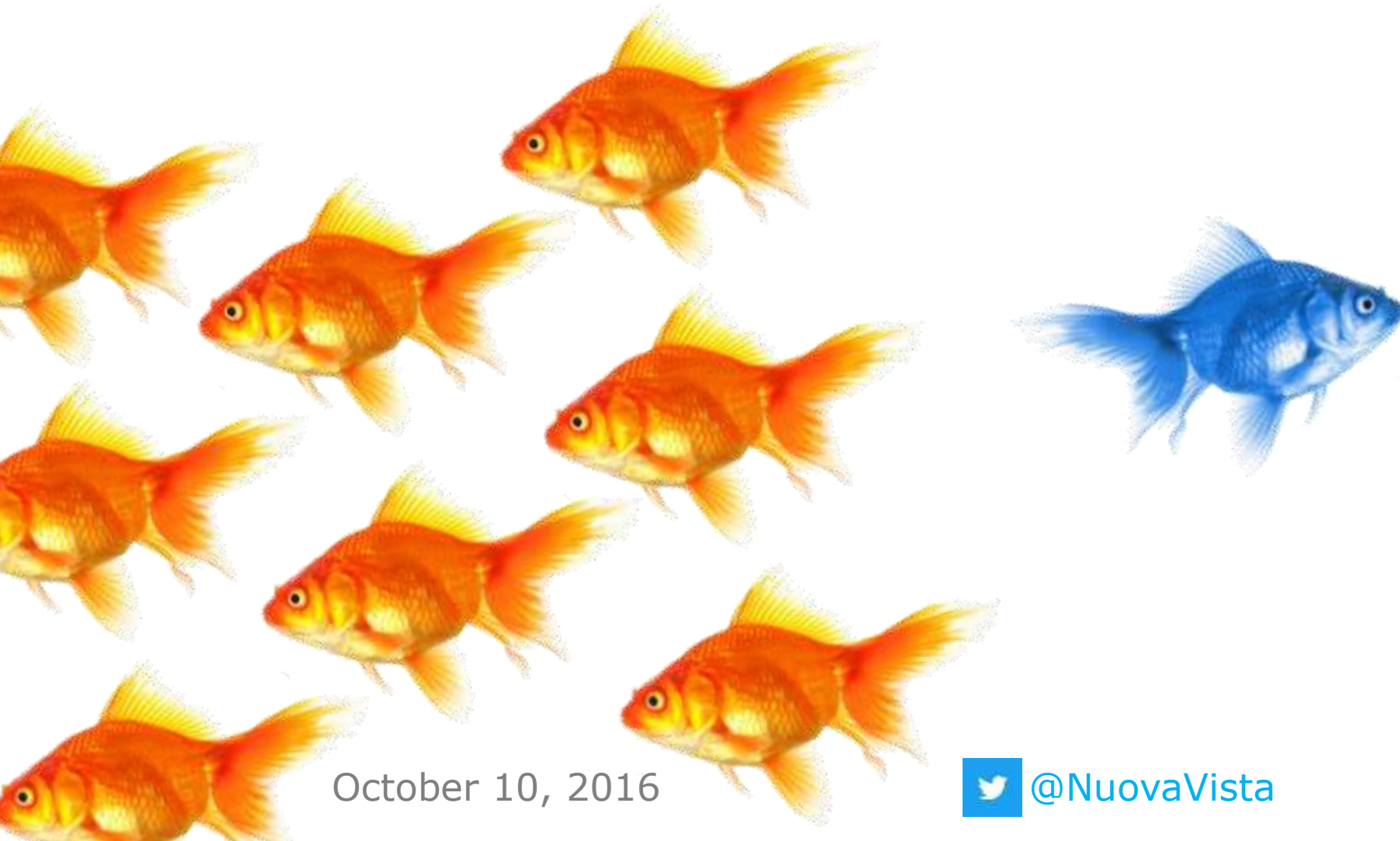


The Purpose-Driven Corporation

An innovative corporate form to transform the economy



October 10, 2016



@NuovaVista



Understand, get inspired ...

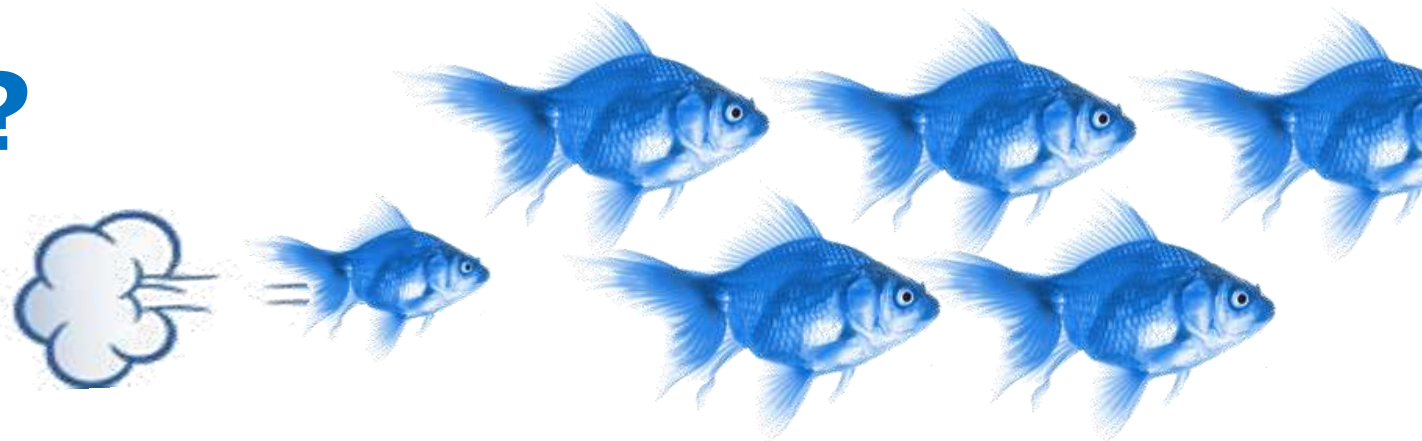
What Makes a
Benefit Corporation Different?

SOCIAL PURPOSE CORPORATION

SOCIAL PURPOSE
BUSINESS?

La « Société à Objet
Social Étendu »

... and jump in !?



Purpose-Driven Businesses ?



Businesses driven by
solving societal issues
using **profit as a lever**
instead of an end

WHO
ARE
YOU?



Who are they ?

Visionaries

Opportunists

Dreamers

**Change
makers**

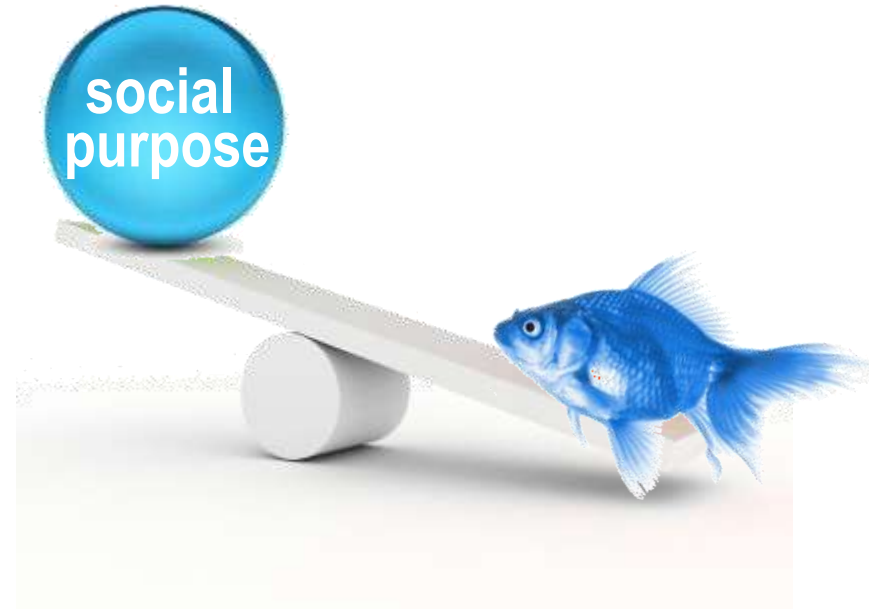
Trendsetters

....

What drives them ?

Inside Out

Leverage their social purpose to fully envision and create the future they want ?



Outside In

Assess the environment to identify the most advantageous way for them to win ?



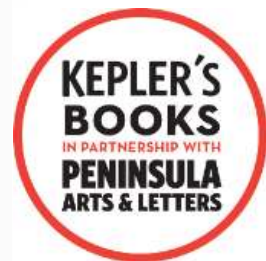
How do they handle dilemmas ?



Do they need a frame ?



Dan Gilbert



Luca Rossetini



Kevin Levillain



Errol Cohen





Kevin Levillain



Purpose-driven corporations

Emerging worldwide

The Purpose-driven
Corporation in Action

PUR-
POSE × theguardian
Masterclasses

How to run a
purpose-driven business

WHY?

Corporation2020™
Designing for Social Purpose

The Purpose of the
Corporation Project



PROFIT-WITH- PURPOSE BUSINESSES

Subject paper of the Mission Alignment
Working Group



Conseil Economique,
Social et Environnemental



Performance et gouvernance de l'entreprise

MINISTÈRE DES AFFAIRES ÉTRANGÈRES ET DU DÉVELOPPEMENT INTERNATIONAL

INNOVER ENSEMBLE

Stratégie de promotion des nouveaux modèles
de l'économie sociale et inclusive à l'international

**PURPOSE
DRIVEN**

Why Purpose-Driven Corporations?

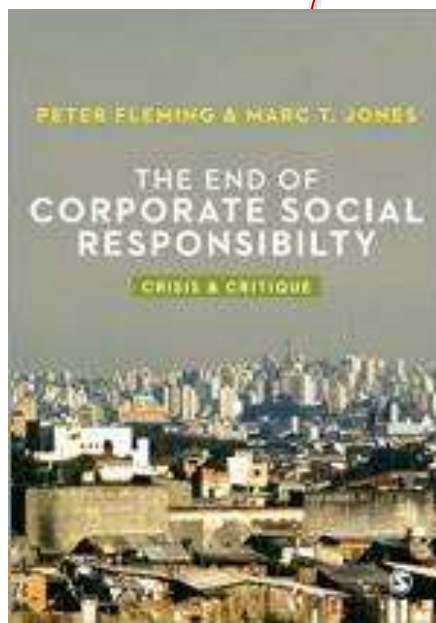
**SOCIAL &
ENVIRONMENTAL
ISSUES**



**BUSINESS
ETHICS**



CHALLENGES

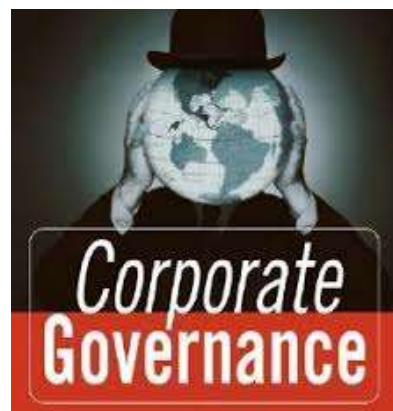


**INNOVATION &
DEVELOPMENT**

How to outsource R&D and innovation

**PURPOSE
DRIVEN**

Why Purpose-Driven Corporations?

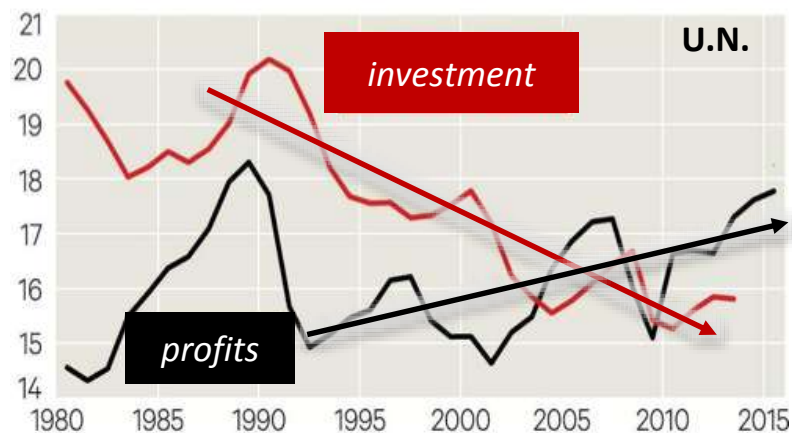


**Stock Holding Period
(S&P 500)**

In 1960 the
average was
8 years

Today the
average is
4 months

**FOCUS ON
PROFITABILITY
FIRST**



**GOVERNANCE
PROBLEM**

**PURPOSE
DRIVEN**

Why Purpose-Driven Corporations?

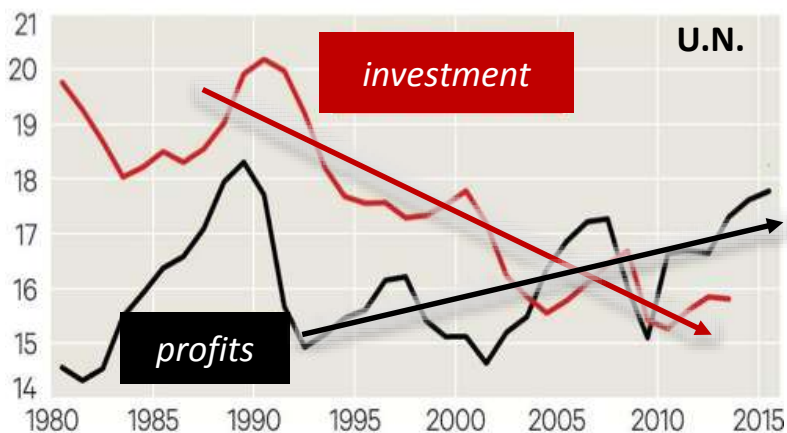


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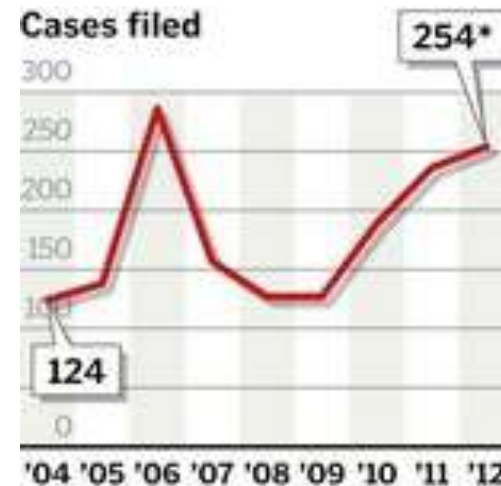
Today the
average is
4 months

**FOCUS ON
PROFITABILITY
FIRST**



**GOVERNANCE
PROBLEM**

**Shareholder derivative
lawsuits on the rise**



**NO WAY TO
PROTECT ANOTHER
PURPOSE**

HOSTILE TAKEOVER



*"Stockholders' best interest must
always be the end. Other
constituencies may be considered
only instrumentally to that end"
(Strine, Chancellor of the Delaware
Court of Chancery, 2012)*

What to do ?

VOLUNTARY ENGAGEMENT

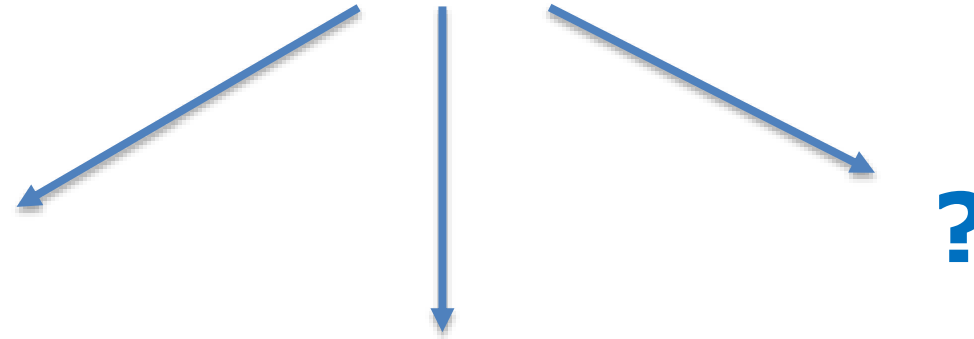
Corporate
Social
Responsibility



What if against
economic interests?

What to do ?

VOLUNTARY ENGAGEMENT



STAKEHOLDER GOVERNANCE leScic



Companies Act 2006

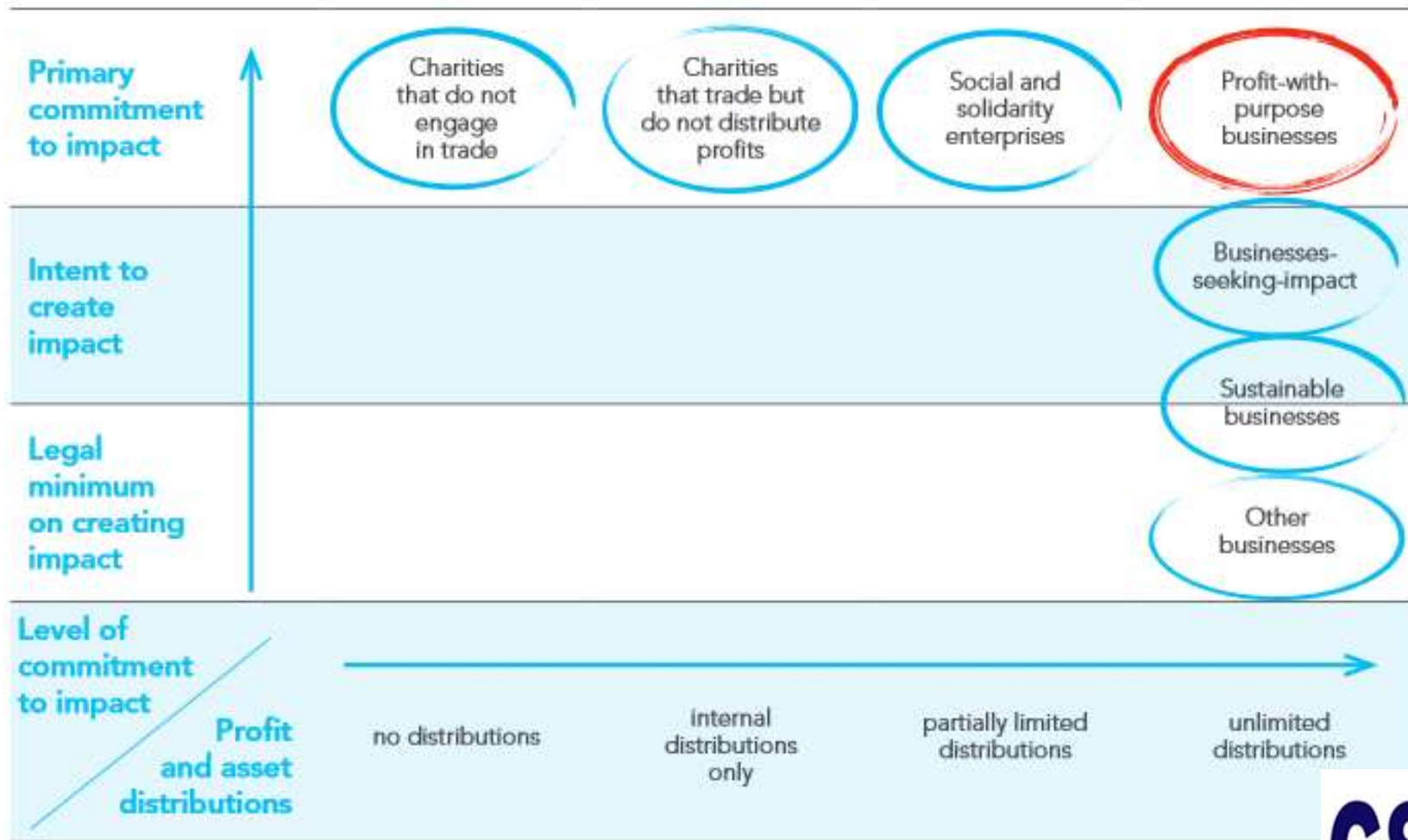
What if against
economic interests?

Unattractive or
too risky?



Innovation underway

Combining social impact and profitable business



benefit corporation

SOCIETÀ
BENEFIT



1. Add a purpose to corporate documents
2. Engage shareholders
3. Evaluate management through the purpose

From general benefit to specific purpose

Focusing on how to do best



benefit
corporation

“General Public Benefit”
→ TRIPLE BOTTOM LINE



Third-party evaluation standard
→ PAST IMPACTS

5% shareholder votes to pursue
→ SHAREHOLDER DISAGREEMENT

From general benefit to specific purpose

Focusing on how to do best



 	<i>Purpose-Driven Corporation</i>
<p>“General Public Benefit” → TRIPLE BOTTOM LINE</p>	<p><i>Define your purpose</i> A strategic tool promoting innovation</p>
<p>Third-party evaluation standard → PAST IMPACTS</p>	<p><i>Prepare for how to do best next</i> Annual strategic assessment reports</p>
<p>5% shareholder votes to pursue → SHAREHOLDER DISAGREEMENT</p>	<p><i>Gather expertise for guidance</i> Dedicated governance committee</p>

How to get there?

An experimentation in France:
"Société à Objet Social Étendu"
(SOSE)

→ Ask your lawyer 😊





Errol Cohen



The SOSE : Legal & practical point of view



Intentions of the designers:

- Flexibility
- Scalable in most companies
- Understood and accepted by all stakeholders
- Internal control
- Simple sanction: not to be a SOSE anymore



Requirements:

- ✓ Writing an "Expanded corporate purpose"
= *Objet Social Etendu*
- ✓ Creating an internal board to control it

Creating a SOSE



1. Add an “Expanded Corporate Purpose” in the bylaws
- OR
- ✓ An activity aimed at a social or environmental service
 - ✓ The pursuit of a goal of its own

“fight against malnutrition of
vulnerable populations in the
world”



➔ Reflect the characteristics & objectives, values, sensitivity of the business

Creating a SOSE

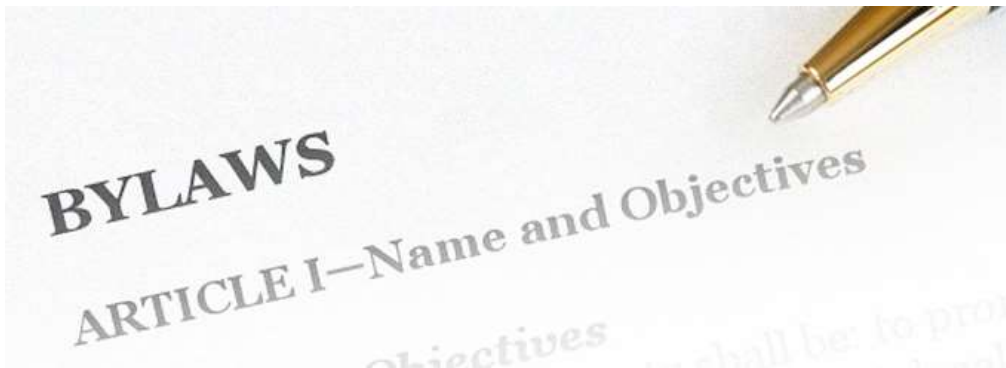


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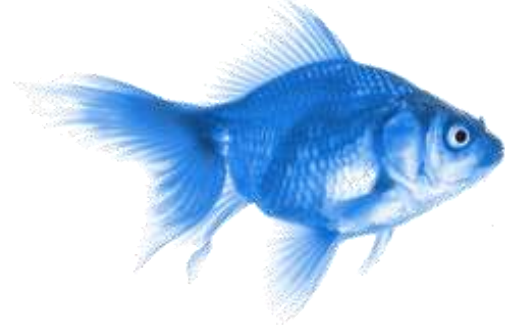


Bylaws amendment

- Unanimous decision of the shareholders
- Increases the liability of the partners
- Look for stakeholders' unanimity?



Creating a SOSE



2. Add an appropriate internal control



- ✓ Usual internal controls provided by French law
- ✓ **Creation of an internal “High Council”**
 - Right of **referral and alert** to the administrative bodies of the company
 - Ensure the **proper pursuit of the corporate purpose**

Creating a SOSE



2. Add an appropriate internal control



- ✓ Usual internal controls provided by French law
- ✓ **Creation of an internal “High Council”**
 - Right of **referral and alert** to the administrative bodies of the company
 - Ensure the **proper pursuit of the corporate purpose**

Composition –

→ Ensure the **competence**, rather than independence

Managing a SOSE

Objective:

- ❑ **Involve stakeholders in the approval or revision of the purpose, and the evaluation of management**
- ❑ **Create a safe harbour for decisions towards the purpose**
- ❑ **Adjust internal and external control to preserve the meaning of the SOSE**



Conclusion

- A flexible solution for purpose-driven companies
 - Aim to fit in most companies structures in France
- Based on trust between all the stakeholders
 - Only sanction is not to be a SOSE anymore
- **Several endorsements for the SOSE proposal**
- Towards the introduction of a bill of law in the next years?

PROFIT-WITH-PURPOSE BUSINESSES

Subject paper of the Mission Alignment Working Group



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INNOVER ENSEMBLE

Stratégie de promotion des nouveaux modèles de l'économie sociale et inclusive à l'international



Luca Rossettini



SPACE ORBITAL SOLUTIONS



**SPACE:
\$ 5 TRILLION
MARKET**

FOOD & AGRICULTURE



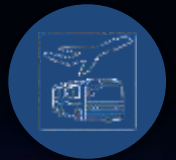
COMMUNICATION



ENERGY



TRANSPORTATION

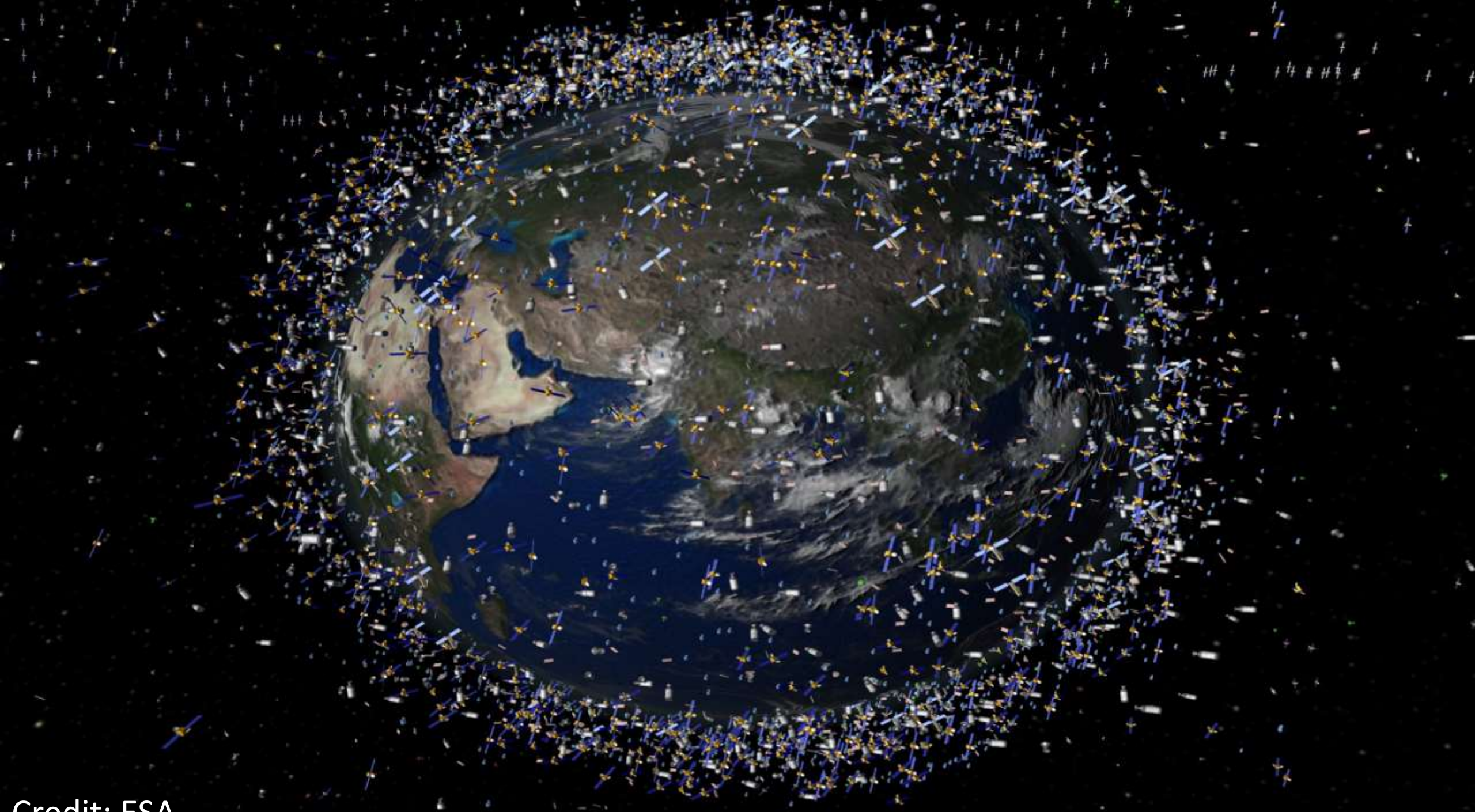


FINANCE

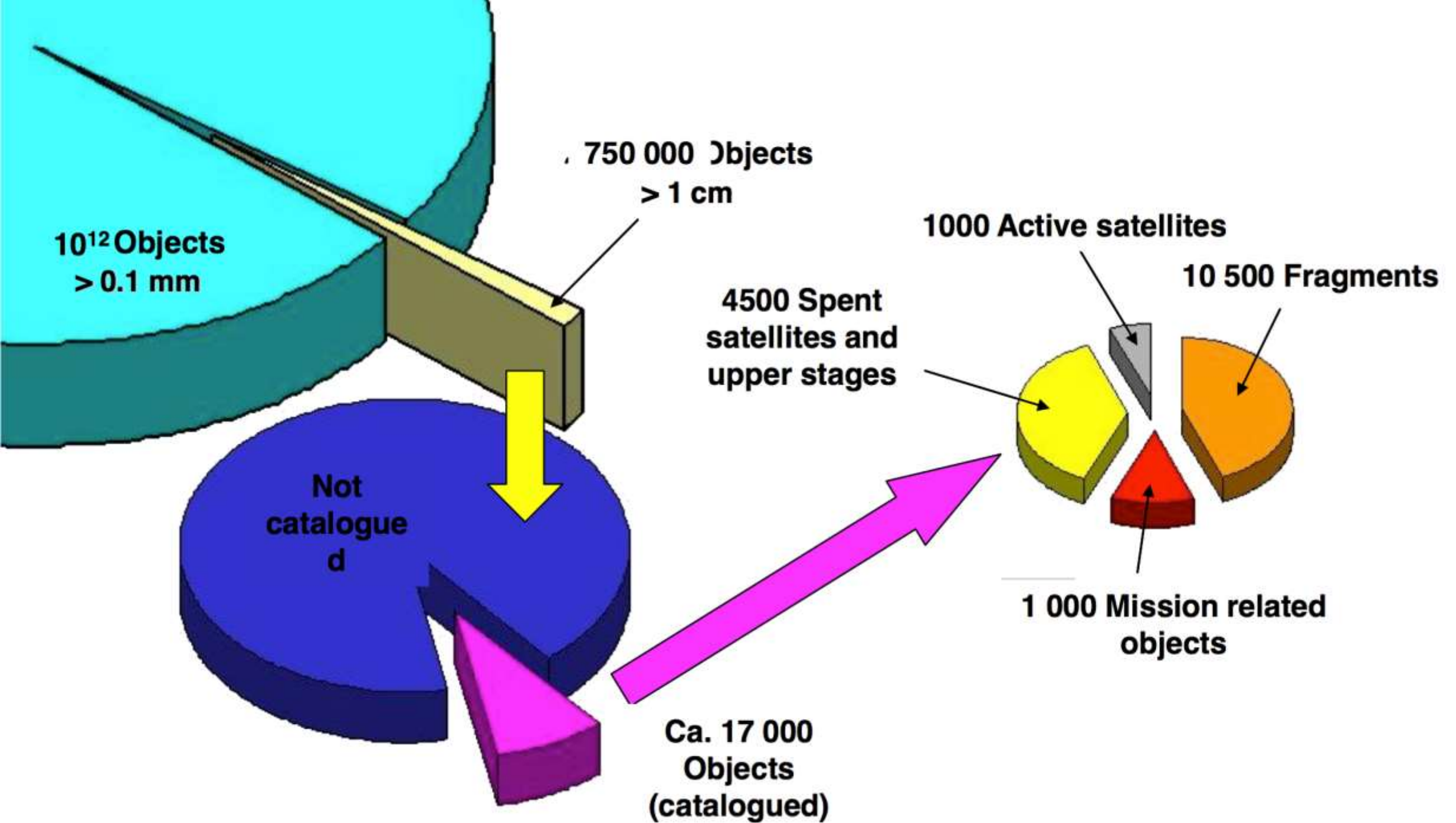








Credit: ESA









THIS IS A JOB FOR...

DECOMMISSIONING SOLUTIONS FOR SPACE APPLICATIONS

INNOVATIVE TECHNOLOGY

PATENTED IN 11 COUNTRIES

FOR QUICK, SAFE AND CONTROLLED DISPOSAL
OF ALL SATELLITES AND LAUNCHERS' STAGES CLASSES



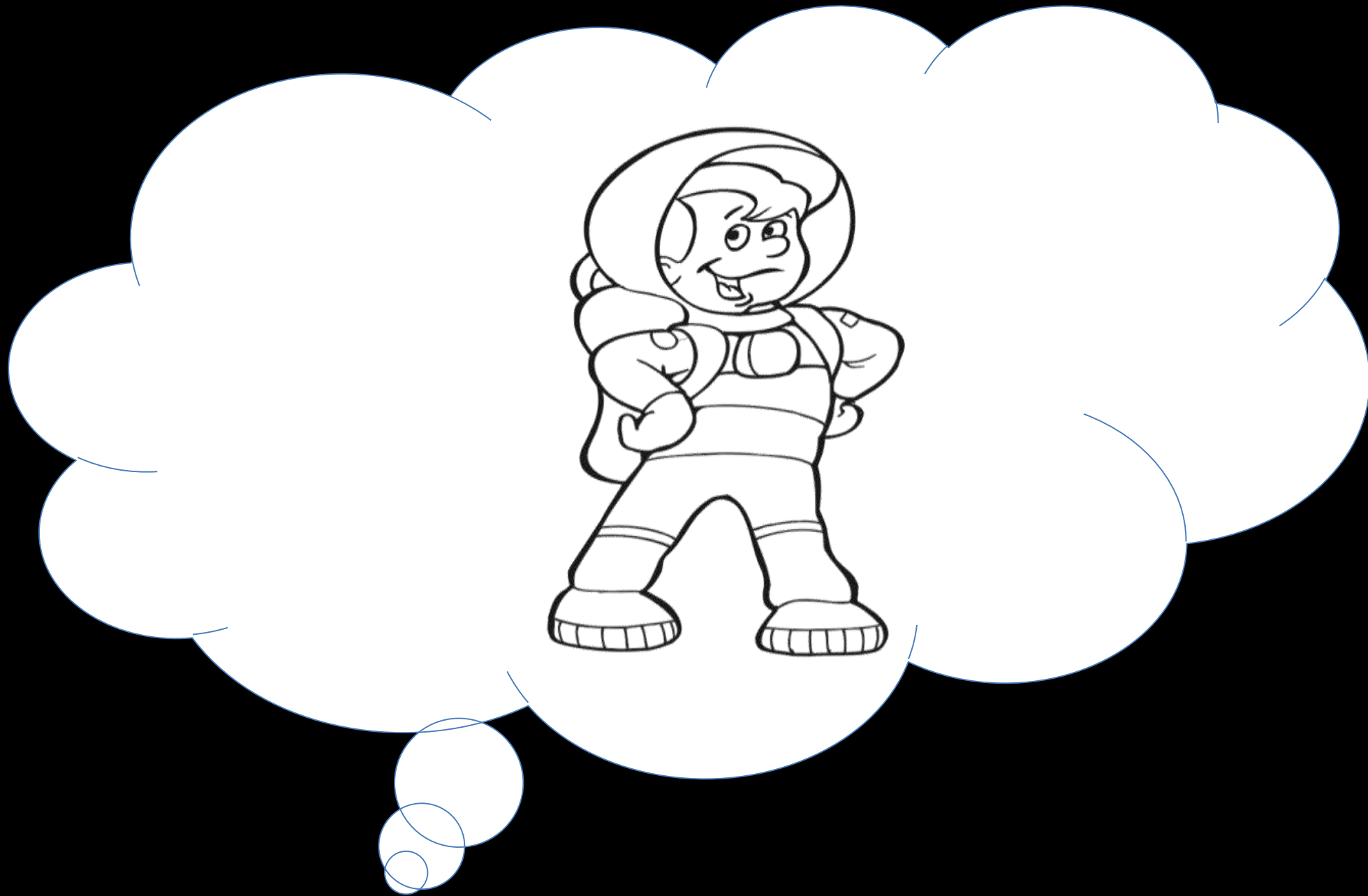
1957



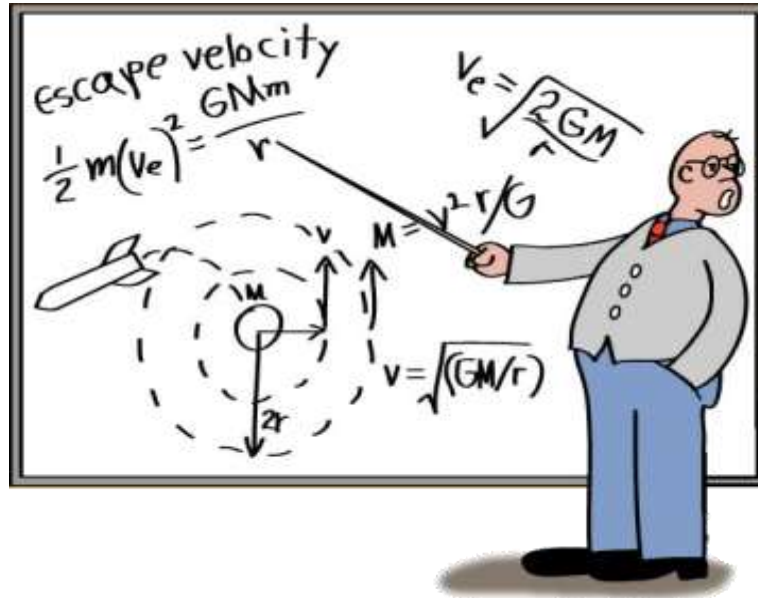
2013



2020



2008: THE IDEA

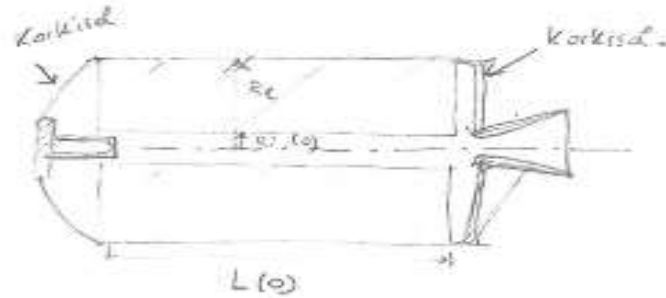


FULBRIGHT **BEST**

BUSINESS EXCHANGE AND STUDENT TRAINING

Silicon Valley

2011: STARTING FROM A PIECE OF PAPER



$$A_F = (R_e^2 - R_i^2) \pi$$

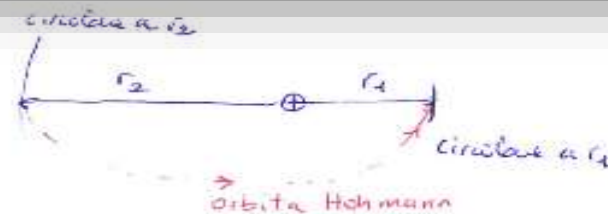
$$A_B = (R_e^2 - R_i^2) \pi = A_F$$

$$A_i = 2 R_i(t) \pi \cdot L(t)$$

calcolo A_b :

$$A_F = [R_e^2 - R_i^2(t)] \pi = A_B$$

$$A_i = 2 \pi R_i(t) \cdot L(t)$$



$$r_2 = R_T + z_2$$

$$r_1 = R_T + z_1$$

per un'orbita qualsiasi attorno alla Terra vale l'eq. dell'energia (Bate, p. 16):

$$\mathcal{E}_T = - \frac{\mu_T}{2a} = \frac{v^2}{2} - \frac{\mu_T}{r}$$

2016: D-ORBIT



**Washington D.C.,
VA**

Fino Mornasco, Italy



**Lisbon,
Portugal**

**Florence,
Italy**

30+ outstanding people

Market leaders

Disruptive technology

OUR PEOPLE

NASA

SES ASTRA

FINMECCANICA

LOCKHEED MARTIN

BOEING

AVIO

NECTAR

BOOZ ALLEN SPACE

THALES ALENIA SPACE

ITALIAN SPACE AGENCY

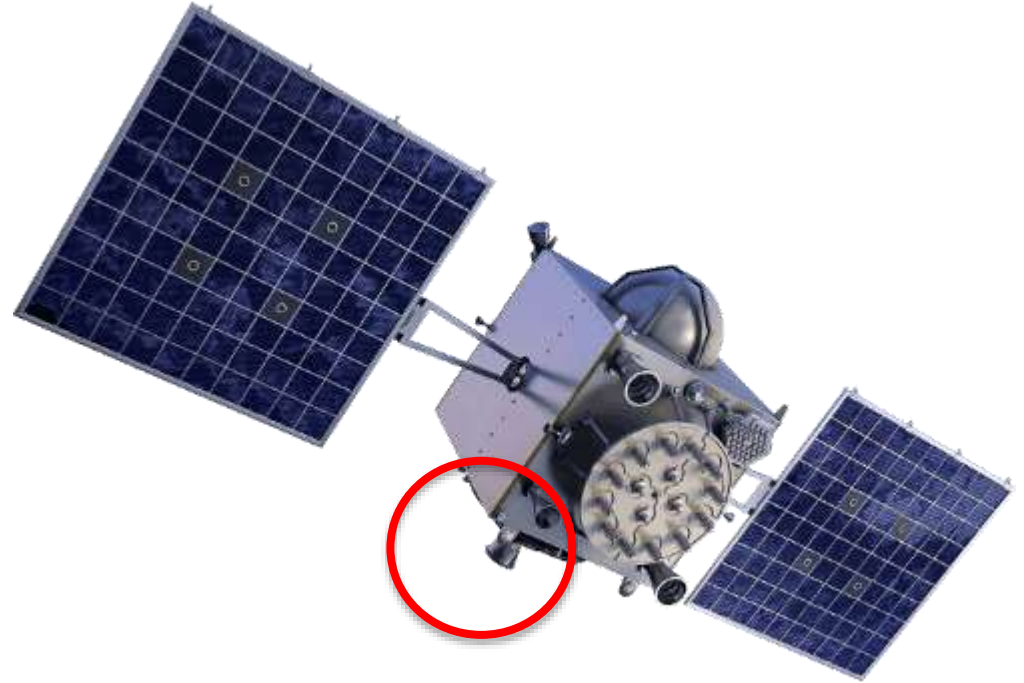
PRINCETON

DARPA

VISION PASSION RESILIENCE
AND LOVE FOR CHALLENGES



OUR PRODUCTS MAXIMIZE SPACE ASSET VALUE



***10X MORE REVENUES FOR OPERATORS
vs D-Orbit cost***

QUICK DECOMMISSIONING

SPACE IS NOT THE LIMIT.



OUR HERITAGE

Motor ground tests
Jan 2012



**Alice 2 Mission
qualification and launch
in LEO**
2013



**D3 decommissioning
system**
2015



**Fenix – nanosat life
extender**
2015



D-SAT mission
2016



**InOrbit One
Multipurpose platform**
2016

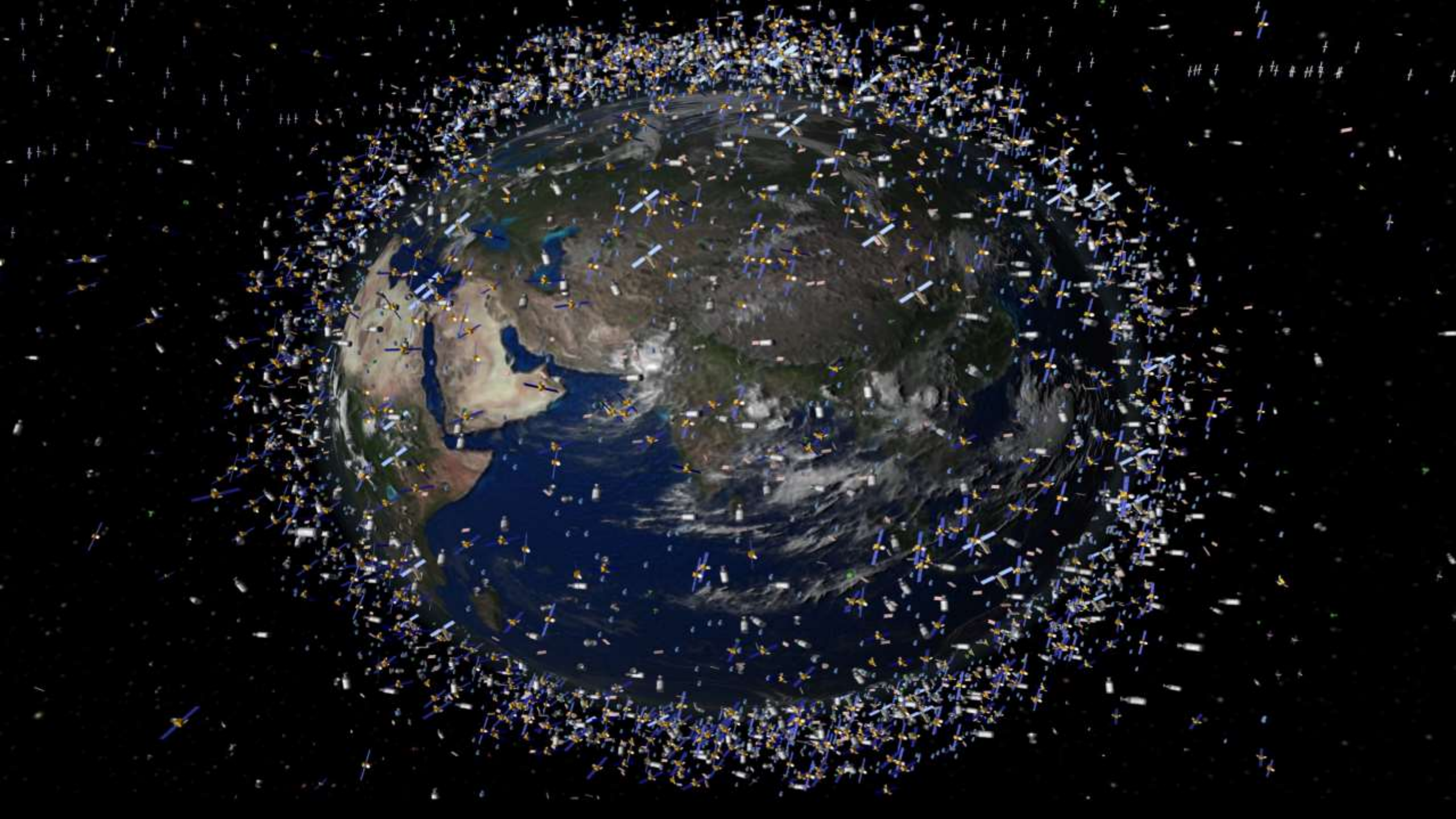


D-SAT MISSION

Better than big satellites
< 5 KG mass
< €250K launch costs
Cheap. Very cheap.
Launch: Q1/2017

**FIRST SATELLITE
REMOVED
IN A QUICK, SAFE
AND CONTROLLED
MANNER**



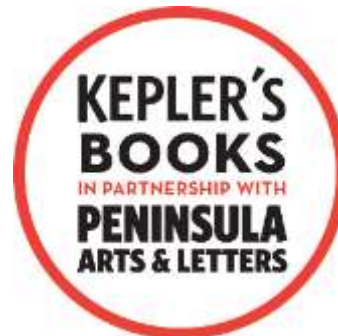


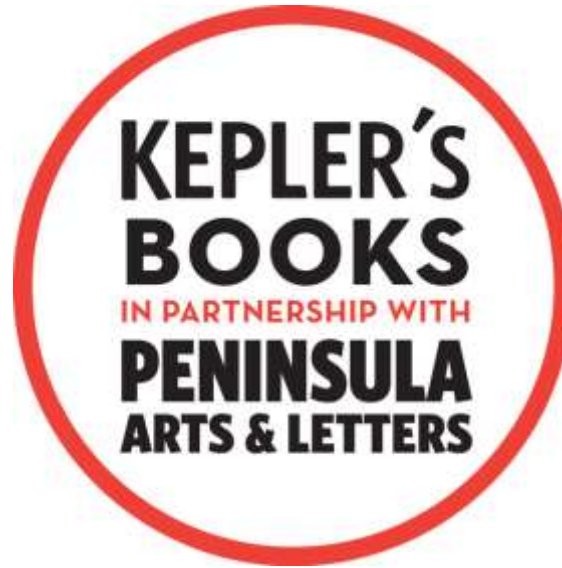


OUR SPACESHIP TO THE FUTURE



Dan Gilbert





Kepler's mission to build a sustainable and vital new model for community bookstores

World Forum for a Responsible Economy

Lille, France

October 10, 2016

Agenda

1. Challenge: Why do we still need bookstores, and what threatens their survival in the US?
2. Complication: Why are novel company structures needed?
3. Overcoming implementation challenges
4. Key findings and recommendations

Community bookstores are needed!

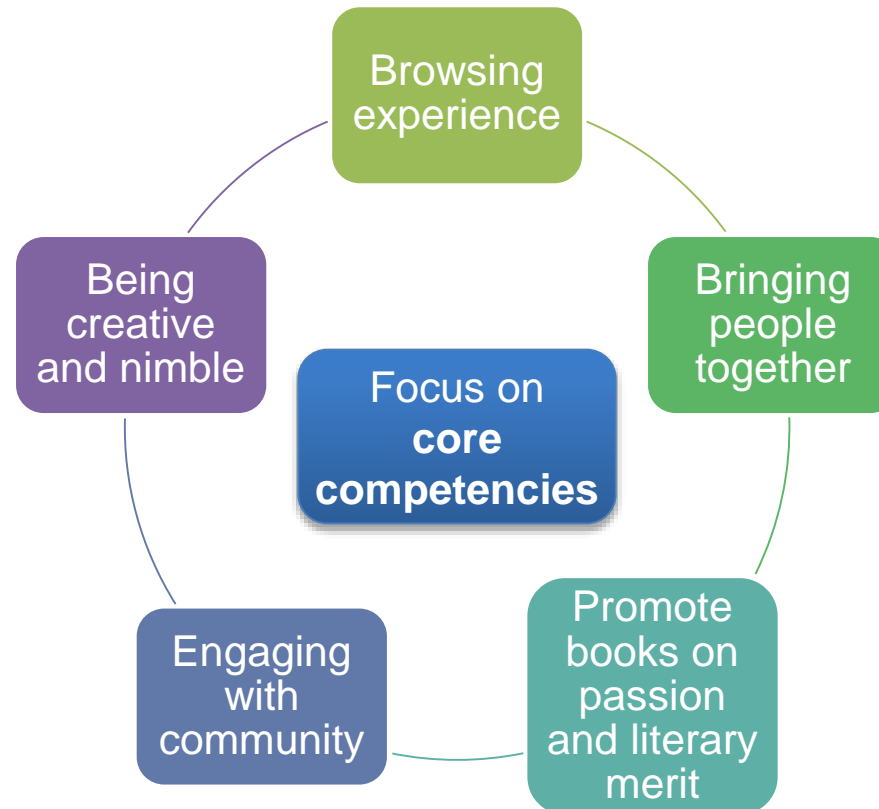
There is absolutely a place for independent bookstores in the 21st century but the **community engagement model** needs to be redefined with publishers, readers, and writers for deeper and more **collaborative win-win relationships**.



New authors depend on independent bookstores to develop an audience



Challenge: improve economics to pay employees **better wages**, retain “A” caliber people



Communities love their **bookstores** and want them to thrive



Communities also love their Kindle and convenience of **Amazon**

Engaging the Community: Khaled Hosseini in conversation with Tamim Ansary



- Raised over \$5,000 for The Khaled Hosseini Foundation
- 550 attendees
- Hosted at Fox Theater
- Complimentary tickets to several students from local high schools

"Thank you! I was really interested in learning about the current economic issues in Afghanistan. I also was able to relate to Hosseini in the sense that I too felt like a stranger to my native country and was really moved listening to him discussing this!"

Corina, Student with the Foundation for A College Education

Youth Events Mission: Literacy & love of reading

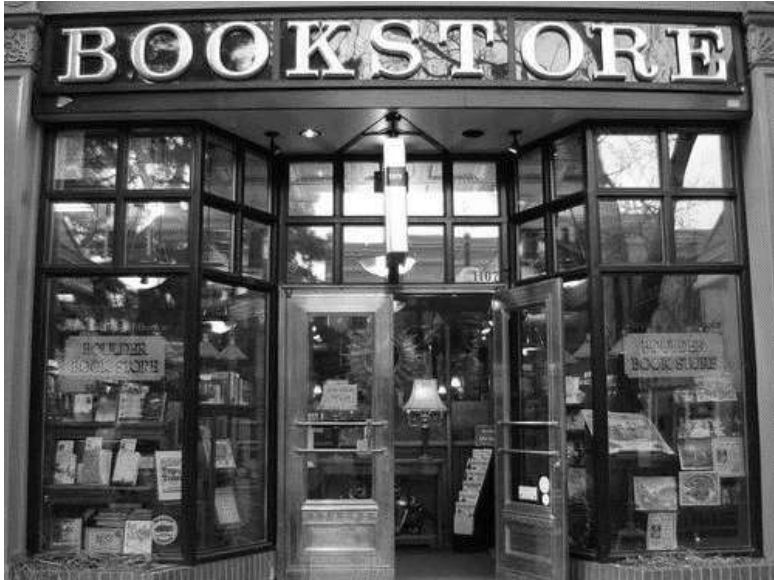


Christie Matheson reading
Tap the Magic Tree

Jeanne du Prau signing
books for young readers



Traditional retail bookselling is severely challenged



75% of independent
bookstores have closed



Borders went bankrupt in 2011
Barnes & Noble is under pressure

Radical change is the only option

Complication: Why are novel structures needed?

1. Under U.S. tax code, for-profit businesses cannot accept charitable donations
2. Any U.S. business that sells goods or services – regardless of its profitability – is treated as a for-profit concern
3. Traditional bookselling business is not viable without supplemental funding and / or traffic drivers
 - particularly if bookstores seek to pay employees a living wage
4. Traditional for-profit corporations are exposed to shareholder lawsuits if they pursue goals other than maximizing profits

Kepler's 2020: A new model for bookstores

"(These ideas) represent the kind of out-of-the-box thinking small retailers may need to survive"



"An innovative plan"



"Kepler's Books Looks to Start a New Chapter"

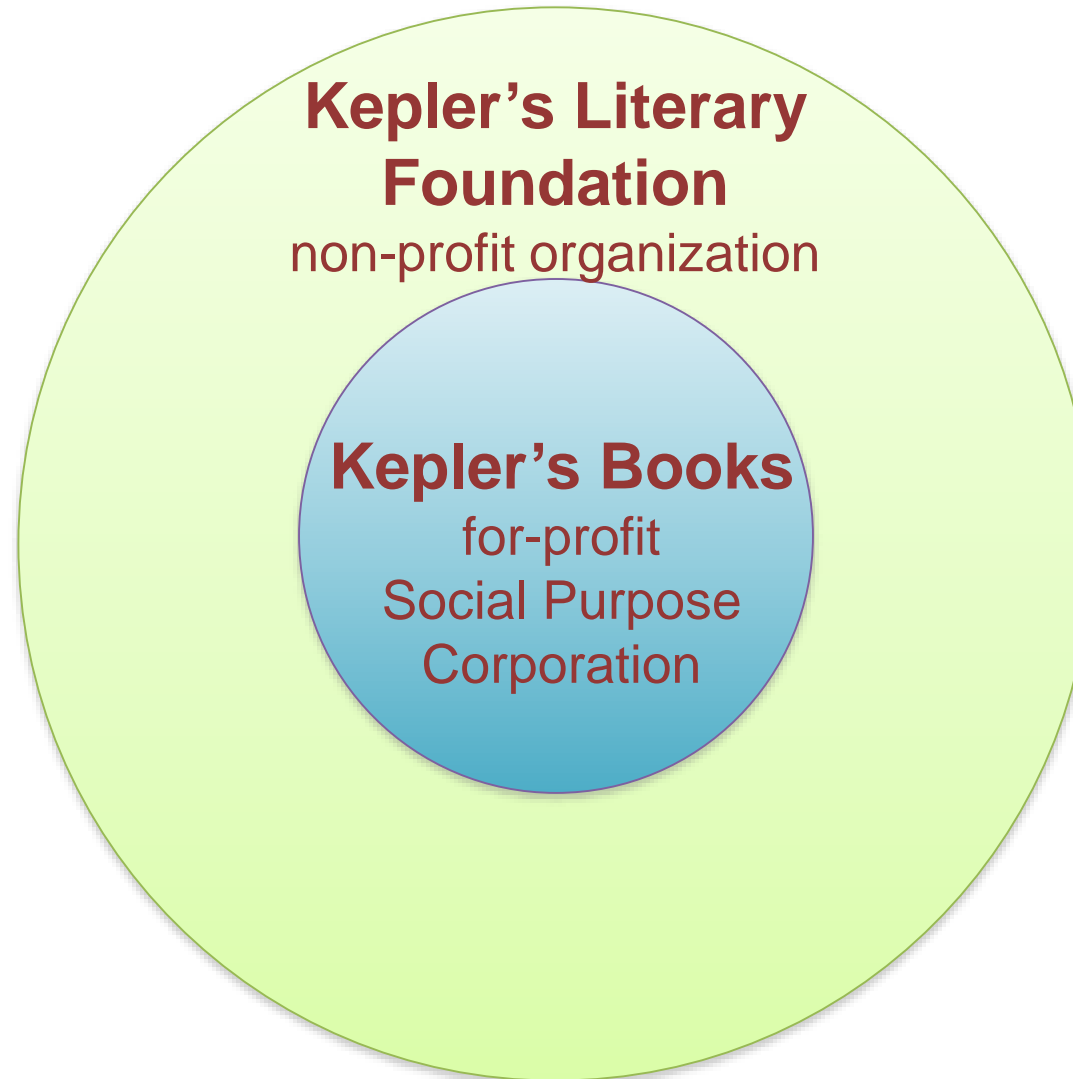
WALL STREET JOURNAL

"'Kepler's 2020' To Emerge as Prototype of Community Bookstore of the Future"

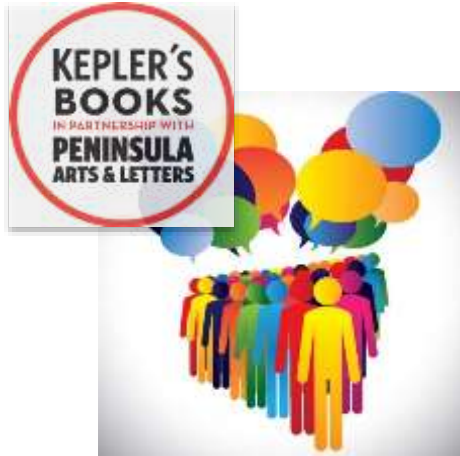
PUBLISHERS WEEKLY

Kepler's vision is to become an innovative membership-driven cultural institution that offers compelling literary experiences and services to its community

Two Key Elements of the Model



Core design principles for Kepler's 2020



Unique brand position



New sustainable business model



Higher level of community engagement



New revenue models



New organizational DNA



Embracing technology and industry trends

Overcoming implementation challenges

Two-entity structure: ongoing complexity



Assigning costs

+



Crafting agreement

=



Complex to manage

Biggest challenge: the human element



Paying a living wage

+



Benefiting the community

=



Profit is **not** the sole goal

Key findings and recommendations

Best outcome:

Enabling for-profit corporations (particularly SPCs) to accept tax-deductible donations

In the interim:

Accelerating adoption of two-entity structures

Biggest challenge:

Helping traditional businesses migrate away from profit maximization as their sole goal



***Why** be a purpose-driven corporation ?*

***What does it change** for your day-to-day business ?*

*What useful **information** would **you share** with entrepreneurs who want to make the jump ?*



Oct 2030

?

***Thank
you !***

