



DISCUSSION:

Doughnut Economics Action Lab

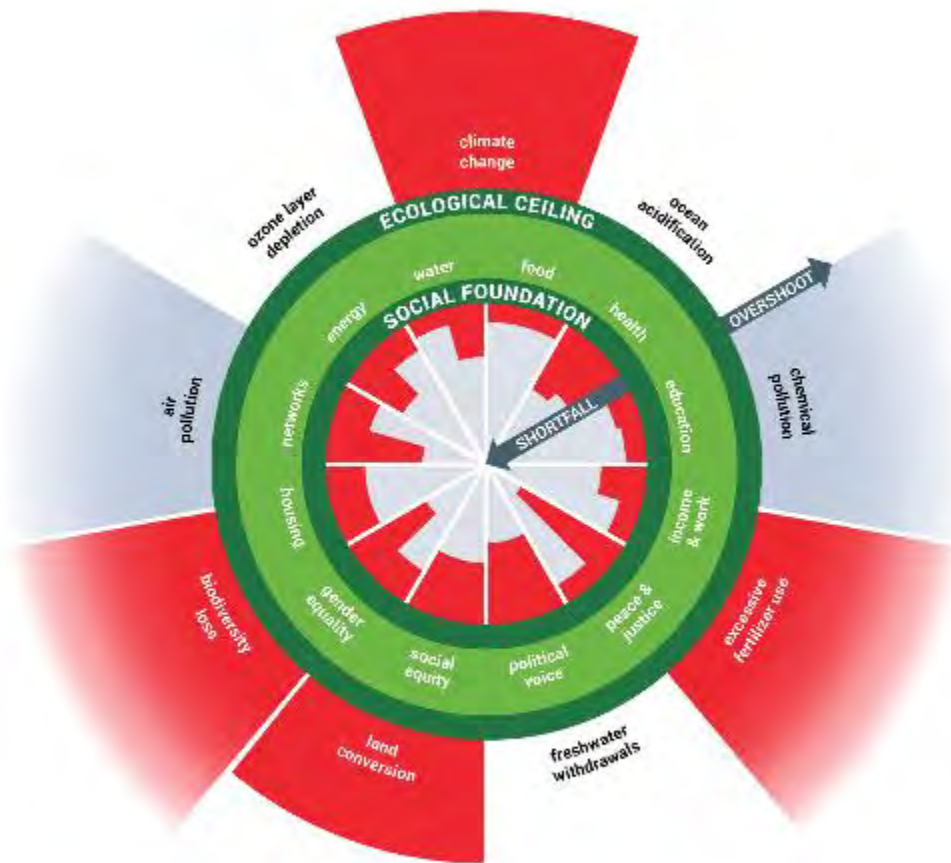
Rapid Doughnut Mapping, Regenerative
Ideas & Enterprise Redesign

Chris Gassman, **Center for Sustainable
Business**



The world is far out of balance

Today's global economy leaves billions of people **falling short** on life's essentials, and is **overshooting** multiple planetary boundaries.




Identify impacts

Business → Economy

Use **positive** sticky notes to identify ways your business helps humanity move towards living in the Doughnut.

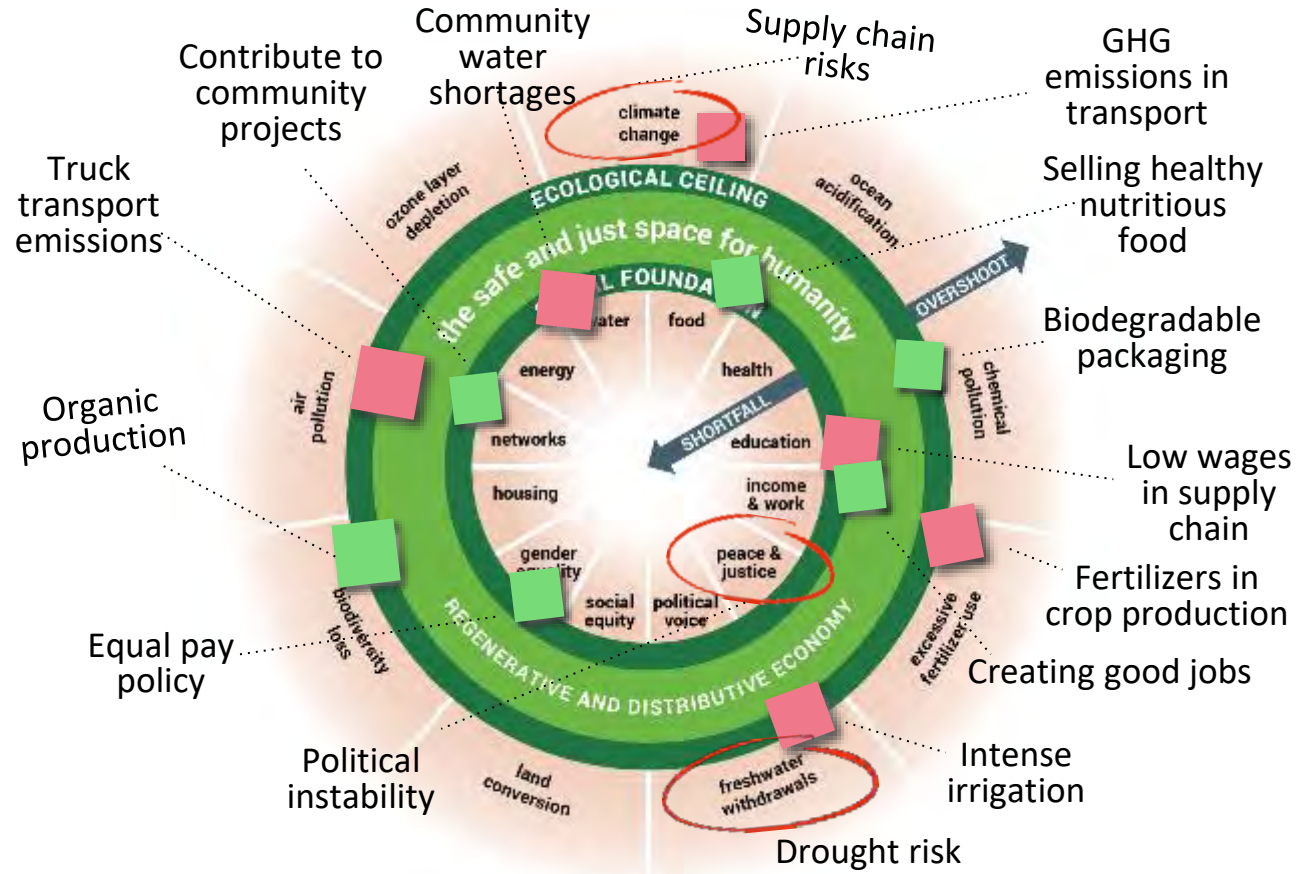
Use **negative** sticky notes to identify ways your business contributes to social and ecological pressure.

Economy → Business

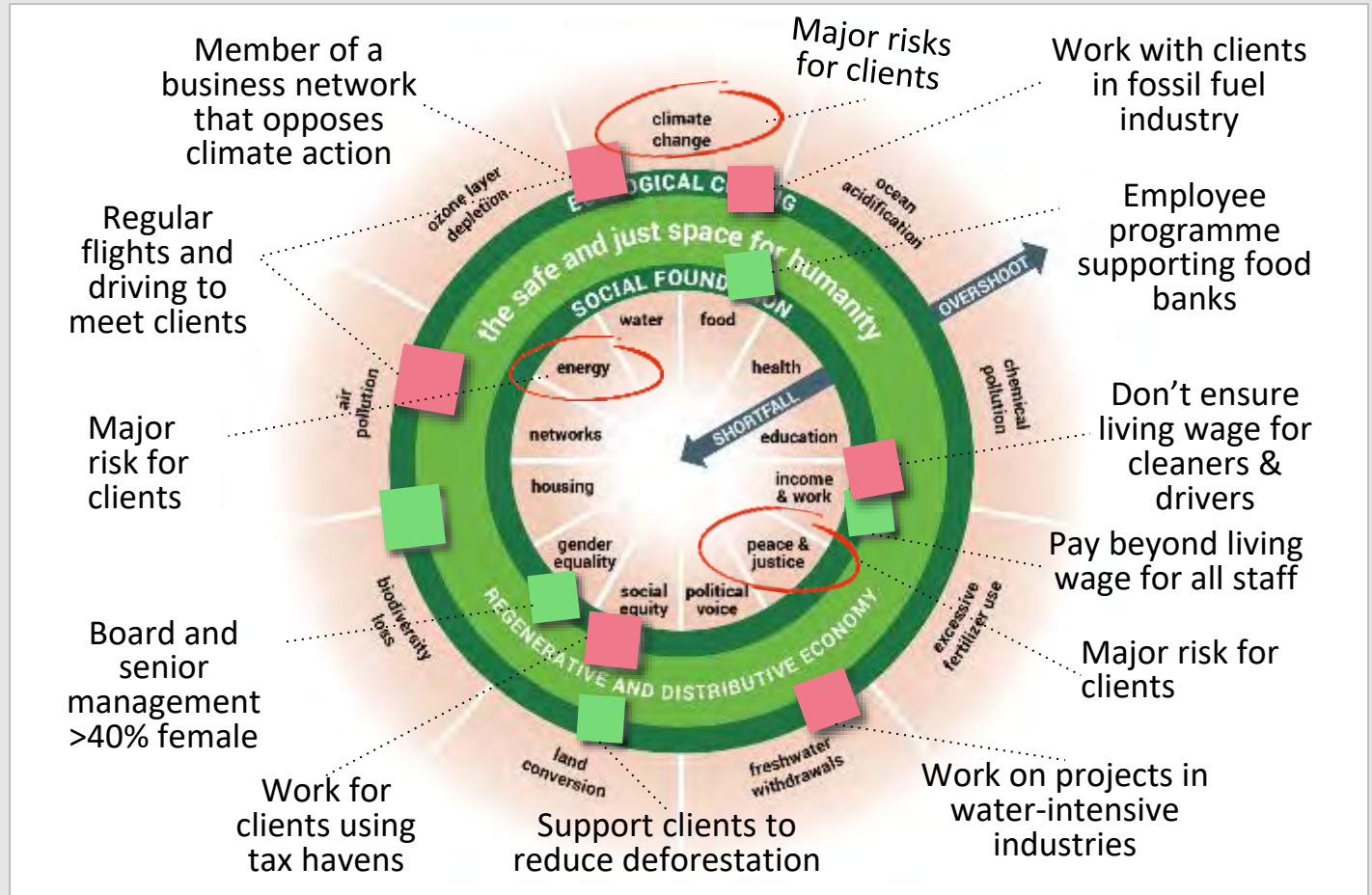
Use  to identify where social and ecological pressures create **risks or impacts** for your business.



Example of a goods company



Identify impacts

Example of a
services company

Canvas: Rapid Doughnut mapping

Many businesses increasingly want to embrace a social and ecological purpose.

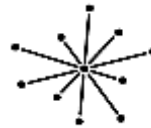
That calls for a change in their dynamics - to **becoming regenerative and distributive by design.**

Let's explore what these principles mean...

How much financial value can we extract from this enterprise?



Degenerative



Divisive

How many benefits can we generate in the way we design this enterprise?



Regenerative



Distributive

It's time to go beyond seeking 'sustainability'.

It is no longer enough to aim to be "100% less bad", in the words of the designer Bill McDonough.

Given the scale of degradation of the living world, it is now essential to repair, reuse, restore, and regenerate.



Degenerative



Landscape degradation



Built-in obsolescence

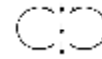
Sustainable



Zero deforestation



100% recyclable



Regenerative



Landscape restoration



Repair & modular design

Business must become more than just 'inclusive'.

It is not enough to provide merely the minimum that people need for a decent life.

The global scale of inequality and marginalisation calls for businesses that are committed to sharing value and opportunity with all who co-create it.



Divisive



Poverty wages



Aggressively enforced patents

Inclusive



Living wage



Technology partnerships



Distributive



Living wage and profit share



Open source design

Transformative ideas

are too often held back **by current thinking and culture.**

New possibilities arise from **a new mindset.**

"We cannot solve our problems with the same thinking we used when we created them."

– Albert Einstein

What can block transformative ideas?

Outdated processes

Rigid financial targets

Short-term thinking

Culture of hierarchy



Degenerative



Divisive

What can unlock transformative ideas?

Suspending practicality

Broad perspectives

Long-term thinking

Culture of courage



Regenerative



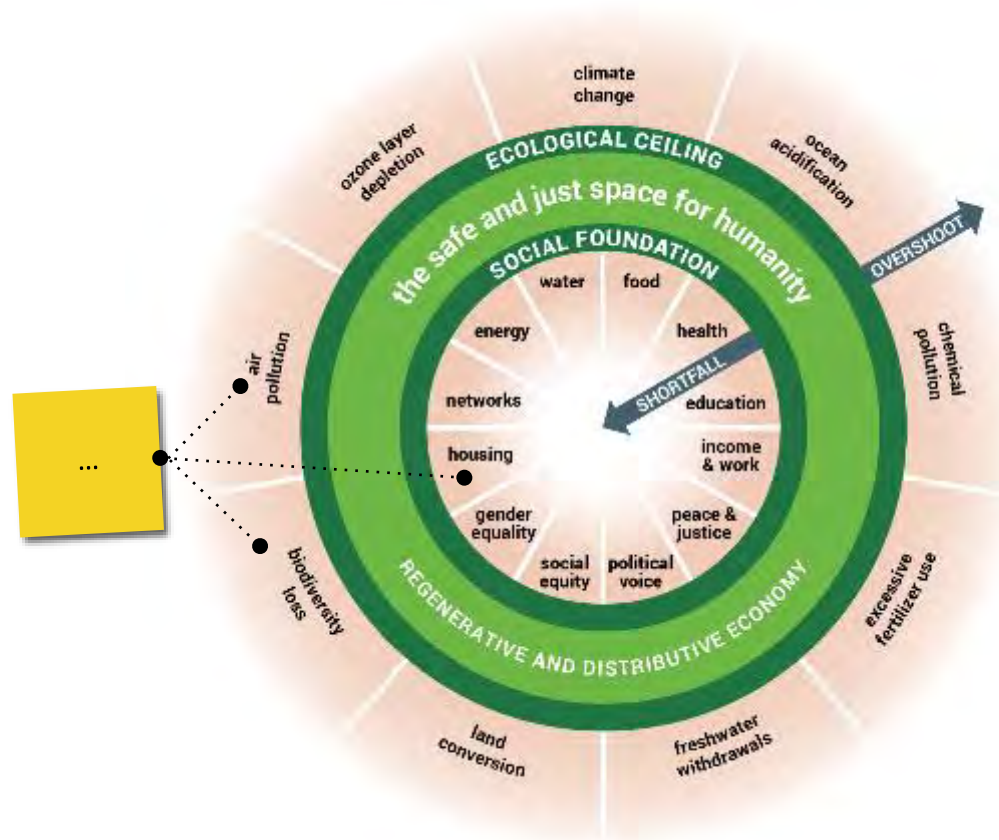
Distributive

1 2 3

Generate transformative ideas

To help bring humanity into the Doughnut, businesses will need to pursue their most ambitious ideas for becoming regenerative and distributive. Let's call these transformative ideas.

The next slides show several ways to start identifying such ideas. Use **yellow sticky notes** to capture them and connect each one to the Doughnut's most relevant dimensions.



Canvas: Regenerative and distributive ambitions

1 2 3

Listen to many voices

Take your ideas from the future visualisation and test them with impacted stakeholders. Whose voice must be heard, and what would they say?

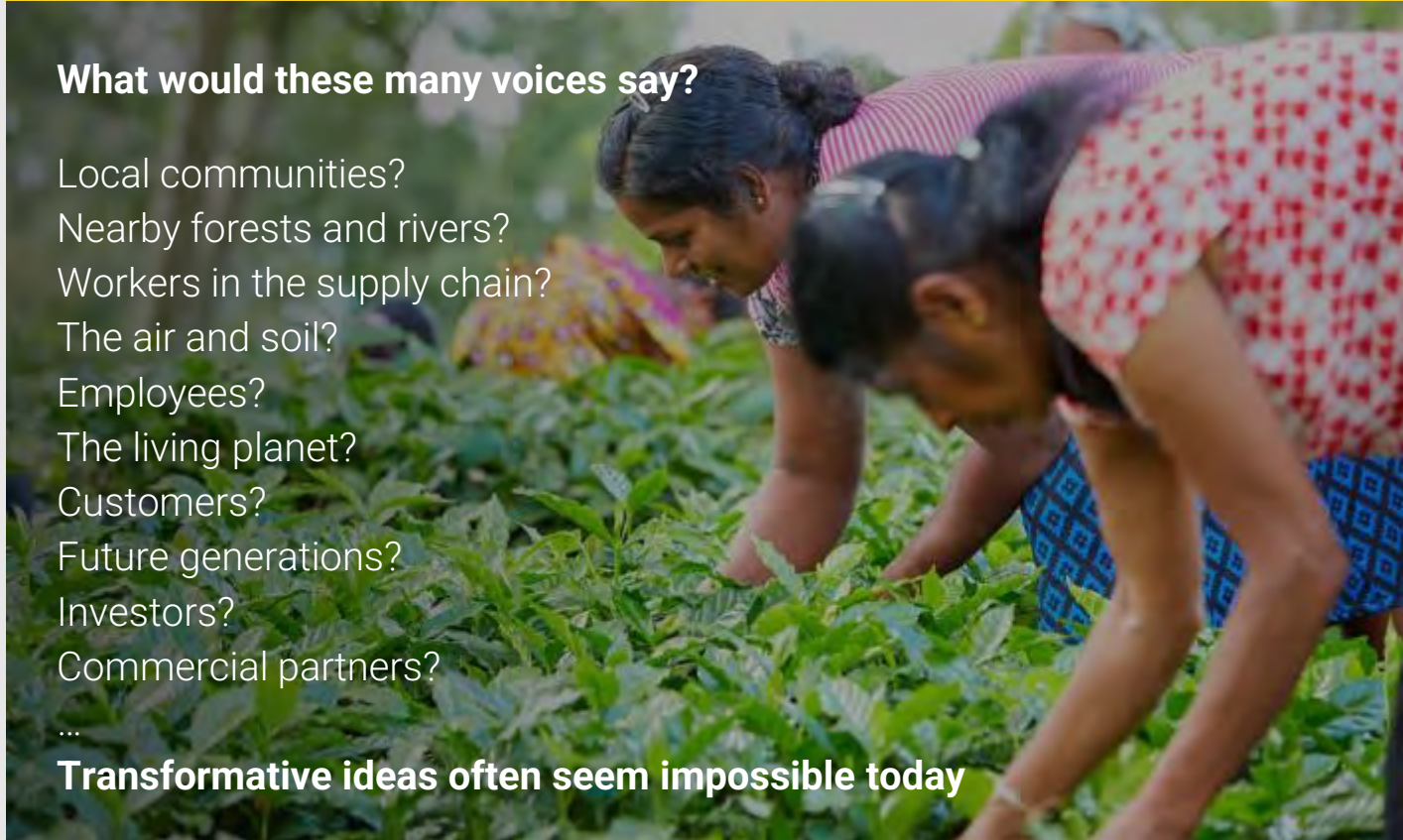
In groups of 4-6, one person represents the business and pitches the transformative ideas identified. **Others respond as impacted stakeholders and help to raise the ambition.**

Towards regenerative and distributive business: generating transformative ideas

What would these many voices say?

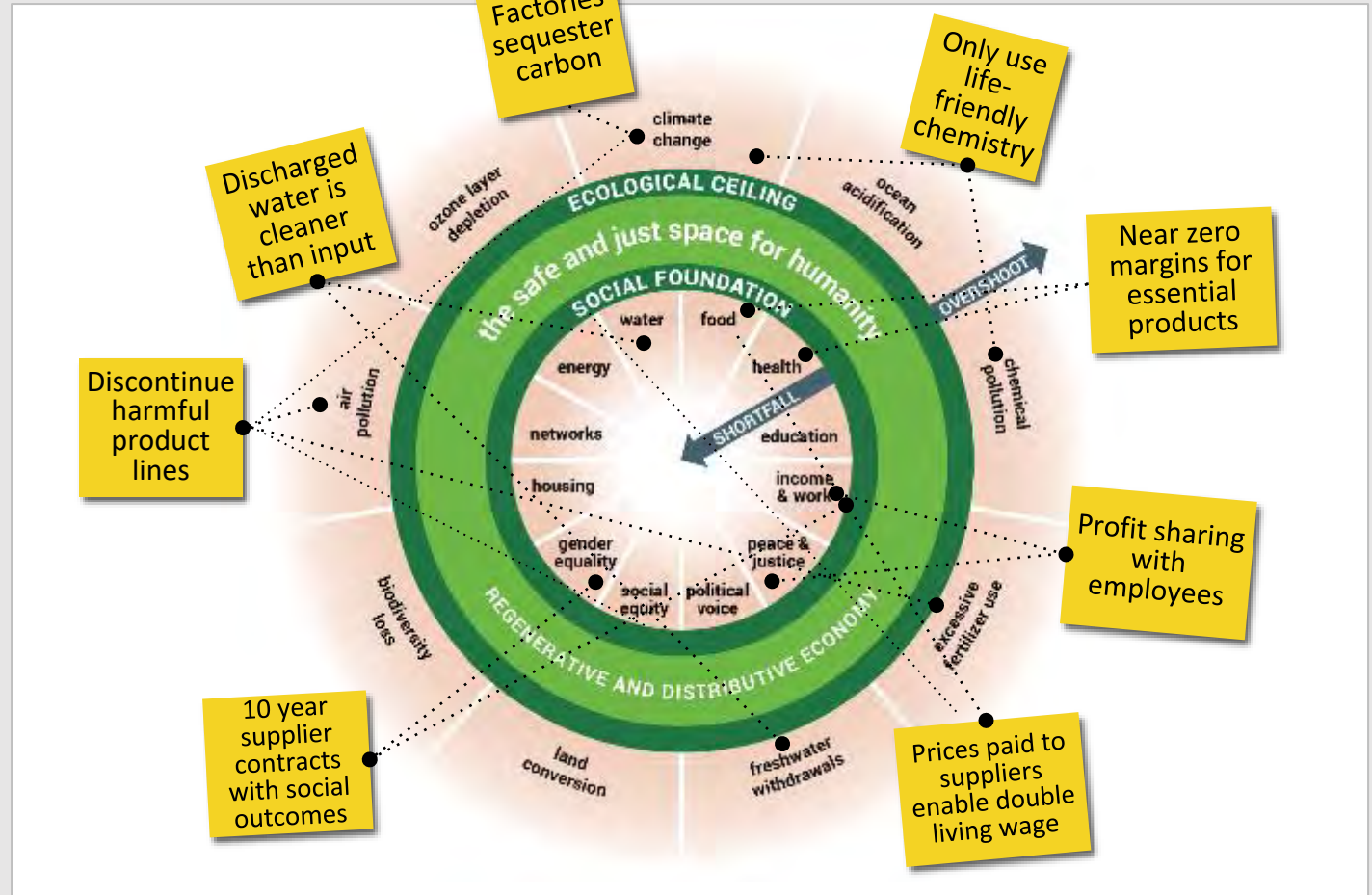
Local communities?
Nearby forests and rivers?
Workers in the supply chain?
The air and soil?
Employees?
The living planet?
Customers?
Future generations?
Investors?
Commercial partners?
...

Transformative ideas often seem impossible today



Generate
transformative ideas

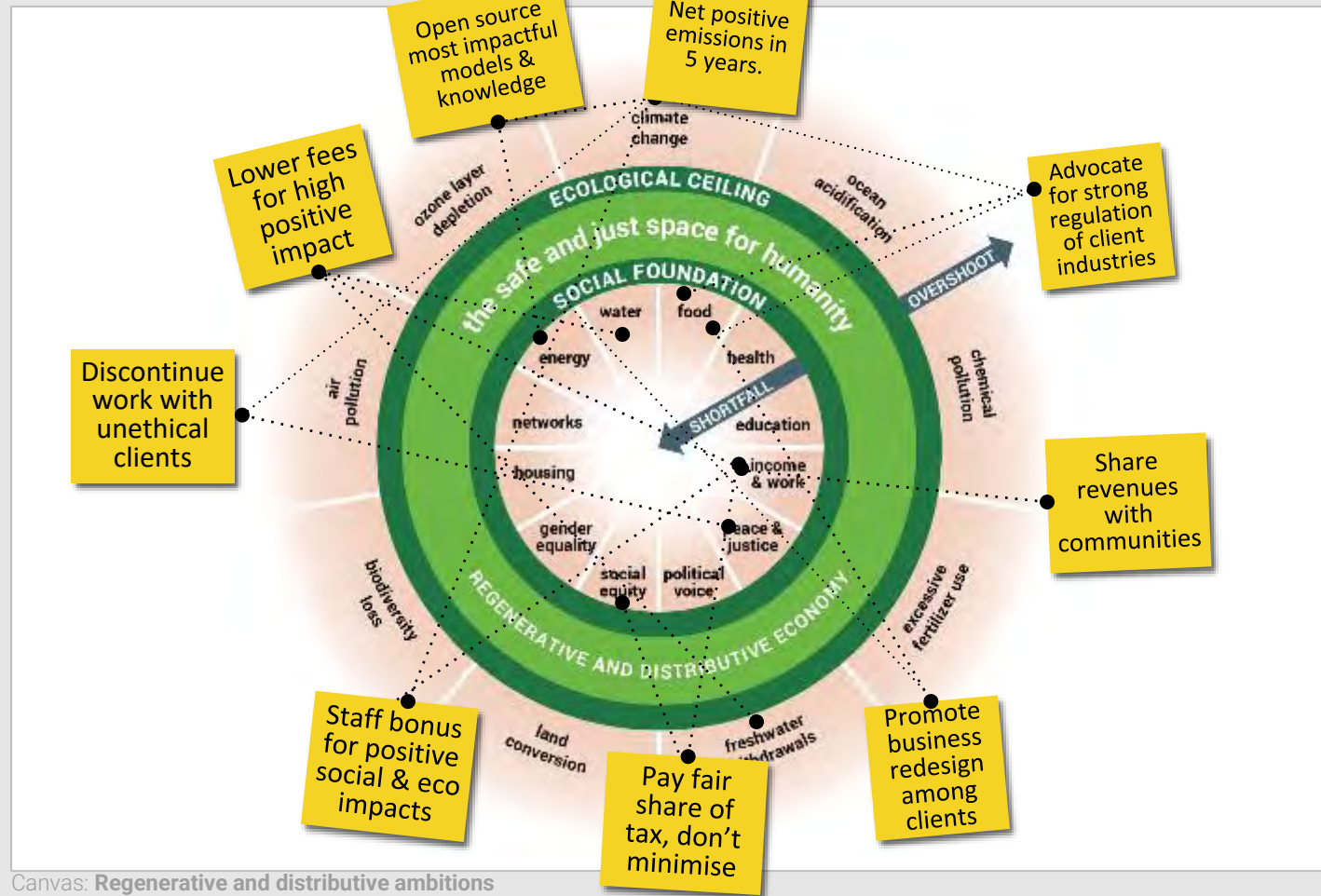
Example of a
goods
company



Canvas: Regenerative and distributive ambitions

Generate
transformative ideas

Example of a
**services
company**



Unlocking the scale of action required by business calls for a redesign of business itself.

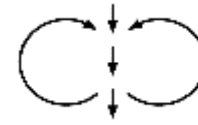
Such a redesign is essential if business is to be part of a regenerative and distributive future.



Degenerative



Divisive



Regenerative



Distributive

Business as usual
designed to
maximise
margins and
dividends

Business redesigned
to unlock
regenerative &
distributive
possibilities

**Commons
& communities**
Public services
**NGOs &
charities**

Deep within every business are **layers of design** that profoundly shape what it can be and do in the world: its **Purpose, Networks, Governance, Ownership, and Finance**.

This is the **deep design of business** - as inspired by author & theorist Marjorie Kelly.

Let's explore all five layers.



Degenerative
and divisive

Regenerative
and distributive



How much value
can we extract
through this
enterprise?

Purpose

Networks

Governance

Ownership

Finance

How many
benefits can we
generate through
this enterprise?

Purpose

Why does this business even exist?

What purpose does it serve in the world?

How is that purpose manifest in its operations?

How is that purpose manifest in its products or services?



**Degenerative
and divisive**

Profit driven business



Profit-driven business, such as fast fashion, aims to make and sell products as cheaply and quickly as possible - often resulting in social and ecological exploitation.

**Regenerative
and distributive**



Purpose driven business

Mission statement

Products & services

Operations & supply chain

Disruptive innovations

Purpose focused on benefits for people and the living world can be expressed through the founding mission, operations and supply chains, core products and services, and by disrupting and innovating in the industry.

Purpose

Networks

Governance

Ownership

Finance

Purpose

Example



Degenerative
and divisive

Profit driven business



Profit-driven business, such as fast fashion, aims to make and sell products as cheaply and quickly as possible - often causing social and ecological harm in the process.

Regenerative
and distributive



Purpose driven business



Manos del Uruguay exists to support its extensive network of rural artisans who make its natural wool-based products, and who co-own the business.

Purpose

Networks

Governance

Ownership

Finance

Networks

What relationships does the business hold - with its customers, suppliers, staff, governments, communities and partners?

What new connections does it need to create?

What outdated relationships must now be left behind?



Degenerative and divisive

Extractive relationships

Commodified relationships

Tax avoidance

Regressive lobby groups

Short-term, pressured, commodified relations.

Membership of regressive lobby groups that block change.

Regenerative and distributive



Collaborative partnerships

Fair Trade

Fair Tax Mark accredited

Progressive alliances

Circular industry networks

Long-term, committed and impact-focused relationships

Joining progressive alliances that promote transformation.

Purpose

Networks

Governance

Ownership

Finance

Networks

Example



Degenerative
and divisive

Extractive relationships

Commodified relationships

Tax avoidance

Regressive lobby groups

Short-term, pressured,
commodified relations.

Membership of regressive lobby
groups that block change.

Purpose

Networks

Governance

Ownership

Finance

Regenerative
and distributive



Collaborative partnerships



During the COVID-19 pandemic, many global brands cut orders and reduced prices for suppliers. In stark contrast, the food and homewares importer **El Puente** provided extra financial flexibility, paid upfront, and supported its suppliers - all enabled by its model of multi-stakeholder governance.

Governance

Who is on the board,
with a voice in
decision-making?

What are the
company rules and
culture?

What are the metrics
of success?

How openly are
annual accounts
reported?



**Degenerative
and divisive**

Governance in service of finance



Focused on maximising margins and dividends for shareholders and owners. Quarterly reporting drives short-term pressure to deliver growing sales, growing market share, and growing profits.

**Regenerative
and distributive**



Governance in service of purpose

Board representation

Transparency

Metrics of success

Management incentives

This is enabled by designs such as: multi-stakeholder boards, including employee representation, and giving a voice to nature; full transparency; and rewarding management for social and ecological impacts.

Purpose

Networks

Governance

Ownership

Finance

Governance

Example



Degenerative
and divisive

Governance in service of finance

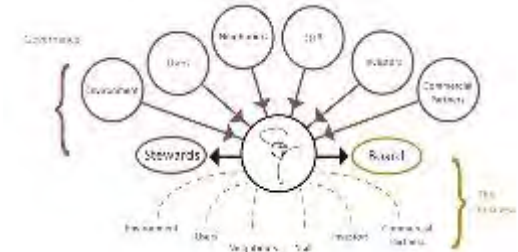


Focused on maximising margins and dividends for shareholders and owners. Quarterly reporting drives short-term pressure to deliver growing sales, growing market share, and growing profits.

Regenerative
and distributive



Governance in service of purpose



Riversimple, a maker of hydrogen cars, seeks to balance interests through a board with six custodians who represent: the environment, users, neighbours, staff, investors and commercial partners.

Purpose

Networks

Governance

Ownership

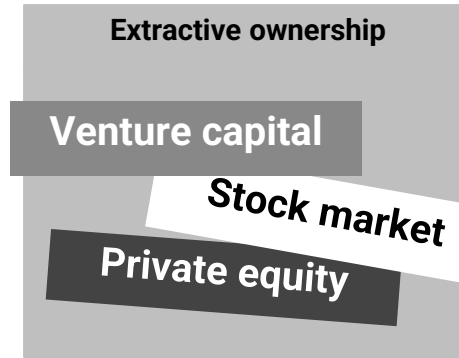
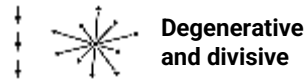
Finance

Ownership

Who owns the business?

What are their interests and expectations?

To what extent can the owners change or undermine the intended purpose of the business?

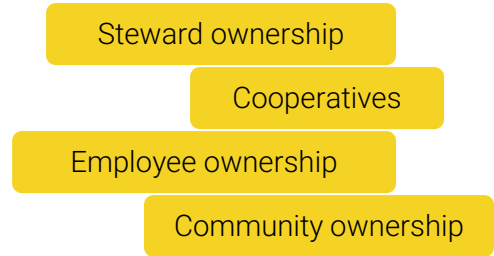


Owners pressures the business to focus solely on growing margins and dividends, even if this undermines the business's focus on social and ecological goals. Only financial interests are represented in the ownership mix.

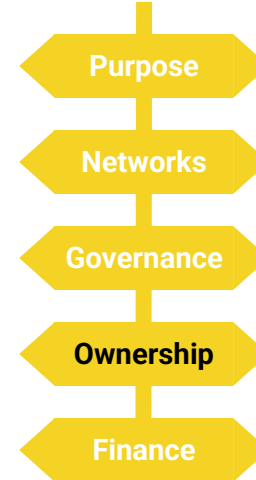
Regenerative and distributive



Generative ownership

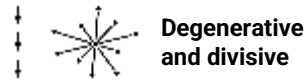


Many ownership models enable businesses to focus on regenerative and distributive results, including ownership by employees, cooperatives, stewards, communities, multi-stakeholders and impact investors.



Ownership

Example



Extractive ownership

Venture capital

Stock market

Private equity

Owners pressures the business to focus solely on growing margins and dividends, even if this undermines the business's focus on social and ecological goals. Only financial interests are represented in the ownership mix.

Regenerative and distributive



Generative ownership



The clothing company **Patagonia** redesigned its ownership to lock-in its commitment to protecting and restoring nature. The company set up a trust that controls all shares with voting rights, and an environmental nonprofit collective that controls all shares with dividend rights. It draws from the Steward Ownership model.

Purpose

Networks

Governance

Ownership

Finance

Finance

Where does finance come from, and what does it demand?

What are the margin and dividend expectations?

What are the rules on reinvestment & profit allocation?

What's considered a fair return for investors?



**Degenerative
and divisive**

Finance serving financial returns



When the quarterly report is king, companies focus on short-term growth in sales, profits and market share. This sets the limits and possibilities for businesses. It can block new ideas and strategies, and prevent much-needed investment in regenerative and distributive strategies.

**Regenerative
and distributive**



Finance serving purpose

Dividend caps

Flexible margins

Revenue sharing

Profit share to charity

There are many ways to ensure that finance serves purpose, such as through: flexible margins; dividend caps; funds for transformative ideas; profit distribution to employees and charities, revenue sharing with communities, and pricing based on impact.

Purpose

Networks

Governance

Ownership

Finance

Finance

Example



Degenerative
and divisive

Finance serving financial returns



When the quarterly report is king, companies focus on short-term growth in sales, profits and market share. This sets the limits and possibilities for businesses. It can block new ideas and strategies, and prevent much-needed investment in regenerative and distributive strategies.

Regenerative
and distributive



Finance serving purpose



The **Body Shop** and **Plastics for Change** partnered up to create the world's first large-scale Fair Trade recycled plastic. Thanks to their holistic perceptions of value, they were able to depart from standard cost and margin expectations in order to commit to the scale of investment needed.

Purpose

Networks

Governance

Ownership

Finance

Do legal forms matter?

In most jurisdictions, there are a range of legal forms that a business can take, and these can significantly shape the deep design of businesses there. The scope of these legal forms varies across jurisdictions.

In order to pursue their most transformative ideas, some businesses do decide to change their legal forms. But doing so is not an essential step for using this tool: it also invites businesses to explore possibilities for their redesign, whatever their legal form.

Examples of legal forms

**Private
company or
corporation
limited by
shares**

**Publicly
listed
company or
corporation**

**Social
enterprise
(often with
an asset lock
and dividend
restrictions)***

Cooperative

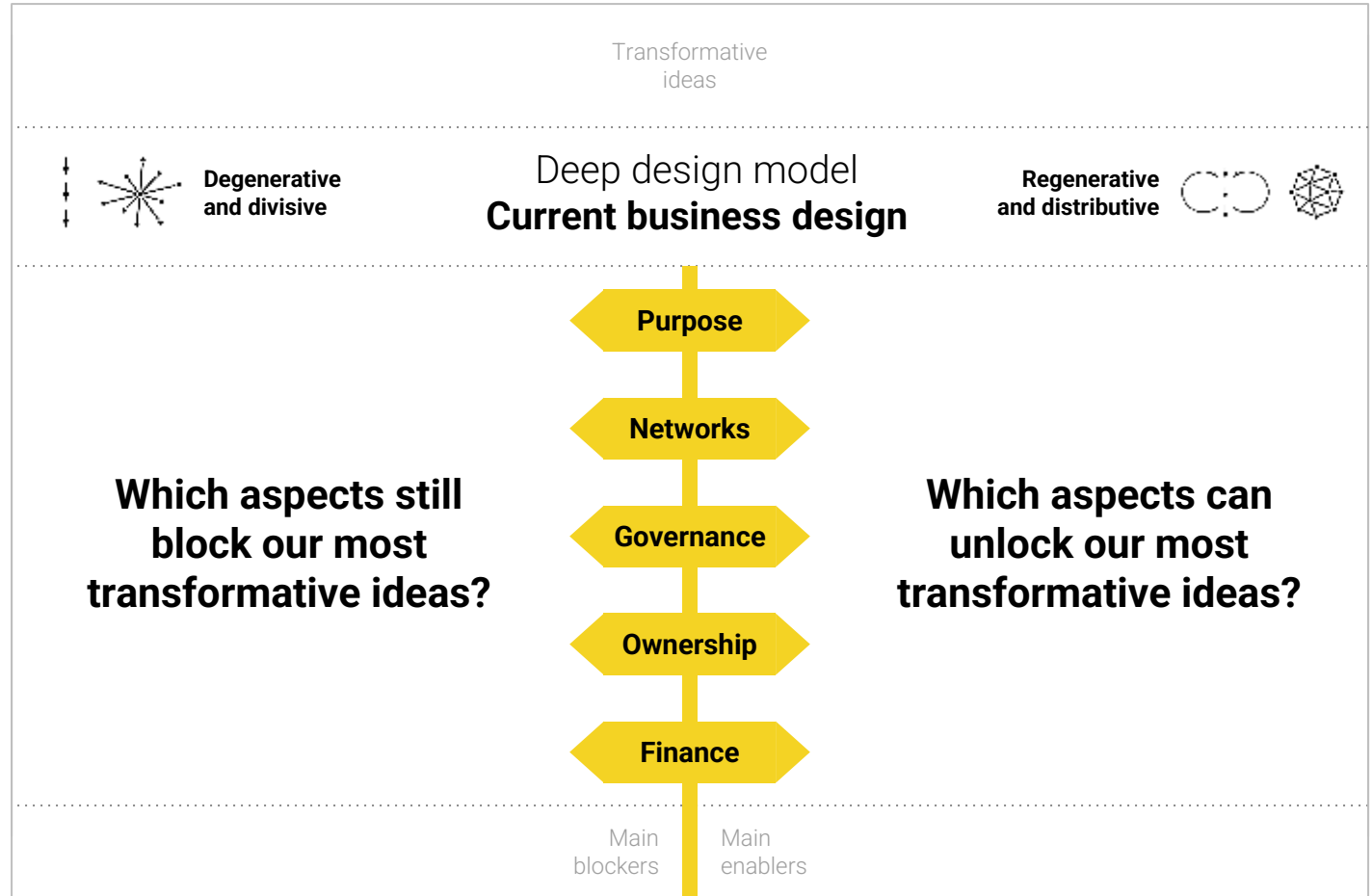
**Benefit
corporation**

* e.g.
Community
interest
company (UK);
Low-profit
limited liability
company (US)

Know your business design

Doughnut Economics proposes that for business to be part of a regenerative and distributive future, it is key to transform the deep design of business itself.

To do this, ask how the current design of your business blocks or unlocks your most transformative ideas.



Canvas: **Current business design**

1 2 3

Possible questions

Think about **what holds back** both the **generation** and **implementation** of **transformative ideas**.

The questions here can help identify ways in which your **current design can block or enable** your ability to pursue your most transformative ideas. See more examples in subsequent slides for further ideas.

Purpose

What is the **gap** between your company's stated purpose and its day-to-day culture and actual operational impacts?

Are there limits to the way you can change or fundamentally transform your core products or services?

Are there transformative ideas you cannot pursue because it is considered **unfeasible** or is not a strategic priority?

Networks

How **collaborative** are you able to be with your industry peers, suppliers and broader commercial partners?

Can you always pursue long-term, committed and open partnerships?

Which networks are you in, and which do you support? **Are you able to advocate** for regenerative and distributive transformations through these?

Governance

How does your board navigate trade-offs between ecological, social and financial goals?

Which stakeholders do, or don't, have a say in key decisions?

How do **decision-making processes treat** transformative ideas that challenge the status quo?

How transparent are you able to be about impacts, operations and finances?

Ownership

How does your ownership shape the kinds of strategies and ideas your business is able to pursue?

What expectations do owners have on the ecological, social, and financial performance of the business?

For how long are the owners committed to the business? How does this impact your planning?

Finance

How do **expectations on margins** determine the kinds of ideas your business can pursue?

How do **processes and requirements for capital expenditure** determine your ability to invest in transformative ideas?

How do **dividends and exit expectations** enable or hinder the ability of the business to pursue transformative ideas?

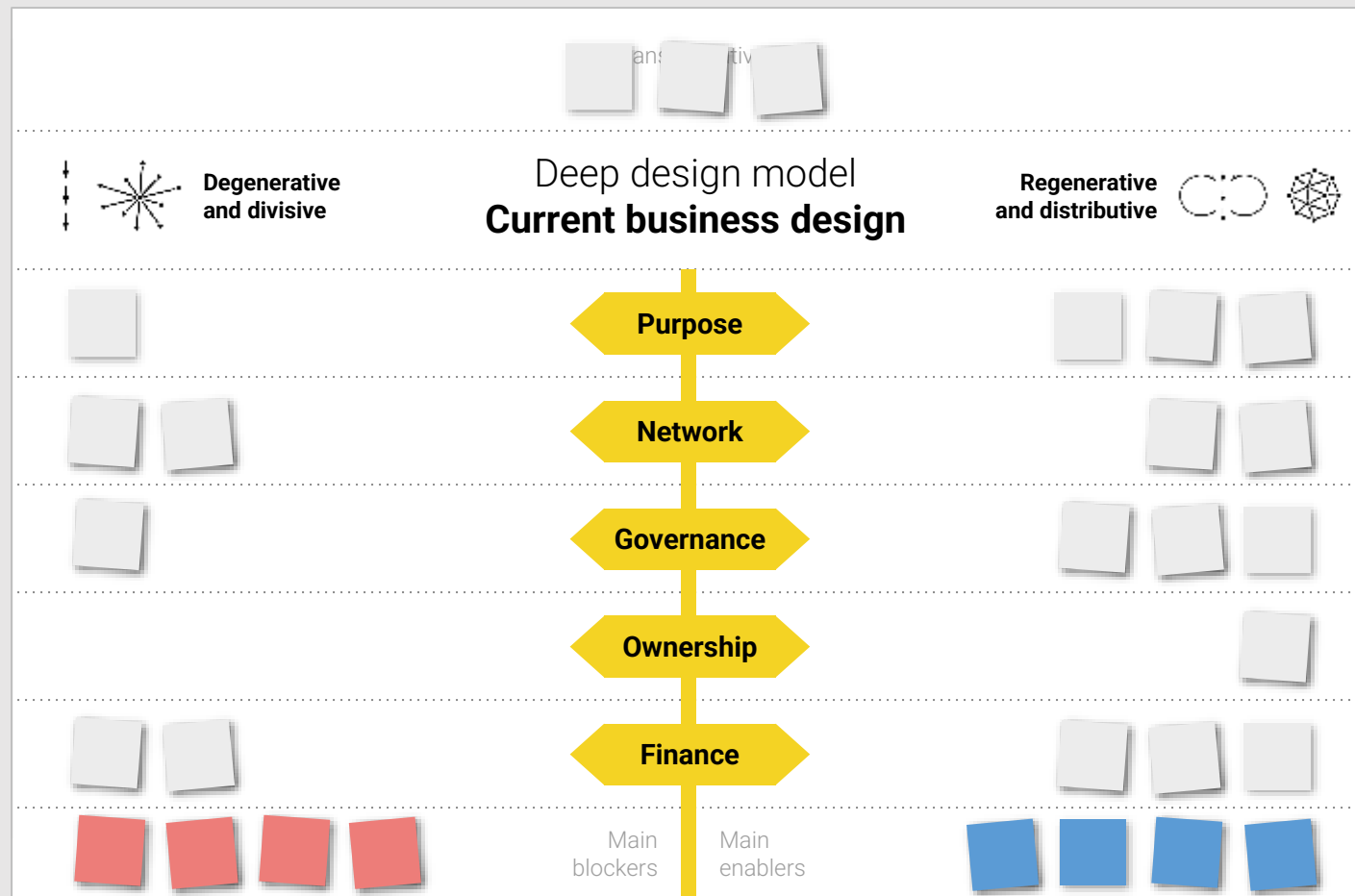
1 2 3

Summarise main barriers and enablers

At the bottom of the canvas:

Use sticky note **main barriers** to identify the three most important ways in which your enterprise design blocks or holds back your most transformative ideas.

Use sticky note **main possibilities** to identify ways in which your enterprise design enables you to pursue transformative ideas.



Canvas: **Current business design**

Summarise main
barriers and enablers

Example of a
**goods
company**



**Degenerative
and divisive**

Deep design model Current business design

**Regenerative
and distributive**



Purpose

Purpose is articulated clearly to have positive impact on all concerned stakeholders.

Network

Supplier relationships focus on low prices and lack long-term commitment needed for deep partnership.

Governance

Only investors represented on the board - no voice of impacted stakeholders.

Ownership

Employee ownership <5% of shares, and majority of these only senior management.

Finance

High margin and dividend goals limit high social and ecological impact actions and projects that achieve lower margins or returns.

Management and board do require impact reporting alongside financial.

Employee share ownership plan means some employee voice at shareholder meetings.

As a high-margin business with a partnership model of ownership, partner agreement can enable ambitious social and ecological goals.

Who's not on the board.

Short-term supplier contracts.

Rigid margin goals.

Main blockers

Main enablers

Clear purpose.

Impact reporting.

Employee voice in ownership.

Canvas: **Current business design**

Summarise main
barriers and enablers

Example of a
**services
company**



Stop services
to unethical
clients.

Lower prices
for most
positive impact
clients.

Net positive
emissions in
5 years.



**Degenerative
and divisive**

Deep design model Current business design

**Regenerative
and distributive**



Purpose doesn't address trade-offs -
unable to justify losing income to
generate more positive impact.

Purpose

Purpose is to be a positive force through
delivery of our services.

Clients typically unconcerned with
sustainability.

Network

Majority of partners believe bringing
their personal ethics to leadership is
sufficient. No other stakeholder
represented in governance.

Governance

Partners agreed to publish sustainability
commitments and reporting.

Ownership

Partnership model means owners know
day-to-day reality of the business and
seek long-term return.

Junior partners have expectations of
high profit share in the future.

Finance

Actively support capital investment into
high return projects that have
ecological/social impact.

Unclear
on trade-
offs.

Rely on
partner
ethics.

High
profit
expectati
ons.

Main
blockers

Main
enablers

Clear
purpose.

Public
commitm
ent.

Long-term
focus.

Canvas: **Current business design**

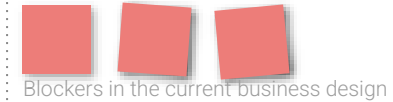
1 2 3 4

Consider how your design can evolve to unlock your most transformative ideas.

Place your top ideas, enablers, and blockers along the top.

Use the questions in the next slide as prompts to consider how your design can evolve to enable your business to pursue your most transformative ideas.

Note, **you don't need a reflection in every design layer.**



Redesign your business to enable transformative ideas

**Regenerative
and distributive**



Proposed change

How it helps

How to implement

Purpose

Networks

Governance

Ownership

Finance

Canvas: **Future business design**

1 2 **3** 4

Redesign your business

We will use the canvas to identify necessary changes in the deep design, clarifying how they will help and ways to implement them.

Consider the questions here to help you identify areas of your business design which can evolve. See more examples in subsequent slides for further ideas.

Possible questions

Purpose

If you were to write a **desired purpose from a Doughnut perspective**, rather than a financial perspective, what would it be?

Which ecological and social challenges **could you potentially solve?**

Are there strategies which aren't currently feasible, but which could help your business pursue transformative ideas?

What will you let go of **over the next 5 years** as part of your purpose? Products, services, margin targets out of context?

Networks

How will you achieve long-term committed partnerships with your suppliers and other commercial partners?

How will you join and support networks of businesses that are collaborating and advocating to drive much-needed transformations?

Governance

How can those most impacted have a voice in your governance?

Who will represent the interests of our planet?

Which processes can ensure that social and ecological goals are prioritised in decisions?

Who should be on your board?

Ownership

Which stakeholders could become part owners?

How could voting rights among owners best be distributed to protect the purpose?

How can ownership be structured to prioritise social and ecological goals?

Finance

How and when should margins adapt to enable transformative ideas?

How can reinvestment be enabled?

Should there be a dividend cap?

What is a fair return for investors and how can exits (if needed) be managed to protect your purpose?

How will your purpose be prioritised in situations where it competes with financial goals?

1 2 **3** 4

Redesign your business

Use sticky note **changes** to identify some design changes which can unlock transformative ideas.

Use sticky note **how it helps** to explain how this will enable key actions.

Use sticky note **how to implement** to identify some important considerations in realising these changes in the design.



Transformative ideas



Enablers in the current business design



Blockers in the current business design

Redesign your business to enable transformative ideas

Regenerative and distributive



	Proposed change	How it helps	How to implement
Purpose			
Networks			
Governance			
Ownership			
Finance			

Canvas: Future business design

Redesign your business

Example of a goods company



Pay suppliers enough to enable living wage

Invest so factories can sequester carbon

Transition to zero packaging - refill only

Clear purpose

Impact reporting

Employee voice in ownership

Who's not on the board

Short term supplier contracts

Rigid margin goals

Transformative ideas

Enablers in the current business design

Blockers in the current business design

Redesign your business to enable transformative ideas

Regenerative and distributive



Proposed change

How it helps

How to implement

Purpose

Networks

Governance

Ownership

Finance

Long term commitment with prices to enable cost of sustainable production.

Employees and main suppliers represented on board.

Margin and capital investment requirements lower for biggest social and ecological ideas.

Deep partnership with key suppliers - assures security of supply and enables social and ecological goals.

Understand needs of employees and suppliers for long-term partnership and impact.

Increase internal investment in social and ecological ideas - enable actions that have lower margins.

5-year contracts with min. order pledge for 10 priority suppliers - prices covering cost of sustainable production.

Start with 2 x observer seats next year, with rotating seat for 5 main suppliers and one for employee rep.

Prioritise 3 biggest proposals next year to apply new financial parameters on margins and capex.

Redesign your business

Example of a services company



Discontinue work with unethical clients

Lower fees for most positive impact

Profit sharing with community

Transformative ideas

Clear purpose

Public commitment.

Long-term focus.

Enablers in the current business design

Unclear on trade-offs.

Rely on partner ethics.

High profit expectations.

Blockers in the current business design

Redesign your business to enable transformative ideas

Regenerative and distributive



Proposed change

How it helps

How to implement

Purpose

Networks

Governance

Ownership

Finance

10 highest impact clients who redesign business for purpose become 'priority clients'.

Representatives from a human rights & an eco-organization become board members, with voting rights.

Partner agreement caps profit share for all to increase reinvestment in purpose.

30% of profits go to an internal fund to subsidize most impactful clients and projects.

Pro bono work is transforming clients of the business to be regenerative and distributive in their deep design.

Two voices focused on human rights and nature will shape decisions on clients and projects.

Ensures only staff and partners committed to the purpose remain with the business.

Enables the business to support clients that have greatest impact, even if it results in lower income sometimes.

Identify based on impact and redesign workshop. Give long-term commitment of pro bono support of 20 hrs/month.

Identify human rights org related to issue most common across highest risk clients, and an eco org (e.g. Lawyers for Nature).

Start small and move to a cap of current average of profit share.

Start with 10% next financial year, increase slowly by 5% each year.

1 2 3 4

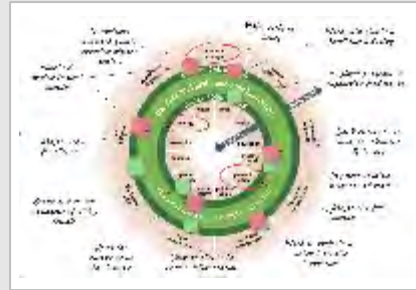
Your Doughnut story of business redesign

Now you can
**summarize everything
in a powerful narrative.**

How will your business
contribute to helping
humanity into the
Doughnut?

What transformative
ideas are you intending
to pursue?

And what will you
change in your deep
design to make it
happen?



1 2 3 4

Your Doughnut story of business redesign

This canvas helps bring it all together.

Tell your story by writing a few lines to summarise each of the 5 areas you have covered in this workshop. Each participant can summarise their Doughnut story of business redesign by using the prepared text as a starting point.



Business

Date

Team

Why

To help humanity into the Doughnut, **the main focus of our business** needs to be the following (based on the dimensions of the Doughnut):

How

To achieve this, some of the most transformative **regenerative and distributive ideas** we need to pursue are:

What

What I **propose needs to be redesigned** in the deep design of our business, to enable the transformative ideas needed to help humanity into the Doughnut:

Use sticky notes



write your story on the canvas

or make a short video with a narrator...



do whatever works best for you, but don't forget to record it.

Canvas: Doughnut redesign story