

scodi

Scottish Council
for Development
and Industry

SCOTLAND'S FUTURES FORUM



ABOUT SCDI

Established in 1931

A membership network of private, public and social organisations.

Shared aim: world-leading, sustainable economic prosperity for all Scotland.



Blueprint 2030



Scotland's
Economic
Purpose

A Living Lab
for Innovation

Learning
Throughout
Life

Healthy Places
to Live and
Work

ABOUT THE BUSINESS PURPOSE COMMISSION

Joint SCDI/ Scottish Government initiative

Commission from businesses, education,
civic organisations and trade unions

World's first business-led, government-
commissioned report on business purpose



**SHORT-LIFE PROGRAMME OF WORK
(2021 - 2022)**

PURPOSE OF THE COMMISSION



“THE ROLE OF THE BUSINESS PURPOSE COMMISSION FOR SCOTLAND WILL BE TO MAKE RECOMMENDATIONS FOR HOW SCOTLAND CAN BECOME KNOWN AT HOME AND GLOBALLY FOR NURTURING PURPOSEFUL BUSINESSES WHICH MAKE A POSITIVE IMPACT ON ECONOMIC PROSPERITY, SOCIAL WELLBEING AND ENVIRONMENTAL SUSTAINABILITY.”

THE COMMISSION'S EVIDENCE BUILD



- Evidence review
- Business surveys
- Workshops with businesses/civic stakeholders
- Public opinion poll
- Workshops with young people
- 7 meetings of the full Commission

WHAT IS BUSINESS PURPOSE?



A business's reason for existing, which drives its strategy, activities and sales.

- ✓ Why customers should buy from you
- ✓ Why people should work for you
- ✓ Why society should trust you

SHAREHOLDER VALUE, OR STAKEHOLDER VALUE?



Shareholder value:

- Worse results for businesses
- Harmful for:
 - Social prosperity
 - Environmental sustainability.

Stakeholder value:

- Higher long-term shareholder returns
- Forecast for higher business growth
- Creates wider benefits e.g. economic resilience, fair work and sustainable growth.

BENEFITS OF BUSINESS PURPOSE



- Stronger brand and customer relationships
- Attract talent
- Greater business resilience
- Successful innovation and transformation

SOCIETAL LEADERSHIP

60%

BUSINESS IS NOT DOING ENOUGH

BUSINESS IS OVERSTEPPING

40%

20%

0%

**CLIMATE
CHANGE**

**ECONOMIC
INEQUALITY**

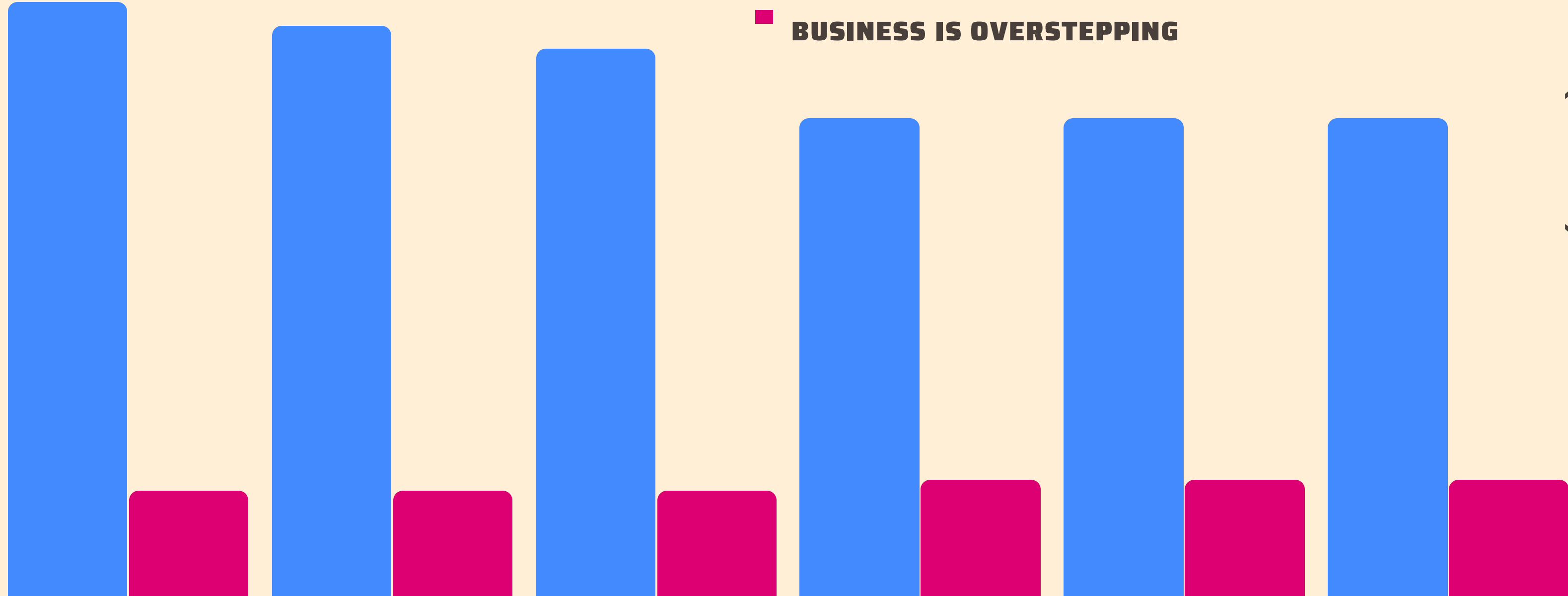
**WORKFORCE
RESKILLING**

**TRUSTWORTHY
INFORMATION**

**ADDRESSING
SYSTEMIC
INJUSTICE**

**GREATER
ACCESS TO
HEALTHCARE**

**Results of the Edelman Trust
Barometer (2022)**



RENEWING BUSINESS PURPOSE



- Business Purpose is not a 21st century concept
- Concept of shareholder value
- Impact of the financial crisis and 'lost decade'
- Renewed interest in business purpose
- Solutions for 21st century challenges

THE FUTURE OF THE CORPORATION



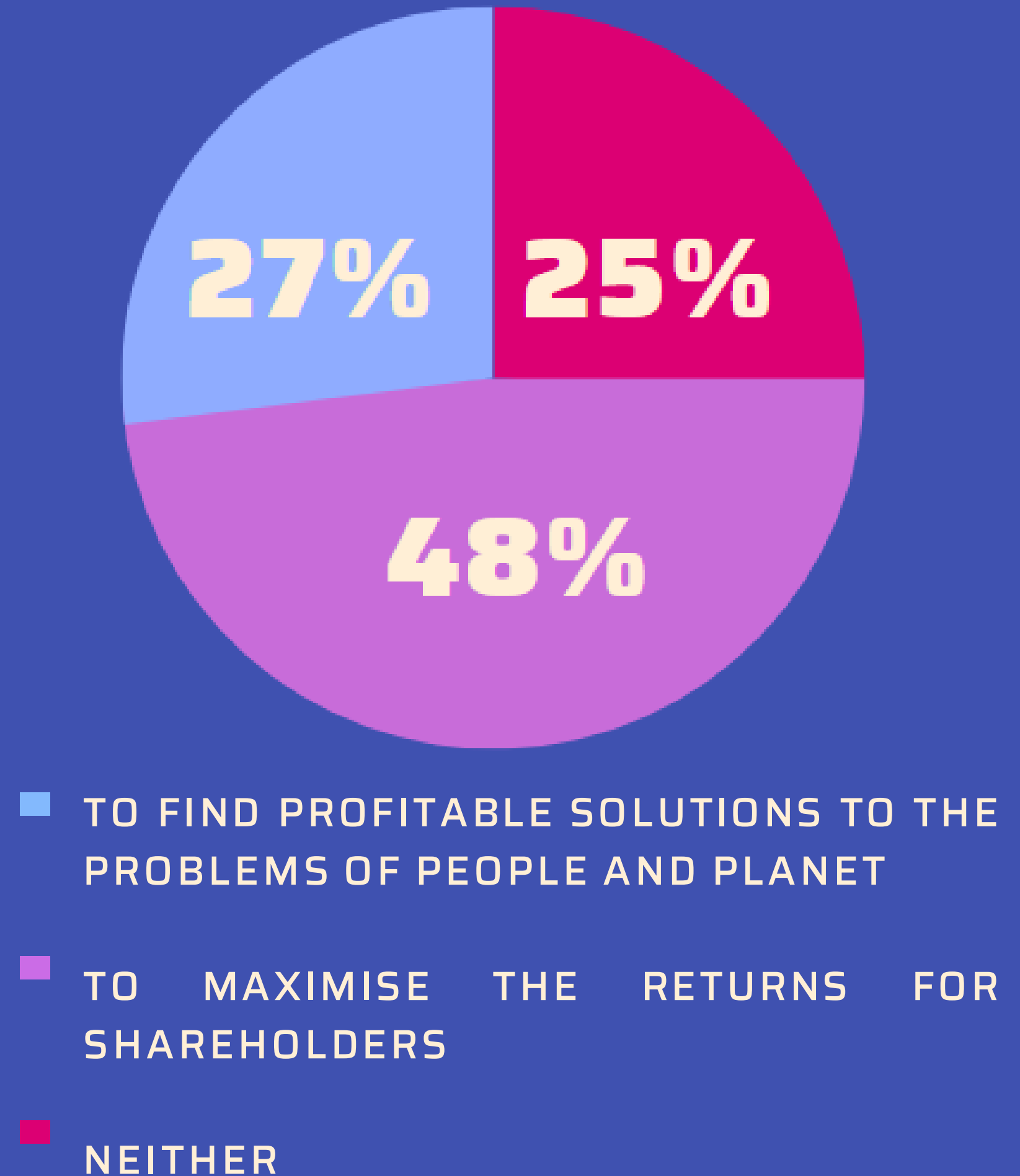
“THE PURPOSE OF
BUSINESS IS TO PRODUCE
PROFITABLE SOLUTIONS
FOR THE PROBLEMS OF
PEOPLE AND PLANET, AND
NOT TO PROFIT FROM
PRODUCING PROBLEMS
FOR EITHER.”


British Academy



PUBLIC OPINION: ROLE BUSINESSES CURRENTLY HAVE IN SOCIETY

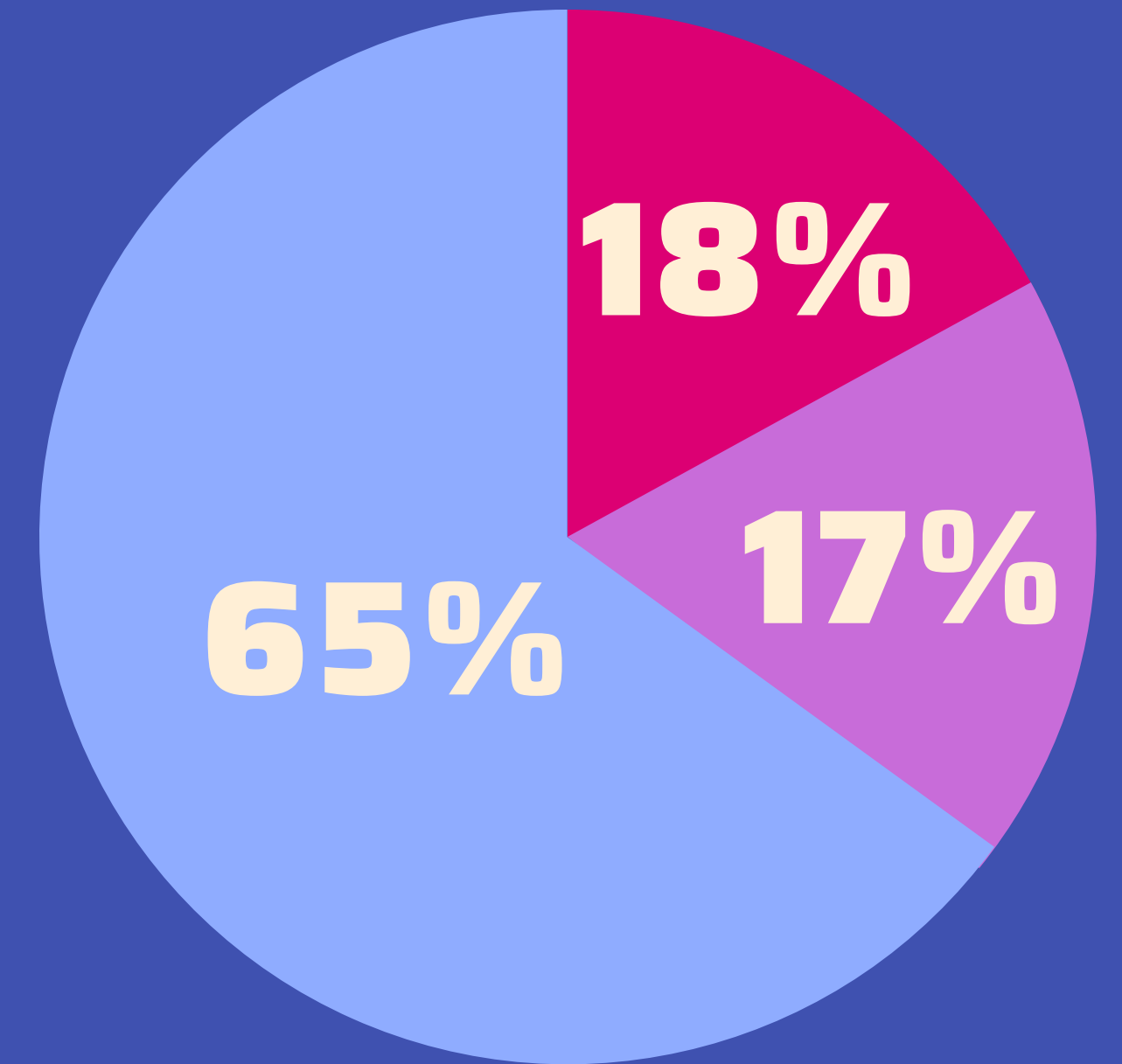
Data collected by YouGov, 24th-28th February 2022, from a group of 1002 adults








PUBLIC OPINION: ROLE BUSINESSES SHOULD HAVE IN SOCIETY

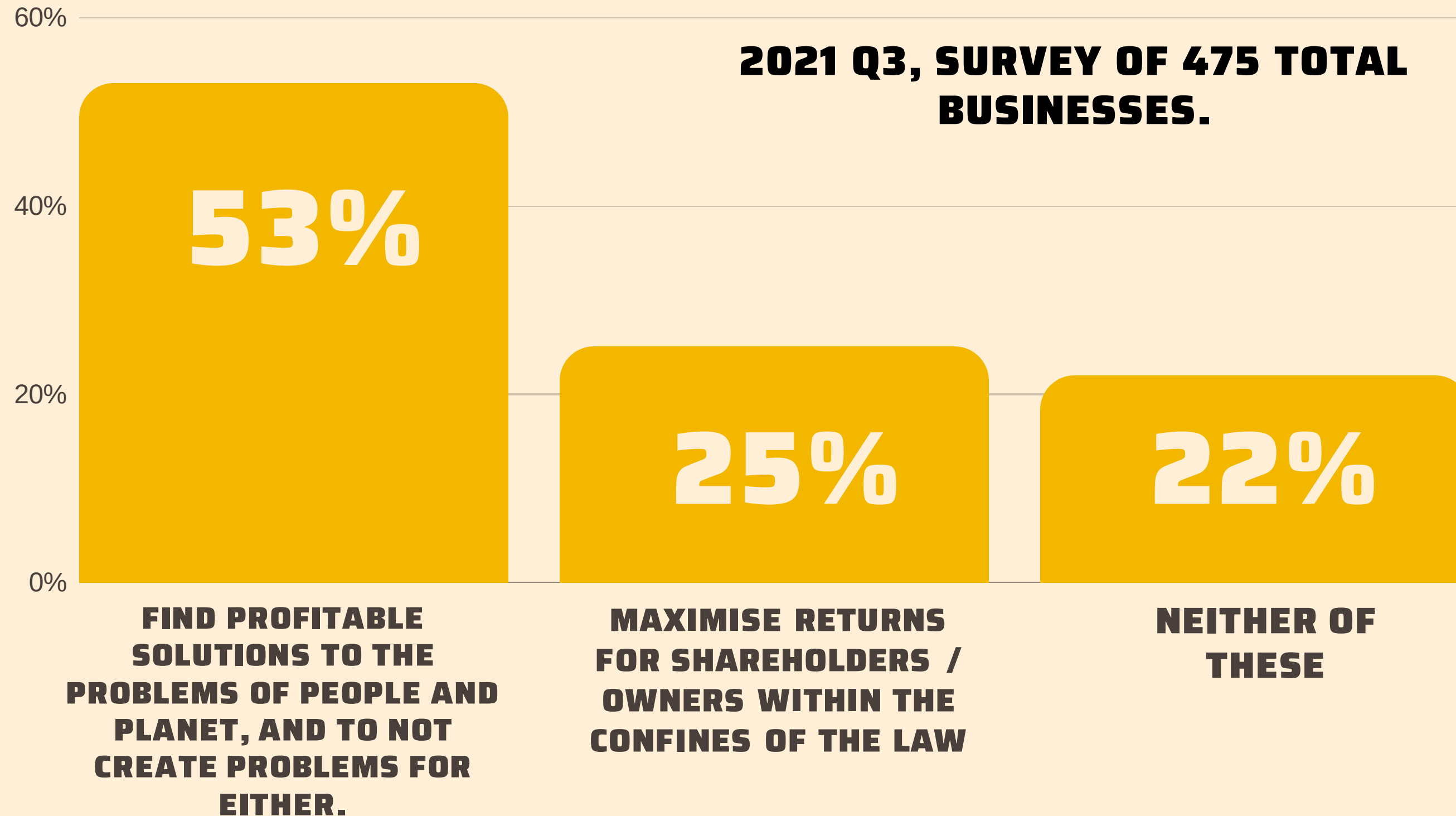
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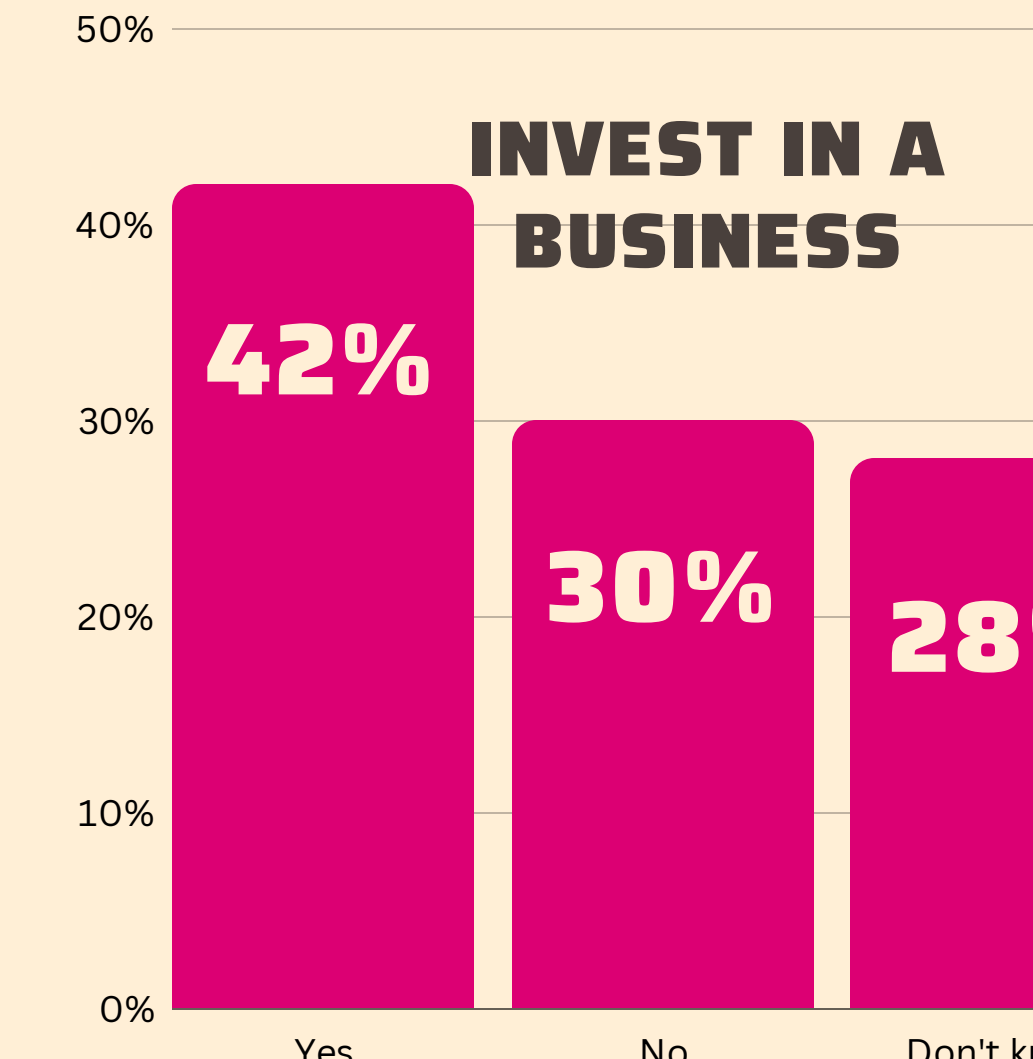
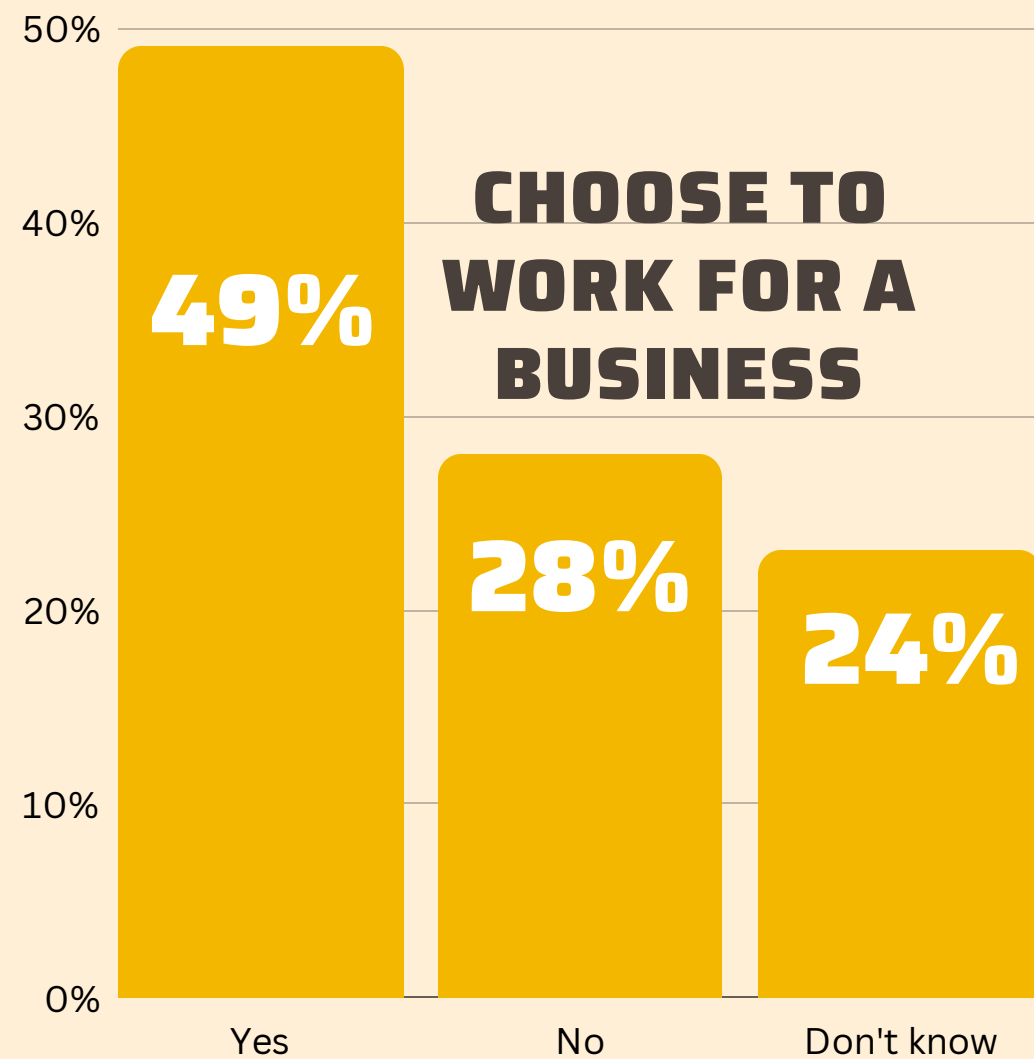
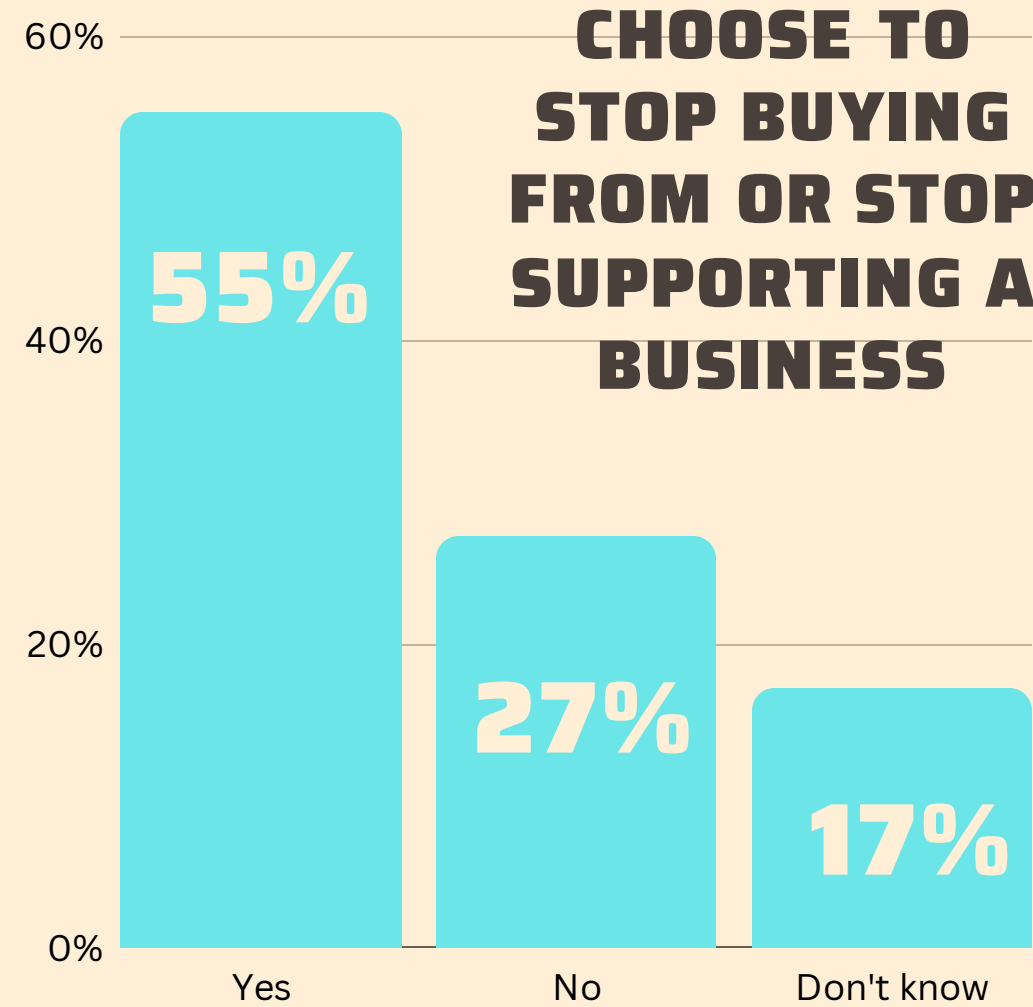
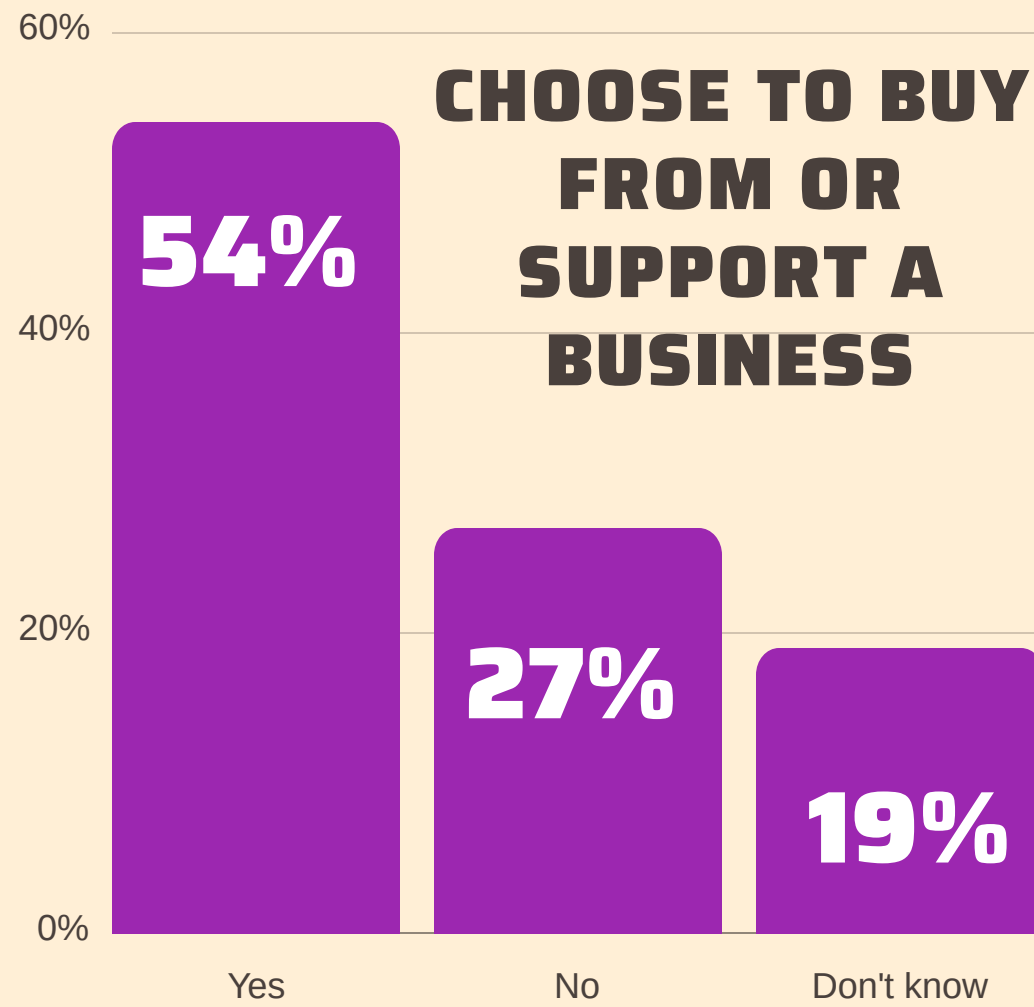


-  TO FIND PROFITABLE SOLUTIONS TO THE PROBLEMS OF PEOPLE AND PLANET
-  TO MAXIMIMISE THE RETURNS FOR SHAREHOLDERS
-  NEITHER

BUSINESS VIEWS: ROLE OF BUSINESSES IN SOCIETY

Source: Fraser of Allander Institute
Scottish Business Monitor.

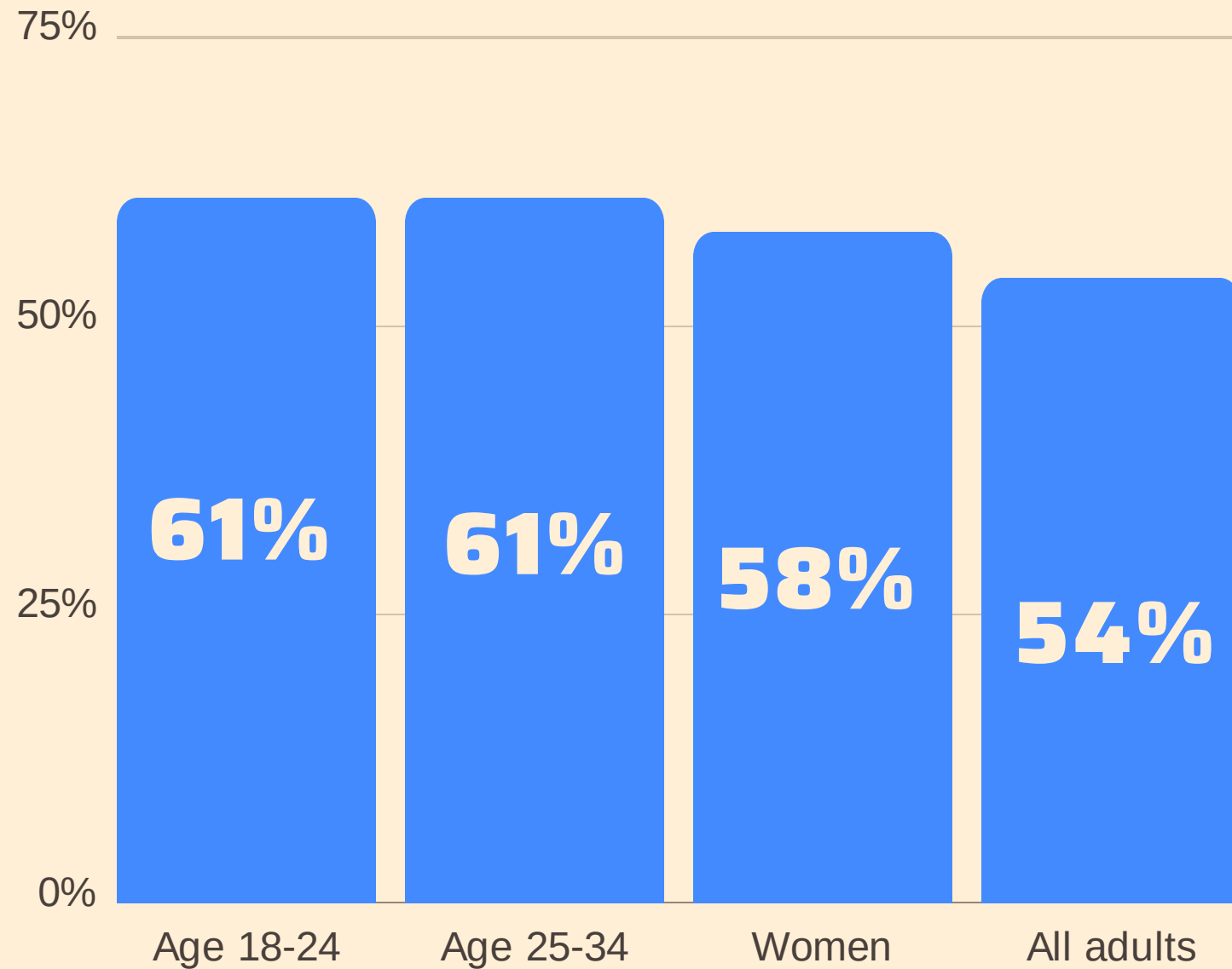




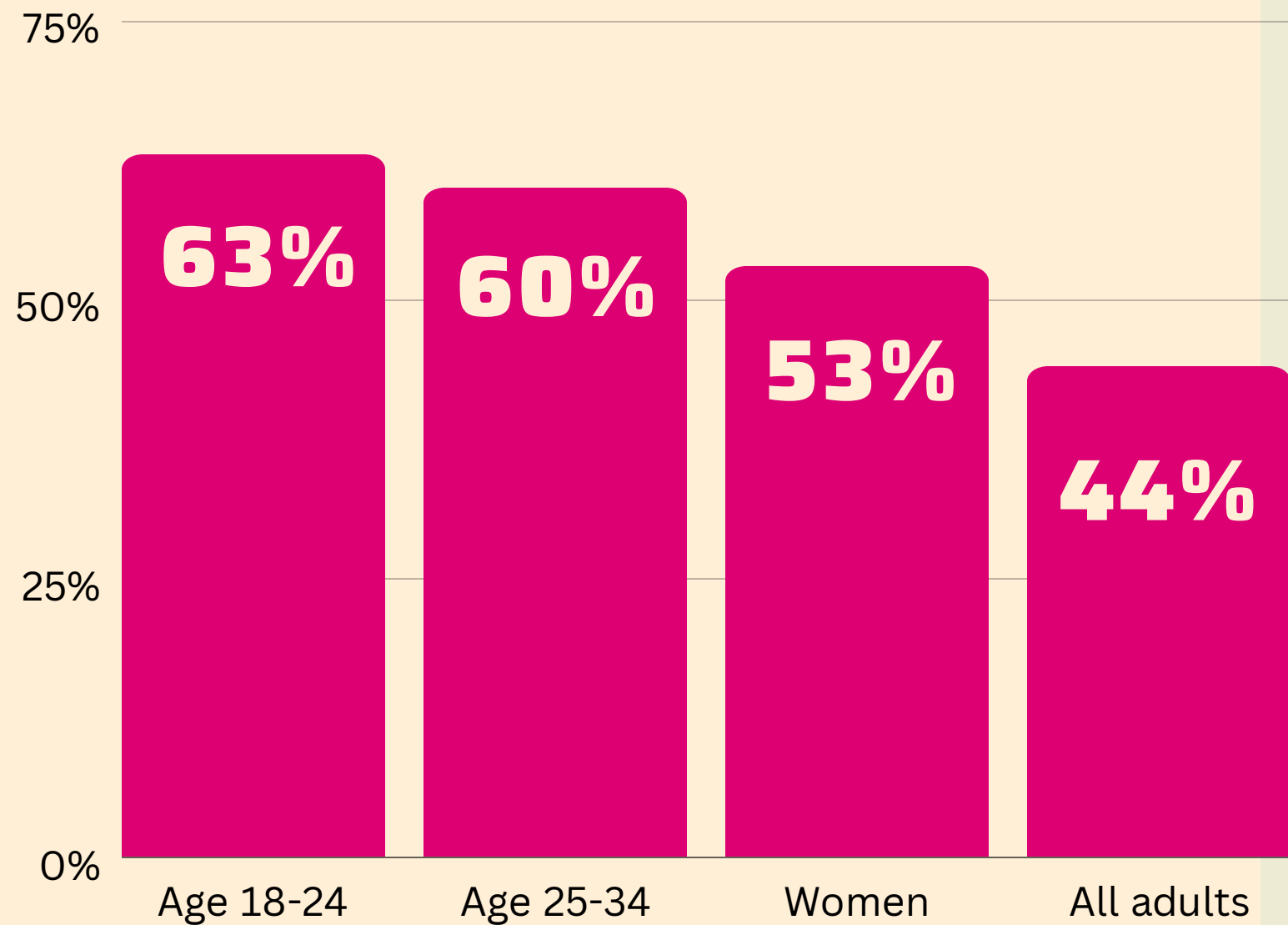
**PUBLIC OPINION:
INFLUENCES OF
BUSINESSES'
PURPOSES,
VALUES AND
BELIEFS**

Data taken from
Ombinbus survey,
24th-28th
February, survey
of 1002 adults

PUBLIC OPINION: YOUNGER PEOPLE AND WOMEN



CHOOSE TO BUY FROM OR SUPPORT A BUSINESS



CHOOSE TO WORK FOR A BUSINESS

DETERMINANTS OF PUBLIC CONFIDENCE AND TRUST



PAY THE REAL LIVING WAGE AS A MINIMUM

52%

PAY FAIR LEVELS OF TAX

38%

PROVIDE JOB SECURITY FOR EMPLOYEES

32%

MAKE A CLEAR COMMITMENT TO CUSTOMER SERVICES (EG: FAIR PRICES, PROMPT DELIVERY ETC)

30%

Omnibus Survey,
24th-28th
February 2022,
survey of 1002
adults

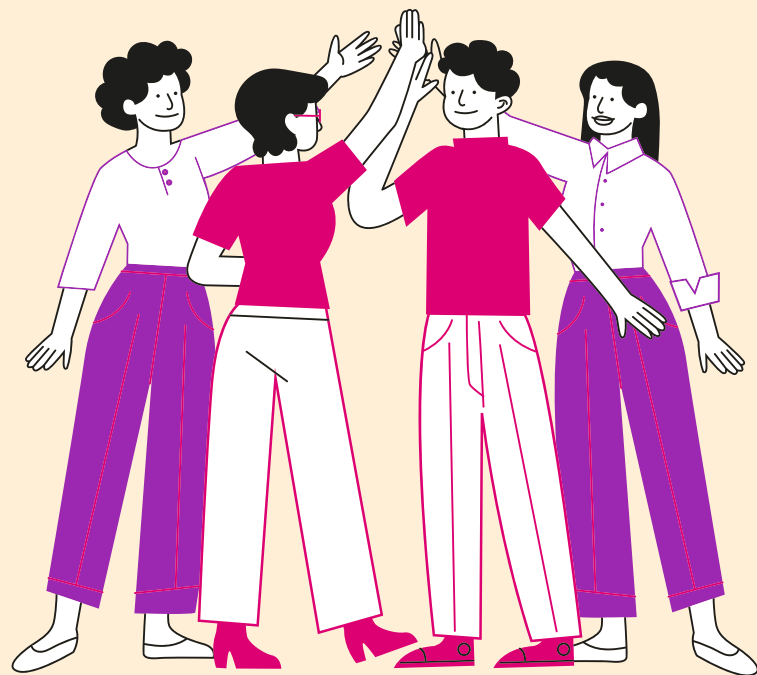
0

20

40

60

BUSINESS VIEWS: WHAT THEY NEED TO MAKE PROGRESS



- Investment in purposeful businesses
- Creating new and effective ways of operating
- Effective voice for employees in businesses
- Supporting purpose-driven business models
- Actionable goals for purposeful businesses

**SOURCE: THE BUSINESS PURPOSE COMMISSION FOR
SCOTLAND CALL FOR EVIDENCE**

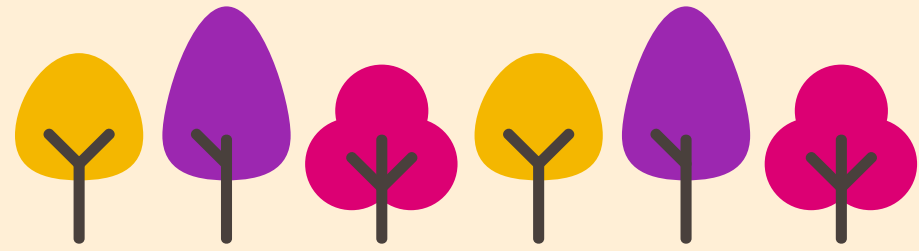
BUSINESS PURPOSE COMMISSION FOR SCOTLAND'S VISION



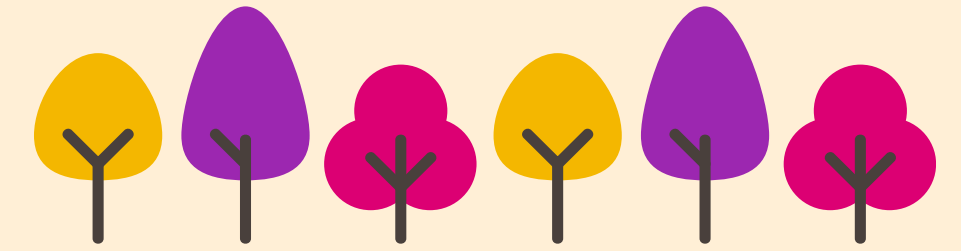
**“BY 2030, ALL
BUSINESSES IN
SCOTLAND WILL HAVE
BECOME PURPOSEFUL
BUSINESSES WHICH
PROFIT FROM FINDING
SOLUTIONS FOR
PEOPLE AND PLANET.”**

BUSINESS PURPOSE FRAMEWORK





THEMES



OPPORTUNITY 1: SUPPORTING BUSINESSES WITH PURPOSE



OPPORTUNITY 2: FINANCING PURPOSEFUL BUSINESS GROWTH

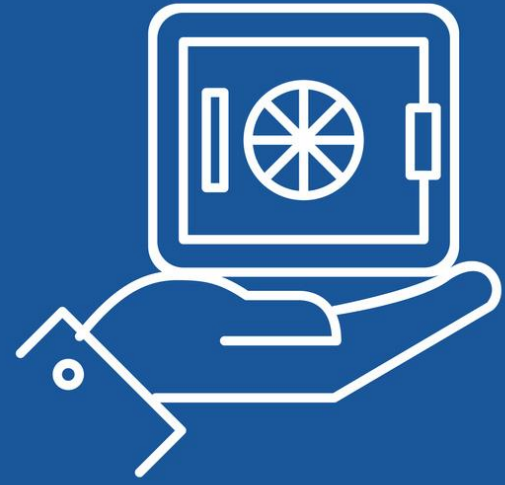


OPPORTUNITY 3: EMPOWERING EMPLOYEES TO DRIVE PURPOSE



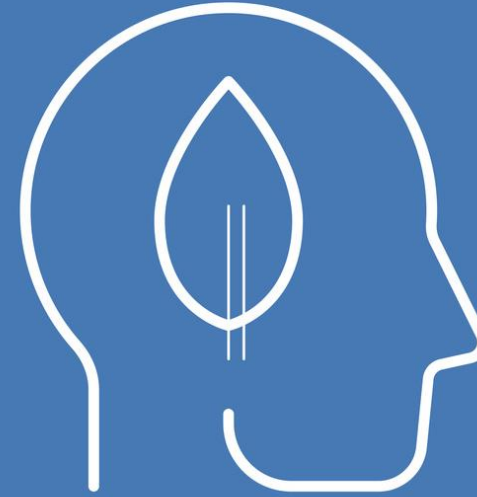
Grow your business

Purposeful businesses are more successful - and more resilient in tough times. Your business can gain an edge by attracting loyal customers, motivated employees and committed investors.



Future-proof your business

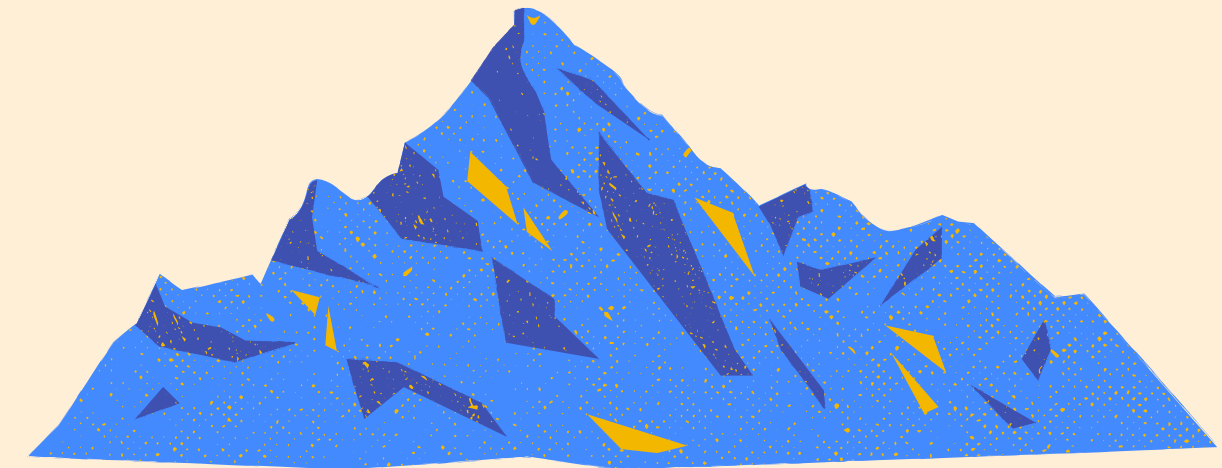
Business-as-usual isn't an option. Gen Z, ESG investors purposeful companies and governments are reshaping markets. Your business can embrace change and purpose-driven innovation to protect its future



Be part of the Solution

We all want a positive future for our families, communities and society. People and the planet face big challenges. Your business can profit from finding solutions we need.

CALL TO ACTION



GUIDE FOR BUSINESSES

STARTING OUT

- Want to do the right thing
- Ready to build on actions
- Focus on people
- Want to learn benefits
- Open to help



GROWING

- Reactive to Proactive
- Ready to address gaps
- Increase Staff Engagement
- Improve communication
- Measure and manage



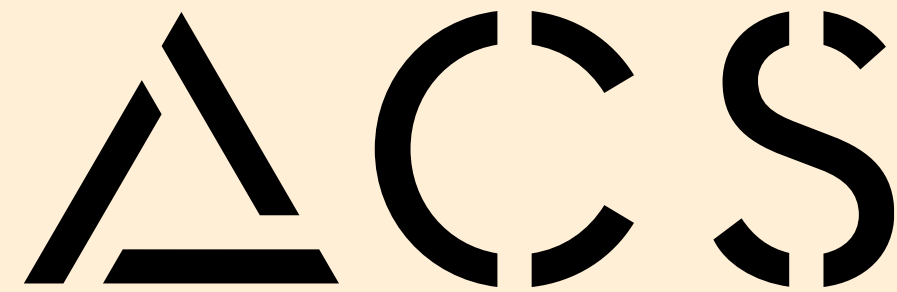
LEADING

- Future-proof
- Seek problems to solve
- Aim for net positive impacts
- Lead and share lessons
- Influence social norms





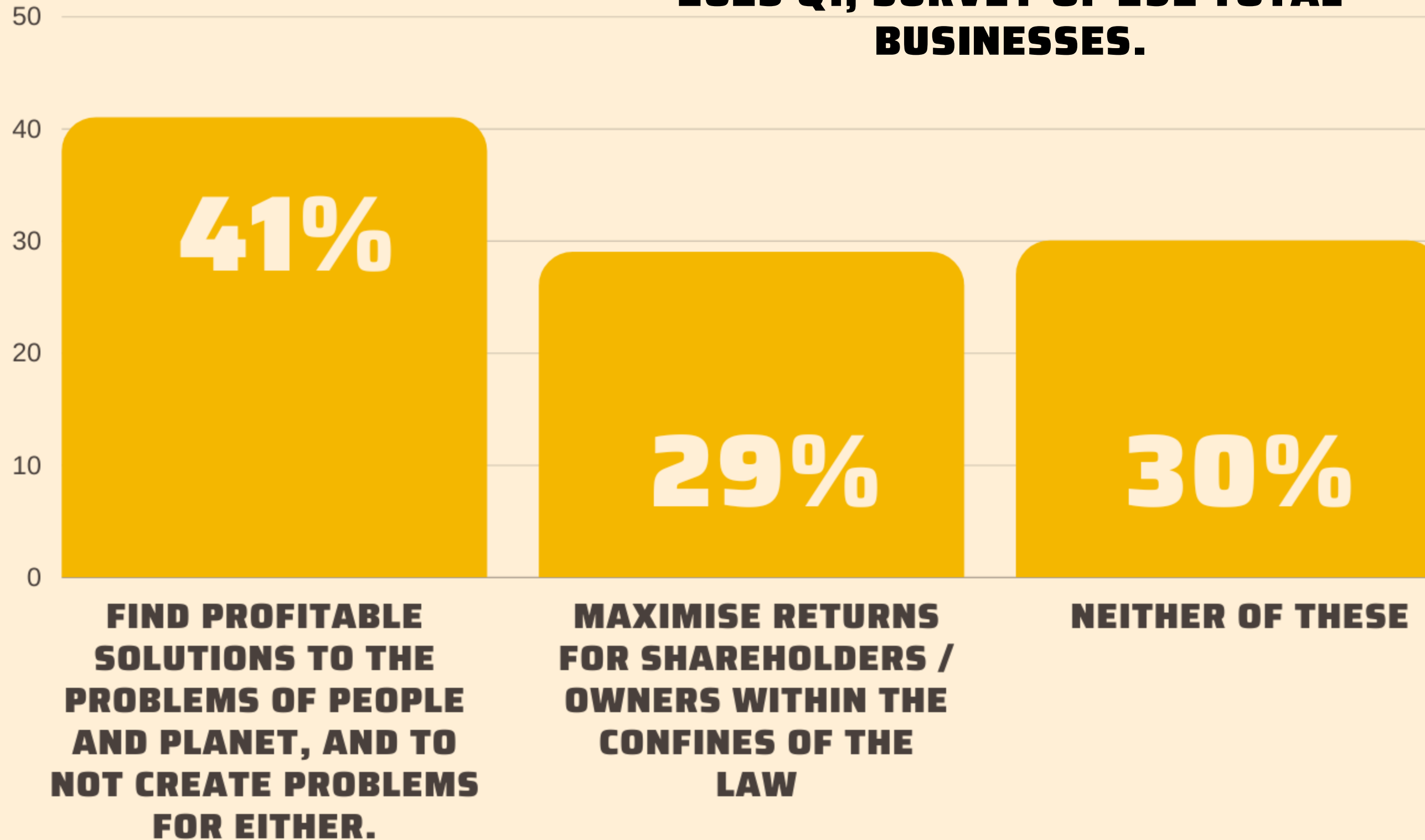
CASE STUDIES



Businesses	1. Define, communicate and measure their business purpose
	2. Develop and deliver their purpose through their people strategies
	3. Increase investment in purposeful businesses by establishing a world-leading ESG investment hub
	4. Form purpose-driven private, public or third sector partnerships to share learnings, influence change and increase impacts
	5. Work with Government and stakeholders to inform and mobilise customer and societal expectations of business purpose
Tertiary education and training organisations	6. Make business purpose a mandatory learning outcome in business education and training
UK Government	7. Amend company law and reporting to require businesses to state and report on their business purpose
	8. Encourage and make it easier for new and existing businesses to adopt purpose-driven business structures
	9. Produce a Tax Framework for Purposeful Business which incentivises purposeful business models and practices
Scottish Government	10. Mainstream and scale-up public and private sector business support for business purpose
	11. Make business purpose a golden thread in the National Strategy for Economic Transformation Delivery Plan
Local Government	12. Develop place-based networks to engage businesses in tackling local economic, social and environmental missions

BUSINESS VIEWS: ROLE OF BUSINESSES IN SOCIETY

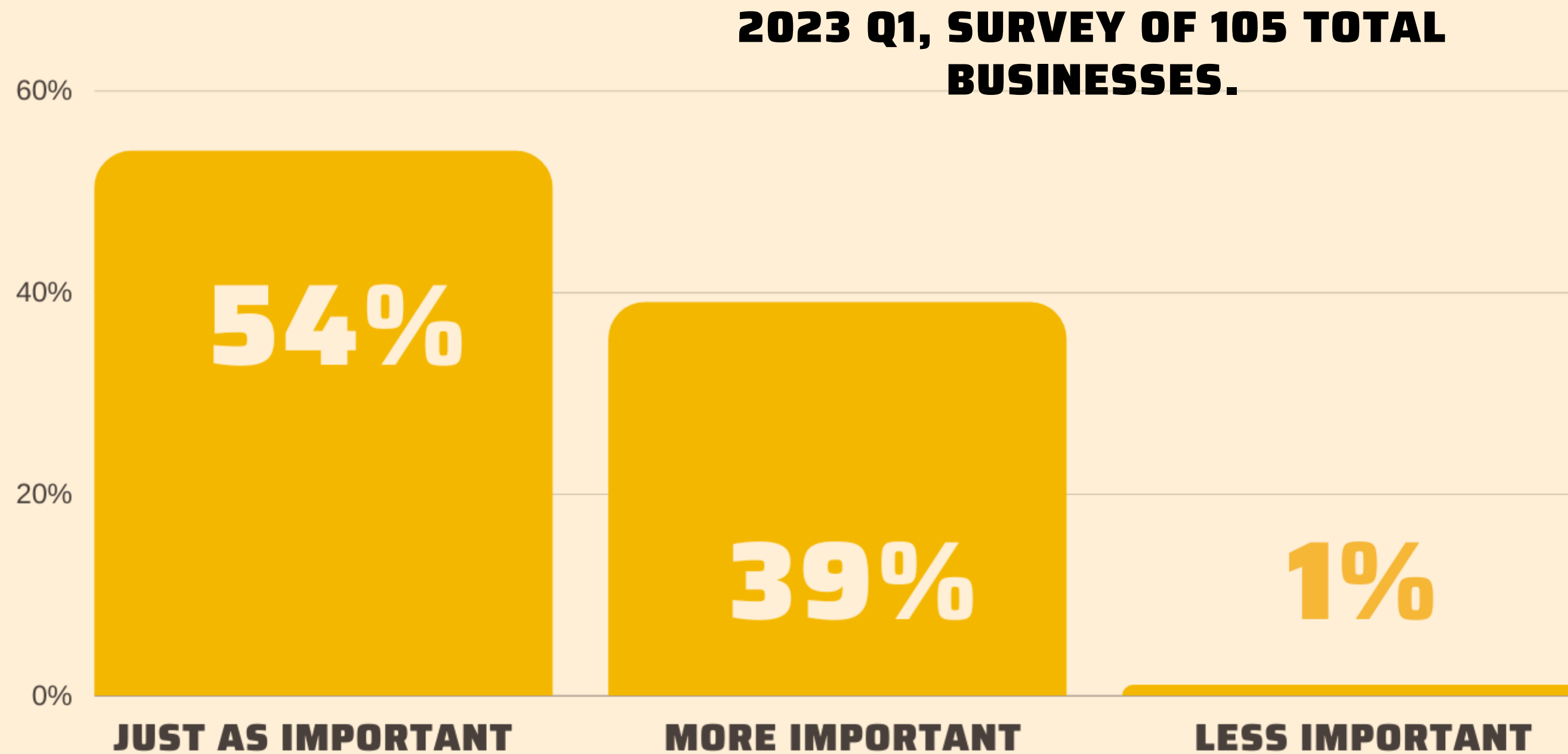
2023 Q1, SURVEY OF 292 TOTAL BUSINESSES.



**Source: Fraser of Allander Institute
Scottish Business Monitor.**

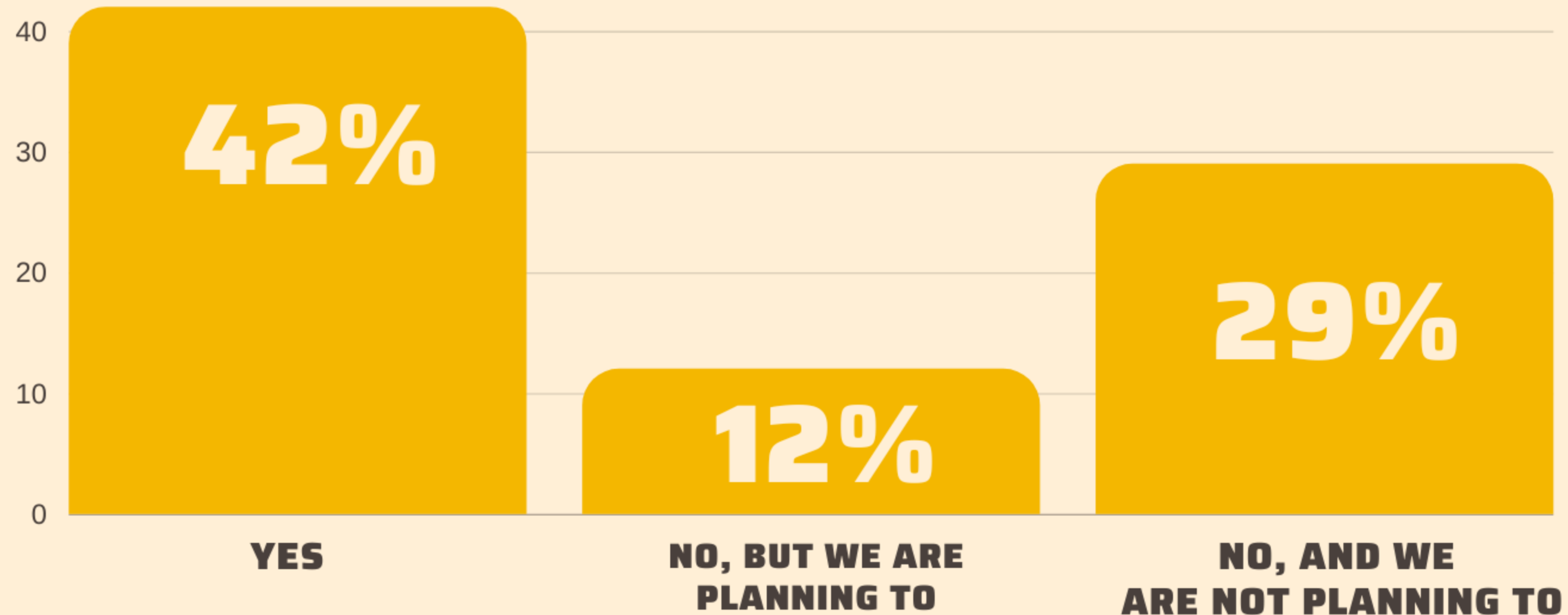
BUSINESS VIEWS: PURPOSE IN THE ECONOMIC CLIMATE

Source: Fraser of Allander Institute
Scottish Business Monitor.



BUSINESS VIEWS: DEFINING, MEASURING & COMMUNICATING PURPOSE

2023 Q1, SURVEY OF 275 TOTAL
BUSINESSES.



Source: Fraser of Allander Institute
Scottish Business Monitor.

SCOTTISH GOVERNMENT RESPONSE (JAN '23): RECOMMENDATION 10



- Incorporate business purpose framework, toolkit and case studies into existing business support and advisory services
- The next steps will be dependent on the National Strategy for Economic Transformation project on business support
- Consider ways to link review of Scottish Business Pledge with business purpose

SCOTTISH GOVERNMENT RESPONSE (Jan '23): RECOMMENDATION 11



- Build knowledge among policy makers on the business benefits of business purpose
- Mainstream business purpose language in related policies e.g. Wellbeing Economy, Fair Work, Net Zero, etc.
- Support business leadership on international networks and partnerships to share best practice and opportunities

SCOTTISH GOVERNMENT RESPONSE (JAN '23): ADDITIONAL OPPORTUNITIES



- Green and Sustainable Financial Services
- Scotland's AI Strategy
- Payment of the real Living Wage
- Fair Work Nation by 2025
- Scotland's Vision for Trade
- Just Transition to Net Zero, with a nature-positive circular economy.

**UK AND
INTERNATIONAL
DEVELOPMENTS....
POTENTIAL
PARTNERSHIPS?**

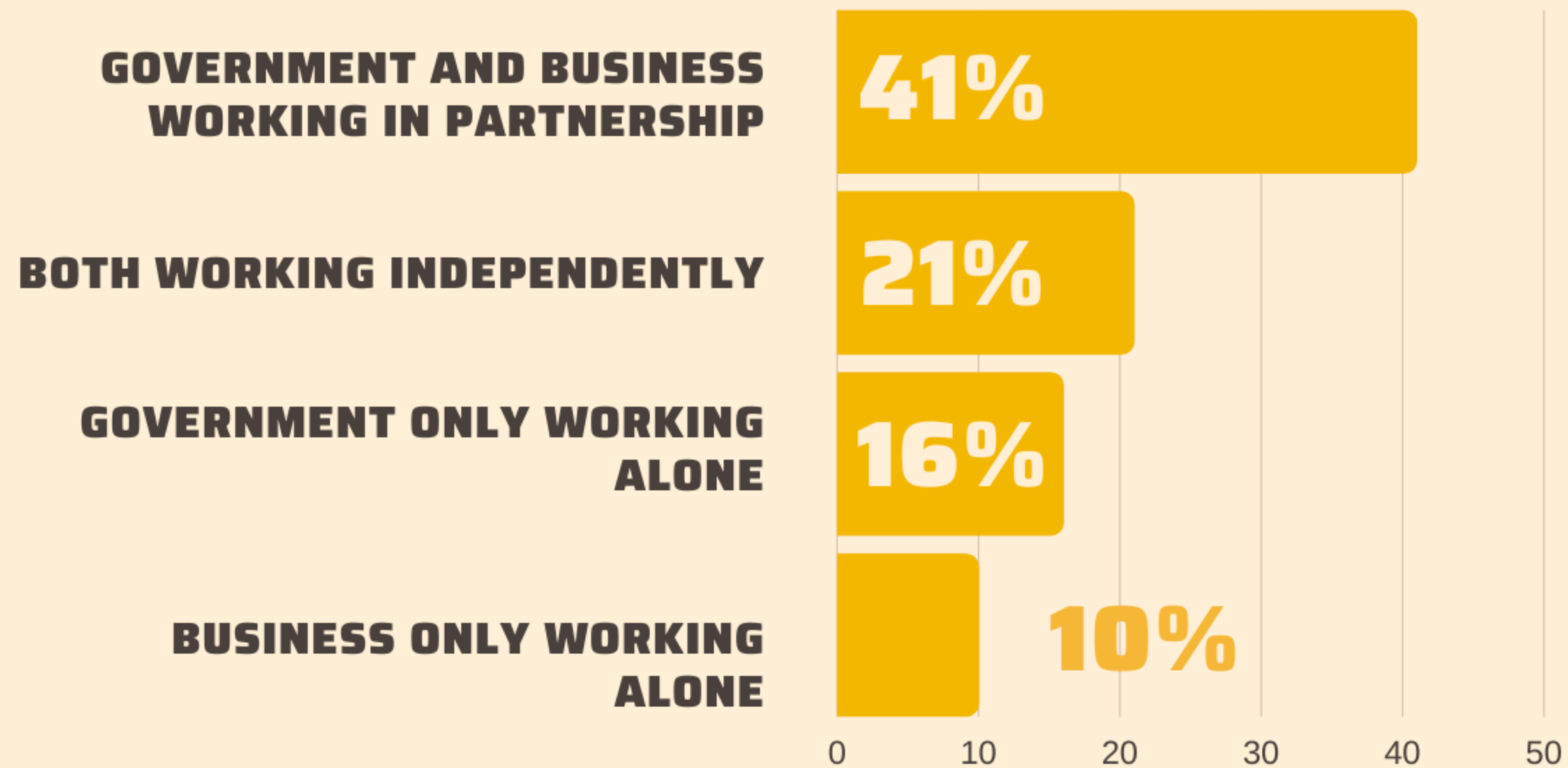


better business
act

Canada 

BEST SOCIETAL OUTCOMES WHEN GOVERNMENT AND BUSINESSES WORK TOGETHER

Results of the Edelman Trust
Barometer (2023)





NEW DEAL FOR BUSINESS

How are we solving this together?

