Agenda

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

Great Acceleration, International Geosphere Biosphere Programme
“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"

https://twitter.com/alexsteffen/status/836298452493488131?lang=en
Incremental Solutions = Predatory Delay

Predatory delay is the blocking or slowing of needed change, in order to make money off unsustainable, unjust systems in the meantime.

9:42 AM - 28 Aug 2017

https://twitter.com/alexsteffen/status/902164491651006464
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

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
Problems 1 & 2 Distilled

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?

- Deep Impact: Transforming Mindsets
- Clear Impact: Transforming Behaviors
- Wide Impact: Transforming Relationships
- High Impact: Transforming Systems

MetaIntegral
Blueprint Series 2016-2018

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

Integral Business Models
General Characteristics

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

@2018 Reporting 3.0
Business Model Transformation Scalability

New Business Models

New Industry Ecosystems

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

indernemers voor ondernemers
Transformative Innovation

Incremental Innovation → Integral Innovation
Reporting 3.0 as 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.

- **Blueprinting the Future:** Expert Working Groups vet Blueprints on Reporting, Accounting, Data & New Business Models that make transformative Recommendations.

- **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
Reporting 3.0 as Integral Innovation

Market Share → Market-Making
Potential Solution 2

Competitive Advantage → 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.
Reporting 3.0 Strategy Continuum – Plotting Criteria & Legend

**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)

**Vertical Axis**

- **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
BT Pilot: Climate change

### 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

NBA <IR> 2017 VALUE CREATION MODEL

VALUES

SOCIETY

TRUST

VISION

MISSION

VALUE DRIVERS

PROFESSION & DIRECT STAKEHOLDERS

MORALITY (do what is right)

RELEVANCE (do the right things)

QUALITY (do it the right way)

TRANSPARENCY (tell what you do)

VALUE ENABLERS

NBA

SOCIAL AND RELATIONSHIP

(community, network)

INTELLECTUAL

(knowledge center)

MANUFACTURED

(regulation, guidance, tools)

HUMAN

(staff, members, stakeholders, students)

NATURAL

(footprint)

FINANCIAL

(resources)

INPUT

STRATEGY/POLICY

-Awareness

-Reporting

-Governance

-Assurance

-Education

PROJECTS

-Awareness

-Reporting

-Governance

-Assurance

-Education

PERFORMANCE

-Awareness

-Reporting

-Governance

-Assurance

-Education

OUTPUT

INTELLECTUAL

(examples, solutions)

MANUFACTURED

(harmonization, added value)

HUMAN

(competencies, motivation, well-being)

NATURAL

(handprint)

FINANCIAL

(stability, welfare)

OUTCOME

IMPACT

SOCIAL AND RELATIONSHIP

(influence, commitment)
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
Thank You!

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