



Getting away with it

15 January 2021

Once upon a time, an enterprising young businessman bought a large amount of corn and set sail from Alexandria to Rhodes to sell it at a time when corn was particularly expensive in Rhodes due to a shortage brought about by famine. But what if he knew that his wasn't the only ship on its way to Rhodes, and that just a day behind his ship was a whole fleet of ships with more corn than the people of Rhodes would ever need?

Put your feet in the shoes, or perhaps sandals, of this young businessman. What might you do? Sell the corn at a high price, as the people of Rhodes are desperate? Sell it at a low price, as there's more corn coming? Or perhaps give it away?

The question is taken from Nassim Nicholas Taleb's latest book ***'Skin in the Game: Hidden Asymmetries in Daily Life'***.

Here's another philosophical gem from Professor Taleb:

"An honest person will never commit criminal acts, but a criminal will readily engage in legal acts." It's a statement that captures the very essence of what is wrong with the way some carry out their business.

Both examples are of course about ethics, but what they illustrate to me specifically is the idea of 'getting away with it'.

Let's look at a couple of examples of this in action.

Shell's website is pretty adamant about its green credentials:

Our core values of honesty, integrity and respect for people – first laid out in the Shell General Business Principles more than 40 years ago – underpin our approach to sustainability. A commitment to contribute to sustainable development was added in 1997. These principles, together with our Code of Conduct, apply to the way we do business and to our conduct with the communities where we operate.

But then let's compare that to Shell's CEO comments reported in the *Financial Times* on 8th December, 2020 by writers Anjali Javal and Leslie Hook.

According to the paper, "Ben van Beurden, Chief Executive, said that oil will continue to be a huge cash generator and the company will expand its gas division. "There is going to be a place for our upstream business for many decades to come," he told a conference.

Mr van Beurden has form. A year and bit earlier, in an article entitled 'Royal Dutch Shell searches for a purpose beyond oil' published on 27th September 2019 in the same paper, it was reported that the "single biggest" regret for the Shell boss would be abandoning its oil and gas business prematurely. That, he says starkly, is something Shell "could not live with".

Here's another. This is what McKinsey say on their website:

Our purpose as a firm is to help create positive, enduring change in the world. Our approach to social responsibility includes empowering our people to give back to their communities, operating our firm in ways that are socially responsible and environmentally sustainable, and working with our clients to intentionally address societal challenges.

Now look at what they said back in December 2020 regarding their involvement with Purdue Pharma.

As we look back at our client service during the opioid crisis, we recognize that we did not adequately acknowledge the epidemic unfolding in our communities or the terrible impact of opioid misuse and addiction on millions of families across the country. That is why last year we stopped doing any work on opioid specific business, anywhere in the world. Our work for Purdue fell short of that standard.

A couple of examples of companies 'getting away with it.' Saying one thing on their websites, but behaving differently when it comes to how they operate.

As we decide what kind of future we want to create, I wonder where we all fit in. Professor Taleb's book establishes that too many people impacting our world don't have skin in the game. In my book too many people simply aren't walking the talk.

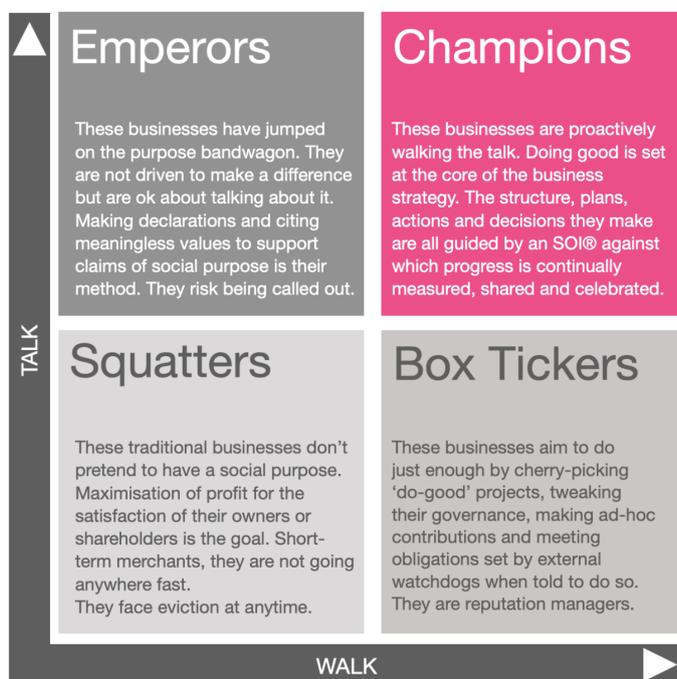
Have a look at these four types of business and decide if your business is.

Emperors These businesses have jumped on the purpose bandwagon. They are not driven to make a difference but are okay talking about it. Their modus operandi is to make declarations and cite meaningless values to support claims of social purpose that aren't backed up by actions.

Champions These businesses are proactively walking the talk. Doing good is at the core of their business strategy. The structure, plans, actions and decisions they make are all guided by a Single Organizing Idea (SOI) against which progress is continually measured, shared and celebrated.

Squatters These traditional businesses don't pretend to have a social purpose. Maximisation of profit for the satisfaction of their owners or shareholders is their primary goal.

Box tickers These businesses aim to do just enough by cherry-picking 'do-good' projects, tweaking their governance, making ad-hoc contributions and meeting obligations set by external watchdogs when told to do so.



Walking the talk There is a big difference between what gets said and what gets done. Turning a blind eye, not totally committing or just doing enough is a risky business.

If you're anything other than a Champion, it may be time to take a long hard look in the mirror and ask what sort of business you're building, and, just as importantly, what sort of society and planet you're creating.

If you're prepared to change take a look at my new book, the *CORE Playbook*. It's aimed at the millions of business leaders who see what's happening now and are ready to plot a course that goes far beyond 'getting away with it.' Containing over 40 diagrams and detailed step-by-step explanations, the CORE Playbook is the most comprehensive resource available for those who understand that businesses have to change if they are to meet the challenges of the next decade and beyond.

The world needs more Champions. If that sounds like you, we would love to hear from you.