

Conscious Capitalism: Are You Driven By More Than Just Money?

Startups and market newcomers are at the forefront of building purpose and impact-driven companies.

September 5, 2019 5 min read

Opinions expressed by *Entrepreneur* contributors are their own.

The “business for good” movement is one of the most important advances of the last 100 years, and we’re still in the beginning stages. We’re steadily moving the concept of shared value from the periphery to the core of businesses, connecting company success with social progress. This is a fundamental shift from the previous doctrine that the purpose of a company is solely to generate profit, and is far from an overnight change.

Most entrepreneurs are now aware of the growth and need for purpose-driven companies. They are a response to consumer demand, as buyers seek out brands that help them make a positive impact in the world. Startups and market newcomers are at the forefront putting purpose and impact at the core of their brands. Impact brands are growing far faster than the rest, which explains why legacy brands have been purchasing these companies faster than ever.

So where do entrepreneurs take the movement from here?

Transformative business models

Learning to leverage our technology resources to achieve society's highest goals is a good start. For example, consider startups building the access economy. These ventures are creating far more efficient and sustainable systems for deploying our resources given the trajectory of possession overshoot we are on. From Airbnb and Poshmark to peer-to-peer transportation and fashion brands focused on the circular economy such as Rent A Runway, these models are a tremendous example for entrepreneurs. The movement towards access and away from ownership, however, flies in the face of the economic model we've previously fostered that rewards private consumption as growth.

Related: The 4 Principles of 'Conscious Capitalism'

For example, if an economy consisting of 50 cars retained by 50 owners suddenly switches to a sharing system of only 10 cars for 50 individuals (since cars are typically idle 80-plus percent of the time), our economy would contract by 80 percent. Creating efficiency, in this case, to support a goal of homeostasis with our planet and improving human health, is not rewarded in a system driven by private consumption. So, we as entrepreneurs, the rulebreakers in business, need to continue doing exactly that, by redefining the concept of successful businesses to align with public health and environmental sustainability.

Related: Here's How Conscious Capitalism Will Bring You Better Workers

Transforming our culture

Secondly, we should focus on using business to transform our culture for the better. In the advertising industry, I'm always looking at the ways brand messaging is affecting people

at both a psychological and sociological level. Are they promoting dissatisfaction with ourselves, preying on people's fears of missing out and instilling a sense of incompleteness? Brands have overwhelmingly taken this approach since the Industrial Revolution radically increased production capacity, spurred by the likes of Paul Mazur who spearheaded modern-day advertising as a way to shift people towards a society of needs: "People must be trained to desire, to want new things even before the old have been entirely consumed. Man's desires must overshadow his needs." It's no wonder our world suffers from low self-esteem and confidence while we simultaneously see the rapid disintegration of the fabric of our societies and the collapse of the environment we depend on for life.

As entrepreneurs we must reshape the relationship of business to people, using it as a tool to create connection and community, promote empathy and help people find their own sense of purpose in the world. Take Bombas for example, a simple sock company started in 2013 that gives a pair of socks to a person experiencing homelessness for every pair a customer buys. It's nothing radical, but that simple premise makes everyone who buys a pair of Bombas feel a little more connected and a little more inspired by helping someone in need in a world that is increasingly disconnected and lacking meaning.

There is no silver bullet to how we reorient business towards serving the needs of humanity. But it is increasingly important as trust in business as an institution declines. Frameworks like B Corporations and the United Nations Sustainable Development Goals are great benchmarks but are incomplete as a measuring stick for the ways we define success in business. These initiatives, by themselves, do not fundamentally change what is and isn't valued in the market. As entrepreneurs, we need to continue pushing the envelope. We will ruffle the feathers of those with entrenched interests along the way, but in doing so we can transform business to

serve the greatest needs of humanity and restore balance within our planet. Entrepreneurs, by our very definition, are more risk-tolerant by nature and willing to buck prevailing norms than other varieties of leaders. For this reason, there is great potential that lies in the ability of entrepreneurs to be leading the charge.

Related: 4 Ways Entrepreneurs Can Practice 'Conscious Capitalism'

<https://www.entrepreneur.com/article/338428>