



Summit on the
**Future of the
Corporation**

*Hosted by Corporation 20/20 in partnership
with the Society for Organizational Learning.*

Summary of Proceedings

DECEMBER 2007

New Principles for Corporate Design

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 wealth 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.

For information on the development and context of these principles, www.corporation2020.org



DECEMBER 2007

Dear Colleague,

This document presents the proceedings of the November 13-14, 2007 SUMMIT ON THE FUTURE OF THE CORPORATION in Boston.

Our purpose in preparing the proceedings is to provide a brief record of the event for the benefit of both participants and non-participants. Its contents are not exhaustive, but reflective of selected key issues and perspectives that arose during the two-day Summit, which was attended by 200 individuals from 15 countries representing business, civil society, finance, labor, law, and the media.

We invite you to remain active in the growing community that began to take shape in 2004 with the launch of Corporation 20/20 and strengthened and expanded by the Summit. Follow-up activities will be posted on www.summit2020.org and on www.corporation2020.org, and will be communicated via email notices in the coming months.

Our sincerest appreciation to all speakers, moderators, panelists, and participants, who contributed to the success of the Summit. Many thanks also to the team of recorders that contributed to the preparation of this summary: Christi Electris, Anna Fleder, Orion Kriegman, Wei-Shiuen Ng, and Emily Volkert.

Questions and comments may be addressed to Wei-Shiuen Ng at wng@tellus.org, +1 (617) 266 5400.

Cordially,

Allen White
Co-Organizer

Agenda

DAY ONE, November 13, 2007 - Tuesday

- 8:30 - 8:45 am** Welcome
Jay Hooley, State Street Corporation
- 8:45 - 9:00 am** Background, Goals, and Agenda
Allen White, Corporation 20/20 & Tellus Institute
- 9:00 - 9:30 am** Opening Remarks
An historical perspective on the evolution of the corporation, its purpose and its future design
Charles Handy, Author, formerly London Business School & Royal Dutch Shell

Setting the Stage

- 9:30 - 10:45 am** Plenary 1 - Are Corporations Equipped for the 21st Century?
Global imbalances, organizational forms: rethinking purpose and structure
Moderator: **John Elkington**, SustainAbility
- Henry Mintzberg**, McGill University
David Korten, Author
Arie de Geus, Business Strategist, formerly Royal Dutch Shell
- Dialogue Facilitator, **Peter Senge**, MIT & Society for Organizational Learning (SoL)
- 10:45 - 11:15 am** Break

Catalyzing Change

- 11:15 - 12:45 pm** Plenary 2 - The Two Faces of Change: Internal and External
The challenge of transformational change and the nexus of internal and external forces
Moderator: **Jeffrey Hollender**, Seventh Generation
- Marv Adams**, Citi
Darcy Winslow, Nike
Michael Marx, Corporate Ethics International
Damon Silvers, AFL-CIO
- Dialogue Facilitator, **Peter Senge**
- 1:00 - 2:00 pm** Lunch *Hall at Parris, Upper level, Quincy Market*
Sponsored by AVEDA
- 2:15 - 4:30 pm** Café-style Breakouts (1) *Hall at Parris*

Clusters organized by key topics, each with a facilitator. Signs to indicate the topic to be covered in each cluster. Participants may also self-organize.

Option to rotate to second topic after one hour.

Discussion questions:

- *Why is the issue critical to the future of the corporation?*
- *What is a vision for the next decade and what specific outcomes should be sought?*
- *What are the opportunities and barriers to achieving such a vision and outcomes?*

4:45 –5:45 pm	Plenary 3 - Reflections on Breakouts <i>Discussion of key themes emerging from breakouts, with an eye toward Day 2, Action agenda-setting</i>	<i>Faneuil Hall</i>
5:45 pm	Adjourn	
7:00 pm	Reception and Dinner <i>Wine sponsored by Brown-Forman</i> Guest Speaker: Robert Kuttner , <i>American Prospect</i> , Columnist/Commentator, <i>BusinessWeek</i> and <i>Boston Globe</i> , National Public Radio and Public Television	<i>State Room, Atop 60 State St</i>

DAY TWO, November 14, 2007 - Wednesday

Charting the Pathways Forward

8:30 – 8:45 am	Day One Recap and Day Two Objectives	
8:45 – 10:30 am	Plenary 4 - Critical Issues in the Coming Decade <i>Perspectives on selected issues within the broader change agenda</i> Moderator, Aron Cramer , Business for Social Responsibility Rosabeth Moss Kanter , Harvard Business School Jason Clay , WWF-US Kent Greenfield , Boston College School of Law Steven Lydenberg , Domini Investments Robert Monks , Corporate Library/ Lens Governance Advisors Dialogue Facilitator, Peter Senge	
10:30 – 11:00 am	Break	
11:00 – 12:30 pm	Plenary 5 - The Emergence of New Corporate Designs <i>Pioneers, hybrids and visionaries: portraits of transformational change</i> Moderator, Marjorie Kelly , Corporation 20/20 & Tellus Institute Susan Mac Cormac , Morrison and Foerster Steve Voight , King Arthur Flour Craig Cohon , Globalegacy Dialogue Facilitator, Allen White	
12:45 – 1:45 pm	Lunch	<i>Hall at Parris</i>
1:45 – 2:45 pm	Café-style Breakouts (2) <i>Tables arranged by stakeholder groups. Discussion questions:</i> <ul style="list-style-type: none">• <i>What issues have emerged as most pivotal to corporate transformation?</i>• <i>What are 3-4 priority mid-term (3-5 year) and long-term (10+year) goals for change?</i>• <i>How should your stakeholder group organize to achieve these mid-and long-term goals?</i>	<i>Hall at Parris</i>
3:00 – 3:30 pm	Plenary Session 6 - Reflections on the Summit and Next Steps	<i>Faneuil Hall</i>
3:30 pm	Adjourn	

Summary of Remarks

DAY ONE, November 13, 2007 - Tuesday

Welcome and Opening Remarks

Jay Hooley, Vice Chair of State Street Corporation, welcomed participants to The Summit on the Future of the Corporation. Business according to some polls is trusted more than government or the media. Companies should adopt sustainable corporate design for their organizations and be responsible for the people who have entrusted their resources to them. In order to become an employer of choice and competitive in attracting top talent, companies should embrace the view that diversity in their workforce is a strength and that employees are looking beyond wages and benefits when selecting companies for employment. They want to know, for example, that their companies are attentive to all of the ways they impact society and are part of the solution, not the problem.

The world that lies ahead is a very different one from the 18th century when the contours of the modern corporation were conceived. This implies that in order for the 21st century to succeed, corporations will need to continuously adapt to new realities. This means that financial institutions should go beyond helping their customers achieve their investment goals by contributing to overall economic progress via incorporation of social, environmental and governance goals. This, in effect, means expanding the scope of corporate responsibility to employees, environment, suppliers, and other stakeholders affected by the organization's activities.

Allen White, Corporation 20/20 and Summit Co-Organizer, described the Summit as a major milestone in the Corporation 20/20 process that was launched in 2004. For nearly four years, a group of some 200 participants from business, civil society, finance, labor, law, and the media have been grappling with the question of the nature and purpose of the corporation, and how corporations should be designed in the future to meet societal needs and expectations. Out of this process has emerged six Principles of Corporate Design that provide the foundation for visioning future corporate forms. Faneuil Hall, the Summit venue and the "Cradle of Liberty" is a powerful reminder of the long history of public debate over the relationship between the corporation and society. For 250 years, issues such as colonialism, slavery and women's suffrage have been debated on this site. Within and outside Faneuil Hall, concerns with the influence and power of the corporation have been expressed by such notables as John Hancock, Thomas Jefferson, Charles Francis Adams, and Charles William Eliot. None could have imagined the scale and reach of the modern corporation. It is our civic duty to carry on these debates, to challenge conventional wisdom, and to chart a future in which the corporation serves to harness private interests to serve the public interest, the cornerstone principle of Corporation 20/20. In that spirit, we have set two central goals for the Summit:

- To continue building a community of committed, diverse leaders to work toward creating corporations that contribute to social, economic and ecological well-being,
- To help the larger public understand the issues we are discussing and the need for fundamental change in corporate purpose and form.

Charles Handy, a philosopher, author and radio commentator, provided opening remarks. Faneuil Hall is an appropriate place to explore the future while being mindful of the past. The past centuries have witnessed the emergence of great business ideas: the joint stock corporation, the limited liability

of directors, norms of ethical business conduct, and stock options as an instrument of compensation. These great ideas, some two centuries old and some more recent, enabled a prosperous society and immense economic growth. At the same time, Adam Smith's "invisible hand" provided the foundation for free markets in which individuals, acting in their self-interest, would maximize societal well-being. These great ideas, like all great ideas, have serious consequences often not anticipated at the moment of conception. Looking forward, we must assess these unintended consequences in our search to invent a new definition of business success. In so doing, it is the government's role in a democratic society to set the rules of the game. But the leadership for social change must come from beyond government. That leadership, in turn, must recognize that there must be moral, not just economic, purpose in life. Society deserves nothing less.

Plenary 1: Are Corporations Equipped for the 21st Century? **An Historical Perspective on the Evolution of the Corporation, Its Purpose and Structure**

John Elkington, founder of SustainAbility, moderated the session. In addition to the collision between capitalism and democracy that Charles Handy referred to, equally interesting is the collision between democracy and sustainability. For the moment, corporate citizenship has co-opted much of the sustainable development agenda. For most corporate boards, sustainability issues do not attract the level of attention that they ought to, but climate and related drivers will change the rules of the game.

Henry Mintzberg, McGill University, posed the question: Are we sailing on the Titanic? Yes. We should understand that legal corruption in business (as opposed illegal corruption via breach of law) is rampant in business. Examples include excessive executive compensation and relentless downsizing of "human resources" as if human beings are a solution to management shortcomings. The core problem is the triumph of the economic over the social and the political aspects of business, reinforced by economic dogma that squelches a more balanced view of business and its role in society. Corporate responsibility as we know it, e.g. BP or EXXON electing to address climate change, is no answer to urgent problems. WTO controlling global trade in GMOs in food supply instead of WHO, is another example of the hegemony of economic interests. As for consumption, can its reduction ever be led by companies whose growth depends on more of it? We must find ways to rebalance the private and public, corporate and state influence. And we must reassert the domain of the public interest and roll back incursion of the private interests in that domain. In short, we need another Boston Tea Party to reassert citizen rights. At the end, he suggested that if companies want to be really socially responsible, then "Get out of my government!" Citizens have every right to act, including those who have shares in companies, but companies should get out of politics.

David Korten, author, suggested that the global economic system is designed to convert real capital (e.g. human, social, natural) into financial capital to increase inequality. Trickle down economics is a myth. Human survival depends on reducing aggregate consumption and increasing equality through redistribution. Institutions of the global economy are designed to do exactly the opposite. We must rebalance private and public interests, restore life values to dominance, and convert financial capital back to living capital (a negative rate of financial return). The only ethical rationale for granting a corporate charter is to serve a public purpose. Large private benefit corporations must be converted to smaller public benefit corporations. Public policy, including tax policy must reallocate real resources from harmful to beneficial uses (for example from war to health care and environmental restoration) and from rich to poor. Change depends on citizen initiative originating from outside the corporate system.

Arie de Geus, business strategist and formerly Royal Dutch Shell, agreed that a new design is required for the evolution of corporations if they want to keep pace with the changing world. Corporations are living systems that have drifted to a state of disharmony with the world in which they operate. In the 19th century, capital was scarce, and the joint stock corporation was the solution to aggregate needed capital to apply to human and natural resources to create wealth. Today, 70% of corporate values are in the form of intangible assets, which themselves reflect first and foremost the human capital—talent, innovation, brand—of the organization. Sometime in the 1980s, capital shifted from scarcity to abundance. Yet organizational forms have not adapted. Capital is a commodity, no longer the decisive factor in business success. That role is now played by human talent. Meanwhile, in law and practice, capital incongruously retains dominant influence in corporate governance and practice. Efficiency, for example, is defined as optimizing capital resources, not human assets, even though the

latter are the heart of value creation. The shareholder, including its representative, has evolved into a force with objectives different from those within the corporation. This gives rise to the shrinking lifespan of the average corporation, declining from 17 years in the 1990's to 12 years at present, and even less in countries such as the UK and France. Amidst these trends, however, are signs of innovative corporate structures that position people first, e.g. worker or member-owned coop Mondragon in Spain, John Lewis Partnership in the UK, Rabobank in the Netherlands, as well as partnerships such as Booz Allen and clubs such as VISA.

Selected Issues from Q&A Session

- How do we cope with the care for older people – pensions are the methodology now and what will be the implications of their negative returns?
- Is there in the capital world a similar dichotomy as we see in labor side – small number of people consolidating power?
- What kind of corporations are we talking about? If highly talented people are the most important resources, then why are people disregarded in certain corporations?
- The solution would be a balance of 3 sectors (public, private, civil society), but if we follow that logic we would miss an optimization potential. Is it possible to integrate 3 sectors?
- What changes do we need to make in our business schools and how we educate future managers so next generations will not have even bigger problems?
- It is all about money in the current context of globalization and intense competition. Money serves the interests of pension funds and unions, which are also characterized by greed. Where does the state or legislature start to diminish greed in regard to corporations?

Plenary 2: The Two Faces of Change - Internal and External

The Challenge of Transformational Change and the Nexus of Internal and External Forces

Jeffrey Hollender, Seventh Generation moderated this session.

Marv Adams, Citi, observed that only those able to adapt to change will survive in the contemporary business world. He proposed a three-part approach for achieving such organizational change. First, a people-centered, not a financial-centered approach in which employees value the goals of the organization. Second, an inquiry and appreciative approach (as opposed to problem-centered) which invests heavily in understanding the strengths of the system. Third, an approach that focuses on the beliefs of people in the system rather than on command and control of such beliefs which leads to fear and demise rather than sustainability. Successful change ultimately depends on evolutionary design that at once releases and harnesses self-directed energy. Complexity is here to stay—we must learn to understand and embrace it. But to do so, we need better tools and training to advance understanding of complex systems. In his experience working with many large companies, Marv has never met someone who does not get excited and motivated by being part of something bigger.

Darcy Winslow, Nike Foundation, presented her perspective on innovation, and explored future opportunities based on what Nike has undertaken as a company to date. Nike began thinking about what sustainability meant, and the business implications and opportunities, in the mid-late 90's. Since then, they have moved into developing and putting into operation long-term strategic plans and resources against several facets of Corporate Responsibility. As part of a cultural and organizational shift from a product to a consumer (sport) based organization, Nike will begin to focus on four areas within the businesses and corporate responsibility (CR). These include: "Compliance", "Considered Design", "Let Me Play" (serving the underserved), and "Climate Change". Looking to the future, the year 2020, one of the questions she posed was for companies, or industries, to consider the greatest 'stressors' within their holistic design or business process, and how this could shift their innovation and investment strategy. Examples were given for both the footwear and apparel industry in regards to energy/transportation and water usage, and how these 'stressors' are considered in the product creation process and throughout the supply chain. In doing so, regardless of the industry, it is therefore important to encourage cooperative competition in aspects that are common to each company, which could result in more rapid solutions to reduce environmental stress. And finally, she posed the challenge to the group to engage youth - the millennials - in this dialogue in helping to shape the future of the corporation. They are the 'connected generation' and will represent management in the year 2020.

Michael Marx, Corporate Ethics International, suggested that in the battle between democracy and capitalism cited by Charles Handy, democracy is losing. Historically, major changes have not been evolutionary, but triggered by cataclysmic events. In the world we occupy, we need to think about quantum leaps to achieve sustainable societies; continuous improvements will not be enough. The rules have to be changed before corporate behavior can change, as behavior is in large a measure of the product of the rules corporations have been given. Base on current operations, today's rules have created power imbalances that have assigned too much power to corporations. Further, rule changes must be accompanied by changes in the market system to achieve the needed rebalancing. Five critical areas that demand actions are: separation between corporation and state; elevating the role and rights of communities over corporations; redefining corporate purpose; redirecting capital to companies that meet social norms, and better articulation of the meaning of the "commons" and ways to protect it. Concurrent change in these five areas is the pathway to deep transformation.

Damon Silvers, AFL-CIO identified two main types of problems that have arisen based on the assumption that corporations exist to create wealth. The first problem is that corporations are misallocating resources, and the second is that corporations are misallocating the wealth they do create. In many cases, the assumption is right and corporations often misallocate resources and wealth, which is why we need the firm hand of government regulation. Instead of focusing on adding or subtracting from the power of shareholders, we should focus on common ground shared by corporate managers, employees and long-term investors. This balance is where there might be a chance to move corporations towards socially powerful outcomes. All have an interest in reducing negative and increasing positive externalities. All are harmed by short-termism in capital markets. Who will be the force behind such a common ground approach? For one, the younger generation has a huge potential for catalyzing positive change. For another, collective public action demands change.

Selected Issues from Q&A Session

- Corporations do not need regulations because all the changes could be made from within. But "could" is not "will"—the necessary change will not happen by internal forces alone. Something more than regulations might be needed. How can internal forces be inspired? How can states be inspired? Corporations cannot wait for governments, cannot wait to be innovative and be provided with incentives, as it takes too long for regulations to be implemented. There is a need to move from a taxation-based system to a more positive financial-based incentive approach that will allow companies to radically change.
- Most of us working business have strong values and ideas on how the world should operate. Our challenge is to reinforce these positive values. If not, we implicitly take the view that business is essentially evil.
- CEOs often seemed to be trapped, but certain decisions are beyond their control. Major change is most promising when business leadership and government leadership come together. But there will always be a need for government to solve systemic changes beyond the reach of business.
- What are global responsibilities and what is needed for a global change?
- Are there things we can learn from private companies that can be transferred to the public companies?
- There is a need for a strategy to create a better life in the US or Europe that will influence a better living environment for China or India. Wealthier societies should demonstrate that well-being can be achieved in a resource-constrained world.
- The notion that CEOs are constrained is dramatically overblown. In fact, they have ample room to make dramatic change within their organizations.

Day 1 Breakout Groups (partial list)

- INTERNAL TRANSFORMATION
- SHORT-TERMISM
- LAW REFORM
- CORPORATE PURPOSE
- VALUE CHAINS
- CAPITAL MARKETS
- FIDUCIARY DUTY

- SECTORAL COLLABORATION
- CLIMATE CHANGE
- VOLUNTARY CODES
- NEW CORPORATE FORMS

Dinner Presentation

Robert Kuttner, columnist/commentator, remarked that the redesign of the corporation is one important part of a larger project – the need to temper market failures in order to build a society that is efficient, equitable, and sustainable. Laissez-faire—the premise that markets work best when left alone—fails all three tests. We are getting a vivid demonstration of that truth once again, in the credit crisis—a crisis that comes on top of three decades of widening economic insecurity for ordinary people and a deepening crisis of global climate change.

The design of the corporation is intimately connected to a related question – how best to regulate the self-destructive tendencies of financial markets. Since the 1970s, libertarian students of the Berle-Means dilemma—the failure of corporate managers to serve shareholders—have proposed a radically classical cure. Their idea, a “market for corporate control” allows hostile takeovers with tax-deductible borrowed money. The premise is that these new owners “must have” superior knowledge or skills, otherwise they would not pay premium prices. But events have proven this model to be yet another case of market failure. Often, the process is corrupted by the desire to extract short term windfall assets at the expense of the operating entity. Often, the greater “efficiencies” are merely a wealth transfer from other stakeholders to temporary owners. Managers, allied with investment bankers, both with their short term outlook, are still in the saddle.

The movement for greater corporate social responsibility includes two broad sensibilities. The first hopes that a combination of enlightened entrepreneurs, activist shareholders, and consumers expressing their values through their purchases, can better align corporate behavior with broad social purposes. The second contends that, far more than the actions of shareholders and consumers, responsible corporate behavior requires citizens to act through their governments, so that rules are established to require better corporate governance and accountability to stakeholders, as well the prohibition of a whole range of destructive behaviors. Government regulation can also include better enforcement of the right of employees to organize and join unions, to empower yet another necessary counterweight.

Speaking as a longtime student of corporate behavior, while I welcome enlightened entrepreneurs, activist shareholders, and organized consumers, I am convinced that what we do as citizens through government will matter far more in harnessing corporations to benign purposes than what we do as consumers or investors.

DAY TWO, November 14, 2007 - Wednesday

Plenary 4: Critical Issues in the Coming Decade

Perspectives on Selected Issues within the Broader Change Agenda

Aron Cramer, Business for Social Responsibility, moderated the panel. He framed the session by noting that globalization requires that the future of the corporation be considered in the context of diverse legal traditions, as well as rapidly changing social contracts across different cultures. A discussion that considers the rules only in the context of the US or EU will be overtaken by rules and other norms prevailing in fast-growing emerging markets.

Rosabeth Kanter, Harvard Business School and author of *America the Principled*, observed that many issues discussed on Day 1 of the Summit are US problems. The US does have large global impact, yet it is failing to lead on many issues of corporate governance and change. European and Asian issues are very different. For example, Europe is ahead of the US in green practices and triple bottom-line reporting. Japan and China face very different problems than either Europe or the US and are different

from one another. Executive compensation, for example, is largely a US issue. Activists traditionally viewed multinational corporations as damaging the interests of developing countries. But they could be part of the solution in the future, even in the absence of global standards of governance. For all the talk of a flat world, it is in fact filled with very lumpy disparities and surprises. In general, global companies prefer global standards, not an uneven patchwork quilt of varying standards. Further, global companies have a huge stake in tapping the consumer markets at the bottom of the pyramid, that is, the poor of the world, and therefore in raising standards of living as well as solving social and educational problems. Global companies are also increasingly likely to form partnership with NGOs such as WWF, rather than adversary relationships, and learn from them.

Jason Clay, WWF-US, described that the world is living beyond its budget, faced with finite resources and limits. There are not enough planets to support a world living on unsustainable levels as is the case among rich nations. If we were all farmers, we would say we are eating our seeds. There is declining air quality, per capita water resources, and arable land. There is no room for people and biodiversity, let alone corporation operations. There is a need to focus on key impacts and priorities, to set global benchmarks and standards for performance. Externalities have to be internalized, partially by aligning the values of suppliers, producers and consumers. For example, food and agricultural companies may track their footprints at each stage of the food production chain in light of the rising expectations of accountability at each stage of the chain. We need to transform supply chains into value chains. However, if consumers do not ask where their food products are from, they are sending a signal that they do not care. Companies today only control 10% of their production impacts, which is already a generous estimate. The challenge is to find where responsibility ends and begins in this value chain, and expose where footprints need to be reduced with the greatest urgency. The future corporation may be an entity which buys and sells not only final products, but those impacts—carbon sequestration, biodiversity, pollination, watershed protection—affected at each step in the value chain.

Kent Greenfield, Boston College School of Law, introduced the role of corporate law in shaping behavior of individuals and organizations. Corporate law matters because it defines governing rules for the most powerful institutions in the world – corporations. Income inequalities are greater today in the US than at any time since 1929. Hence, it is natural that when shareholders win, the rich win, especially since 60% of the total capital gains accrue to 1% of the richest Americans. The disparities between capital gains and labor gains are extreme. The argument that shareholders should hold more responsibility is inconsistent with equity. A better option is to terminate shareholder primacy and replace it with stakeholder governance, spreading both authority and wealth across multiple groups. Further changes in the direction of greater fairness are: federalizing corporate law and ending Delaware's hegemony; making lying to employees a crime, as is the case of lying to investors and importing principles of democracy into corporations rather than corporations exporting its principles into democracy.

Steven Lydenberg, Domini Investments, addressed the need to shift financial markets from financial engineering for short-term gain to long-term wealth creation. In today's world, investors are increasingly making decisions based narrowly on price alone, not on broader questions of value. Examples of long-term value creation range from addressing global warming to creating an empowered and well-trained workforce. The responsibility of adding values to investments for improving the social and environmental profiles of corporations can come from the investors. However, when given a choice between short-term profits and the long-term rationale of value, investors increasingly fail to opt for the latter. Social and environmental values cannot always be priced by the short term market, as equating price with value corrodes long-term value creation. Steps toward true value creation might include: penalizing short-term stock holdings and, conversely, promoting long-term holdings; embedding environmental and social considerations into the portfolio creation process, and incorporating both negative and positive externalities into company valuations. Investors need to be more engaged, more responsible stockholders, and strive to understand and measure the long-term value of their investments simultaneously in terms of price and long-term value creation.

Robert Monks, Corporate Library/Lens Governance Advisors and corporate governance pioneer, sees a basic asymmetry between the growth of the multinational corporation and the reach of the nation state. Who, then, will exercise oversight? Only the shareholders can, and must. They have both the motivation and responsibility to make changes in the companies they own. Yet doubts remain that either those on the "left"—social activists-- are the best overseers and, equally so, foundations and

universities (e.g. Gates, Harvard) whose fortunes may be closely tied to the companies contained in their portfolios. We need a restoration of trust which has been badly compromised. Toward that end, we need financial statements that include measures of human capital and externalities—full accounting, unlike the partiality of today’s statements. Owners of companies need to take ownership seriously. Ownership comes with responsibility, including responsibility exercised by trustees who manage asset on behalf of beneficiaries. There is no need for new laws and regulations, but a new culture of responsibility. The future does not require new agencies, new costs, but only the mobilization of owners to become responsible owners. The challenge, then, is how to get there.

Selected Issues from Q&A Session

- Can we afford to have a system that we make the owners not responsible for what they do? It is extremely inefficient to have permanent ownership of companies (as is sometimes the case), which runs counter to engendering trustees with a sense of responsibility.
- Public is misinformed even in a democracy society, as the flow of information is controlled by corporations. As long as people view themselves primarily as consumers and second as citizens, the problems will persist.
- Public website rankings and lists are tools, but there are not enough broadly usable disclosures of key information. Different tools should be used to get the information out there. It is very tough to have people understand all the multiple roles they play and citizenship are often low on the list. There is also a need to have a robust system to teach citizenship in schools.
- Should information disclosure be mandated by law? Although it is good to empower citizens with information, disclosure alone might not be enough especially when people do not have the power to make changes.
- Social change requires many tools. In order for individuals to take actions, there has to be a movement for change towards a common goal. There is a need for a common goal and information before changes can be made within a corporation and on a bigger scale.
- There is a need to have government leaders who respect and believe in all these issues. How can we focus on corporate redesign when governments are distracted by geo-political problems and not accustomed to seeing corporate design on the public agenda?
- Matrices are not just a tool to keep scores, but the best tool is to establish the next best practice, continuing to set the bar while defining what the problem is. 85% of the gold mined in the world is still in used. Imagine a world if the same were true for water, soil, aluminum, and other minerals.

Plenary 5: The Emergence of New Corporate Designs Pioneers, Hybrids and Visionaries: Portraits of Transformational Change

Marjorie Kelly, Tellus Institute and Corporation 20/20 moderated this session, beginning with an analogy of the evolution of democracy and the emergence of corporate design. When democracy was first discussed, it was a conversation among very few people in very few places. The universal form of government was monarchy. But the conversation persisted over centuries, and the idea of democracy gradually took root. In the same vein, corporate redesign is in its nascent stage and at work in some form in very few companies that are the seedlings of a broader movement, giving life to a new “story” about the purpose and structure of corporations in the future. Looking at companies such as Organic Valley, Fannie Mae, the John Lewis Partnership, Grameen-Danone, one sees alternatives to prevailing corporate forms in terms of unconventional approaches to mission, ownership, control, capitalization, internal incentives and rewards, and other key components of corporate design. Such companies are giving shape to what some have called “the Fourth Sector,” a new genus of organizations that seamlessly blends the social, environmental and financial into a single, living entity.

Susan Mac Cormac, Morrison and Foerster, argued that current corporate forms contain positive attributes, but change still must occur to meet. Such change in large measure may be driven internally, without government intervention. No single recipe exists; experimentation is preferred way forward. Lawyers may be as much a hindrance as a help in the change process, since they are paid to inform clients what can go wrong, thereby creating risk adversity on the part of client companies. At the same time, there is some risk of change that leads to accountability to everybody that, in effect, may lead to accountability to nobody. In addition to educating lawyers, there are ways to structure social enterprises, such as by building a bridge between corporations and NGOs and creating new units within existing organizations. A few examples of new forms include: mandatory and voluntary charter

agreements, Minnesota's socially responsible corporation, LC3 corporation, and the CIC company in the UK. In the US, much flexibility to imbed social and environmental issues into core business already exists owing to the business judgment rule which assigns broad discretion to boards to account for interests beyond shareholders if such discretion is in the best interests of the corporation.

Steve Voigt, King Arthur Flour, focused on the establishment and transformation of King Arthur Flour from its founding in 1790 to it now being 100% employee-owned through its ESOP (Employee Stock Ownership Plan). Employees act like owners and make the right decisions in the context of a participative, open book, team management approach. King Arthur Flour's ownership model is not unique. Over 11,000 ESOP companies covering 10 million workers exist in the US. Ownership varies from 100% to a minority position. The growth in ESOPs has plateaued recently after growing strongly during the previous decades. New ESOP formations are strong, indicating attrition of employee-owned firms owing to mergers, sale or closure—the exact picture could use further research. Employee-ownership is a vibrant example of new corporate forms taking shape and evolving today. We should take heart from this that additional alternative structures are possible.

Craig Cohon shared his international experience concerning opportunities to learn from innovative corporate designs outside the US. People in business seek meaningful work with a higher purpose. Corporate leaders are constantly grappling with intense pressure of the system that rewards maximization of short-term financial performance. Different countries have different “spiritual laws” that are being undermined by corporate law of the developed nations. India's Ghandian tradition of shared responsibility is one example of an opportunity to infuse multinationals with a sense of higher purpose. Black empowerment in South Africa is another. HSBC is an example of a multinational that perceives a huge market opportunity (serving 3 billion underserved in terms of financial services) but is weary of commitments to this market. BP is launching a venture jointly with NGOs with the purpose of cleaning up indoor air pollution, a major health hazard in poor countries. Its approach adheres to Corporation 20/20's six Principles of Corporate Design. We need to create a generally recognized brand for socially purposeful enterprise.

Selected Issue from Q&A Session

- Business leaders should start having internal conversations on making changes. Leaders should collaborate.
- Should there be alternative compensation for CEOs tied to their achievement of multiple bottom lines?
- How can public governance and law impact how corporations behave? Can regulations assist in the changing of values?
- Current laws give companies much latitude to change. But there is still a need for external forces to raise the bar for all companies and scale up the number of firms demonstrating best practices in social enterprise.
- We need more examples of how the Principles of Corporate Design can be implemented, e.g., how to operationalize, “Corporations shall distribute wealth equitably among those who create it.”

Day 2 Breakout Groups (partial list)

- NEW BUSINESS MODELS WITHIN BIG COMPANIES
- WORK
- CORPORATE RATINGS
- CAPITAL MARKETS FOR MEDIUM SIZE COMPANIES
- GLOBAL COMPANIES AS CHANGE AGENTS
- SOCIAL MOVEMENTS
- EMPOWERING INSTITUTIONAL INVESTORS
- MAKING STAKEHOLDER GOVERNANCE REAL
- HYBRID MODELS IN EMERGING ECONOMIES
- THE ROLE OF PROGRESSIVE CEOS

Biographies

SPEAKERS, PANELISTS, MODERATORS

MARV ADAMS

Marv Adams is the Citi Chief Information Officer. He has management oversight of technology across the company and is a member of the Citi Management Committee. Marv is responsible for the global focus and leadership of Citi's worldwide operations of the corporate technology infrastructure and systems, and major technology initiatives and projects. He also leads the CIO Council with responsibility for the enterprise-wide direction of information technology. Formerly, Marv was the Senior Vice President, Corporate Strategy and CIO at Ford Motor Company. While there, he improved the efficiency of IT spending, while in-sourcing work and increasing service levels. He also created a global, corporate-wide approach to the standardization of technology, methodology, governance, and information security. Prior to Ford, Marv was the Executive Vice President & CIO of Bank One, where he was also a member of the Planning Group and Management Committee. He had oversight of the bank's operations and technology and was also a member of VISA and MasterCard operating committees. Marv began his career at IBM, where he spent a decade, starting as an engineer and advancing through several management positions. Marv graduated from Michigan State University with a degree in Electrical Engineering; he also completed executive programs at Stanford and MIT.

JASON CLAY

Jason Clay is currently Vice President and Managing Director, Markets, World Wildlife Fund. In this capacity he leads work within WWF-US on forestry, fisheries, agriculture, aquaculture, finance, climate and policy. He is lead in the WWF Network on aquaculture and agriculture, and now the work with the private sector on supply chain management. Clay studied at Harvard and the London School of Economics before receiving his Ph.D. at Cornell University in 1979 in anthropology and international agriculture. Over the course of his career he has worked on a family farm, taught at Harvard and Yale, worked in the U.S. Department of Agriculture, and spent more than 25 years working with human rights and environmental organizations. In 1988, Clay invented Rainforest Marketing, one of the first fair-trade ecolabels in the United States and was responsible for co-creating Rainforest Crunch and more than 200 other products with combined sales of \$100 million. From 1999-2003, Clay co-directed a consortium with WWF, World Bank, UN Food and Agriculture Organization, and National Aquaculture Centres of Asia/Pacific to identify and analyze better management practices that address the most significant environmental and social impacts of shrimp aquaculture. Since then he has co-convened (with the IFC and others) multi-stakeholder roundtables of investors, buyers, producers, researchers and NGOs to identify and reduce the social and environmental impacts of such products as salmon, soy, sugarcane, cotton, and palm oil. Clay leads WWF's efforts to work with private sector companies to improve their supply chain management, particularly with regard to ingredient sourcing and carbon and water neutrality. Clay is the author of 15 books, more than 250 articles and 500 invited presentations. His most recent books are *World Aquaculture and the*

Environment (in press, 2008), *Exploring the Links between International Business and Poverty Reduction: A Case Study of Unilever in Indonesia*, (2005) and *World Agriculture and the Environment* (2004). Each is a commodity-by-commodity guide to aquaculture and agricultural impacts and practices.

CRAIG COHON

Craig Cohon is CEO of Globalegacy. As well, along with world famous business guru CK Prahalad, he is one of four founding partners of The Next Practice; a world class strategic advisory firm that helps CEO's innovate and build bold business models with and for people living in poverty. Craig had a 15-year executive-level career at The Coca-Cola Company. He was the first employee to live in Russia and started their operations in the Soviet Union in 1990, ran marketing in Northern Europe and the former Soviet Union, and was the Coca-Cola brand director worldwide. He served as Director of Learning Strategy for 3 years and most recently served as Deputy Division President for the Northwest Europe Division a \$2 billion operating unit. A Canadian and American, Cohon received a BA in liberal arts from the University of Western Ontario in 1985. In 1993, he received an Honorary Doctorate of Economics from Moscow International University. In 2000, the World Economic Forum named him "A Global Leader for Tomorrow." In 2003 he was asked by the UN to participate in a high level commission on International Development. He has lived in Canada, USA, Russia, Norway, Sweden, Venezuela and the UK and has worked in 70 countries. He has been featured in the FT, News night, the New Statesman and the Wall Street Journal.

ARON CRAMER

Aron Cramer is President and CEO of Business for Social Responsibility. Prior to assuming this post in 2004, he was based in Paris, where he launched BSR's Europe office in 2002. Cramer joined BSR in 1995, and served as the founding director of its Business and Human Rights Program. Cramer has worked closely with dozens of BSR's member companies in numerous industry sectors, providing advice and counsel on the full spectrum of CSR issues. He also has provided support and counsel to many of the leading CSR initiatives in recent years; has worked extensively with public agencies and NGOs to advance sustainable business practices. Cramer speaks frequently before industry audiences and in other fora, and has been widely quoted in media outlets including the *New York Times*, *Financial Times*, *Los Angeles Times*, *La Tribune*, and others. Prior to joining BSR, Cramer served as an attorney in private practice in San Francisco, and at ABC News in New York. He is a graduate of Tufts University, and obtained his law degree from the University of California, Berkeley.

JOHN ELKINGTON

John Elkington is co-founder of SustainAbility, and a world authority on corporate responsibility and sustainable development. In 2004, *BusinessWeek* described him as "a dean of the corporate responsibility movement for three decades." SustainAbility is based in London, Zurich and Washington, DC, with clients including Ford, Microsoft, Nike, Shell, Swiss Re and Unilever and Wal-Mart. John has authored or co-authored 16 books, including 1988's million-selling *Green Consumer Guide* and *Cannibals with Forks: The Triple Bottom Line of 21st Century Business* (1997), and has written or co-written some 40 published reports. He is currently writing a book on social entrepreneurs with Pamela Hartigan of the Schwab Foundation and working closely with The Skoll Foundation on a new \$1 million, 3-year field-building program in relation to social entrepreneurship. John chairs The Environment Foundation and the Advisory Council of the Export Credit Guarantees Department (ECGD) and also The Environment Foundation, sitting on advisory boards for the Business & Human Rights Resource Centre, Dow Jones Sustainability Indexes, a new Cleantech Fund developed by Zouk Ventures, Physic Ventures, LP, Business in the Environment, the Royal Society of Arts and Instituto Ethos, Brazil. He is also a member of the WWF Council of Ambassadors, the Evian Group Brains Trust, a contributor to Tomorrow's Global Company Inquiry, a Member of the Cambridge Research

Advisory Group (run by University of Cambridge Programme for Industry (CPI) and a Member of the United Nations Global Compact Cities Programme (UNGCCP) International Advisory Council.

ARIE de GEUS

Arie de Geus is a ‘global statesman’ of business change and is widely recognized as the originator of many of the principles and practices underlying the “Learning Organization” concept, and is one of the world’s most effective business strategists. After a remarkable career in scenario planning and organizational learning, he now helps organizations of all kinds reorganize and prepare for their futures. A master storyteller, he uses business parables to give audiences messages that stay with them long after the event. His extraordinary experience and his strategic thinking and research have given him a depth of content that matches his style, and has made him one of the most sought-after speakers in the world. Arie has been an executive with Royal Dutch Shell, 1951 to 1989; Chairman, Netherlands-British Chamber of Commerce, 1981-1988; Appointed Officer, Order of Oranje-Nassau, by the Queen of the Netherlands, 1988; Founding Member, Global Business Network; Founding Member, MIT Center for Organizational Learning; and Founding Member, Society for Organizational Learning (SoL).

KENT GREENFIELD

Kent Greenfield is Professor of Law and Law Fund Research Scholar at Boston College Law School, where he teaches and writes in the areas of business law and constitutional law. He is the author of the book *The Failure of Corporate Law*, published in 2007 by University of Chicago Press. He has been called “the leading figure” and “the most creative thinker” in the progressive, stakeholder school of corporate law scholarship. Greenfield has lectured in 25 states, in six countries, and at 60 institutions. Greenfield was named B.C. Law Teacher of the Year for 2003-04, a recognition bestowed by the Law Students Association on vote of the entire student body and has been a Law Fund Research Scholar, a recognition of his scholarly contributions, since 2003. Greenfield also consults with litigators on issues of corporate accountability. He was instrumental in developing the theory of the case brought against Unocal Corporation for alleged human rights violations committed by the company in Burma. Before joining the faculty in 1995, Greenfield served as a law clerk to Justice David H. Souter, of the United States Supreme Court, and worked at the law firm of Covington & Burling. Greenfield is a graduate of the University of Chicago Law School and of Brown University.

CHARLES HANDY

Charles Handy is a writer, broadcaster and lecturer. His books on the changing shape of work and its effects on our lives and organizations have sold more than one million copies around the world. He has recently published a book with his wife Elizabeth, a portrait photographer, entitled ‘The New Philanthropists: Making a Difference.’ It is a sequel to their earlier book ‘The New Alchemists’ profiling successful entrepreneurs in all walks of life. ‘Myself and Other More Important Matters’, a series of reflections on his life published last year in UK will come out in the US early 2008. He has, in his career, been an oil executive with Shell, a business economist, a professor at the London Business School, the Warden of St. George’s House in Windsor Castle (a study centre for social and ethical issues) and the Chairman of the Royal Society of Arts. He is also known in Britain for his Thoughts for Today on the BBC radio breakfast show ‘Today’. He is Irish and grew up in Kildare, but now lives in London.

JEFFREY HOLLENDER

Jeffrey Hollender, President and CEO of Seventh Generation, is a well-respected leader in the socially and environmentally responsible communities. An entrepreneur at heart, his first business ventures were rooted in adult education. He began the not-for-profit organizations Skills Exchange of

Toronto, a learning exchange that offered practical and professional development classes, and Network for Learning, New York City, an adult education and audio-publishing company; both were social and financial successes. After his tenure as president of Warner Audio Publishing, New York City, Jeffrey acquired a small mail order catalog of energy conservation products, Renew America, which eventually blossomed into Seventh Generation. Jeffrey has led Seventh Generation from its humble beginnings to its current position as the leading and fastest growing brand of natural products for the home, and the leading authority on issues related to making a positive difference in the health of the planet and its inhabitants through our everyday choices. Jeffrey frequently addresses social and environmental responsibility at regional, national and international venues. Speaking engagements have included the World Resources Institute Sustainable Enterprise Summit, Washington, D.C.; The Sarah Lawrence College, New York City; the Institute for International Research, New York City; Harvard Environmental Forum, Cambridge; the United Nations, New York City; and Businesses for Social Responsibility, Los Angeles. Jeffrey's book, *How to Make the World a Better Place: A Guide for Doing Good*, was originally published in January of 1990, and a revised edition was released in March 1995. Jeffrey's newest book *What Matters Most* was released in January 2004. Jeffrey volunteers time and expertise to environmentally and socially conscious groups such as the Community Capital Bank, The Council on Economic Priorities, The Rainforest Foundation USA, Vermont Businesses for Social Responsibility and the Advisory Board of the Chlorine Free Products Association.

JOSEPH (JAY) HOOLEY

Jay Hooley is vice chairman of State Street Corporation (NYSE: STT), the world's leading provider of financial services to institutional investors with \$11.9 trillion in assets under custody (as of December 31, 2006). Mr. Hooley is responsible for State Street's asset servicing activities worldwide, providing an unparalleled range of services to meet the needs of sophisticated institutional investors across the full spectrum of the investment process. Services include investment servicing, investment research and trading and securities finance delivered through industry leading technology. Mr. Hooley also oversees corporate technology and securities operations. He is a member of State Street's Operating Group, the Company's most senior strategy and policy-making team. In 2003, he played a lead role in the successful acquisition and integration of Deutsche Bank's Global Securities Services business, which was acquired by State Street. Mr. Hooley oversees over 18,000 financial services and technology professionals across North America, Europe and Asia. He is a director on the board of Boston Financial Data Services and is a member of The Boston Club's Corporate Advisory Board, which is focused on identifying and recommending qualified women candidates for openings on corporate boards. He is also a director on the board of the Boys and Girls Club of Boston. Mr. Hooley received his Bachelor of Science degree from Boston College.

ROSABETH MOSS KANTER

Rosabeth Moss Kanter holds the Ernest L. Arbuckle Professorship at Harvard Business School, where she specializes in strategy, innovation, and leadership for change. Her strategic and practical insights have guided leaders of large and small organizations worldwide for over 25 years, through teaching, writing, and direct consultation to major corporations and governments. The former Editor of *Harvard Business Review* (1989-1992), Professor Kanter has been named to lists of the "50 most powerful women in the world" (*Times of London*), and the "50 most influential business thinkers in the world" (Accenture and Thinkers 50 research). In 2001, she received the Academy of Management's Distinguished Career Award for her scholarly contributions to management knowledge, and in 2002 was named "Intelligent Community Visionary of the Year" by the World Teleport Association. Professor Kanter is the author or co-author of 17 books, which have been translated into 17 languages. Her latest book, *America the Principled: 6 Opportunities for Becoming a Can-Do Nation Once Again* (publication date: October 23, 2007), offers a positive agenda for the nation, focused on innovation and education, a new workplace social contract, values-based corporate conduct, competent government,

positive international relations through citizen diplomacy and business networks, and national and community service. Through Goodmeasure Inc., the consulting group she co-founded, she has partnered with IBM to bring her leadership tools, originally developed for businesses, to public education as part of IBM's award-winning Reinventing Education initiative. She advises CEOs of large and small companies, has served on numerous business and non-profit boards and national or regional commissions, and speaks widely, often sharing the platform with Presidents, Prime Ministers, and CEOs at national and international events, such as the World Economic Forum in Davos, Switzerland. Before joining the Harvard Business School faculty, she held tenured professorships at Yale University and Brandeis University and was a Fellow at Harvard Law School, simultaneously holding a Guggenheim Fellowship. She chairs a Harvard University group creating an innovative initiative on advanced leadership, to help successful leaders at the top of their professions apply their skills not only to managing their own enterprises but also to addressing challenging national and global problems.

MARJORIE KELLY

Marjorie Kelly is a Senior Associate at Tellus Institute and co-founder of Corporation 20/20, a project to create the vision and chart the course for the future corporation. Kelly was also co-founder and editor of *Business Ethics*, a national magazine on corporate social responsibility she launched in 1987, read by opinion leaders in business, academia, and social investing. It is known for its annual listing of the "100 Best Corporate Citizens," a ranking of Russell 1000 firms on how well they serve a variety of stakeholders. She is author of the book *The Divine Right of Capital*, published by Berrett-Koehler in 2001, which offers an analysis of the design of the corporate form, and explores ideas for creating a more democratically responsible corporate design. *Library Journal* named it one of the best business books of the year. The book has been translated into three languages, and is used in numerous college classrooms. Kelly's writings have appeared in publications such as the *Harvard Business Review*, *Utne Reader*, *Chief Executive*, *Tikkun*, *E Magazine*, *YES! Magazine*, *San Francisco Chronicle*, *Minneapolis Star-Tribune*, and *St. Louis Post-Dispatch*. Kelly has been a member of the Steering Committee of the Strategic Corporate Initiative sponsored by Corporate Ethics International, and the Advisory Board for Citizens for Corporate Responsibility in Minnesota, as well as serving on advisory boards for the International Institute for Corporate Governance and Accountability at George Washington University Law School, the Capital Ownership Group, and the Citizen Works Corporate Reform Commission. Kelly holds a Master's in Magazine Journalism from the University of Missouri.

DAVID C. KORTEN

David Korten is an author and leader in the global resistance against corporate globalization. He is probably best known as the author of the book *When Corporations Rule the World*. His most recent book is *The Great Turning: From Empire to Earth Community*, which places corporate globalization within the context of 5,000 years of "Empire," used as a generic term for organizing human relationships by dominator hierarchy. Dr. Korten argues that the human system has now reached the limits of domination that social and environmental systems will tolerate. To secure its future, the human species must turn away from the dominator way of Empire to the partnership way of Earth Community, as defined by the principles of the Earth Charter. Dr. Korten received a M.B.A. and Ph.D. from the Stanford University Graduate School of Business. He served in the Vietnam War as a captain in the United States Air Force.

ROBERT KUTTNER

Robert Kuttner, a co-founder and co-editor of *The American Prospect* magazine, writes for the magazine regularly on a variety of issues. Mostly, however, he focuses on economic policy, both domestic and international. His editorial column, which first appears in *The Boston Globe*, then on the *Prospect* website every Thursday, is distributed to 20 major newspapers nationwide. It was awarded

the John Hancock Award for excellence in business and financial journalism. As well, Kuttner won the Jack London Award for labor journalism. A graduate of Oberlin College, the University of California at Berkeley, and the London School of Economics, he also holds an honorary doctorate from Swarthmore College. In addition, he has been a John F. Kennedy Fellow at Harvard, a Woodrow Wilson Fellow at the University of California at Berkeley, a Guggenheim Fellow, and a Radcliffe Public Policy Fellow. He has taught at Brandeis University, Boston University, the University of Massachusetts, and Harvard University's Institute of Politics. He is the author of six books. The most recent of which is titled *The Squandering of America*. In his writing, Kuttner combines a thorough knowledge of economics, penetrating political insights, a liberal mind, and talent in no small degree.

STEVEN LYDENBERG

Steven Lydenberg is Chief Investment Officer for Domini Social Investments LLC. He has been active in social investing for 30 years as Director of Corporate Accountability Research with the Council on Economic Priorities, Investment Associate with Franklin Research and Development Corporation (now Trillium Asset Management), and Director of Research with Kinder, Lydenberg, Domini & Co. (now KLD Research & Analytics). Mr. Lydenberg is the co-author of *Rating America's Corporate Conscience* (Addison-Wesley Publishing, 1986) and *Investing for Good* (Harper Collins, 1993), a guide for socially responsible investors, and co-editor of *The Social Investment Almanac* (Henry Holt & Co., 1992). He is the author of *Corporations and the Public Interest: Guiding the Invisible Hand*, published by Berrett-Koehler in early 2005. He holds degrees from Columbia College and Cornell University and is a Chartered Financial Analyst (CFA).

SUSAN MAC CORMAC

Susan Mac Cormac is a Partner in the Corporate Group of Morrison & Foerster's San Francisco office. She currently serves as a co-chair of the Venture Capital/ Emerging Companies Group and the Cleantech Group for the firm worldwide. She has extensive experience representing start-up to late-stage private companies primarily in the Sustainable space. She provides corporate and finance advice in connection with mergers, acquisitions, asset purchases and sales, reorganizations, joint ventures, and equity and debt financings. She regularly advises boards of private and public companies, special committees, and CEOs on corporate governance and Corporate Social Responsibility issues. Ms. Mac Cormac also represents non-profit corporations involved with Sustainability and CSR, providing advice to their boards on fiduciary issues, conflicts of interest, and other corporate matters. Further, Ms. Mac Cormac represents both general partners and limited partners in connection with venture fund formation and investment in other funds and portfolio companies. Ms. Mac Cormac has recently been appointed to the Northern California Advisory Board of the Nonprofit Finance Fund. Further, she has served as a judge for the semi-finals of the Berkeley Social Venture Competition. Ms. Mac Cormac is admitted to practice in both California and New York.

MICHAEL MARX

Michael Marx is the executive director of Corporate Ethics International which administers the Business Ethics Network, Big Box Campaign, and Strategic Corporate Initiative projects. He formerly was the executive director for five years of the Coastal Rainforest Coalition (CRC), comprised of Greenpeace, Rainforest Action Network, American Lands Alliance, Natural Resources Defense Council, and Sierra Club which later became ForestEthics. He was the president of Selection Sciences, Inc., where his clients included Hewlett-Packard, Memorex, Fireman's Fund, Transamerica, Pacific Bell, American Express, and other Fortune 1000 companies. He was a consultant to and later on the Board of Directors for the Rainforest Action Network. He designed and directed the International Boycott Mitsubishi Campaign for the Rainforest Action Network for four years. Michael Marx has a doctorate from the University of Wisconsin-Madison, where he taught organizational behavior in the business school.

HENRY MINTZBERG

Henry Mintzberg is Cleghorn Professor of Management Studies in the Desautels Faculty of Management at McGill University in Montreal. His research has dealt with issues of general management and organizations, focusing on the nature of managerial work, forms of organizing, and the strategy formation process. Currently, he is completing a book about *Managing* (which explores 29 days in the lives of managers), a book on *Organizing* (a revision of *Structure in Fives*), and an electronic pamphlet entitled *Getting Past Smith and Marx...Towards a Balanced Society*. He is also promoting the development of a family of masters programs for practicing managers in the private and health sectors. His own teaching activities focus on ad hoc seminars for managers and work with doctoral students. Professor Mintzberg earned his doctorate and Master of Science degrees at the MIT Sloan School of Management and his mechanical engineering degree at McGill, working in between in operational research for the Canadian National Railways. He has been named an Officer of the Order of Canada and of l'Ordre Nationale du Québec and holds honorary degrees from thirteen universities in eight countries. He also served as President of the Strategic Management Society from 1988-91, and is an elected Fellow of the Royal Society of Canada (the first from a management faculty), the Academy of Management, and the International Academy of Management. Dr. Mintzberg was named Distinguished Scholar for the year 2000 by the Academy of Management. He is the author or co-author of fourteen books and is recognized in the Web of Science list of "the world's most cited and influential researchers" with approximately 3,000 citations.

ROBERT A.G. MONKS

Robert Monks has written and spoken about corporate governance widely. Following his federal government service in 1985, he has devoted his full time and energy to the creation of a system of corporate governance in the United States. He has been active in several different, but importantly related spheres and has founded four businesses, including Lens Governance Advisors of Portland, Maine, which provide corporate governance services. Mr. Monks was formerly a general partner in the Boston, Massachusetts, law firm of Goodwin & Procter. Subsequent to the full-time practice of law, he has had careers in business (CEO of C. H. Sprague & Son Company - coal and oil), investments (principal of Gardner Associates and Chairman of the Board of the Boston Company and Boston Safe Deposit & Trust Company), and state government administration (Energy Commissioner for the State of Maine, Chairman of two commissions to oversee the administration of the Maine State Retirement System appointed by Governor McKernan). Mr. Monks also has served in federal government administration as founding Trustee of the Federal Employees' Retirement System by appointment of President Reagan, and Administrator (office is now Assistant Secretary) of the Office of Pension and Welfare Benefits Administration (Department of Labor) in charge of the private pension system in the United States. Mr. Monks is a graduate of Harvard College (magna cum laude, 1954), Cambridge University (1955), and Harvard Law School (1958; winner Ames moot court competition).

PETER SENGE

Peter Senge is a senior lecturer at the Massachusetts Institute of Technology and founding chair of the SoL (Society for Organizational Learning) Council. He is the author of *The Fifth Discipline: The Art and Practice of the Learning Organization*, co-author of the three related fieldbooks and most recently, co-author of *Presence: Human Purpose and the Field of the Future*. Peter lectures throughout the world about decentralizing the role of leadership in organizations to enhance the capacity of all people to work toward healthier human systems. Dr. Senge's work articulates a cornerstone position of human values in the workplace; namely, that vision, purpose, reflectiveness, and systems thinking are essential if organizations are to realize their potentials. He has worked with leaders in business, education, health care and government. He received a B.S. in engineering from Stanford University, an M.S. in social systems modeling and Ph.D. in management from MIT.

DAMON SILVERS

Damon A. Silvers is an Associate General Counsel for the AFL-CIO. Mr. Silvers' responsibilities include corporate governance, pension and general business law issues. Mr. Silvers led the AFL-CIO legal team that won severance payments for laid off Enron and WorldCom workers. Mr. Silvers is a member of the Public Company Accounting Oversight Board Standing Advisory Group, the Financial Accounting Standards Board User Advisory Council, and the American Academy of Arts and Sciences Corporate Governance Task Force. He is also a member of the American Bar Association's Subcommittee on International Corporate Governance. Prior to working for the AFL-CIO, Mr. Silvers was a law clerk at the Delaware Court of Chancery for Chancellor William T. Allen and Vice-Chancellor Bernard Balick. Mr. Silvers received his J.D. with honors from Harvard Law School. He received his M.B.A. with high honors from Harvard Business School and is a Baker Scholar. Mr. Silvers is a graduate of Harvard College, summa cum laude, and has studied history at Kings College, Cambridge University. Mr. Silvers is the primary author of "Challenging Wall Street's Conventional Wisdom: Defining a Worker-Owner View of Value," published in *Working Capital: The Power of Labor's Pensions*, Fung, et al. eds, Cornell University Press (2001), and "The Origins and Goals of the Fight for Proxy Access," forthcoming in Lucian Bebchuck ed., *Shareholder Access to the Corporate Ballot*, (Harvard University Press).

STEVE VOIGHT

Steve Voigt is President and CEO of King Arthur® Flour of Norwich, Vermont. Founded in 1790, King Arthur Flour is a premier resource to bakers worldwide, offering flour, ingredients and other products, education and inspiration to experience the pure joy of baking. Voigt joined the company in 1992 as Vice President of Finance, becoming COO in 1998 and President and CEO in 1999. Voigt led the process of becoming 100% employee owned, starting in 1995. King Arthur Flour's team of employee owners are excited about, and honored to be growing a company with such a long history of quality. Proof of his commitment to employee ownership, Voigt also serves as past-Chair of The ESOP Association, the national, non-profit organization that represents companies with ESOPs. He has been an officer of the Board since 2002. Voigt is a graduate of the Amos Tuck School of Business Administration at Dartmouth College, and Colgate University and serves on several for profit and non-profit boards. Steve married his high school sweetheart, Robin, in 1987 and they have two sons, William and George.

ALLEN WHITE

Allen L. White is Vice President and Senior Fellow, Tellus Institute, Boston, USA, and directs the institute's Program on Corporate Redesign. In 1997, he co-founded the Global Reporting Initiative (GRI) and served as CEO until 2002. In 2004, he co-founded and is Director of *Corporation 2020*, an initiative focused on designing future corporations to embed social purpose at their core. He has advised multilaterals, foundations, corporations, and NGOs on corporate responsibility strategy and policy. Dr. White has held faculty and research positions at the University of Connecticut, Clark University and Battelle Laboratories, and is a former Fulbright Scholar in Peru and Peace Corps volunteer in Nicaragua. Dr. White has served on advisory groups and committees of the International Corporate Governance Network, Civic Capital (an SRI fund), Instituto Ethos (Brazil), and the Institute for Responsible Investment, Boston College Center for Corporate Citizenship. In 2006, he was elected Chair of GAN-NET, a non-profit dedicated to capacity-building of global action network organizations working on global issues such as trade, environment, corruption and employment. Since 2005, Dr. White has served as Senior Advisor to Business for Social Responsibility. He has published and spoken widely on corporate responsibility, accountability and governance.

DARCY STALLINGS WINSLOW

Darcy Winslow is currently on a one-year special assignment with the Nike Foundation, which seeks to empower disadvantaged girls ages 10 to 19 years, through poverty alleviation and creating economic livelihood opportunities. She most recently co-led a holistic Business Re-engineering effort within the Nike Brand. She has worked at Nike for over 19 years and has held many positions within the business, including Biomechanical Researcher, Director of Footwear and Apparel Product Testing, Product Development Manager, core team member of Nike's Footwear Business Reengineering initiative, Director of Advanced Research and Development, Global Director for Footwear Research, Design and Development, General Manager of Sustainable Business Strategies, a role focused on developing and implementing more environmental and socially sustainable business strategies across the organization. In 2001 she led the creation of the Women's Footwear Division as General Manager, and then in 2004 she led the creation of Nike's Global Women's Fitness Footwear, Apparel and Equipment business as General Manager. Ms. Winslow received her BS in Exercise Science and MS in Exercise Physiology and Biomechanics, and is a 2003 graduate of the Stanford Executive Program. She serves on the Board of Directors for SOLV, an Oregon non-profit; Board of Directors for the American Heart Association and Board of Advisors for World Pulse Media.



Summit on the
**Future of the
Corporation**

*Hosted by Corporation 20/20 in partnership
with the Society for Organizational Learning.*