

In the business of doing good

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At the turn of the 21st century, the prevailing sentiment was one of anxious optimism. Humanity was at the threshold of a world that had been made more interconnected and more complex by advances in knowledge and technology. People were anxious about what was yet to come but were also hopeful that these were going to be for the good of humanity.

However, as with previous milestones in human history, we have seen how, in the new millennium, society and economy have remained unequal within and among nations.

This disparity continues to be magnified. In fact, the global economic crisis has affected the confidence of traditional mindsets and has challenged business priorities, practices and investments.

As more and more people open up to the thinking that "It's not all about money," the public increasingly clamors for an alternative paradigm, arising from a totally new set of corporate priorities and sustainable values. This paradigm is yet to take full shape. While several entities are taking on initiatives for the short-term, there is need for a clearer, longer-term vision on how economic and social priorities should evolve.

Volans Ventures, a London-based group that works globally with entrepreneurs, businesses, investors, and governments to develop innovative solutions to social and environmental challenges, has termed this phenomenon the "Phoenix Economy." It is what they refer to as "the new economic order rising from the ashes" that will bring about "a new generation of innovators, entrepreneurs and investors." The Phoenix Economy will help accelerate changes "essential for doing scalable social solutions to the world."

Similarly, the Schwab Foundation for Social Entrepreneurship, founded in Geneva, supports social entrepreneurs and promotes their models for sustainable social change. It is their strong belief that -- as can be gleaned from the current financial crisis -- the economy and society are closely connected, and this interdependence impacts on even the most marginalized members of society. There is an urgency to reshape the economy to serve society more broadly and, ideally, more equitably through a social transformation.

This transformation of society will undoubtedly take radical measures, tremendous commitment and sincere acceptance over time. Yet, as individuals -- and through our respective organizations -- we can certainly begin to contribute positively to this paradigm shift.

Narayana Murthy, co-founder of Infosys Technologies, a very successful IT services company in India (revenues at over \$88 billion), has been known for his entrepreneurial success as well as his personal modesty and philanthropy. Mr. Murthy ascribes to a basic philosophy -- one that juxtaposes with the social and economic upheaval that has lately gained notice. He believes

that the future of any corporation is only as good as the value system of its leaders and employees.

Corporate leaders like members of the C-suite should endeavor to constantly earn the respect of society. Mr. Murthy suggests simple solutions to gain respect and respectability, such as the creation of a corporate culture that espouses integrity, fairness, honesty, decency, accountability, humility, happiness, transparency, compassion and charity. When these basic values become inherent in individuals, they reflect in their actions both at work and in their respective communities. And we can begin within our own companies or organizations.

Similarly, in the 2009 World Economic Forum, "value-based" business evolved as a key talking point in response to the issue on what lessons can be taken away from the financial crisis. Many participants believed that the crisis will help business refocus on the concept of "value-based" organizations. This means that going forward, businesses must be advocates of sustainability, accountability and "doing the right thing." Companies that get this right could gain respectability and the competitive advantage.

Here at home, Manuel V. Pangilinan has advocated poverty-alleviation and philanthropy. In his speech before the Management Association of the Philippines inaugural meeting last January, he emphasized that "the role of corporate philanthropy during this time becomes more critical than ever."

Furthermore, to quote Jaime Augusto Zobel de Ayala, "Business is no longer just profit and loss. It is an engine for growth, but there's a whole new responsibility that comes with it."

At SGV & Co, the words of our founder, Washington SyCip, echo incessantly in our minds: "A professional firm in a developing country should actively promote the economic growth of that nation; it can only prosper if the nation prospers." This affirmation is the soul of SGV and it is manifested in various efforts to help transform society through the quality of services it provides. This is also reflected by the SGV Foundation which was founded in 1966 to reach out to causes and communities by providing knowledge opportunities.

In the past eight years, SGV Foundation has been working closely with entrepreneurs through the Entrepreneur Of The Year Philippines program which it runs. The program supports the transformational role entrepreneurs play in Philippine society and economy. Together with the Schwab Foundation, it has been promoting social entrepreneurs who have been identified as the drivers of the so-called emerging Phoenix Economy.

On a more personal and individual level, partners and staff collaborate with non-government organizations and social enterprises like the Gawad Kalinga Community Development Foundation for their own contributions to social change. Every week, SGV partners and staff work hand in hand to help build homes in a depressed area in Caloocan City, with the goal of completing 88 homes within the next 10 months or so, to fulfill the creation of Village 88 (in honor of the 88th birthday of our founder). The first 16 homes were turned over recently and the occasion provided a special dimension to both the donors and recipients who collaborated on this worth-while project.

Meanwhile, the different units and departments in SGV have ongoing social and environmental sustainability programs that include tree-planting events, the rehabilitation of schools destroyed

by typhoon Ondoy, and various Firm-wide recycling projects aimed to decrease every employee's ecological footprint.

The calls for change cannot be ignored. A new paradigm is developing and mindsets are shifting. Many companies are no longer in the business of simply doing good work for profit. Companies must now profit from being in the business of doing good.

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