Introduction to r3.0 and the New Business Models Blueprint

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www.reporting3.org
‘25 Years Ago I Coined the Phrase “Triple Bottom Line.” Here’s Why I’m giving Up On It.’

- While there have been successes, our climate, water resources, oceans, forests, soils and biodiversity are all increasingly threatened. It is time to either step up — or to get out of the way.
- The TBL wasn’t designed to be just an accounting tool. It was supposed to provoke deeper thinking about capitalism and its future.
- The bewildering range of options now on offer can provide business with an alibi for inaction. Worse, we have conspicuously failed to benchmark progress across these options, on the basis of their real-world impact and performance.
- Fundamentally, we have a hard-wired cultural problem in business, finance and markets. Whereas CEOs, CFOs, and other corporate leaders move heaven and earth to ensure that they hit their profit targets, the same is very rarely true of their people and planet targets. Clearly, the Triple Bottom Line has failed to bury the single bottom line paradigm.
- The focus was on breakthrough change, disruption, asymmetric growth (with unsustainable sectors actively sidelined), and the scaling of next-generation market solutions.
- Hence the need for a “recall.”

Enter the r3.0 Work Ecosystem

- Systemic perspective with nano, micro, meso and macro level
- Returning to the original concept of serving the ‘ultimate end’ – wellbeing
- Four Blueprints on
  - reporting
  - accounting
  - data architecture
  - new business model design
- A fifth Blueprint as a step-by-step ‘Transformation Journey’
- Addressing all necessary constituencies needed to drive synchronized change
The r3.0 Blueprint Suite

Blueprint 1: Reporting 3.0
A principles-based approach for serving a green, inclusive society
Blueprint Report | Final Version 2016
Lead Author | Ralph Thurn

Blueprint 4: New Business Models
Integral Business Model Design for Catalyzing Regenerative & Distributive Economies
Final Report | 12 June 2018
Lead Authors | Bill Baue & Ralph Thurn | Reporting 3.0

Blueprint 5: The Transformation Journey
A Step-By-Step Approach to Organizational Thriveability and System Value Creation

Synthesis of the Reporting 3.0 Work Ecosystem
Version 1.0 | 12 June 2018
Lead Authors | Ralph Thurn, Bill Baue, Cornis van der Lugt
Clustering of Sustainable Business Model Literature

1. Product-Service Systems
2. Sustainable Business Model Archetypes
3. Sustainable Value Assessments
4. Strongly Sustainable Business Model Canvas
5. Systems Theory-Based Business Model Generation

Clustering of Sustainable Business Model Literature
Integrated Business Models

Differentiators

- Interlink Four Scopes (Nano / Micro / Meso / Macro Levels) Clearly
- Develop Integral Leadership (Nano Level)
- Apply Context-Based Multicapital Performance Metrics (Micro Level)
- Catalyze New Level Playing Fields in Industrial Sectors / Investor Portfolios / Bioregional Habitats (Meso Level)
- Advocate for Economic, Societal, and Ecological Systems Change (Macro Level)
Eight General Characteristics of Integral Business Models

- Synergistic
- Contextualized
- Thriveable
- Purposeful
- Leadership-driven
- Scalable
- Multicapitalist
- Four Scale (Nano/Micro/Meso/Macro)

@2018 Reporting 3.0
Integral Business Model Implementation Methods

- Governance & Strategy
- Risk & Innovation
- Scenario Analysis & Transition Planning
- Roles & Strategic Leadership
Incorporates/ applies know-how of other Blueprints
Focuses on the design of ‘integral’ business models
Enables scalability and ‘thriveability’
Supports Transformation Journey Program
Integral Business Model Assessment Template

**Preamble:**

1. This template refers to Integral Business Model Design. The term integral is explained in the template through eight general characteristics. This is the starting point and the end point of this work template.

2. The process workflow of designing a business model based on a ‘integral’ approach is furthermore following known categorizations of phases like ideation, prototyping, go-to-market, evaluation (improving & adapting).

3. Other tools like the ones in the template can be used in parallel if the organization feels more comfortable with it. Reporting 3.0 however refers to tools that it has developed in its set of blueprints, and by that also showcasing how they are of specific value for the creation of an integral business model.

4. The different phases are first explained in more depth in the left columns of the template, and then a set of hands-on statements is trying to find out the level of existing readiness to design an ideal ‘integral’ business model.

5. So far we haven’t seen ‘integral business models’ yet. That is not a surprise as this Blueprint and its template offers an innovation, not yet explored in the literature, but necessary if we design our future economic system and related business models in an integral way.

6. The outcome of the use of this template can be understood as a gap analysis. The scoring is an attempt to show how far you are away or close to be ‘able’ to transition towards our understanding of an ‘integral business model’. A low score should not be seen as a disappointment, but as a point for improvement towards future-readiness of a business model.

7. All steps in the journey towards that ‘ideal’ situation can be supported by the whole set of Reporting 3.0 Blueprints, depending on how you design your process to come closer.

8. Most of all, feel inspired, not frustrated. You are on to something ‘grand’, and it should sparkle ideas on next steps to take.

**Flowchart Assessment Area**

<table>
<thead>
<tr>
<th>PHASE</th>
<th>IBM Focus</th>
<th>Flowchart Assessment Area</th>
<th>Explanation</th>
<th>Self-Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBM Framing:</td>
<td>An Integral Business Model (IBM) differentiates itself through a design that integrates 8 mutually reinforcing general characteristics:</td>
<td>- Peer scale (B2C / B2B / B2E / M2M) - Contextualised - Purposeful - Scalable - Multi-capitalist - Leadership-driven - Thrivable - Synergistic</td>
<td>These elements partially overlap and describe a mindset in which missing one of these elements means not being fully integral (please refer to the IP for further explanation of the 8 key characteristics). This thinking sets a frame for all tools, discussions and decisions that the organization will have to make.</td>
<td>- The organization takes into account that its business model has impacts on the supply and demand side of its value cycle (in a circular framing) and that impacts can happen on multiple level (organizational level, life level / individual / habitat / portfolio), and is also dependent on M ock / economic system framing. This frames an attitude of ambition of connectedness and clear communication to the goals with impact on all these levels. - The organization has clear (but still know-how and related ambition to showcase how sustainable, regenerative and thriving) it is. Given the first two general characteristics the organization has a clear purpose that is understood throughout the organization. - The organization understands that while it is creating a business model that needs to survive in current economic system conditions it would thrive better under ideal economic system conditions. The level of awareness of adaptability of its business model (from now to then) is therefore always in focus and aims at scaling up positive impact. - It is conscious in its use or different forms of capital, including natural capital, human capital, social capital, manufactured capital, intellectual capital, etc., in an attempt to learn what its total contribution is. - It is lead with clear purpose and direction by leaders that aim high and are aware of the totality of the eight general characteristics. - The possibility focused means that there is an understanding of the shortcoming of sustainability as operationalized in most companies and that there is more to do than doing less harm. It addresses the need to mitigate a climate that allows transformation and support of the leadership to close the sustainability context gap. - It makes the most use possible of synergetic with other organizations, meaning that thinking often takes place in nexuses, triangulations, and (or) more conventional – circular / sharing / collaborative business settings with a clear sphere of impact that should be achieved. TIP: Design a vision and mission statement that sets the tone of wanting to be an ‘integral business’. It is a reference point for everything that you will design, like a best friend reminding you of what is at stake.</td>
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</tbody>
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Integral Business Models Case Examples

IT Industry

Textile Industry

ReBlend: circular fabrics & fashion

Energy Industry

VDMbee

CO-OP

POWER
Welcome to Blueprint 5 – The Transformation Journey Program

THE r3.0. TRANSFORMATION JOURNEY
- A MOUNTAIN CLIMB

The r3.0 Transformation Journey offers tailored but comprehensive approaches to different actions needed, by way of understanding the fundamental concept of prerequisite for the journey ahead, at momentum needed. Identified as exit are the Context Gap, the Economic System

THE RIGHT FRAMEWORK
- Are the SDGs, the Paris Climate Treaties a key to breaking through ‘preemptory delay’ in core
- How can these frameworks be used to take steps and shift to transformative?
- Where are the limitations of international and what is the role of precompetitive net?

PLANNING
- Weather can change rapidly in the ever-changing, not a life-threatening – endeavor. Having continuously monitored is vital. Respect for governance and leadership as key.
- Implement your findings into a future

THE MOUNTAIN TOP
- Well prepared for the challenges of now. Throughout the climb, a clear mountain guide. This will ensure model innovations. Also is an ongoing iterative process and needs a deep

DEEPENING UNDERSTANDING
- Who are the stakeholders?
- Which thresholds & allocation activities, now and in the future?
- How to handle risks in the current economy?
- What changes in governance are necessary?

BUSINESS MODELS & INNOVATION
- How to change existing business models to transform for more thriving?
- How to design integral business - serve a Green, Inclusive & Open Economy?

NEW ECONOMY
- What is a Green, Inclusive and Open Economy?
- Why do we need to shift our scope from stakeholders to stakeholders?
- What is the role of risks, thresholds & allocation of leadership?
- Why is it desirable, what is in for me? What can I contribute to reach that goal?

Congratulations, you and your team made it to the top! Your company or organization is transforming and is actively contributing to a Green, Inclusive and Open Economy. You can now share your achievements, act towards systemic design change and encourage others to follow your path.
From wanting change – to personal change – to leading change

JOIN THE r3.0 ACADEMIC ALLIANCE

reporting 3.0
context for thriveable transformation