

Role of the Board in Stakeholder Value Creation

8th October 2024



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Director Content & Advisory,
The Institute for Real Growth

IRG Purpose

Helping senior growth leaders drive
more **Humanized Growth**

IRG Strategy

Helping senior growth leaders drive
more **Humanized Growth**

... by connecting
them to peers, experts and best practices

IRG

Thought Leadership



2010

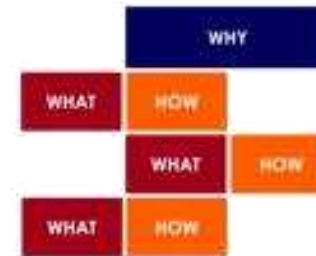


2014



2017

The Growth Study



2019

The Impact Study

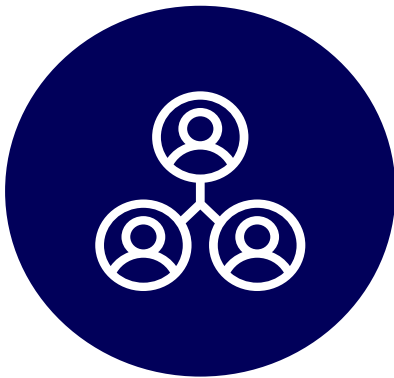


2024

Competing Stakeholder Interests



Louder, More Powerful, More Demanding



Colleagues



Customers



Community



Capital Markets

Top Priority C-Suite & Board



Need for a practical Roadmap



Study Partners



Saïd
Business
School



SpencerStuart

WARC

THE B TEAM

MINDSHARE



Yale Program on Stakeholder Innovation
and Management



450+ Vision Interviews

Ed Freeman



Patrica Nzolantino



Mark Kramer



Jeremy Grantham





**750+ QUANT
Online Survey**



**120K Social AI
Hypertrend Study**



**Board and
6 C-Suite Functions**



**52 Markets
9 Country deep-dives**

Role of the Board

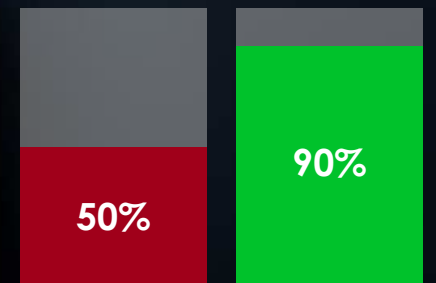




Overperformers vs. Underperformers

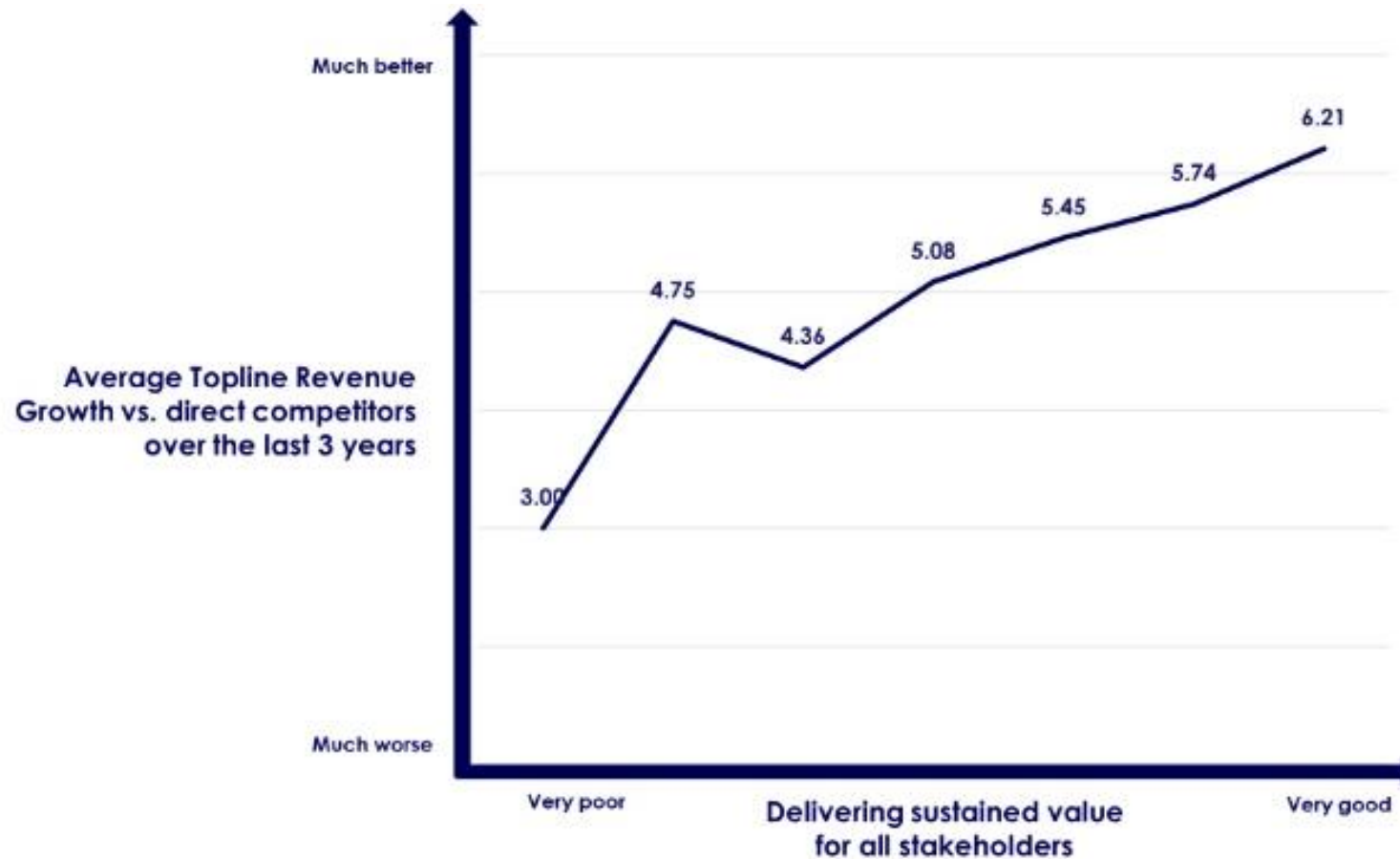
Embracing Stakeholder Value

opportunity



Stakeholder Value
Creation as Opportunity

Revenue Growth & Stakeholder Value Creation Correlation



Source: The IRG Impact Study

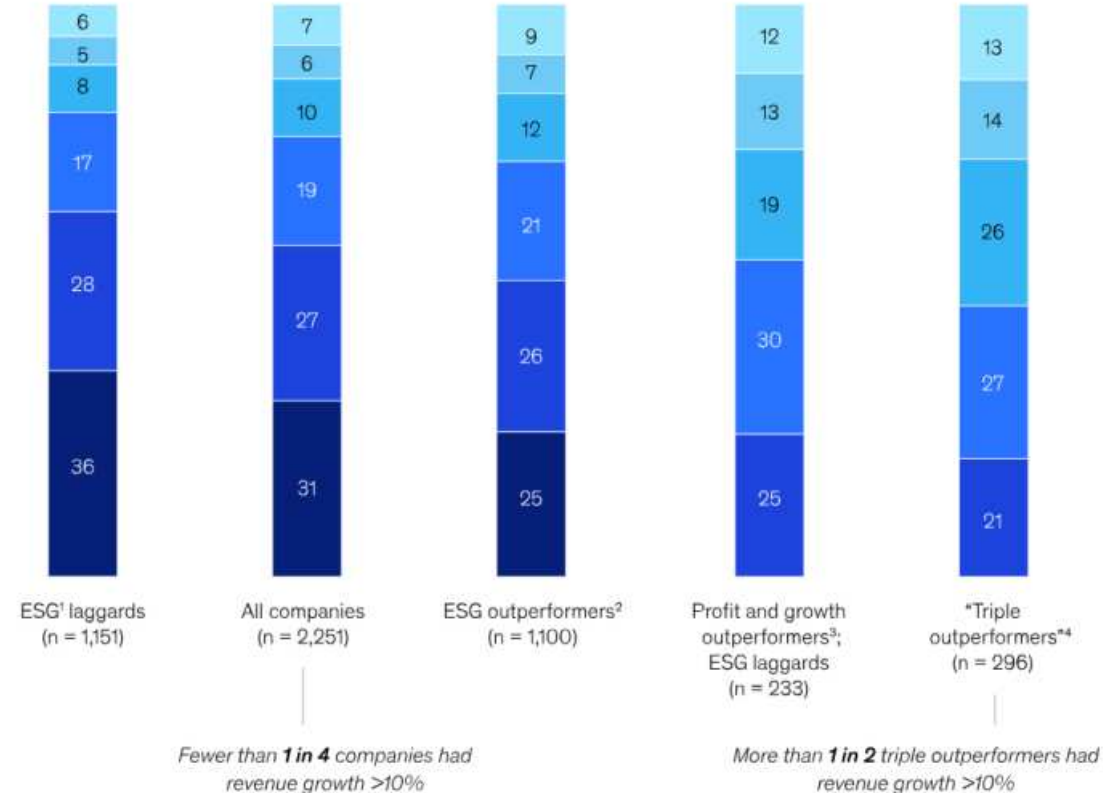
N=731

The case has already been made



'Triple outperformers' are more than twice as likely to grow revenues by more than 10 percent.

Share of global companies across industries by revenue CAGR 2017–21, % within each revenue CAGR bracket



Note: Figures may not sum to 100%, because of rounding.

¹Environmental, social, and governance. ²Companies with a change in S&P Global ESG Score between 2017 and 2021 that was above industry and regional peer average or companies that had a 2017 score ≥85 and absolute-score improvement. ³Companies that generated higher economic-profit margins and grew revenues faster than peers did. ⁴Companies that were ESG, profit, and growth outperformers.

Source: S&P Global ESG scores, 2017–21; Corporate Performance Analytics by McKinsey; McKinsey analysis.

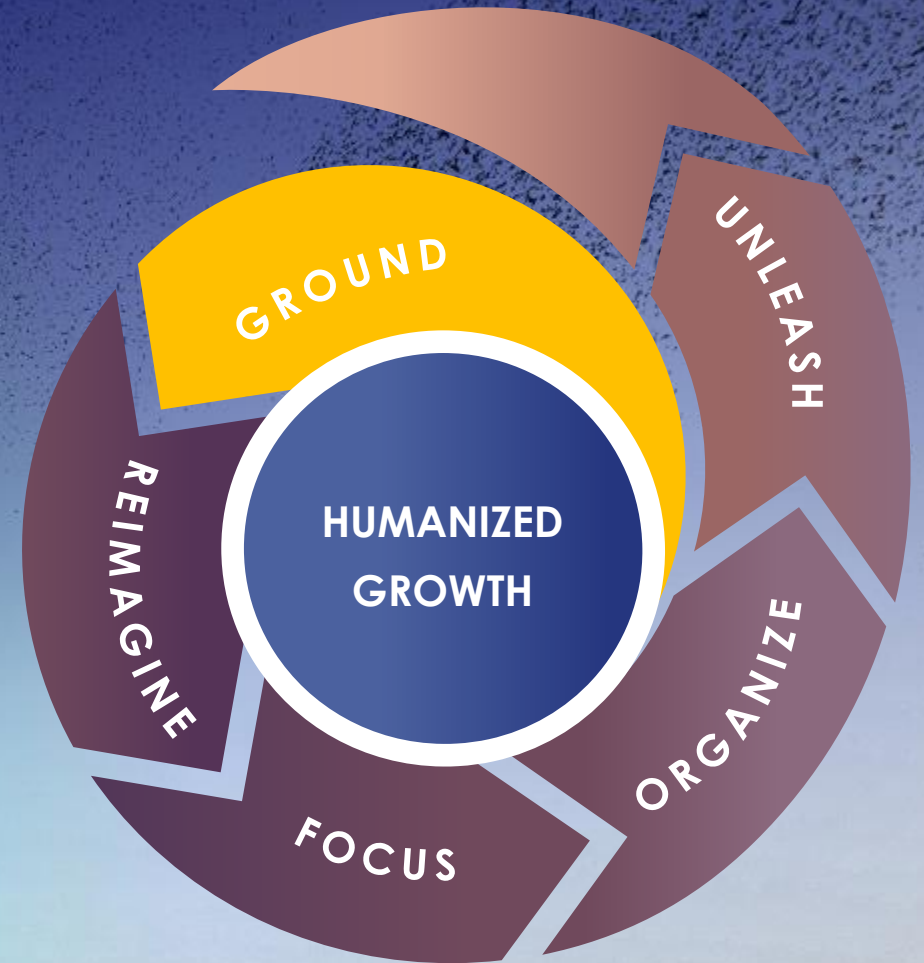
McKinsey & Company

Drivers of Humanized Growth

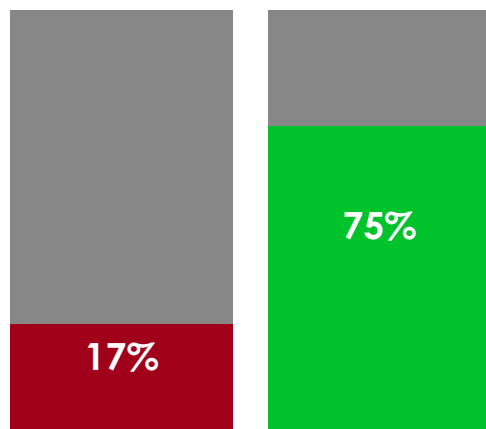


Ground

Human First



1. Stakeholder Understanding



Understanding Stakeholders



Materiality Matrix



Source: Unilever.com

2. Stakeholder Engagement

NEXT SPEAKER

HARGENRADER

ABOUT SEX! INTIMACY AND DIABETES

DEEPTalk



DEEPTalk

10%

63%

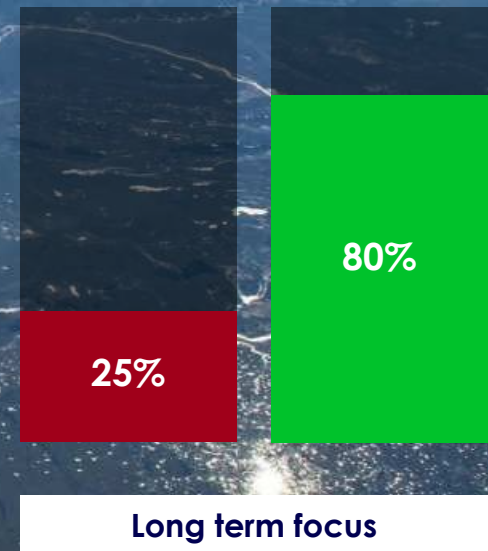
Engaging stakeholders

Reimagine

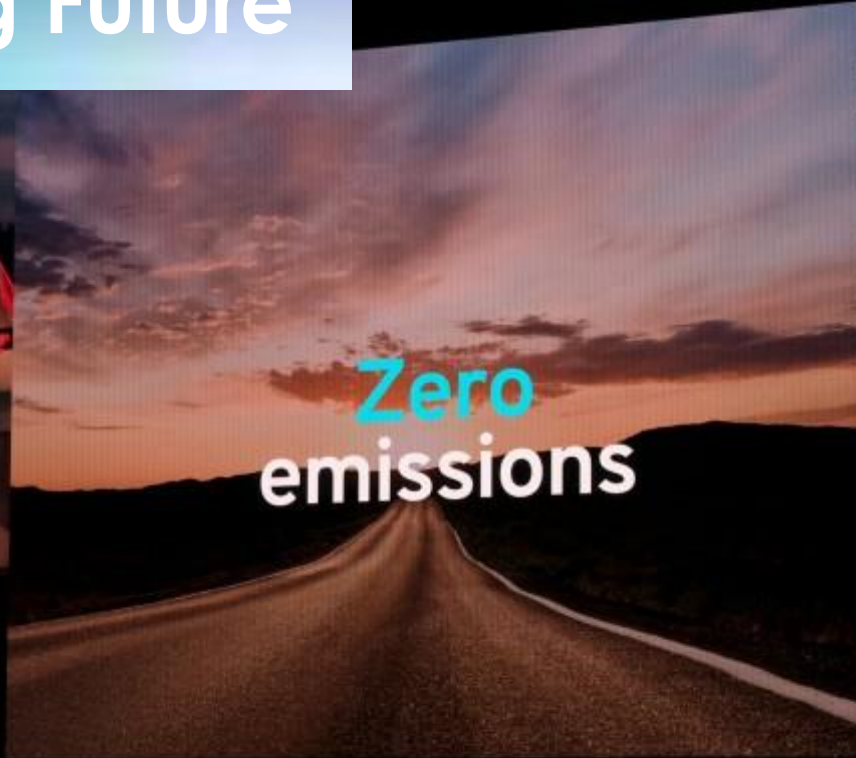
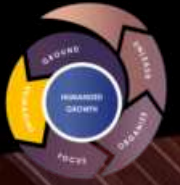
*Emerging Future &
Aspirational Role*



Zooming out



Aligned Vision of the Emerging Future

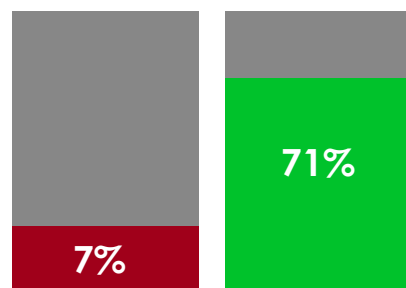




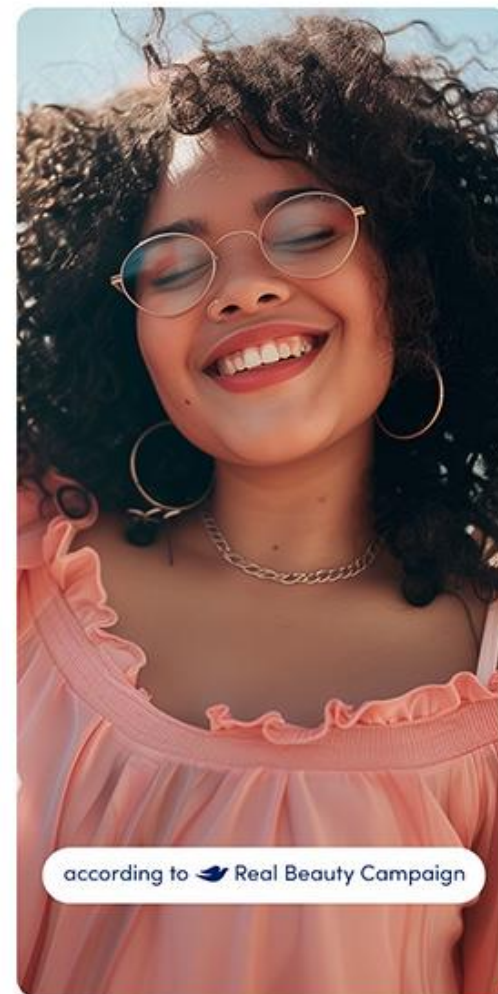
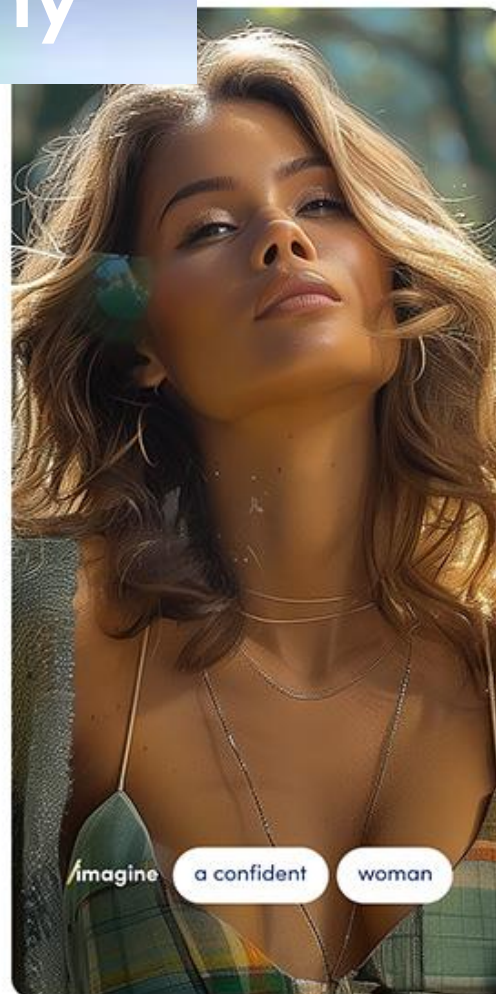
Dystopian Vision of the Emerging Future



Aspirational Role for the Company



In my company, the
purpose guides all
strategic decision-making



What kind of beauty do we want AI to learn?

By 2025, 90% of online content is predicted
to be generated by Artificial Intelligence.
Dove will keep committed to real beauty.
Learn more at: Dove.com

Dove 
20 years **changing** beauty

*Artificial Intelligence has been used in this advertising for the
sole purpose of showing beauty bias in generative AI tools.

Rooted in Company DNA



Believe in something.
Even if it means sacrificing everything.

 Just do it.



Not just a Marketing Communication Tactic



... or a new
Advertising Campaign

Focus

*Holistic Strategy
& Transformative
Change*





“

We're not
Competitor
Obsessed,

we're

**Customer
Obsessed.**

~ Jeff Bezos

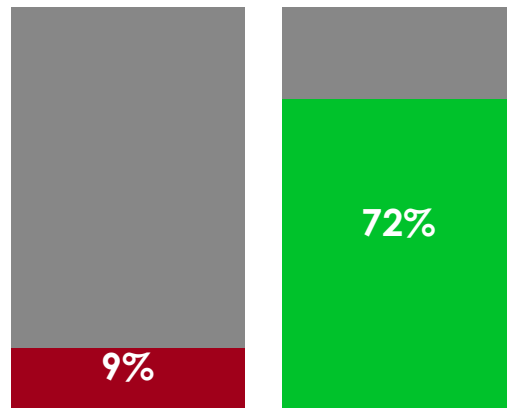


Prioritizing
Stakeholders



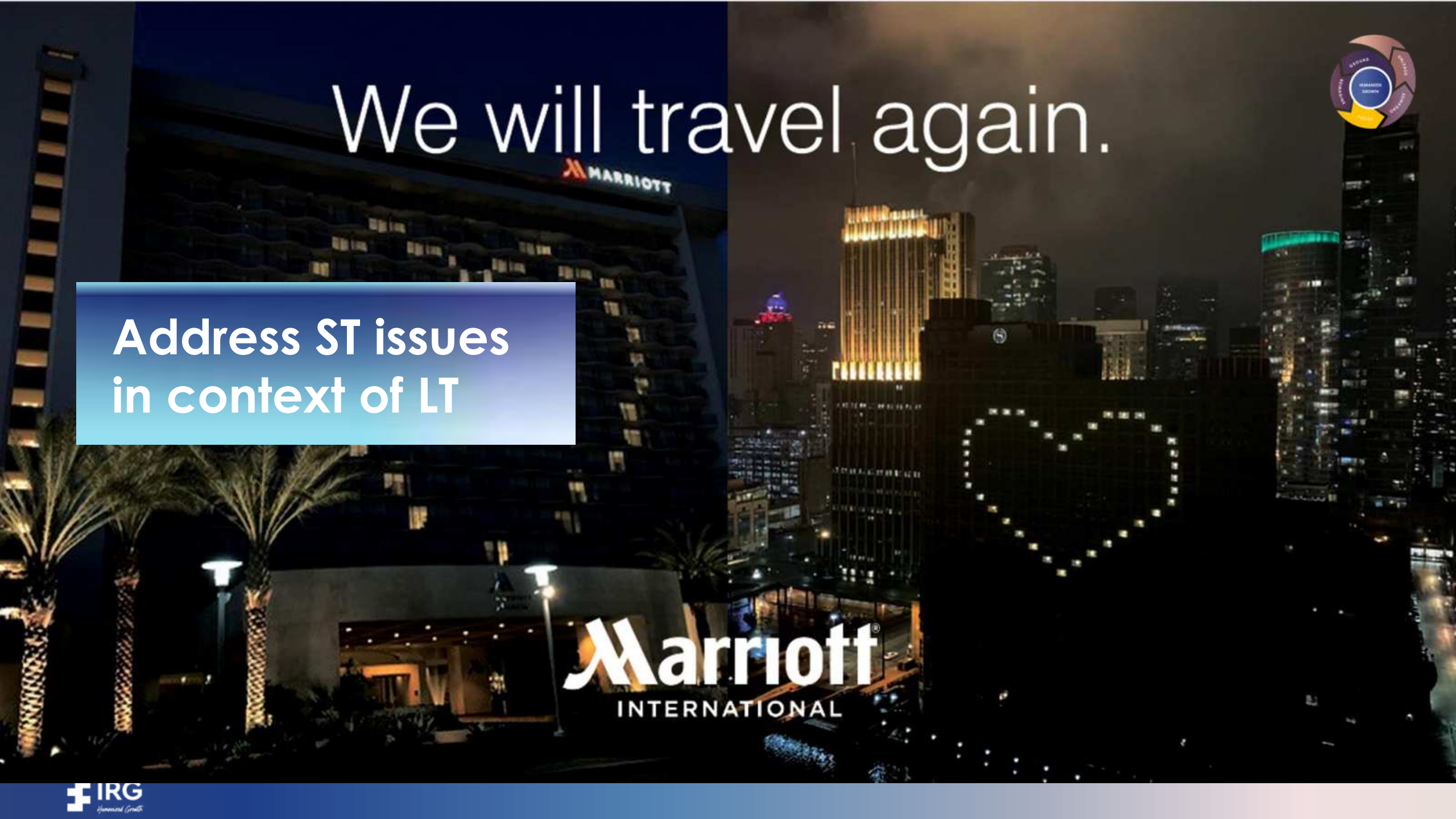
Define Strategy with all stakeholders

MARS



Value Creation strategy across all Stakeholders





We will travel again.

Address ST issues
in context of LT

Marriott
INTERNATIONAL

Courage to define
what to STOP



The New York Times

CVS Stores Stop Selling All Tobacco Products

THE WALL STREET JOURNAL

CVS Renames Itself CVS Health as It Ends Sale of Tobacco Products

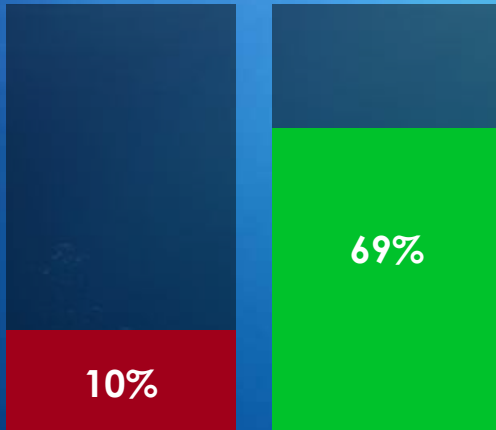
Organize

*Systemic Change
Interdependence*





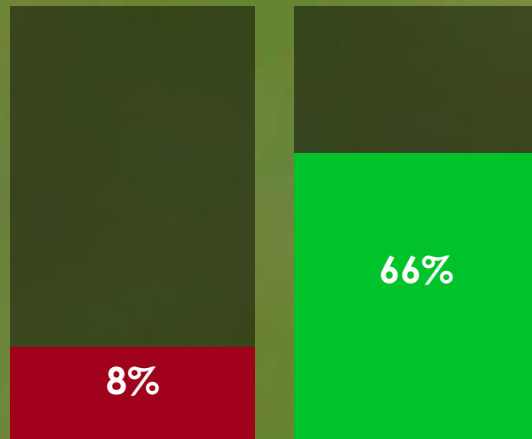
Driving Systemic Change



Systemic change to drive stakeholder value



Recognizing Interdependencies



Working Interdependently



Across functions & Departments



Industry Collaboration

The Walmart logo is displayed in large, white, three-dimensional letters on the tan-colored facade of a Walmart store. To the right of the word "Walmart" is the yellow six-pointed starburst logo.

70%

73%

Industry Collaboration

The Patagonia logo is written in a large, white, lowercase serif font across the center of the image. The background is a photograph of a rugged mountain range at sunset or sunrise, with a hiker in a yellow jacket and backpack walking on a rocky path in the foreground. In the top right corner, there is a small circular logo with the words "NATURE", "CULTURE", and "ECONOMY" around a central blue circle.

NGO Collaboration



Good for People
Good for the Planet

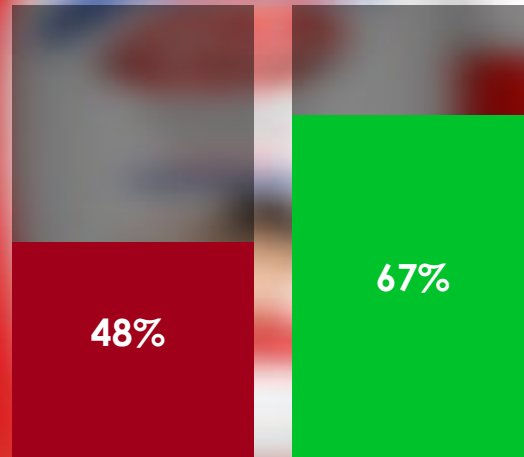
48%

54%

NGO Collaboration



Government Collaboration

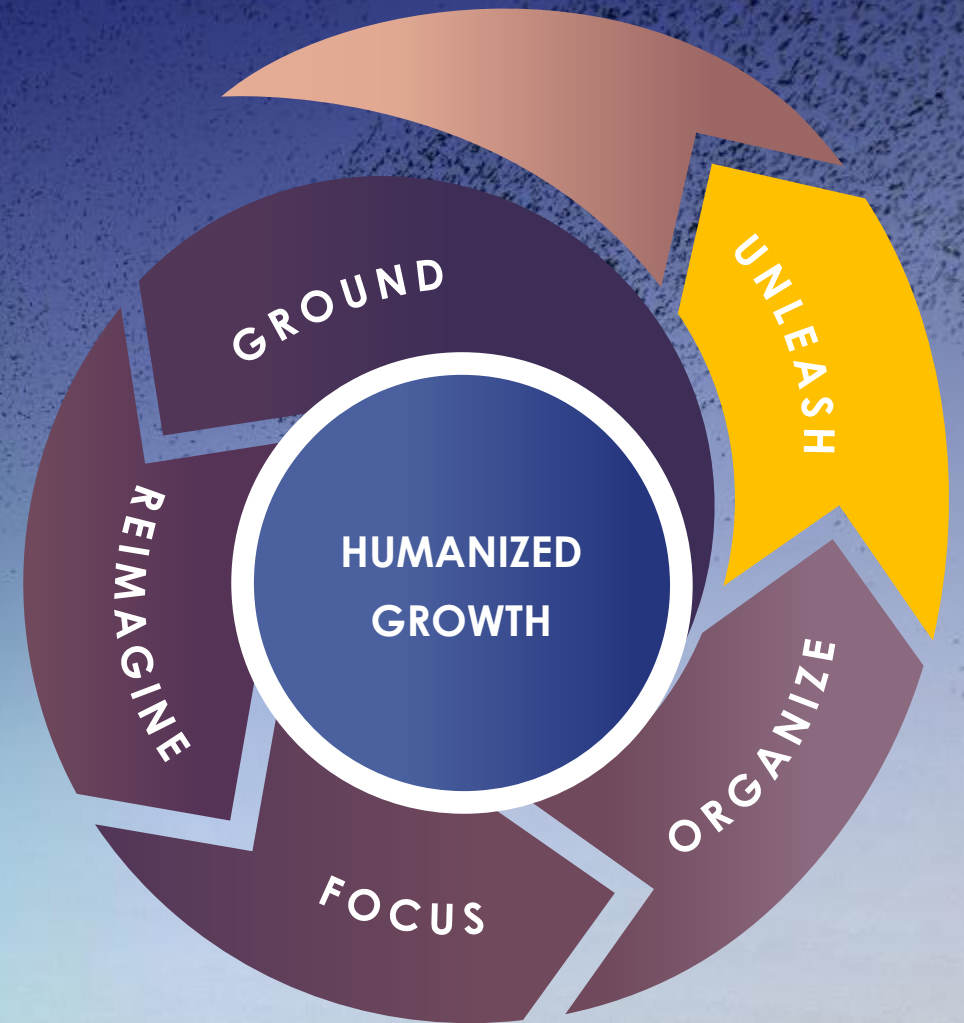


Government & Public Institutions Collaboration

A Lifebuoy advertisement for Global Handwashing Day 2020. The background is red. In the top left is the Lifebuoy logo. In the top right is the 'Global Handwashing Day 2020' logo with three cartoon characters. In the center are two Lifebuoy handwash products: a white bottle and a red refill pouch, both labeled 'germ protection handwash Total 10'. To the right of the products is the text 'STARTING NOW, TEACH KIDS THE LETTER H AS' in white, followed by a large 'H' with 'for HAT' written inside it, and 'HANDWASHING' in a stylized font below.

Unleash

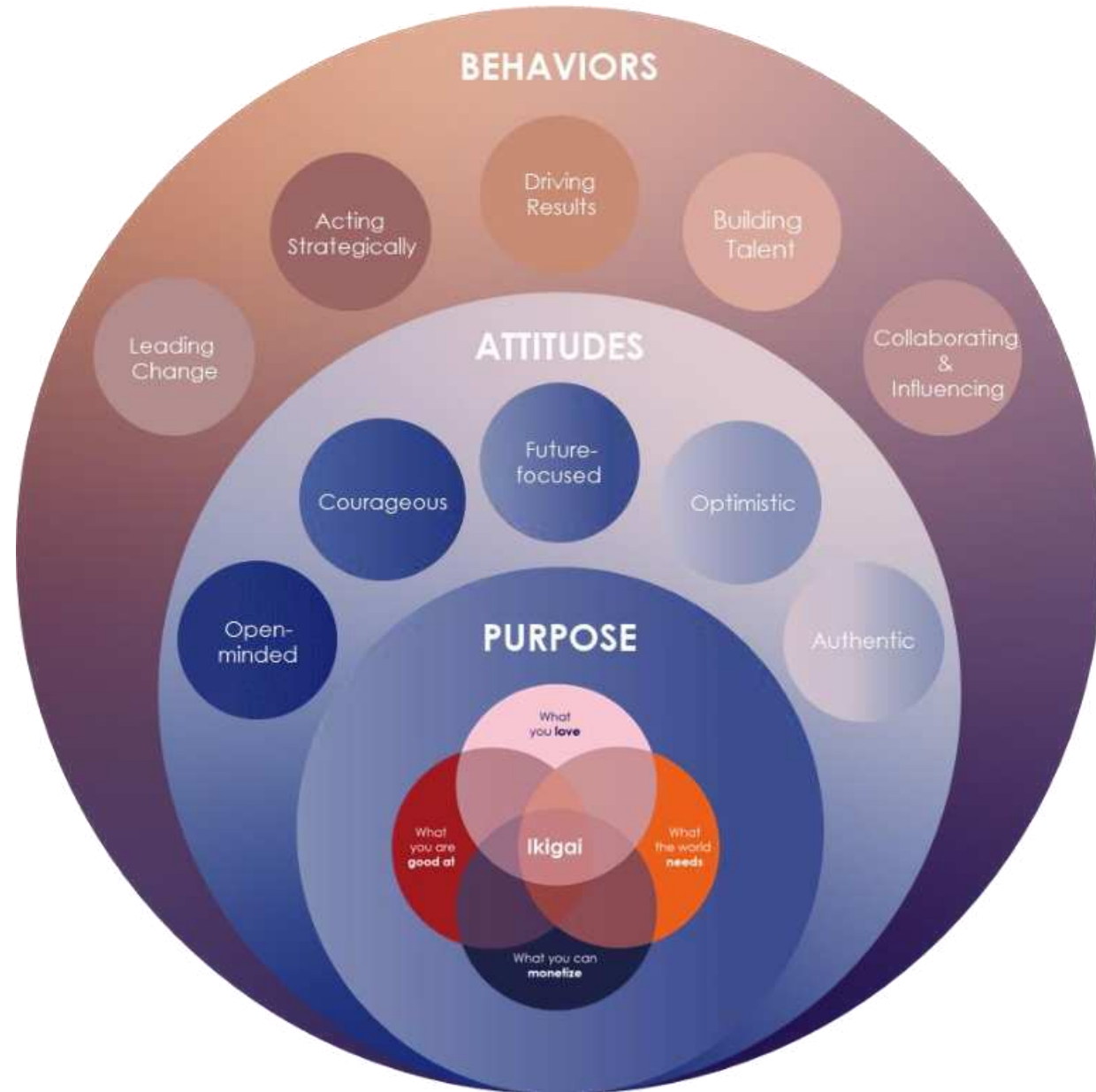
*Role Modelling
Da Vinci Leadership*



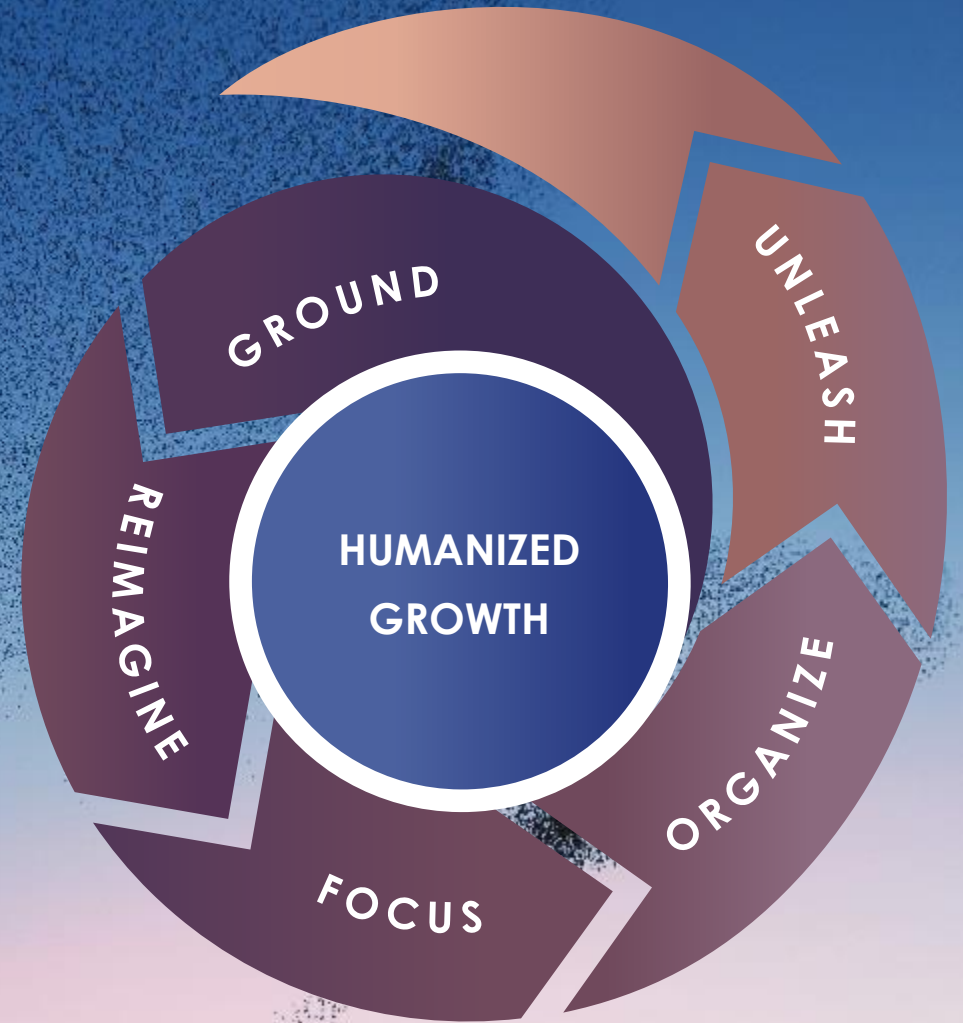
Da Vinci Leader Profile



SpencerStuart
THE B TEAM ▶



Role of the Board



Pre-Summit Working Groups

Alison Davis

Bala Iyer

Barbie Bigelow

Britt Ide

Chris Burggraeve

Christobel Selecky

Connie Collingsworth

Daria Torres

David Rosenblum

Erin Selleck

Hoshi Printer

Jeff Sakaguchi

John Driver

Katharin Dyer

Kristina Peterson

Larraine Segil

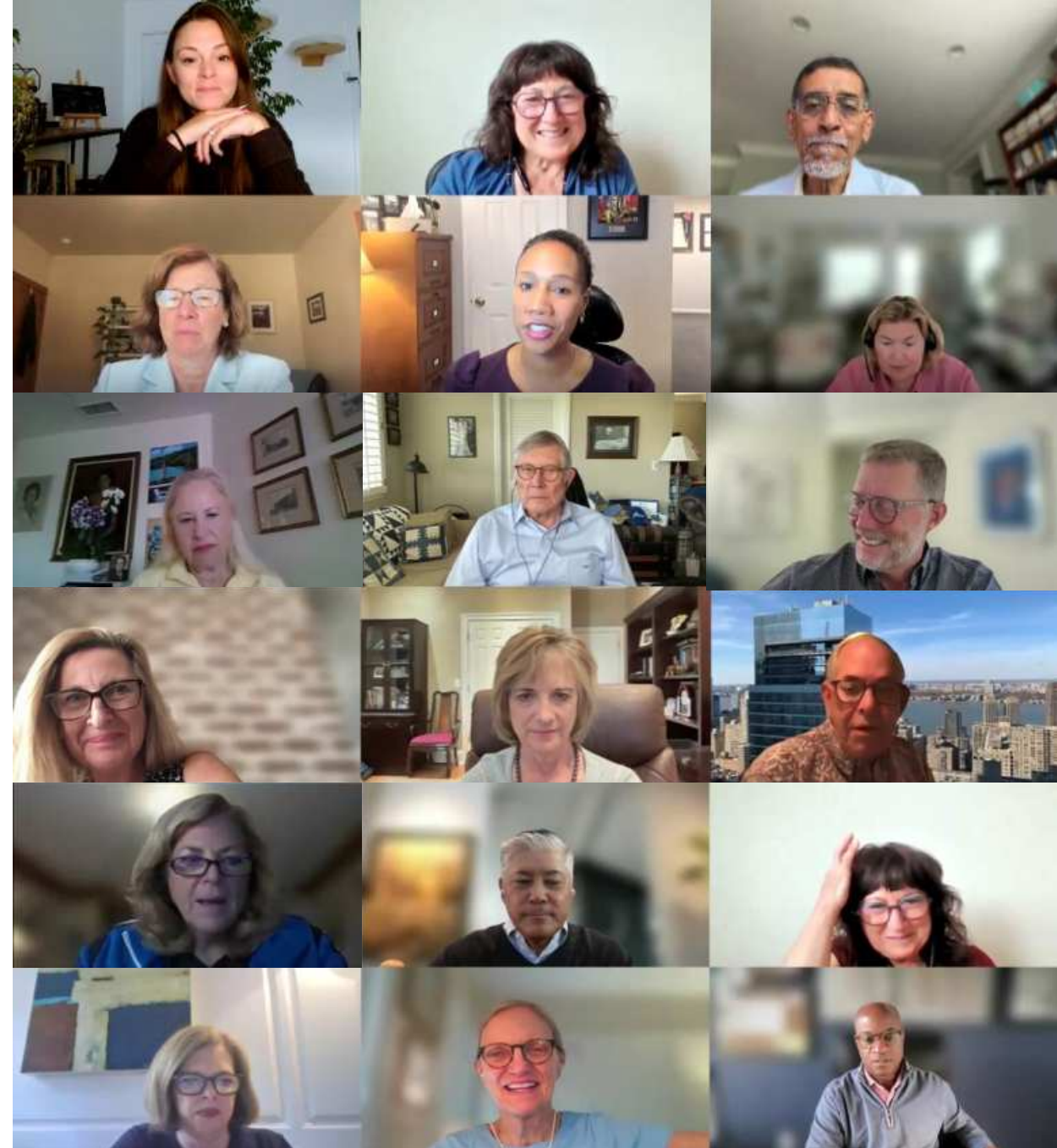
Raphael Pastor

Susan Mallory

Susan Thronson

Terri Funk-Graham

Terry Rappuhn



The Panel



Lara Lee

Board Director, WD-40
Company, Liberty Safe,
Rather Outdoors



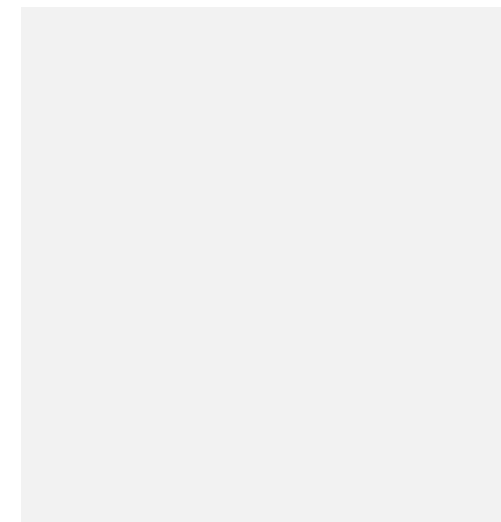
Diane Hesson

Board Director, Panera
Brands, Eastern Bank,
Brightcove, SAGO, Tufts
University
CEO, Salient Ventures



Libby Sartain

Independent Board Director,
ManpowerGroup, AARP;
Chairman, AARP Foundation



Teresa Sebastian

PLACEHOLDER

Thank you