is broken — unsustainable. Wherever and however their journeys started, they bring new thinking and new aspirations that push well beyond current profitability calculations to blaze a new path toward solutions that also serve the wider interests of



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people and the planet. They aim uncomfortably high — and expect their colleagues, their contractors, and even their competitors to follow suit.

o Ten Aspirations for Breakthrough Leadership

The B Team underscores the need to stretch our aspirations and ambitions. Indeed, ambition is at the very heart of Plan B. During a meeting in late 2013, The B Team leaders outlined ten aspirations for breakthrough leadership:

- Aim to do the apparently impossible.
- Hold yourself accountable to all stakeholders, including future generations.
- Take the lead. Don't count on governments and NGOs to act first.
- Be truly ambitious across the entire people-planet-profit agenda.
- Create partnerships that have the potential to become much more than the sum of their parts.
- Be bold, but at the same time seek simple, practical solutions that companies can share.
- Redefine what successful businesses and success in business look like, understanding that businesses can still make money while having strong ethical values and a positive impact on both people and the planet.
- Help catalyze new social and political movements, aggregating the various submovements into a “movement of movements,” and help push them past a tipping point toward achieving the Plan B objectives.
- Provide an authoritative voice with a compelling, persuasive narrative that sketches the future we must now create.
- Engage and help mobilize people, particularly young people — whose future this will be.



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Only if great numbers of business leaders take responsibility in this way are the Plan B goals achievable. In simple terms, The B Team concludes that breakthrough leaders, across the global economy, must become effective catalysts for radically better ways of doing business. Business clearly cannot make these changes on its own: political leaders, governments, and the public sector also will be crucial in designing and rolling out the new order. When businesses adopt these aspirations in the right way and at the right time, however, they can help build the critical mass needed to move all leaders toward breakthrough thinking, solutions, and outcomes.

Aim to Do the Apparently Impossible

Too often, leaders become entrenched in the art of the possible, forgetting to look beyond to the apparently out of the question. When everything is running smoothly, it's easy to know what is expected, and the "right" answers are available more or less off the shelf. However, in times of Schumpeterian creative destruction—as we are experiencing today—incumbent industries stumble, and new breeds of insurgent come to the fore, just as they did in the era of Thomas Edison and Henry Ford. Just as they are doing today with the likes of Jeff Bezos, Richard Branson, Larry Page and Sergei Brin, Elon Musk, Craig Venter, and Zhang Yue. (Zhang is also a member of The B Team and a leading Chinese businessman known for making more sustainable air-conditioning systems and low-impact skyscrapers, among other things.)

Such innovators are motivated by the same sort of thinking that drives people like Peter Diamandis and his extraordinary X Prize Foundation, which awards prizes for innovators and entrepreneurs who aim to solve the world's most pressing problems and whose inspiring motto is "Making the Impossible Possible."



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The inventors, innovators, entrepreneurs, and investors we remember best include those who at first got it spectacularly wrong and then, often after painful lessons along the way, got it spectacularly right. These pioneers were not afraid to tackle apparently impossible challenges. Imagine a world in which these risk takers opted for the status quo, where the Wright Brothers chose not to pursue their dreams of manned flight or where Alexander Graham Bell dismissed the telephone out of hand.

Breakthrough leaders know what they must do, or are determined to explore and find out along the way. Like Jeff Bezos and Steve Jobs, they often erupt from unrelated areas, usually because the old “right” solutions—some of which were the breakthroughs of their day—aren’t the right answers now. Think of PayPal cofounder Elon Musk, who went on to disrupt three industries in succession: the auto world with Tesla, the energy world with SolarCity, and the space business with SpaceX. In picking him as its Businessperson of the Year in 2013, *Fortune* magazine noted that “Musk’s creations have already made him tremendously wealthy—Bloomberg Wealth says he is worth \$7.7 billion—but it is his audacity and tenacity that make him *Fortune*’s Businessperson of the Year.”²

Audacity and tenacity are going to be necessary conditions for true long-term sustainability. No matter where they come from or what industry they are involved in, breakthrough leaders understand that they cannot leave transformative change to others. They know that it is they who must innovate, invent, and iterate. They understand that there isn’t time to wait for someone else to take responsibility for the future, and two of the most important questions they must ask are “If not us, who?” and “If not now, when?”

Hold Yourself Accountable

Breakthrough leaders understand that the world is increasingly interdependent. No longer can businesses focus solely on the



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traditional bottom line alone or on the interests and demands of majority shareholders. Instead, these leaders are concluding that they must hold themselves accountable to all relevant stakeholders, including future generations.

Taking responsibility means more than simply issuing a promissory note — or press release — pledging that your organization is going to be more transparent or that it will institute a new program to encourage simultaneous financial, social, and environmental progress and wider well-being. Breakthrough leaders know that they must challenge everyone throughout their organizations to adopt actions that drive toward the new targets and measures of accountability and performance. To lead effectively, they must identify the weaknesses not only of their business model and colleagues but also of their own mind-sets, experience, and skill sets.

They understand that they must work to change the rules of the game, where the current rules incentivize the wrong outcomes. A key part of this agenda involves lobbying for more effective governments. This is an area where business and many civil society organizations can now find new forms of common ground.

Most of The B Team leaders would agree with Greenpeace's international director, Kumi Naidoo, when he says, "Without clear rules and effective governments, too many companies will continue to free-ride society." It is easy to see why this is the case. As Naidoo puts it, businesses, on average, "would lose forty-one cents for every dollar in earnings if they were made to pay the full environmental costs of their operations." We can argue about the numbers, but it is clear that internalizing these sorts of externalities will be acutely painful for many incumbent industries.

Take the Lead

It can be brutally tough to be the first one to make a move in a competitive arena, especially when it comes to the kind



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of systemic changes that The B Team calls for. All too often, incumbent businesses expect others to pioneer new paths and look to governments to proffer a green light, whether through new regulations or new incentives. In uncertain times, however, politicians and governments often play for safety. They try to restore the status quo, rather than helping roll out what we might call the “future quo.”³ They use lobbying from those industries vested in the old order as an alibi for inaction. In doing so, they fail to recognize that inaction is itself a form of action: their efforts to shore up the old order serve to block or slow the efforts of those investing in the new order.

Similarly, many businesses still look to NGOs to lead the way, often finding that it’s easier to follow or copy or be inspired by trail-blazing leaders and organizations. However, business is uniquely equipped with the tools and resources to make a real difference. Business leaders must learn how to guide and work with NGOs, not the other way around. “Corporations potentially bring much more to the table than cash, including their business expertise, supply chains, marketing capabilities, and employee engagement,” stresses Kathy Calvin, member of The B Team and CEO of the UN Foundation. “The nonprofit sector, particularly in international development, must learn to work with the business sector in a fully integrated manner—and not think of companies just as financial donors.”

The B Team encourages all business leaders to do what they are meant to do: think hard, rethink where necessary, and lead. Leaders make a fundamental mistake if they wait for others to act. Instead, they must take the plunge, helping others do likewise and, in particular, encouraging politicians and policymakers to follow suit, putting their own (and potentially formidable) shoulders to the wheel of change.



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Be Truly Ambitious

When it comes to adopting the right aspirations, true leaders must help change the rules of the game right across the people-planet-profit agenda. Although The B Team leaders understand that the only way to eat the metaphorical elephant is one bite at a time, they also understand that the world can't just sit back and wait for the kind of systemic change needed to adapt our mind-sets and mental models to be fit for a future world straining at the seams with a predicted population of over nine billion people by midcentury.

Among those who are most ambitious are the “Zeronauts” — innovators, change agents, and policymakers working to drive societal ills to zero in such fields as greenhouse gases, toxics, pandemics, and corruption.⁴ To take just one example, and one in which our organizations have been involved, the Zero Discharge of Hazardous Chemicals initiative brings together sportswear brands, designers, and retailers to squeeze toxins out of supply chains, particularly in China. Part of the challenge here will be to help the Chinese take foreign advice to clean up their act, not easy even at a time when cities like Beijing and Shanghai are now routinely wreathed in killer smog. This is a stretch political challenge, not just a technical one. The hugely ambitious target elimination date: 2020.

This kind of ambition and stretch is now required of all of us. Indeed it is crucially important to learn from the late Steve Jobs's playbook, embracing “insanely ambitious” goals when it comes to fighting for a better future. Breakthrough leaders understand that even the best-intentioned incrementalism isn't going to crack it. Genuine, sustained system change is needed — and the recipes aren't always easily available from a change cookbook. Much of this we will have to make up as we go.



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Work with Partners

Just as it is important to be ambitious and not to rely on others to drive transformative change, so it is equally important to encourage cooperation between those dissatisfied with the status quo, whatever their sector. New types of alliances and partnerships are key when it comes to putting in place the kinds of solutions and models that can be scaled, ideally globally.

Hannah Jones, vice president of sustainable business and innovation at Nike, is one breakthrough leader who has been looking for novel ways to partner with other organizations. Nike has linked up with NASA, for example, to explore novel materials. “Unconventional partnerships have always been a part of the way we innovate,” she explains.

LAUNCH is an association between NASA, USAID, and the U.S. State Department. The LAUNCH 2020 challenge aims to identify innovations in sustainable materials and methods of manufacturing. We purposefully brought the entire materials “system” into the room—about 150 scientists, NGOs, brands, academics, chemistry companies, manufacturers—to challenge siloed thinking and explore a true systemwide approach. Increasingly, leaders are recognizing that the scale of the changes required cannot be achieved by any individual entity. We have to find ways to redefine what is “precompetitive,” where we can work together to advance innovative solutions in areas where we share risk and opportunity.

Muhammad Yunus, Nobel Prize winner, founder of the Grameen Bank, and a member of The B Team, agrees. He explains that without partnerships, much of the efforts of Grameen would have been ineffective, if not impossible. He notes that “my first



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venture was the Grameen Bank, which was not intended to make me rich or pay any dividend to me. I did not even wish to own a part or whole of it. Instead I set out to make the borrowers the owners of the bank. Even so, I was able to turn it into a big company, a sustainable company, focusing on something that was not done before. From there I moved into solar energy, getting renewable power into one and a half million homes. Then we created joint venture companies.”

The range of initiatives expands continuously. “There are so many joint ventures now,” Yunus notes. “Through one, with BASF, we are bringing mosquito nets to those heavily impacted by malaria, through another (with Uniqlo) we are bringing sanitary napkins to women in the villages. The best known of them is bringing nutrition to malnourished children of Bangladesh. This is a joint venture with Danone, the French food company. It focuses on developing and distributing nutritious yogurt products to poor children in Bangladesh.” Danone’s CEO, Franck Riboud, has reported that the project taught his company a great deal about everything from how to enter new markets and ways to design novel forms of packaging. The effort demonstrates that, when properly managed, social change and good business are in no way mutually exclusive.

Clearly, Grameen isn’t the only organization that has embraced partnerships in an effort to build a more sustainable future. What is interesting, though, is the way that breakthrough leaders increasingly encourage their teams to learn from examples like this. Like the late C. K. Prahalad, who pioneered the concept of “bottom of the pyramid” markets, Yunus has been in great demand from corporate top teams wanting to know how they can play into this emerging opportunity space. In the process, the best of these people will stretch top-team assumptions and comfort zones to the limit.



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Be Bold — and Simple

Being ambitious and working with partners does not call for complex, unwieldy solutions. Instead, The B Team encourages breakthrough leaders to be bold while working to catalyze simple, practical solutions that companies can share and replicate and, where it makes sense to do so, governments can help to incentivize.

Leaders in all sectors must identify and critically evaluate existing approaches, collaborators, and allies, with an eye both to simplification and effectiveness. Complex solutions are sometimes essential, but when ill-judged or poorly executed, they can hamstring even the most sophisticated organizations. The B Team encourages leaders to perform new comparative analyses of strategic options; to create, refine, and commit to selected strategies and solutions; and to agree to the necessary terms of reference, objectives, deliverables, and success metrics.

Redefine Success

Creative solutions that energize organizations and encourage them to work together require leaders and their organizations to rethink what it means to be successful over time. There are no guarantees of success in business, and certainly not when it comes to tackling the Breakthrough Challenge. The right aspirations in the wrong organization or at the wrong time can be a recipe for disaster. In contrast, the right aspirations at the right time and in the right sort of organization can provide a ticket to ride into a future that competitors simply can't get to or, in some cases, even see.

We must look beyond a healthy financial bottom line to an organization—or industry sector—that is healthy from top to bottom and contributes to wider health in the communities and environments in which it operates. (See Chapter Five.) This



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means embracing a holistic sense of well-being that looks not only at numbers and dollars but provides for employee welfare, protects safety and health, and promotes citizen engagement and human rights.

“We need to move beyond the current obsession with quarterly earnings and short-term growth—an obsession that too often comes at the expense of the long-term good of our individuals and communities,” says Arianna Huffington, president and editor-in-chief of the Huffington Post Media Group and a member of The B Team. “We must redefine success to include well-being, wisdom, and service.” In the process, well-being as a concept must be stretched beyond individuals, companies, communities, cities, and even countries to ecosystems and the global biosphere.

Catalyze Movements

The B Team understands that buy-in to Plan B can happen only when the concept begins to gain wider appeal. It is thus important for breakthrough leaders to look not only at themselves and their own organizations but also toward a larger world, one in which similar movements aggregate into a movement of movements. These leaders must work together to push everyone past a tipping point that tilts the future toward the Plan B vision.

Essentially, Plan B is about accelerating and guiding a global movement, not creating yet another institution. The B Team isn't trying to impose rules or guidelines. The ultimate aim is to get as many business leaders as possible—eventually millions of them—committed to radically better ways of doing business. Part of that commitment means that the leaders involved will also look critically at their own companies and business practices, leading by example and committing to accelerating a wider movement of business leaders around the world through their actions, not just their words.



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Virgin Unite CEO Jean Oelwang has been involved from the very beginning of The B Team initiative. She explains that creating a movement in which breakthrough leaders join forces is a key tenet. “The idea emerged to bring together a group of business leaders whose collective global voice could help amplify the wonderful spectrum of hybrid businesses that are driven by purpose—and also help to inspire existing business leaders to truly transform their companies to make them engines for positive change in the world,” she says. “We wanted The B Team to be a powerful force to help turn business upside down—and truly put people and planet at the core of the future of business. The collective voice and resources of this group will hopefully help give other leaders ‘air cover’ and help inspire millions of business leaders around the world to create a movement toward this new approach to business.”

In the process, Plan B also calls for the development of a powerful new collective voice to fight for a better future—a voice for those who are prepared to move in good time and good order from the old ways to the new.

Provide a Voice for the Future

By acting now, being ambitious, working with partners, being bold, and redefining what success means, we can work together toward a world that embraces the Plan B agenda. This is the future that growing numbers of us want to create—indeed the future we must create. The B Team leaders are working to spread that message.

“My hope is that The B Team will help us create longer-term frameworks for capitalism, markets, and business,” says Unilever CEO Paul Polman. “This agenda is a very tall order—and I would not pretend to have all the answers. But our strength as



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The B Team will result from our combined voices, our credibility, and our reach.”

This voice for the future is by no means limited to members of The B Team, however. It needs to become so powerful that it breaks the sustainability agenda out of its professional ghetto and makes it an irresistible global aspiration.

Engage People Around the World

It is imperative that Plan B not only serves but also includes young people around the world. We must project a mood of both realism and optimism, rather than succumbing to self-fulfilling pessimism. Young people often see the challenges—and the opportunities—more clearly than their elders, and many are already leading change efforts around the world. Their growing numbers, networked in new ways, increasingly have the capacity to effect systemic change. But their prospects will be immeasurably improved if those already in positions of influence and power find new ways to work with them.

Unilever CEO Paul Polman stresses that “we have to develop better means of leveraging social networks and youth. In Liberia, for example, 56 percent of the population are below fifteen years old—very hard to imagine. In the emerging markets, 50 percent of people are below twenty-five years old. They’ve realized they can utilize their skills and combine their efforts to create change. We see that with Arab Spring and Occupy Wall Street.”

It is increasingly important to engage wider society when building toward a new future. Doing so will require breakthrough leaders to buy in to and help evolve the Plan B movement, and similar movements, to inspire tomorrow’s leaders—those in emerging economies, like the BRICS and MINT nations,⁵ or of established global powers—and guide them toward answers to the questions posed by the ever-expanding people-planet-profit agenda.



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◦ Linking Aspirations to Incentives

These ten aspirations are no small order. Reaching these new horizons ultimately will require most business leaders to demonstrate that they can play a central role in developing and deploying solutions for a better, more sustainable future. They must earn—or in some cases re-earn—the trust, the social capital, needed to do so. They will need to secure their license to operate, to focus on the most essential challenges, and—above all—to innovate and to lead.

This historic process requires a root-and-branch review not just of corporate citizenship, corporate social responsibility, and new forms of shared value but also of business mind-sets and models and of emerging forms of both capital and capitalism. Daunting, certainly, but this is exactly the sort of challenge that true breakthrough leaders and innovators find most exciting, indeed irresistible.

The aspirations embedded in Plan B are inextricably linked to ambition and incentives, and The B Team aims to ensure that the right incentives are in place globally to promote, inspire, and reward business models that integrate people, planet, and profit into their DNA. For many people, being part of a new movement—for some just being in the game—is motivation enough. For others, it is the sheer size of the market opportunity that appeals.

Undeniably, money is a major incentive for many leaders. Indeed, for many organizations—and for their investors—it is the primary incentive (hence their continual focus on the financial bottom line). “Sitting on the Parliamentary Committee,” recalls Justin Welby, the archbishop of Canterbury, “I really didn’t think people would mind the difference between being paid £1 million and being paid £2 million, because they are such colossal sums of money. But bankers, quite openly, giving evidence in public,





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completely unaware of how it would be seen, said that £10 million to £12 million was not a lot of money. A year! For the first time, I thought ‘I think I believe in genuine human greed.’”

Clearly, the sorts of incentives that attract and motivate different people, at different stages in their lives, at different moments in history, and up and down the Maslow Hierarchy of Needs can vary radically. The truth is, though, that many incentives in the current system conspire to maintain the old, dysfunctional order. Tomorrow’s leaders must become much more adept at orchestrating the use of a wider spectrum of incentives and disincentives—carrots and sticks—to start, drive, and steer the economic, social, and political transformations the world now so urgently requires.

- Moving Aspirations Beyond Corporate Citizenship

When it comes to tackling issues of sustainability and well-being, many business organizations now talk about the importance of being good corporate citizens and about how necessary it is to be socially responsible and accountable. Corporate citizenship is generally considered as an agenda that encourages businesses to give back to the community, both locally and globally. Often, corporate responsibility is still tightly linked to philanthropy, particularly in the United States and many parts of Asia. Initiatives are funded by a sort of social tithe, a voluntary form of corporate taxation. Indeed, you can see corporate citizenship, corporate social responsibility, and responsible or conscious capitalism as forms of social lubrication to ensure that business maintains its license to operate, focus, and innovate.

All well worth having—and these social outcomes have been hard fought for. Nevertheless, these days corporate citizenship and corporate social responsibility are increasingly disparaged by breakthrough leaders as too little, too late. Although small



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steps are crucial in any journey, and the record confirms that these initiatives can help prepare the ground for breakthrough, the truth is that too often they can be like applying a Band-Aid or taking a painkiller when radical surgery is needed. Another weakness of these agendas, as we noted earlier, is that they often enjoy little traction in the world's boardrooms and C-suites. Their budgets are small, their link to corporate strategy is weak, and their ability to shape the underlying business model is often virtually nonexistent.

That is why we need to think about breakthrough innovation, breakthrough entrepreneurship, and breakthrough capitalism. As we move to embrace—and perform against—tomorrow's bottom line, leaders must recognize that CSR and other boardroom buzzwords are in danger of becoming obsolete ambitions—or, more likely, will become something more basic, the entry ticket to a higher-stakes game.

We need radically new thinking about capitalism, as well as about the various forms of capital. Specifically, breakthrough leaders aim to get a better grip on what the human, intellectual, social, and natural forms of capital mean for the future of their organizations. They must consider the cost of these different forms of capital and the effects that using (and misusing) currently non-financial forms of capital have on people and the planet. Doing so will require a profound change in the way we think, prioritize, operate, and lead. It also will require changes in the rules and dynamics of the economic system itself. This, in turn, means creating new corporate structures, and we'll look at that challenge next, in Chapter Two.