



## Tomorrow's Global Company -- Challenges and Choices

ATCA (Asymmetric Threats Contingency Alliance)

24 June 2007

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We write to share with you the key findings of the major inquiry report "*Tomorrow's Global Company: Challenges and Choices*", which we will be launching in London next week on June 18th, and in India in July 2007.

We want to stimulate a Socratic dialogue on ATCA, which will ensure that the findings lead to practical action. The launch of the report represents the first step: we do not claim to offer a detailed road-map, but we do believe that the report outlines the principles from which, through dialogue, such a road-map can emerge.

The richness of this report is rooted in the powerful dualities that are harnessed: 'East meets West'; established and emerging global companies; and the creative tension between business and civil society. After over a decade of working primarily within the UK, Tomorrow's Company has only in the last two years started to weave together these rich global threads, through a process of research, interview, consultation and inquiry which underpins the Inquiry team's conclusions. Our conviction is that lasting global solutions can only come by harnessing and transcending difference: the design of this inquiry therefore offers real hope.

Facing the global challenges, arising from the analysis, the Inquiry Team draw the conclusion that companies must expand the space in which they operate: the mindset of business leaders needs to shift and to be extended: *'global companies can be a force for good and are uniquely placed to deliver the practical solutions that are urgently required to address these issues'*, and to do this in practice requires a focus on three inter-locking and mutually reinforcing priorities:

- **Redefining success** - defining and measuring success in a way that aligns and integrates the social, environmental, human and financial aspects of companies' work;
- **Embedding values** - defining, living by, and being judged by values that are publicly espoused and applied rigorously in challenging situations; and
- **Creating frameworks** - supporting sound national regulatory frameworks and international agreements, working with governments, NGOs and others to create them.

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Expanding the space in this way must become integral to the way in which we do business in the future. *"This is not about philanthropy or companies being seen to be 'doing good'. These are actions that serve the long-term interests of any company"*, the report argues.

The report celebrates the role of markets in providing *'the most powerful means of stimulating innovation and meeting immediate consumer needs for goods and services'* but then goes on to argue that the *"full creative potential of the market can only be realised if governments -- supported by companies and others -- put in place effective frameworks of regulation and incentives in the short-term. These are essential for companies to be able to compete on equal terms and to deliver new and innovative goods and services. It is therefore in the interest of global companies to be proactive and work in partnership with civil society, policy makers and others to help international organisations and governments create the frameworks necessary to strengthen and guide the market."*

Countering climate chaos is of course a critical and topical example. Companies are developing a range of low-carbon energy technologies, from solar panels to biofuels - but for such solutions to be viable at scale, a new framework of regulation is required that rewards clean technologies and penalises the high-carbon ones.

It is in this context that our submission to the ATCA world-wide network is so important. Reading this submission to ATCA are exactly those global and local leaders of business, civil society and government, together with opinion formers and leading figures in the media and elsewhere, who are needed to work together to create these new frameworks, to redefine success, and to lead by living values, which will enable the power of the market to be harnessed, to generate the sustainable outcomes on which our people and our planet now depend for our futures.

Global businesses have huge resources, deep capabilities and extensive reach. They also have day-to-day frontline experience of key problems such as poverty, environmental issues and human rights dilemmas. They can work in low-income markets - supported by Non-Governmental Organisations (NGOs) - to provide useful products at low prices - the so-called 'bottom of the pyramid' market. They can set standards in their operations that help to make decent working conditions the norm in developing countries. They cross boundaries and have greater scope than national governments. They also have greater power - though not necessarily greater influence or expertise - than NGOs. They need to be confident in showing how large a part they can play in providing the solution.

It is in this spirit that we look forward to engaging in Socratic dialogue with ATCA to discuss how best we can 'expand the space' - from next week we are happy to share with you and the distinguished ATCA colleagues the full findings of the report. We believe that its holistic perspective offers an important contribution to the creation of the wisdom based global economy to which ATCA is so rightly committed.

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