

Principles

Principles for Corporate Redesign

1. The purpose of the corporation is to harness private interests to serve the public interest.
2. Corporations shall accrue fair returns for shareholders, but not at the expense of the legitimate interests of other stakeholders.
3. Corporations shall operate sustainably, meeting the needs of the present generation without compromising the ability of future generations to meet their needs.
4. Corporations shall distribute their wealth equitably among those who contribute to its creation.
5. Corporations shall be governed in a manner that is participatory, transparent, ethical, and accountable.
6. Corporations shall not infringe on the right of natural persons to govern themselves, nor infringe on other universal human rights.

Funding

Corporation 20/20 is supported by the generous contributions of corporations, foundations, and individuals. For information on donating to both general program support and specific Corporation 20/20 activities, please contact Allen White at awhite@tellus.org.

Participants

Corporation 20/20 Co-founders:

Allen White, Vice President and Senior Fellow, Tellus Institute; and Co-founder and former CEO, Global Reporting Initiative. His work with corporations, governments, multilaterals and NGOs on a broad range of corporate responsibility issues spans more than 20 years.

Marjorie Kelly, Senior Associate, Tellus Institute; Co-Founder and former Editor /Publisher of *Business Ethics*; author of *The Divine Right of Capital*; consultant in innovative corporate forms; and a regular speaker and media commentator on ethics and corporate responsibility.

Participants in Corporation 20/20, acting in their capacity as individuals, comprise an expanding group of 150 leading theorists, practitioners, and advocates from business, civil society, finance, government, law, labor, and journalism.

For more information, please visit
www.Corporation2020.org

Or contact:
info@Corporation2020.org

617-266-5400

11 Arlington Street
Boston, MA 02116-3411
USA

Corporation2020
Designing for Social Purpose



Creating the vision
and charting the course
of the

Future Corporation

www.Corporation2020.org

■ Mission

Most debates about corporate issues—human rights, the environment, directors' duties, executive compensation, governance, and labor standards—treat each issue as discrete and each solution as a stark choice between government regulation and free markets. Corporation 20/20 posits an alternative, holistic framework that is rooted in the sources, rather than the symptoms, of challenges facing the 21st century corporation. That framework we call "*corporate redesign*."

Corporate Redesign aims at transformation by shifting the focus from the "what" and "how" of production of goods and services to the nature of the corporation itself—its purpose, its character and its architecture.

As those inside and outside of business rethink the purpose of corporations, three conditions have impeded progress toward a broad-based movement for fundamental change. One is the limited awareness of how received wisdoms embedded in economic and management theory—amoral individualism, unwavering economic rationality, productivity and competitiveness above all other values—shape both management practices and corporate conduct.

A second is the lack of an overarching framework—visions of how the future corporation might be designed—to provide a shared platform for various reform streams that co-exist in parallel, without integration or connection.

Third is the absence of a cohesive movement built on common values and progressive principles that transcend size, sector and location of specific corporations.

Corporation 20/20 is developing innovative corporate forms that seek to embed social purpose into the "genetics" of the organization such that it is irreversible and transferable from one generation of ownership and management to the next. The initiative acts as a:

- A **forum** of leading thinkers, practitioners, and activists
- A **visionary** of feasible, coherent and inspiring portraits of the future corporation
- An **advocate** for achieving such visions

Corporation 20/20 aims to create a generally accepted framework for corporate design to guide governments, civil society, labor and corporations themselves toward transformative change.

In the decades ahead, two realities must be reconciled: on one hand, the emergence of the corporation as the most powerful and innovative social institution in the world; and, on the other, the growing severity of social and environmental problems that plague billions of people. As the tension between these two realities grows, the roles and responsibilities of, and boundaries between, business, government and civil society are evolving, contested, and, to large measure unresolved. Corporation 20/20 seeks to play a leading role in finding workable and equitable solutions to these global challenges.

■ Activities: 2006-2007

Dialogues. To facilitate convergence around new visions of the future corporation. Electronic discussions on a wide range of topics are ongoing and archived on www.corporation2020.org.

Laboratories. To apply emerging 20/20 concepts to companies, business sectors, government, labor and civil society for the purposes of testing evolving ideas and mutual learning among Corporation 20/20 and its diverse participants.

Working Groups (WGs). To advance both concepts and tasks. WGs will focus on principles of redesign and prototypes applicable to a wide range of organizations, e.g. large publicly listed corporations, large privately/family-controlled corporations, and small/medium size corporations.

Communications. On-line database of research papers and articles, an electronic newsletter, op-ed pieces, press releases, interviews, an enhanced website and standardized Corporation 20/20 presentations and information packages.

Paper Series. A Paper Series will explore key topics in corporate redesign, e.g., internal transformation, beyond agency theory, new models of capitalization, rethinking charters and stakeholder governance.

Summit. A November 2007 *Summit on the Future of the Corporation* will be a major milestone in bringing corporate redesign onto the public agenda, profiling Corporation 20/20 redesign concepts and charting a pathway forward that includes a role for all stakeholder groups.