Integral Entrepreneurship for Collaborative Innovation & System Value Creation

Entrepreneurs for Entrepreneurs
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Problems

→

Potential Solutions
Problems
Problem 1: The Hockey Stick
Compounded Financial Growth...

Jeff Parsons, "Why Investors Need to Understand the Shape of the Compound Growth Curve," Journal of Financial Planning
…Leads to…
...Hockey Stick Graphs

**The Great Acceleration**

**Socio-Economic Trends**
- World Population
- Real GDP
- Foreign Direct Investment
- Urban Population
- Primary Energy Use
- Fertilizer Consumption
- Large Dams
- Water Use
- Paper Production
- Transportation
- Telecommunications
- International Tourism

**Earth System Trends**
- Carbon Dioxide
- Nitrous Oxide
- Methane
- Stratospheric Ozone
- Surface Temperature
- Ocean Acidification
- Marine Fish Capture
- Shrimp Aquaculture
- Coastal Nitrogen
- Tropical Forest Loss
- Domesticated Land
- Terrestrial Biodiversity Degradation


**Map & Design:** Felix Pham and Duschekes / Global2000.

**Great Acceleration**, International Geosphere Biosphere Programme
Flip the Hockey Stick
“Steepening Problems” → Steepening Curves

Every year we delay climate action, the speed of action needed becomes more rapid.

Curves grow steeper—what I mean by "steepening problems"

[Image of graph showing CO₂ emissions over time with various mitigation curves.

For a >66% chance of staying below 2°C
Mitigation curves after Raupach et al. 2014]

https://twitter.com/alexsteffen/status/836298452493488131?lang=en
Predatory delay is the blocking or slowing of needed change, in order to make money off unsustainable, unjust systems in the meantime.
We know the costs of delay are already staggering—but also that the potential for sustainable and widely shared prosperity is enormous.

10:09 AM - 28 Aug 2017

https://twitter.com/AlexSteffen/status/902171395731238912
Pace & Scale
Problem 2: The Doughnut
Planetary Boundaries = Outer Edge

Social Foundations = Inner Edge

Kate Raworth, “How to do business with doughnuts,” World Economic Forum, 25 Jan 2018
Ecological Footprint + Human Development Index

https://www.footprintnetwork.org/content/uploads/2016/07/2Indeces_430.jpg
Scope
Pace, Scale & Scope
Potential Solutions
Social Entrepreneurship?
Social Entrepreneurship: Limitations

- Singular Focus
- Bottom Up
- Shared Value
Social Entrepreneurship: Limitations

Social Entrepreneurship = Predatory Delay?
The only thing more dangerous than no progress is the illusion of progress

Brendan LeBlanc
EY
r3.0 Steering Board
Potential Solution 1

Singular Focus → Integral Approach
What is Integral?

Ken Wilber, “What Are the Four Quadrants?” Integral Life, 2014
What is Integral?
Reporting 3.0 New Business Models Blueprint

Blueprint 4: New Business Models

Integral Business Model Design for Catalyzing Regenerative & Distributive Economies

Final Report | 12 June 2018
Lead Authors | Bill Basse & Ralph Thurm | Reporting 3.0

Business Model Development
Integral Business Models
Business Model Transformation Scalability

1. New Business Models
2. New Industry Ecosystems
3. New Integral Economies

@2018 Reporting 3.0
Potential Solution 2

Bottom Up
+
Top Down
(or Inside Out)
Entrepreneurship + Intrapreneurship
Collaborative Innovation

ondernemers voor ondernemers

Duurzame samenwerking met het Zuiden

→

ondernemers voor ondernemers
Transformative Innovation

Incremental Innovation → Integral Innovation
Global Public Good: Operating under OnCommons (a non-profit gGmbH registered in Germany), Reporting 3.0 curates a multi-stakeholder community generating “open source” knowledge in a neutral, pre-competitive space to revitalize the global Commons.

Positive Mavericks: Constructive engagers who transcend incrementalism to achieve necessary transformation.

Scalable Ambition: Acting at the micro level to design next-generation reporting that triggers macro systems level change, spurring the emergence of a regenerative & distributive economy.


Piloting Next Generation Practices: Beta Testing Program Members pilot Recommended practices to prove feasibility and then scale up change with support from Advocation Partners.
Positive Mavericks

• Work constructively (not destructively) toward positive change;
• Think independently, challenging personal & institutional constraints, structural limitations, unconscious biases & shadow agendas;
• Backcast from a desired future, building bridge foundations on the far side of the river and spanning backwards to meet the present;
• Catalyze transformation from the foundations of incremental change;
• Act at the scale and pace dictated by science & ethics;
• Think and act at systems levels, making micro / meso / macro links;
• Work collaboratively in ne(x)tworks, dispelling the illusion of separation;
• Maintain persistence even in the face of widespread resistance to a transformative agenda & active hope in the face of existential risk.
Us vs Them
Pre-Competitive → Collaborative
Us = Them
Market Share → Market-Making
Potential Solution 2

Competitive Advantage $\rightarrow$ Collaborative Innovation
The r3.0 Strategy Continuum visualizes progress:

- **On the horizontal axis**, from incremental to transformative strategies, with (context-based) sustainability as the midline; and
- **On the vertical axis**, from current economic system design to the emergence of a new economy, with transformation scaling up from the micro (company) level through the meso (sector / portfolio / habitat) level to the macro (economic / social / ecological system) level.
Horizontal Axis

- **BAU**: No evidence of sustainability assessment / progress
- **Improving**: Evidence of incremental progress, uncontextualized vis-à-vis sustainability thresholds
- **Sustaining**: Evidence of performance improvement vis-à-vis carrying capacities of capitals / sustainability thresholds
- **Sustainable (mid-line)**: Performance meets break-even point – no worse than the sustainability threshold
- **Regenerating**: Evidence of (context-based) net-positive sustainability performance (regenerative impacts on capitals)
- **Thriving**: Evidence of gross-positive sustainability performance (no negative impacts on capitals needing to be netted out)

VerticalAxis

- **Micro Level**: Evidence of progress at the company level
- **Meso Level**: Evidence of company-level progress catalyzing industry / portfolio / habitat level transformation
- **Macro Level**: Evidence of company- / industry- / portfolio- / habitat-level progress that catalyzes economic / ecological / social systems level transformation
**Current**

- BT’s 1.5°C Science Based Target transcends the context-based mid-line threshold at the micro / company level.
- The 1.8:1 performance (on way to 3:1 goal) triggers meso-level transformation.
- Likewise, BT’s industry level collaboration in GeSI, RE100, and other initiatives drive meso-level transformation.

**Recommended Actions**

**Horizontal**

To move into the regenerative zone, BT would need to add “negative emissions” – ie carbon sequestration – to its portfolio. This would require BT to support significant reforestation / land use transformation toward removing “fugitive carbon” from the atmosphere. As well, BT can codify its commitment to climate by producing a “transition report” documenting all the ways in which its business models need to change in order to help achieve a <2°C world – including shifts at the governance and strategy levels.

**Vertical**

Clearly, BT’s 3:1 program represents its strongest lever to scale up sustainability through balancing out the carbon cycle, so the maturation pathway here would entail enhanced ambition (such as Dell’s 10:1 goal). As well, BT can leverage its position as a pioneer on climate stabilization amongst peer companies for industry ecosystem transformation, and more importantly at the government level, seeking to apply its climate stabilization approach to national level measurements.
Potential Solution 3

Shared Value → System Value
IIRC <IR> Octopus: Multicapital Value Creation

Dutch Federation of Accountants (NBA): Outcome → Impact
BASF: Outcome → Impact → Value-to-Society

Future Fit Business Benchmark: System Value

**Shareholder Value**
Financial returns are all that matters: companies privatize gains and externalise losses

**Shared Value**
Business comes first: negative impacts are often not sufficiently internalised, or are justified by ‘doing good’ elsewhere

**System Value**
Business addresses societal challenges in a holistic way, while not hindering progress toward a flourishing future

*Figure 1: Rethinking the triple bottom line through a systems lens.*

Outcome → Impact → System Value
Potential Solution 3

Shared Value Creation → System Value Creation
3 Potential Solutions

• Integral Business Models
• Collaborative Innovation
• System Value Creation
An Invitation: Reporting 3.0 Transformation Journey

Thank You!

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