CHAPTER ONE

Changing tides

Change will not come if we wait for some other person or if we wait for some other time. We are the ones we've been waiting for. We are the change that we seek.[1] BARACK OBAMA

From good to beyond good

In his influential book, *Good to Great*,[2] Jim Collins developed a compelling argument as to why some companies move from being good performers – or even mediocre ones – to becoming great companies built to last. Collins and his team of researchers reviewed the stock performance of 1,435 companies over a 40-year period. They profiled 11 companies in more depth, focusing on several key areas that led to their success. Collins demonstrated that it's critical to get the right people on the bus – the right leaders to drive the business – as well as getting those off the bus who are not contributing to the bottom line.

The book found it vital to have those top performers focused on the greatest opportunities as these leaders established their 'hedgehog' – the defensible core business about which they were deeply passionate, could be the best in the world at, and which drove their central economic engine. The 11 'great' companies that Collins identified included brands such as Abbott Labs, the now online-only Circuit City, Gillette (subsequently bought by Procter & Gamble), Philip Morris, Walgreens and the now scandal-ridden Wells Fargo. As the book reviewed these companies, the importance of leadership finding their BHAG (Big Hairy Audacious Goal) and 'confronting the brutal facts' about their business model became clear, as did their ongoing spotlight on market-driven performance. The book, written shortly after the dotcom implosion, seemed appropriately focused on value, profitability and measured growth during a recovering global business environment.

Another important area that Collins identified and one that would become synonymous with business lexicons written since, such as *Zero to One*[3] by Peter Thiel, was the exploitation of the business model's flywheel, especially in regard to the accelerant that unique business ideas combined with technology can provide. While *Good to Great* continues to influence business leaders today – more than 300,000 copies sell each year – is it time for us to revisit these lessons with a different lens? Should business leaders develop a different kind of centralized model that concurrently considers more deeply the externalities of the communities they serve?

Many societal changes and business-model iterations have transpired since his book was published in 2001, and while Collins and his research teams have written several updates to *Good to Great* (including *Great By Choice*),[4] it does feel as though we should have moved beyond stock performance as the primary barometer of both leadership success and executive compensation by now – given the renewed focus on issues such as diversity, climate change and sustainable investment.

Surely the recent decades of technology-driven business models from Silicon Valley, London and other centres of venture capital have defined 'greatness' differently. And then again, perhaps not. The vast majority of global startups remain private for years of early growth and don't have the scrutiny of public markets – this is indeed the very model for venture-driven teams. Yet startups often follow the amazingly similar path of traditionally created businesses whose aim is to attain market share and growth at all costs through creating their business flywheel. While profitability has been less frequently achieved, securing a significant financial exit remains the focus for many founders and their inventors. We can see this in nearly every investment sector and in nearly every geography. So, what has really changed?

Startup business models offer similarities to the success that Collins and his team celebrated. The idea of creating a competitive 'moat' to protect a business's greatest asset – that which is most unassailable to competitors – isn't different from creating the hedgehog that Collins espouses. The concept of becoming lean or agile or moving fast and breaking things doesn't differ greatly from the aggressive efficiency seen at Wells Fargo, well before companies like Facebook even existed or when *Good to Great* was published. The challenges that venture-funded unicorns – privately held startups with a value of over US $1 billion – also help create are not inherently different from the impact of traditional non-venture-driven businesses. Even as venture-capital-driven business models have seemingly changed the way we think about how businesses are formed, funded and evolved, we must still ask the question – is that all?

Regardless of the title of the business book, the concepts feel the same; only the names have changed. The purpose of the business model is really at the heart of this discussion. The prevailing narrative leaves us wanting more. Why hasn't our global business culture moved on from focusing on shareholders to a deeper concern for a broader set of stakeholders? How do we begin to measure – and more importantly value – this alternative version of success, one that is not purely based on market performance and profit?

We must start connecting the value of both the positive and negative outcomes that corporations create to the long-term viability of the broader society. Business leaders from all industries must be part of refining and redefining their business outcomes to provide more shared benefits. This is the moment to develop a new social contract between businesses and the communities that they have the privilege to serve.

The role of the enterprise, both big and small, has experienced little change over the past two centuries – but it's now time to expect just that. When Scottish economist Adam Smith published *An Inquiry into the Nature and Causes of the Wealth of Nations*[5] in 1776, he introduced the idea of the invisible hand. The basis of his belief was that 'free individuals operating in a free economy, making decisions, primarily focused on their own self-interest, logically take actions that result in benefiting society as a whole – even though such beneficial results were not the specific focus or intent of those actions.'[6] Smith, considered the founder of modern economics, propagated the idea that government intervention and regulation of the economy was neither necessary nor beneficial, and that the actions of individuals (and businesses) would eventually benefit society and, therefore, the common good. But that's rarely how individuals, corporations or our global economy really seem to work. This is why we continue to see growing forms of inequality and far too many exclusionary business practices that exacerbate this imbalance.

Given this context, how can we redefine what 'good to great' companies really are? Perhaps we can redefine them simply as acting 'beyond great' – going beyond profit and preservation – to a model focused on doing more good in society by creating value for every stakeholder. Let's start by showing you what *Beyond Good* means in practice and ways in which different industries are demonstrating a new sense of purpose.

It only takes a spark

Even a small spark can ignite a revolution. We've seen this throughout human history, as different political events, social movements, demographic tides and economic shifts that first appear as a small fire erupt into an inferno of change. The same thing occurs in business cycles and business models, capitalizing upon the fuel from the zeitgeist of the time. Something happens as companies become larger, as business models and reporting structures become more complex, and as connections to the customer and to communities become more distant. The celebration of venture capital, startups and the allegiance towards the Silicon Valley model over the past few decades are symbolic of profit over purpose.

When thinking about some of the world's best-known entrepreneurs, we might envision the founders of some of the great technology companies such as Hewlett Packard (Bill Hewlett, David Packard, Mohamed Mohamed Atalla) or Apple (Steve Jobs, Steve Wozniak, Ronald Wayne) and the stories of how these companies started in garages. Many great enterprises have come from humble beginnings, and inspiration for business ideas can strike at any time, any location and any stage of life (the founder of McDonald's, Ray Kroc, was 52 when he started the global burger chain). Often the most thoughtful business models come from the most seasoned minds.

How founders tackle adversity plays a role in whether these companies become successful, and how many of them end up changing the world. The end results can be mixed, as seen with once-lauded technology companies – those that say they will do no evil and then compromise those intentions through their business models. There must be another path, one that doesn't exclude and marginalize.

The model that goes 'beyond good' is one that adjusts to changing circumstances in the world around them, including shifts in demographics, changing consumer demand and evolving points of view. Whether a business grows to be large matters not, as businesses of all sizes across all industries have an impact on the social fabric of their communities, and small businesses continue to lead that charge. The companies that are truly built to last are the ones that evolve towards the arc of the common good, not just because there are more often positive long-term financial benefits, but because it's simply the right thing to do.

In 1916, an enterprising carpenter named Ole Kirk Christiansen started a business making furniture in Billund, Denmark. His workshop experienced a fire and burned down to the ground in 1924. Like many aspiring entrepreneurs, he decided to double down and build an even larger factory. After opening the new workshop, the Great Depression impacted his sales and suppressed the successful relaunch of his furniture business. After the additional tragedies of losing his wife and experiencing two further factory fires, Ole Kirk's business was more than struggling. Within tragedy there is sometimes opportunity.

His shift from the building of furniture to the development of wooden toys prompted him to experiment more and led to the creation of a system of interlocking wooden bricks. After purchasing a plastic injection-moulding machine at the end of World War II, he and his son Godtfred patented 'Automatic Binding Bricks' in 1949. In 1953, these bricks became known as *Lego Mursten*, or 'Lego Bricks' to align with their new company name, *leg godt*, which means 'play well'.

The story of Lego has always been more than one of bricks; it has been one of change. Now Lego has answered a new call – for social change. Listening to customer feedback and seeing changing global attitudes, Lego has now fully embraced doing more for the environment and is fully focused on its global impact in regard to sustainable manufacturing. It has started production of plant-based polyethylene Lego sets, and plans to make the Lego product line and manufacturing process entirely sustainable by

2030. Today, Lego toys reach 100 million children in over 140 countries. This is, as *Forbes* contributor Simon Mainwaring put it, 'a staggering opportunity to help shape and define a generation of builders, makers and dreamers that can positively impact both the culture and the planet'.[7]

The story of Lego is one of perseverance, but the lesson of Lego is so much more. It is a reflection of a company forged in traditional values, tested by fire, and one shifting to reflect the needs of a changing consumer and a changing society. It is the story of an enterprise valuing the stakeholder over that of the shareholder, a pivot that pays even more dividends in the long-term, a theme you will hear throughout this book, as more companies and more industries shift towards purpose.

Longevity as the new normal

We are facing an unprecedented demographic shift, one that represents one of the most significant migrations in our human experience: longevity is becoming the new normal. Across Asia and Europe, the world's population is living much longer, with the age group of 65 and over growing the fastest.

Consider the following statistics from the United Nations Population Prospects 2019[8] and the Milken Institute, a global non-profit, non-partisan think tank:[9]

- In 2018, for the first time in history, there were more people over 65 than children under 5.
- By 2040, 1 in 4 American workers will be older than 55. The nature of work is changing.
- By 2050, 1 in 6 people in the world will be over 65 (16%), up from one in 11 in 2019 (9%).
- By 2050, 1 in 4 people living in Europe and Northern America will be aged 65 or over.

- By 2050, there will be more than twice as many older people than children under 5, and the 1.5 billion people aged 65 years or over will outnumber those aged 15 to 24 years (1.3 billion).

Over the past century, the average person has gained an extra 30 years of life and can now expect to live to 72.6 years old. But we are not merely living longer, we are also changing how we live. With vitality becoming a new norm, people are starting families later and returning to education mid-career to reskill. Not only are we seeing multiple generations working side-by-side, but contingent work arrangements are also becoming more common for workers that seek flexibility, fulfilment and income beyond traditional retirement age. How we enable older adults to stay productive is critical not only from an individual perspective, but also on a macro level, as they will be a key driver for job sustainability in the US and other geographies. To reap the benefits of longevity, we must rethink our approach to aging.

While aging is universal, how we age is not. Policies supporting old age should not just be focused on 'end of life', but also on how we can best the make use of the extra healthy years that we have gained. Andrew Scott, a British economist, Professor of Economics and former Deputy Dean at London Business School, frames the conversation around living longer like this: 'Longevity is about all of life and not just about the end of life. It emphasizes that society isn't just experiencing an increase in the number of old people, but that how we are aging is changing.'[10]

With declining fertility rates in many developed countries and a reduction in workforce, governments will face lower economic growth and strains on their social safety net, from healthcare to pensions and social protections, unless they focus on increasing workforce participation by women and older adults and take into consideration the influence of their policies on immigration. Home to more than half of the world's population aged 65 and over by 2030, according to the United Nations, Asia will be feeling the brunt of the impact, with people from Japan, China, South Korea, Hong Kong, Singapore and Taiwan enjoying longer lifespans than those in the US.

In extreme cases, some countries may even see a reduction in population, as is already happening with Japan; and the trend will continue. Twenty-seven countries have already experienced a population decrease of at least 1 per cent since 2010. In the next 30 years, that figure will double, with the population in China projected to shrink by 31.4 million (2.2 per cent) according to the United Nations.[11]

To get a glimpse of this future, we take a more in-depth look at demographic trends – first in Singapore, the Asian city-state with one of the highest life expectancies in the world, then Spain, whose population is growing, despite having the lowest birth-rate in Europe, and then finally Japan, as it adjusts to a shrinking population and the question of immigration.

SPOTLIGHT ON SINGAPORE

There are fewer than 6 million people in Singapore as of June 2020, according to data from the government of Singapore.[12] Its declining birth rate, coupled with increased longevity, creates an *inverted* demographic pyramid, with older adults rapidly outnumbering those who are younger.

To take full advantage of increased longevity, citizens need to make sure that they stay healthy, save more and work longer. But they can't do it alone. To encourage a healthy lifestyle, the government of Singapore has partnered with Apple on a national health initiative, LumiHealth, using Apple Watch.[13] By leveraging technology and behavioural insights, the government hopes to encourage people to adopt healthier habits through personalized reminders, programmes, activity coaching and incentives.

To encourage workers to stay employed longer, the Singaporean government has also increased the retirement age – along with raising the ceiling on employment age. Under the

WorkPro scheme, companies are also incentivized to foster progressive and age-friendly workplaces and jobs. It is no wonder that Singapore enjoys a steady rise in workforce participation by older adults in the past decade, and one of the highest amongst OECD countries.

To empower older adults to continue to contribute to the workforce, merely raising the retirement age is insufficient, however. Through SkillsFuture initiatives, the Singapore government actively promotes lifelong learning, enabling citizens to deepen their skills and gain new ones regardless of their starting points, whether they are still in school, early- or mid-career, or older. Such initiatives to promote learning are not only advantageous to older workers seeking to change career or learn new skills, they also allow the economy to adapt to evolving technologies such as artificial intelligence, and prepare the workforce for Industry 4.0 in order to remain competitive.

For example, under the SGUnited Mid-Career Pathways Programme, SkillsFuture Singapore partnered with IBM[14] to introduce 'i.am-vitalize', a full-time skills-focused, blended-learning programme targeted at mid-career professionals, to help them combine their current expertise with digital proficiency to meet industry needs. The programme features Artificial Intelligence (AI) and Cybersecurity tracks curated by IBM Skills Academy, and IBM will also facilitate job placement opportunities to qualified candidates after programme completion.

SPOTLIGHT ON JAPAN

Within this decade, Japan will become the world's first *ultra-aged* nation with 28% of its population aged 65 and older. Today, Japan's life expectancy is around 85 years old – 81.25 for men and 87.32 for women. While this represents positive societal norms such as healthy diets, active lifestyles and comprehensive health services focused on older populations, Japan is facing a significant challenge as its population shrinks. The total population of Japan is now expected to drop from 126 million in 2019 to 107 million in 2050, with some estimating that number going as low as 87 million by 2060.[15] For the first time since 1899, the number of babies born in Japan fell an estimated 5.9% in 2019, to under 900,000; at the same time, the country also recorded its highest number of deaths this year since the end of World War II: nearly 1.4 million.[16]

While the population is living longer, healthier lives, Japan's steadily declining fertility rate is exacerbated by its cost of living and expenses associated with raising children, as well as its historical reluctance to increase immigration levels. This demographic reality will challenge Japan's ability to maintain its standard of living as it struggles to find caregivers to look after its aging citizenry.

How Japan responds to this unprecedented population shift will be telling. These demographic pressures have been building for many decades. Some mitigating factors are being addressed through a shift in policy. The Japanese government is offering incentives for childbirth, assisting with early childcare costs, as well as reducing the number of hours that people work. Through the Specified Skills visa, immigrants can enter Japan to work in particular sectors (agriculture, nursing care, childcare, construction, manufacturing, and food and hospitality services) for a maximum period of five years. The plan to admit up to 345,000 workers under the new visa will address some of the growing labour shortages in Japan's rapidly aging society.[17] More steps will be necessary, policy changes will be required, but it is a start. Japan will likely not be alone for long as more societies age.

SPOTLIGHT ON SPAIN

The demographic situation in Spain offers interesting lessons. Spain is progressively aging even as its population continues to grow. By 2050, according to the Organization for Economic Co-Operation and Development (OECD),[18] Spain will have one of the highest percentages of older adults in the world, second only to Japan. While healthy lifestyles account for the increase in longevity, women are having fewer children, and the average age of starting a family is now 32.1. Since the early 1980s, Spain's birth rate has slowed to 2.1 babies born per woman, the very minimum to replace the current population.

One thing that is very different about Spain, however (especially when compared to Japan), is that the increased immigration rate has led to overall population growth. In the decade between 1998 and 2009, the percentage of immigrants in Spain jumped from 1.6% of its population to 12% – among the highest in Europe. As the country's policies around immigration change and the number of immigrants fluctuate, Spain will experience a decrease in its overall population growth – as well as the financial and caregiving challenges that go along with it. Compared to many other OECD countries, however, the health spending per capita in Spain is more than 15% lower than the EU average, and its social inequalities in life expectancy are also less pronounced.[19]

As in Japan and other age-friendly countries, one of the key challenges the government must tackle is the issue of loneliness. As a result, co-housing communities have sprung up in various EU countries, including Germany, Denmark, Netherlands, the UK and Spain, in order to promote healthy active aging and strengthen intergenerational bonds.[20] Age-friendly city planning, such as in Bilbao,[21] Spain, can serve as a blueprint for other cities to follow.

We are vastly unprepared for the realities of longevity. We need to develop renewed empathy towards this fastest-growing demographic and a new foundation within our social contract. As societies age, the need for caregivers and geriatricians increases. Nations are being confronted with a caregiving cliff, where the demand for care far outweighs those available to provide it. The potential support ratio, which compares the number of people of working age to those aged over 65, has been falling around the world, with Japan experiencing the lowest ratio. Adding to the challenge is the trend towards increased urbanization; more people are moving out of rural areas into metropolitan ones where the jobs are found, leaving aging parents behind and alone in their homes. In 2009, the population in the world's urban areas surpassed the proportion of people residing in rural areas; over the next few decades, the rural population is expected to plateau and eventually decline, while the population in cities and megacities worldwide will continue to grow.

Without policy changes and innovative measures, our ability to take care of the older citizens within our communities will be challenged, putting immense strain on the social services support systems. Whether a nation chooses to commoditize elder care or treat it as part of the social safety net that everyone has access to, the need to change is urgent. This is where businesses come into the picture, whether through innovating to meet the needs of the growing longevity economy, or by leveraging their life experience to complement a changing intergenerational workforce.

The future of aging should not be a story of survival – but one of living and thriving. It is through the acknowledgement of both the challenges and opportunities of aging that businesses, large and small, must begin to confront the reality of this changing tide.

Reduced social mobility

Alongside longevity, we are also experiencing decreased social mobility around the world. While technological innovation has vastly improved the wellbeing of many, and plays a crucial role in eradicating deep poverty, it has also exacerbated other forms of inequalities in our society where the 99% are increasingly falling behind and the top 1% are continually building upon their existing wealth.

According to The Global Social Mobility Report 2020[22] released by the World Economic Forum, very few economies have the right conditions for fostering social mobility. 'On average, across key developed and developing economies, the top 10% of earners have nearly 3.5 times the income of the bottom 40%.'[23] Unsurprisingly, the top five countries for social mobility listed in the report were all Scandinavian countries, with social democratic principles at their public policy core.

Increasingly, our chances in life are a matter of 'luck' – predetermined by the postal codes where we were born and the social class that our parents belong to, which in turn determines the level of education we will attain, the opportunities we will have access to, the line of work we will pursue, and the income we will earn. The economic costs of relocation and the lack of affordable housing in cities where the economy thrives have undermined most workers' ability to take advantage of the employment opportunities available, thereby contributing to reduced mobility across geography. With the vast majority of entrepreneurship opportunities and job growth being concentrated in a few locations (which are concurrently challenged by technological innovation and automation), our society has become more unequal and increasingly polarized. Later we will highlight how some communities are pushing back to create more localized opportunities.

The news cycle in the past few years, however, demonstrates the social and economic impact of an unequal and fragile world driven by immobility and seclusion: distrust of institutions, erosion of the social contract, and a sense of unfairness. The weakening of the social fabric threatens to tear communities apart and spark social unrest from Asia, to Europe and the Americas. According to Oxfam's report *Time to Care*,[24] 'If everyone were to sit on their wealth piled up in US $100 bills, most of humanity would be sitting on the floor. A middle-class person in a rich country would be sitting at the height of a chair. The world's two richest men would be sitting in outer space.'[25] And this is pre-COVID data, before the gap between the elite and the rest of the society widens further.

To increase social mobility, we need to create new pathways for people in depressed economies to secure meaningful work with a living wage, as well as a bridge for those in growing cities to discover opportunities in areas that once saw decline. In the subsequent chapters of this book, we will explore how combined efforts between public and private sectors can spur viability of local economies, stimulate job growth and revive businesses throughout our communities. A fairer world is possible, and we must emulate those models that work to combat the forces of economic isolation.

In your business and your industry, how is the challenge of decreased social mobility impacting you? Whether you are in construction and manufacturing, transport or finance, your customers' ability to improve their lives both socially and financially will likely impact your business, your decisions as a leader. In turn, it will impact your life and that of your employees and team members. What is your plan to help your community reach greater equality? What is your plan to build a business that goes *Beyond Good*?

Emergence of the new self-employed and the gig economy

Businesses are no longer simply defined by brick and mortar stores with employees and benefits, including healthcare insurance, paid time off and taxes. In the last decade, we have witnessed the rise of the self-employed and contingent workers, and the trend is here to stay. According to figures from the US Census Bureau in 2016, 'more than three-fourths of US businesses may run out of someone's home and have zero employees.'[26] While ground zero for this new mode of employment is the US, the trend is also accelerating globally, as more and more work becomes contingent in nature and workers are expected to pass through waves of not just several employers, but several careers, during their extended lifetime. How will this change the way you think about the opportunities and challenges of your business?

Gig work itself is not new, as there have always been freelancers, independent contractors and temporary workers. What has changed though, is the availability of technology platforms (such as Lyft, Uber, Deliveroo, Doordash, Grubhub, Handy, TaskRabbit) and the popularity of smartphones, that bring the buyers and providers of services together. Such a model allows individuals, who are otherwise working a traditional full-time job, to find supplemental income outside their work. It's a two-sided marketplace.

While such work arrangements offer a flexibility that is not normally associated with traditional full-time work, it is not without its perils. According to a Prudential study on American gig economy workers published in 2019, on average, gig workers earn about 58 per cent less than full-time employees.[27] Posing further challenges to workers' financial wellbeing, in countries like the US that are without universal health care, most gig work arrangements do not provide access to traditional benefits such as insurance, paid time off and pensions, making it more difficult for gig workers to attain important financial goals, and leaving them vulnerable to financial risks. The cyclical and temporal nature of gig work also provides less income security, making it more challenging to manage day-to-day finances such as paying rent. As we have witnessed in 2020, the lack of a financial cushion can have a devastating impact on gig workers' financial wellbeing during an economic crisis. We will discuss that more fully in chapter seven.

Today's self-employed are vastly different from those in the past – they vary in age, demographics and the types of work they do. According to recent studies from the Pew Research Center on 2018 labour-force data, '29 per cent of (Baby) Boomers, ages

65 to 72, were working or looking for work – outpacing the labour market engagement of the Silent Generation (21 per cent; born between 1928 and 1945), and the Greatest Generation (19 per cent; born between 1901 and 1927), when they were the same age.'[28] It is therefore not surprising that a third of gig-only workers are boomers, with many working post-retirement because of financial needs. This demonstrates that, as generations have progressed over the last century, more and more workers have had to seek out both more transient work and an extension of years worked compared to earlier generations.

The Freelancing in American 2019 report from Upwork further validates the growing significance of freelancing as part of the overall economy: 35 per cent of working adults participate in freelancing in some way. This mode of employment constitutes a sizable share of the economy, with income contributing to nearly 5 per cent of total US Gross Domestic Product (GDP).[29]

The implications of the changing employment model for our economy and businesses are profound. Many of these platforms not only act as a marketplace, but they also provide billing/payment services. How should incumbent financial services firms rethink their relationships with the changing needs of these customers, many of whom may not necessarily fit the traditional profile of a High Street bank customer? Of the gig-only millennials surveyed by Prudential, 'nearly half (49 per cent) say they are struggling financially, and 70 per cent say they have no access to benefits.'[30] What can policymakers do to improve the financial security of this growing demographic of workers? And how can the private sector, such as advisors and benefit solution providers, help these workers navigate their increasingly complex financial lives?

This impact also extends beyond gig workers. Take the hospitality industry as an example. The popularity of app-based ride-sharing services such as Lyft and Uber diminish the need for hired cars at hotels. Where doormen used to hail taxis for hotel guests (and collect tips in return), they are now watching ride-sharing vehicles streaming by. And instead of calling for room service, more guests are ordering food via their smartphones: Grubhub, UberEats, Deliveroo, Meituan, Ele.me, Swiggy or GoJek are just a click away.

Given the projected growth of the gig economy, this segment remains ripe for innovation – and more thoughtful dialogue. How we balance the appetite for the conveniences of the app economy and the financial wellbeing of workers must be a focus for policymakers and employers alike.

Does your company or industry leverage more transient gig workers as part of your workforce? Do you use some of these delivery services or app-based services that offer a plethora of convenience services from food and grocery delivery to odd jobs and transport? Have you thought about the long-term impact that these jobs have on these workers, your country's economy or your community? While there are positives (worker flexibility, convenient services for customers), there are many drawbacks (reduction in worker income compared to full-time work, minimal benefits such as health care and sick leave, environmental impacts with added food waste), and these issues must be considered as part of any company's strategic plan and its efforts to improve the opportunities for more people in its communities.

Focus on entrepreneurship

Along with the emergence of the new self-employed is the increase in entrepreneurship. According to the OECD, 'new enterprise creations (including sole proprietors) continued to increase from their crisis lows in nearly all OECD countries',[31] including Australia, France and the United Kingdom. The majority of enterprises (between 70 per cent and 95 per cent) are micro businesses[32] (eg enterprises with fewer than 10 persons employed).

For any innovation hub to prosper it requires three distinct elements: talent, funding and market reach. While talent is equally distributed, opportunities are not. Within the United States, funding for startups continues to be heavily dominated by the same three states: California, Massachusetts and New York, raising 79 per cent of US investments in the second quarter of 2020, according to the MoneyTree Report produced by PwC and CB Insights.[33] And the top 10 states went on to capture 9 out of every 10 dollars invested in the second quarter of 2020, according to the same report.[34] Perhaps, unsurprisingly, the top global startup ecosystems, as ranked by Startup Genome in 2020, include Silicon Valley, New York City, London, Beijing, Boston, Tel Aviv-Jerusalem and Los Angeles.[35] Not only are these the same top seven ecosystems as those in 2019, but they also represent a combined value of US $1.5 trillion, 1.7 times the remaining top ecosystems.[36]

Being an entrepreneur can be a lonely experience – and having a community to lean on can make a world of difference. If you happen to be in Silicon Valley, chances are you are familiar with some of the hot spots in downtown Palo Alto, where techies from all walks of life like to meet, hash out ideas, pitch and try out new products – all over coffee (and perhaps now, all through video-conferencing, but more on that later on as we talk about the state of the global pandemic and inclusive business decisions).

But what if you are not in Silicon Valley? What if you are not in New York, London or Hong Kong? How do you tap into your local community for support? And how do we level the playing field and redistribute the opportunities for local communities – which will not only introduce more diversity in the startup ecosystems, but also promote economic growth and revitalize high streets across the world?

As Victor Hwang, Kauffman VP of Entrepreneurship, commented in the video ‘Saving Main: Betting Big on Small’: ‘Most people think of entrepreneurship as the lone individual that goes out there and builds a business for themselves and that all it takes is one person with the grit to do it. But what we know now is that entrepreneurship is a community sport.'[37] It takes more than an idea – more than an individual's grit and passion. It takes the support of a community to win.

How is your company or your industry tapping into local talent outside of the big city centres? How are you promoting flexibility within the workplace and within your business model to tap into new forms of talent and new marketplaces that were previously unknown? Thanks to the power of technology and our connected world today, distance is less meaningful, and as we have seen recently, not insurmountable. Whether we own a print shop in Brussels or are a clothing manufacturer in Bangkok, we now have the ability to create value and open up opportunities to match the needs of a new age, one where we improve the lot of lives in our community.

Women empowerment

During the past decade, we have seen the emergence of the *MeToo* movement and more recognition of the need for gender equality. But progress has been painfully slow. According to the Global Gender Gap Report 2020 from the World Economic Forum (WEF), gender parity will not be attained for 99.5 years.[38] In some ways, it would appear that instead of progressing, we have taken a step backwards. The Economic Participation and Opportunity gap, for example, will now take 257 years to close[39] (compared to 202 years in the year prior). With only 55 per cent of women (aged 15–64) engaged in the labour market versus 78 per cent of men, along with over 40 per cent of the wage gap, and over 50 per cent of the income gap that have yet to be bridged,[40] it would appear that none of us will see gender parity in our lifetimes, and nor is it likely that many of our children will – despite the relentless effort to push for change.

While women have been the majority of degree-educated adults for more than a decade, it is only recently that they have reached parity with men in the degree-educated workforce, according to statistics provided by the Pew Research Center. Even though women represent half of the workforce in the US, men make up an overwhelming majority of top earners in the country, dominating highly lucrative jobs in financial services and beyond, while women overwhelmingly occupy jobs on the lower pay scale such as caregiving and hospitality. According to the Pew Research Center, 'women account for only 25 per cent of degree-educated workers in computer occupations and 15 per cent of degree-educated workers in engineering occupations.'[41]

Improving women's representation among the degree-educated labour force will have significant implications for future workers and economic parity, since advanced education translates to greater earning potential. In the long run, this could help to narrow the gender wage gap and gender leadership gap. The gender leadership gap is highlighted by the general lack of women among the executive ranks of S&P 500 companies. As of mid-September 2020, women hold only 32 CEO positions (6.4 per cent) at S&P 500 companies, according to Catalyst.org.[42] At the top 25 highest-valued public companies identified by *The New York Times*, there are no women.[43]

Unfortunately, some of the progress that has been made in years past might be wiped out owing to the economic downturn. According to the Bureau of Labor Statistics, for instance, four times more women than men dropped out of the labour force in the US in September 2020.[44] As families are struggling to balance work duties and childcare, women are increasingly bearing the brunt of the crisis.

We simply cannot build an inclusive society and truly inclusive business models until we change the status quo. While women are at the core of *Beyond Good*, we must push for equal recognition as well. Beyond stewardship, women are notably missing in mass media publications. Consider the following:

- In the *Forbes* list of top 100 innovators in 2019, there was only one woman – out of 100 names.
- In the *Harvard Business Review* list of top 100 CEOs in 2019, only 4 women made the list, out of 100 names, compared to 3 in the previous year.
- For the 2019 *Time* magazine 'Person of the Year', Greta Thunberg became the 5th woman to take the honour, in the magazine's 90-year history.

The case for women empowerment is even more compelling if we focus on the impact from frontier technologies. Faced with new pressures from automation, McKinsey Global predicts that between 40 million to 160 million women (7 to 24 per cent of all women in the workforce today) may need to transition across jobs and skill sets by 2030 to remain employed.[45]

We need new creative solutions to help women adapt and thrive in the new era – and such efforts need to come from both private and public sectors. On one hand, they need to be skilled and tech savvy to meet the demands of the new jobs created; on the other, they need to be flexible and mobile enough – with access to the right networks – to pursue these new opportunities.

If women are not able to make the transition from lower-paying jobs that are threatened by automation – into higher-paying roles, the current gender pay gap between men and women might worsen. More must be done to retrain and equip women with new skill sets – whether they are part of the existing workforce or seeking to return to work from extended leave via returnship programmes.

But improving educated women's representation in the workforce does not, and cannot, happen in a vacuum. To have sustaining positive impact, diversity is only the beginning – while inclusion represents the other side of the same coin. To attract and retain diverse staff, companies must maintain a welcoming environment that allows different voices to be heard, and different personalities to thrive. This also requires family-friendly policies that support flexible work arrangements, since women typically act as the primary caregiver for their children and aging parents.

At present, the United States is the only industrialized nation in the world that does not offer paid parental leave. Changing such a policy will go a long way in enabling higher women workforce participation – and putting women one step closer to parity. Without intentional and substantial changes, it will take close to a century to close the overall global gender gap, and many more years to close the Economic Participation and Opportunity gap as mentioned earlier – a timeline that is simply unacceptable.

We believe that every voice in every community matters, and that it is up to all of us to make sure the needs of each one is heard. In what ways is your business improving the lives of women in your community? How is your industry changing the dynamic for women in the workplace? From formal mentoring programmes to supportive infrastructure and training to recognize both bias and harassment, the presence of women in both the workplace and in the development of the next generation of business leaders will be a significant factor in all markets. How are you going to be part of this significant shift, one where more women are making key decisions at all levels? Choose your path wisely, or risk losing the future to other businesses that are far more inclusive.

We must add diversity (gender, age, ethnicity, language, etc) to all teams that want to move the needle, or we will continue to talk and not do enough. HEIDI CULBERTSON, CEO AND FOUNDER OF MARVEE

Economic, social and cultural implications

Along with life and death, change is one the pure certainties in life. The condition of our life transforms over time as our societies, community and circumstances change. Given how we have shifted our approach to learning, working and living, it is no longer meaningful to segment our lives by biological age, nor is it logical to assume we all follow the traditional trajectory of a three-stage life of education, career and retirement. Education can occur throughout our professional life, as working longer requires us to stay current with our skill sets. Our career will be a series of applications of our learning and experiences, with more options being added every year. Retirement will also take on a new meaning as more people volunteer or work part-time post full-time employment, and as we age longer.

How will companies and communities react to this new landscape? Business models should reflect changes in our culture to best serve the needs of nearly 8 billion people. At the centre of these changes is economic opportunity and the ability for society to take care of our basic needs – food, water, shelter – as well as the new requirements of an increasingly digital age driving new forms of inequality. How key industries evolve – especially financial services (as we will see in the coming chapters) – will be an important factor in how many of us live comfortable, fulfilling lives.

While each of our ecosystems is unique and each of our communities has its distinctive characteristics, we have more in common that we are commonly led to believe. We are all one species. We all share the same biology, the same humanity. As technology continues to make the world smaller and more connected, we have a chance to build a more inclusive society – one where we meet more than our basic needs.