What is Conscious Capitalism?

What is a Megatrend?
Megatrends of Conscious Capitalism

- 1. The Dawn of Conscious Capitalism
- 2. Spirituality: Personal to Organizational
- 3. The Values-driven Consumer
- 4. The Wave of Conscious Solutions
- 5. The Boom in Socially Responsible Investing
1. The Dawn of Conscious Capitalism

Purpose, Stakeholders, Sustainable Performance:

- Towers Perrin 25 “Stakeholder Superstars” beat the S&P 500 by 126% (15 years).

- The Fortune “100 Best Companies” up 176% vs 39% for the S&P 500 (7 years).

- Firms of Endearment (2007) 28 firms -- eBay, Toyota, J&J, Google up 1111% vs. 100% S&P 500 (10 years).

Conscious Capitalists beat Capitalists at their own game – making money.
2. Spirituality: Personal to Organizational

A search for meaning and purpose:

- 10 million meditate (U.S.) up 100 percent in a decade
- 16 million do yoga up 42 percent since 2002
- 95% believe in God or Universal Spirit

A shift in individual consciousness triggers ...

a shift in organizational consciousness
CEOs and executives become corporate change agents

High Trust corporations outperform low trust by 286%!

- Stephen M. R. Covey

- Watson Wyatt 2002 study
3. The Values-driven Consumer

- 70% U.S. GDP consumers spending
- 60 million take their values shopping
- A $230+ billion market

**LOHAS** (Lifestyles Of Health And Sustainability)

*How to win the Values-driven Consumer?*
### Value proposition + Values!

<table>
<thead>
<tr>
<th>VALUE</th>
<th>PRODUCT</th>
<th>BRAND</th>
<th>PROPOSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HEALTH</strong></td>
<td>Organic Food</td>
<td>Whole Foods</td>
<td>Gorgeous produce; NO pesticides</td>
</tr>
<tr>
<td><strong>JUSTICE</strong></td>
<td>Fair Trade Coffee</td>
<td>Starbucks Green Mountain Coffee</td>
<td>Small luxury; NO guilt</td>
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<tr>
<td><strong>SUSTAINABILITY</strong></td>
<td>Hybrid Cars</td>
<td>Toyota Honda Ford</td>
<td>Consume less oil; Generate fewer emissions</td>
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</tbody>
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Values-driven consumers vote with their pocketbooks
4. The Wave of Conscious Solutions

**Corporate Meditation**
- Google, AstraZeneca, McKinsey
- Stress costs $200 billion per year
- Alpha, Theta, and Beta waves

**Forgiveness Training at America Express**
- Stress down 25 percent
- Positive Feelings up 20 percent
- Productivity up 60 percent

**Final:** Productivity up 60 to 400 percent!
5. The Boom in Socially Responsible Investing

**SRI in the US**
- $2.7 trillion market
- 11 percent of managed assets
- Accounting Scandals: SRI + 7%
- Overall Fund Universe - 4%

**The Anti-SRI Fund?**
- In 2003: S&P 500: + 28%
- The Vice Fund: + 33%
- Winslow Green Growth: + 91.7%
As investors, consumers, managers, we the people have the power to transform capitalism into Conscious Capitalism.