



Breakthrough
Capitalism

Breakthrough: Business Leaders, Market Revolutions Executive Summary

Context

Climate change, resource crunches and population growth mean that life will become increasingly turbulent - “Extreme is the new normal,” as *New Scientist* puts it. But government leadership is often conspicuous by its absence. Against this backdrop, business has an increasingly important role in creating a world fit for the 9 billion people predicted for 2050.

The Breakthrough report

We interviewed 120 thought leaders to shed light on what business can and must do to help fix the systems – food, energy and finance to name but three – upon which we as a society depend. The *Breakthrough* report summarises our findings and spotlights how some business leaders are taking the reins and arguing the business case for market revolutions in areas such as accounting, valuation and economics.

Three scenarios: Breakdown, Change-As-Usual, Breakthrough

We see three scenarios of how the future could unfold. The first is Breakdown, the almost unremittingly bleak scenario where early experiments fade in the face of wider incomprehension and resistance to change. The second is Change-as-Usual, where earnest efforts are made but overall the outcome is little more than a set of patches of the existing, dysfunctional system. The third scenario is Breakthrough. Here innovators, entrepreneurs, intrapreneurs, investors and policy makers dare to create ventures with ambitious targets and then, over time, drive them to change the market and political systems within which they operate.

Breakthrough criteria

To push towards Breakthrough outcomes, initiatives need to be:

- *Future-ready*: Able to work well in a world of 7-going-on-9 billion people, providing affordable access to key products or services, while respecting planetary boundaries
- *Ambitious*: Aims to transform key aspects of capitalism, and drive radically better outcomes across the triple bottom line
- *Fair*: Helps tackle equity issues, including the transfer of intergenerational debt created by public borrowing, natural resource extraction and environmental destabilization
- *Disruptive*: Has potential to constructively disrupt the current economic and/or governance orders, moving the needle from incrementalism to system change

Breakthrough in C-suites

While iconic CEOs and other business leaders (Polman, Brabeck, Sukhdev, Blood, Branson, Zeitz) catch the headlines, there is a bigger question: How do we engage the Global C-suite in this agenda, the 1,000 or so companies that now control half of the world's market capitalization? The *Breakthrough* report spotlights—and looks beyond—the emerging breed of Chief Sustainability Officers (CSOs).

Breakthrough Vectors

Achieving system-level change requires deep understanding of how the system itself operates, enabling pressure to be applied in the right form and at the most effective leverage points. We identified seven distinct leverage points or 'vectors' from our interviews. These are:

- *Science*: New knowledge, new routes to knowledge
- *Activism*: Taking stands, lobbying for change
- *Institutions*: Changing old institutions, evolving new ones
- *Access*: Ending systemic inequities
- *Finance*: Development of new forms of impact investment
- *Economics*: Rebooting the master discipline of capitalism
- *Culture*: Leaning into the future, focusing on experimentation

The report spotlights examples of Breakthrough under each vector, and sets out next steps towards embedding the agenda within, between and beyond companies.