

# Everything is changing... ...even the Business!

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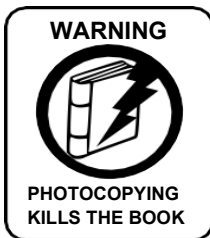
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Everything is changing... even the business !

*I dedicate this book  
to all those who are  
working hard  
to change our society  
while fighting the forces  
of conservatism.*

Preface by Bruno Le Maire,

## French Minister of the Economy, Finance and the Recovery

Companies are the lifeblood of the economy. The prosperity of our country relies on the strength and freedom of companies. As Minister of the Economy, Finance and the Recovery, I have always worked to improve the conditions in which these companies operate. This was the motivation behind the French law of 22 May 2019 on business growth and transformation, known as the PACTE law. It was centred on one key question: what is the aim of a company's activity in the 21<sup>st</sup> century?

My belief, largely based on my experience talking to and meeting with entrepreneurs, was that we had to work to provide a legal framework adapted to a new kind of solution. This is what led us to establish purpose or *raison d'être* as part of the PACTE Law.

The PACTE law was also a process, a shared project, the result of extensive consultation and constant dialogue. At the heart of the PACTE law was a certain inkling, one that is proving to be increasingly true: our century will see the reinvention of capitalism.

After entrusting Jean-Dominique Senard and Nicole Notat with the task of drafting the law, we engaged in dialogue with members of parliament, business leaders, trade union representatives and employees to create a text that reflected the change our fellow citizens wanted to see.

We are in no way pushing towards holding back growth or abandoning capitalism altogether. We must broaden our perspective and define a new economic model that can rise to the challenges of our time.

Now, emerging from the recent health crisis, we can see that our intuition did not deceive us. We knew it was time to find a new language to define the true sense of economic activity, one that was fairer, more in keeping with the public interest and the common good.

The question of what place businesses occupy in our societies and communities was a central element of the PACTE law. This predominantly required a redefinition of the business itself, by incorporating the concept of corporate social responsibility into the French Civil Code.

How can we help businesses become key players in societal growth? They already play their part in collective change and progress. But they could take this even further by defining the significance of their actions. This is why we gave businesses the opportunity to define their purpose, their *raison d'être*. There is no question that those who choose to do so will be the first to establish themselves as part of the country's new economic landscape. With the status of *société à mission* ("purpose-driven company"), more ambitious businesses can set themselves major social and environmental goals, which will be monitored externally.

This change in approach involves a change in the operational functioning of businesses. The task is now to develop indicators that allow us to assess the activity of companies in ways that go beyond the financial.

Although social issues and the ecological transition ought to be further taken into account, there should also be a central focus on corporate governance.

Our aim was not to introduce more restrictions, as freedom must remain, insofar as is possible, a core value. This is why it is up to each company to establish their own purpose or to become a *société à mission*. I believe in the virtues of positive encouragement and the willingness of companies to rise to the challenge. My intention is clearly for public companies to take the lead in this new opportunity.

Periods of reinvention often generate feelings of fear and hope. It's up to us to act so that hope can triumph over fear. I have full confidence in the will of business leaders to seize the opportunity for progress that we are offering them.

At a time when our economy is trying to find the right path out of the crisis, purpose and social responsibility can also be drivers for improving competitiveness and promoting long-lasting growth.

I extend my most sincere gratitude to all those who have participated in this collective endeavour. I also thank Philippe Arraou for his constant commitment to companies and business growth, something which is only further proven by this book.

**Bruno Le Maire**

## FOREWORD

I am a real sucker for quotes. Since my childhood, I have meticulously put together a collection of my personal favourites, taken from the books I have read. They are a reflection of myself. Each is a piece of a puzzle, a fragment of my unique, complex identity, as would be the case for any other human being. After I have breathed my last breath, if my life were to be given one single meaning, it could be found in this collection of quotes. Their overarching theme would undoubtedly be that of change, as my restless soul has always been captivated by the idea of taking on new projects, reforming our realities and bringing progress wherever I go.

It is surprising, but also fascinating, to find so many references to change in the writings of our great thinkers, those who we are quick to describe as wise and who preserve their deep-rooted image as time's custodians. It is a perfect illustration of the fact that change is not unique to our modern-day society, but is in fact a part of the universal circle of life:

*“Remember that the only constant in life is change”*  
(Buddha)

*“Life is a series of natural and spontaneous changes. Don't resist them – that only creates sorrow. Let reality be reality. Let things flow naturally forward in whatever way they like.”* (Lao-Tzu)

*“Nothing is permanent except change”* (Heraclitus)

*“The world is change, life is substitution”* (Democritus)

*“Green grapes, ripe grapes, raisins. Everything changes, not to avoid being something but to become what is not yet.”* (Epictetus)

*“What prevents us from changing is not only our doubts, but more often our certainties.”* (Seneca)

*“Everything's destiny is to change, to be transformed, to perish.”* (Marc-Aurèle)

These are followed by the contributions of more contemporary philosophers:

*“Change alone is eternal, perpetual, immortal.”* (Arthur Schopenhauer)

*“How little time it takes for you, Nature, with your unwrinkled brow, to change everything, disregardingly, and, in your acts of transformation, to snap the mysterious threads that bind our hearts.”* (Victor Hugo)

*“No great improvements in the lot of mankind are possible, until a great change takes place in the fundamental constitution of their modes of thought.”*  
(John Stuart Mill)

*“Everyone thinks of changing the world, but no one thinks of changing himself.”* (Tolstoy)

*“Progress is impossible without change, and those who cannot change their minds cannot change anything.”*  
(George Bernard Shaw)

*“Be the change you want to see in the world.”* (Gandhi)

*“All true things must change and only that which changes remains true” (Carl Gustav Jung)*

*“The world hates change, yet it is the only thing that has brought progress.” (Charles Kettering)*

*“It is not only the world that must change, but man.”  
(André Gide)*

*“Looking to the future, it's already changing it.”  
(Gaston Berger)*

*“Never doubt that a small group of thoughtful committed individuals can change the world. In fact, it's the only thing that ever has.” (Margaret Mead)*

*“We do not have the power to erase the past or to change the present, but we do have the power to create our future.” (Omraam Mikhaël Aïvanhov)*

*“Changing the world is up to us. If each of us tries, the next generation may see a happier, more peaceful world emerge.” (Dalai Lama)*

*“Moving things about is the work of men; one must choose doing that or nothing.” (Albert Camus)*

*“The secret of change is to focus all your energy not on fighting the old, but on building the new.” (Dan Millman)*

*“The only law of the world is that of change.” (Luc Ferry)*

Politicians have often referred to the need for change when carrying out large-scale projects:

*“People only accept change when they are faced with necessity, and only recognise necessity when a crisis is upon them.” (Jean Monnet)*

*“We can only choose between changes that move us about like puppets and those which we ourselves can foresee and achieve.” (Jean Monnet)*

*“We can change the world and make it a better place. It is in your hands to make a difference.” (Nelson Mandela)*

*“By doing the smallest of actions, we can bring about the greatest of changes.” (Pierre Rabhi)*

Other politicians have evoked change as a convenient tactic, and not always without humour:

*“The absurd man is he who never changes.”*  
(Clemenceau)

*“If you don't take change by the hand, it will take you by the throat.” (Churchill)*

Then the world of economics steps in with its great flood of innovations that also represented a break from the past:

*“The entrepreneur always searches for change, responds to it, and exploits it as an opportunity” (Peter Drucker)*

*“I am the kind of person who makes waves and shakes things up, the kind of person who creates change. I do not want to do things as they have been done before or play it safe.” (Sir Ralph Halpern, Former Chairman of the British Fashion Council)*

*“There are two types of companies: those that change and those that close down.”* (Philippe Van Den Bulke)

*“Death is very likely the single best invention of life. It is life's change agent. It clears out the old to make way for the new.”* (Steve Jobs)

*“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”* (Richard Buckminster Fuller)

*“The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.”* (Peter Drucker)

Finally, the debate on change has had its fair share of humour takes:

*“We cannot change the wind, but we can adjust the sails”*  
(saying)

*“In a changing environment, you must change to remain the same.”* (Philippe Arraou)

*“With a changing world, it is better to think about change than to change the plaster”* (Francis Blanche)

Personally, the conclusion I myself have drawn from the above is this single law of the universe and mantra of zen philosophy: EVERYTHING IS CHANGING.

It has been irrevocably imprinted onto my very being, by the strength of its simplicity. These two words say it all, like a maxim engraved in stone by a celestial hand. Nothing resists its power, using the present tense to emphasise its permanence and its infinite reach.

We cannot find a better case study than the world of business to illustrate this idea of adapting to one's environment. The very existence of companies is based on the desire to meet a need which, by definition, is in constant flux.

All has changed in the past; all is changing in the present and all will continue to change ad infinitum. It is an eternal force that we must come to understand and accept. It is the force of life.

It is life on Earth's very breath, with its immutable rhythm, like waves lapping against the shore. By trying to resist its pull, one is inevitably destined to fail. Wanting to stop time goes against the very principle of life. This is why any form of conservatism is a way of rejecting life that only leads to its own demise. Life is all around us, like running water. Nothing can stop it.

We can build dams to try and contain it, but no matter how solid their construction, our efforts will always be futile. Understanding the water's flow, embracing it, playing with it, surfing on its waves and giving in to its tide are life lessons that must be learned in order to avoid setbacks and disappointments. All we have to do is embrace the future and make our actions as long-lasting as possible, whatever they may be. This applies in particular to entrepreneurship which, by definition, is associated with an environment, an ecosystem on which it is reliant. It must constantly adapt to and integrate itself within this ecosystem. The following pages will, in the tradition of Darwin's theory of adaptation, justify the presence of change during these times of deep societal mutations, now at the start of the 21st century and the third millennium.

Jeff Bezos, the legendary CEO of Amazon, a success story built on brazen ambition, summarises this with his usual penchant for provocation: *“Determine what your customers need and work backward, even if it requires learning new skills*

Although that may seem obvious, this is a new, revolutionary concept. No matter how skilled the management is, or how genius and brilliant the product or service may be, a company will have zero chance of survival without a market demand. It is the perfect example of this critical need to adapt. This is why businesses are the perfect environment for experimenting with growth and change. When everything is changing around you, what choice do you have but to change yourself? Of course, this brings to mind the consumer products that have changed with time and with society. Companies have managed to keep track of trends and adapt their offers. But this kind of change is only superficial.

Something else has come to the fore in our modern era. While up until now, only the form has been subject to change, the content is now also affected by that very same process. Although form and content have long been seen as two opposing concepts, the two must now be in perfect sync in order to avoid disaster. It is a question of concept. Technology has completely transformed the consumer product to such an extent that its usage is no longer the same. Now, an object is not sold without a detailed explanation of its use, ideally with the aid of digital tools, so that it becomes a means of accessing a service. DIY stores have embraced this concept along with their suppliers, integrating advice and customer support into their business model.

It is not a drill that they are selling, but the possibility of putting up shelves by using, almost incidentally, a tool.

In this way, the unstoppable tide of technology swept away old customer behaviours and habits, to bring about new approaches and mentalities. The incorporation of digital tools is glaring proof of this. It is not the tool in itself which

offers something new, but the way in which it is used. Or way of working has changed. This disruption, for want of a better word than revolution, has bulldozed the past.

This is precisely why the dawn of the digital age represents such a major challenge for companies. They are forced to adapt not only to another kind of customer demand, but also to their teams' expectations of a new system of operation. The rules of organisation and management have been turned upside-down. Not even our economic model has escaped this change. The corporate context is the one that has been most greatly affected by these contemporary shifts. Here, these changes are at their most palpable and at their most essential if are thinking in terms of future plans and longevity.

This constitutes the intention behind this book. Although companies are commonly associated with the unshakeable image of a static institution, firmly rooted in its history, methods, and products, with its customers and staff, they now find themselves faced with a challenge that threatens to disrupt their very identity! They must give a meaning to their activity, beyond the mere generation of profit, which is no longer an acceptable objective on its own, although nevertheless essential for a company's survival.

It is a truly existential question: "Who am I?" "Where am I going?" Sartre would turn in his grave, he who provoked scandal in his time by arguing that it was up to each human being to give meaning to its life.

Now it is up to companies to define their identity and give a meaning, or perhaps even intelligence, to their actions.

This applies to all businesses great and small, in every sector. The effects of this shift have been so great and pervasive that corporate giants have disappeared overnight due to a lack of foresight. More than any other social entity, companies are the places where current societal changes are felt the most. We could even go as far as to say that companies play an essential role in societal change by

training their staff to embrace new ways of thinking and acting, and by adapting their offer. This is therefore an incredibly important subject to address.

In addition to the business survival being at stake, it is about building an ambitious new world, our future society, with a whole new range of concepts and values. Societal problems have become more visible, highlighting the limitations of our system. The two major elements in this have been the growing environmental crisis and the increase in social inequalities. One could argue that these are both the fruits of this model, and that in order to find solutions we must adopt a different approach, a different culture, and a different direction of responsibility.

Einstein used to say: *“we cannot solve problems by using the same kind of thinking we used when we created them: we must learn to see the world with new eyes”* In other words, we must adopt a new perspective, a new mindset for our new millennium.

This book is written as a practical guide to implementation that shows you the most logical path to take. The first step in making this change concerns the implementation of digital tools, starting with a company's organisation and production. It will also be a question of applying a different perspective to the digital transformation by changing our management and economic models. This task is the most urgent of all, as all the tools are at our disposal and must be embraced in order to stay in the game. The next step is to begin to reflect on the company's purpose and social responsibility. These kinds of conversations are essential in anchoring the company in modern ways of thinking. Once we have reached this milestone, we can then look at capitalism as a whole, to try and reinstate a certain legitimacy.

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This is a major effort that all companies must make if they wish to enter this new world and perhaps even shift their focus slightly from quantitative endeavours, without abandoning them altogether, to make a strong commitment to a qualitative approach.

This will all lead us to our conclusion that everything is changing, even the business !

Everything is changing... even the business !

## PART ONE

# **THE DIGITAL CATALYST**

The digital world is becoming an increasingly major part of our daily lives. No one is exempt and we are all affected, all of us, young and old alike. The younger generation, according to Michel Serres, live IN the computer, which, more than a simple tool, becomes part of their living environment. Their daily life is built around social media through constant connectivity with their “friends”, most of whom they have never met offline. The youth of today, who now see text messages as old-fashioned, constantly communicate using various messaging services, sending and receiving tens or hundreds of messages per day. The percentage of school students sending messages while in class is estimated at 65%. They need to check their smartphones at all times of the day. Every day, smartphone users touch their phone an average of 221 times. Between e-mails, sending messages, replying to messages, looking up information on search engines, checking social media, likes and all the rest, our time is spoken for. What is even more alarming is that according to an American survey by Common Sense Media, a company specialising in media analysis, 50% of babies under the age of two have already used a smartphone, compared to 10% in 2011. All those who were born after the introduction of the computer have learned to live WITH it.

It is a tool, but with one caveat, due to this now indispensable tool's very function: we can no longer do without it.

Naturally, the economic world was not able to escape this change in society.

It was, in fact, businesses themselves which accelerated the use of digital tools to the point of turning the internet into a giant marketplace, despite its original purpose as a communication tool.

As a result, the rise of the digital era shook the very foundations of a large number of economic and industrial actors, forcing them to adapt, even totally transform themselves, in order to survive.

Online intermediation platforms were the most striking examples of this new economy. These now include Uber for transport, Google for advertising, Netflix for video, Amazon for business, Airbnb for holiday rentals, etc. No sector of activity is spared. As British science historian James Burke once said, more than thirty years ago: *“Every time there is an improvement in the technology with which ideas and people come together, major change ensues.”* Looking back on our recent history, time has proved him right.

We have truly felt the sense of the word disruption, recalling the teachings of the great Austrian liberal economist Joseph Schumpeter, who as early as 1911 argued that we must accept that there can be no true creation without the destruction of a past. Another great, more contemporary economic thinker, Peter Drucker, also coveted this idea of breaking away from the past, arguing that *“the greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.”*

This momentum began in the iconic Silicon Valley, with its famous start-ups that became the success stories of the modern era. The rise of new communication technologies, hand in hand with dematerialisation, was the perfect opportunity for us to rethink our economic models. Then it all happened very fast. Innovation left its mark by moving from a gradual evolution, without provoking any major changes in the existing modalities of operation, to a more disruptive innovation, with the introduction of new technology onto the market.

Digital photography is a clear example of this. Kodak learned its lesson and paid the price. In 1975 the company invented digital photography but decided to not invest in this new innovation for fear of neglecting the very lucrative camera film market. In 2012 the company filed for bankruptcy, despite being the indisputable market leader just a few years earlier.

Another example is Blockbuster, which was one of the world leaders in video rental in the early 2000s. Its market capitalisation had reached \$5 billion when it made the strategic error of turning down the opportunity to buy Netflix for \$50 million, a sum they deemed to be too high. In 2010 they filed for bankruptcy and by 2013 the company was history, while Netflix went on to become today's uncontested leader in the market.

The two factors in this technological progress which facilitated growth and innovation were the speed of data processing and storage capacity. The material limitations of these two technologies have been significantly reduced, almost eliminated altogether. How can we fail to see the link between these ground-breaking advances and the arrival of the digital age?

The amount of information that can now be stored is practically infinite. Nowadays, everything can be stored, which has led to the creation of immense databases. Data is then processed at an incredible speed, with the use of extremely powerful tools. This resulted in the mad race for Big Data, a recent concept that has essentially eradicated all limits when it comes to data storage. The final step was to introduce artificial intelligence tools to establish links between these data using logical reasoning models. This is how technology evolved to create the digital era. This is how we transitioned into an information society and saw the emergence of new economic concepts along with new types of products and services.

All companies of the old economic world had no recourse but to quickly match their pace with the new competition of the digital economy, as their own customers had already changed their consumer habits or were soon to do so. Moving into "start-up mode" when we have an already established operational framework that is both reliable and in line with our habits is not the easiest of tasks. But we have no choice. Digitalisation is no longer an option, and every company must take it into very serious consideration. Let's start with the terminology.

The concept of the “digital” encompasses the existing technological innovations and digital solutions that can be used to improve performance or quality. Their use can help to achieve different objectives, from the digitisation and consequent automation of low value-added tasks to the addition of value to a product or service, for example by building a new type of relationship with customers.

This “transformation” refers to the changes in business brought about by changes in technology.

This digitalisation actually pushes us to re-examine our entire organisation, model, processes, methods of management, as well as our strategy, culture and values.

Limiting this transformation to the introduction of new technologies to boost production or sales without taking the opportunity to reassess the project from the ground up would be short-sighted and, in any case, would keep the company one giant step behind the disruptive models favoured by start-ups. This is the real difficulty for businesses which have been operating since before the arrival of these new technologies. Changing is trickier than starting from zero. It is harder to work towards changing an existing situation than to come up with something completely new, with no limitations.

When given the choice between renovating a building to make it more modern and designing a completely new building, any construction professional would pick the second option in a heartbeat. The digital transformation naturally involves a kind of renovation. That is the topic of this book: how to implement change in business so that it can remain competitive and not fade away.

To fully understand this challenge, we spread awareness of the fact that the digital transformation is not just about tools, but also about human beings. It is a sociological, not a technological issue, to such an extent that we refer to it as a “new society”.

The issue is more cultural than operational. The plan of every company operating today is therefore one of change management. As we often find in cases such as these, the first difficulty undoubtedly lies in our mentality. This can be explained by a lack of exposure to digital technologies but also by a fear of change, that old reflex so typical of human beings.

The greatest challenge here is spreading the message that the business model, the same one that has proved its worth up until now, is no longer valid, that its life cycle is at its end, and that we have to adapt to environmental changes.

This is why we must speak with a certain urgency and talk of a change in society. Even if the movement catches on, it is not always enthusiastic enough to trigger immediate and total disruption. Despite these efforts, the old model continues to exist, at least for certain companies, for a portion of their clientele. We find ourselves at a crossroads, with one but still-operational economy working in parallel with another emerging economy.

Even when business trends are taking a downward turn and the CEO feels a change in the air, this isn't enough to push them to take action and reassess the situation.

This attitude is a lack of forward thinking, a way of closing your eyes to the reality in front of you. The turnover of high street shops is falling every year. Is this due to new local competition, as shops close one after the other? Can it be explained by the proliferation of big-box stores, with an ongoing lack of new arrivals? Or is it a decrease in consumption, despite figures showing it to be on the rise? Is it not, in actual fact, due to the huge growth of e-commerce, a whole new way of buying and selling? The reality is that the younger generation consume in a different way. This has been proven by the activity of national and international online sales platforms.

All business leaders must have foresight: “*to govern is to foresee*”, said Adolphe Thiers at the beginning of the 19th century, a statement that still rings true. For B2C businesses, foresight means realising that a different type of relationship must be forged with the customer.

Many companies are late to commit to this process of change. They do not realise that the more they wait, the more they risk shortening their lifespan.

For any company, the digital transformation means going back to basics and starting from there:

- Their customer relationship, to find new types of exchanges
- Their business organisation, to identify performance levers
- Their economic model, to seek out new horizons

The leitmotiv of each of these elements is about seeking value. This starts by defining the value and its content, which are not necessarily the same today as they were yesterday, in collaboration with the new generation of employees but also by allowing customers, suppliers and all third parties to influence decision-making. It is about positioning this added value in order to know where to direct it when it comes to the customer's perception. Asking this question means recognising that this perception has shifted.

The digital transformation is therefore about adopting a strategy or, at the very least, a new stance, and selecting new technological and managerial levers. This project will also be directed through the lens of performance optimisation. There are many examples that confirm the importance of this do-or-die attitude.

It is so important to emphasise that the digital transformation is about more than technology, however impressive this technology may be. It is, first and foremost, a mindset that can find opportunities for creativity and progress within these new tools. The digital revolution we are currently experiencing is an incredible entrepreneurial adventure.

The analogy of the voyage is a good illustration of the path that these old-economy companies must take. Just like those who set sail for the new world two centuries ago, leaving the old continent behind, we now find ourselves in the same transitional phase of passing from one side to the other. There is a sense of unfamiliarity and therefore risk, but the promise of riches for those first to arrive. This new world is yet to be built, but we must make the journey before the work is done or it will simply be too late. The rules of this world are defined according to all sorts of diagrams, vertical, horizontal or circular.

The work that follows will attempt to redefine their shape using the most pragmatic approach, which can be challenging when dealing with such a novel concept. Faced with so many unanswered questions, doubt may plague the decision-maker's spirit - and logically so. Only faith will overcome this feeling of doubt, pushing them to venture into the unknown, to dive into the abyss.

"I don't have all the information, but it feels right, and I believe in it." This is the mindset of all creators, adventurers, anyone who has found success by saying "yes" at exactly the right time. As the famous lottery slogan goes, "you can't win if you don't play." Unlike the lottery, which offers incredibly slim chances of success, the digital economy is a sure bet. It promises an inevitable growth that every company will be forced to adhere to sooner or later. The best decision is to set sail without delay.

This has never been more the case, as the COVID-19 pandemic has accelerated this process and brought about major changes.

While the economy was slowed down, sometimes even brought to a complete halt for certain activities, we experienced a boom of dematerialisation.

Lockdown brought about an increase in tools used for remote working and accelerated the digitalisation of processes and organisation. This period will have helped a great deal of companies to pass a milestone and set a definitive course, as it seemed delusional and impossible to return to old habits after the health crisis. It all goes to show that we must not let this devastating, deadly period pass us by without emerging on a positive note, with a great leap forward, full of a new energy to reform the world of business. The etymology of the Latin word “reformare” comes from the meaning “to restore something's primary form”, which reminds us of the distortive nature of time, and the need to recover that original inspiration. This is why a reflection on values and ethos is so essential. All businesses must focus their plans for transformation on stripping things back to the bare bones and adapting them to the new society. Let's start this exercise by looking at the uses of digital tools, as we will see that this naturally causes us to re-examine our company's organisation, economic model and its place on the market.

Then, the scene will be set for us to reflect even more deeply and move towards a process of existentialist introspection to find our purpose and perhaps even a new form of capitalism.

## SEEKING PERFORMANCE

Organisation is a constantly changing factor for any business. With the rise of the digital era, the subject has become a major lever of transformation for those seeking to improve performance. This involves the use of integrable technological solutions and digital tools brought about by the boom in cloud-computing, data processing and the diversification of available solutions thanks to a whole range of different innovations. Any business is affected by this, whatever the size or sector of activity. Many products have appeared on the market, from those assisting with company structure through global information systems, or those designed for specific professions with the creation of dedicated software. All share a common goal: to improve business performance. Among the most beneficial effects these products have to offer, automation takes the lead. This word has a somewhat negative connotation as it seems to suggest a loss of jobs. But that is not its aim. If tasks are carried out more quickly, individuals can use this saved time to do something else. This is why the implementation of technological solutions aimed at automation must be accompanied by a comprehensive plan to appropriately organise human resources and training to help staff adapt to new tasks.

The first advantage of automation is the reduction, if not eradication, of the risk of human error associated with manual labour, usually in terms of technical execution. It is the application of the “tell us once” formula relating to information that circulates without the need for reminders or repetition. All risk can even be eliminated altogether thanks to the automated entry of data into the information system.

It is shown by the introduction of electronic billing, which uses a different technology than document dematerialisation. Nowadays, it is common practice in B2B companies to convert a document into a PDF file to be transmitted via internet. This dematerialisation is useful but is only one more step towards electronic billing. The paper document, or PDF file, will be replaced by a message, transmitted directly from one information system to another, in a type of “machine-to-machine” communication. Of course, if information quality is ensured, speed of execution is increased. No need for manual entry: data is entered instantly in the information system and is fed into all the systems that require it. This allows us to save a significant amount of time.

The introduction of this technology revolutionised business organisation. There is no ambiguity when it comes to the advantages of these digital solutions: they only serve to help a company improve the quality of its information and production. Whatever the sector, there are existing products and solutions that are worth considering in order to choose those best suited to your needs. When it comes to this, hesitation is not recommended. Companies need to explore digital solutions fast if they haven't already done so. The competition has not hesitated, and this is shown by their offer. This could be by improving a product or service, or by allowing for a reduction in cost. Whatever the benefit, their position on the market will have improved. Any delay in joining this trend could end up harming the company. In this new digital world, speed is the name of the game. As Klaus Schwab, founder of the World Economic Forum, once said: *“In the new world, it is not the big fish which eats the small fish, it's the fast fish which eats the slow fish.”* The incredible speed with which some new digital companies have become world leaders has only been at the expense of older businesses that failed to anticipate the changes by embracing technological innovations.

Uber never would have risen to fame if taxi companies had been the first to use geo-tracking technology to improve their service. In this context of general disruption, being the first to act is one of the conditions for success.

We must not procrastinate, and instead dive in without further ado to incorporate digital products that may well transform our production and offer for the better. This is both the first and the easiest step, as it will be specific to each company's activity and therefore more readily adopted by the workforce.

The only goal will be to seek to improve the company's performance. This may be directly by reducing costs, or indirectly by helping to enrich or improve information processes. In any case, it will act to improve organisation, which can only be positive. This is why it is crucial to act fast.

## THE CUSTOMER RELATIONSHIP

If I had to sum up the main difference between the old and new world in terms of the customer relationship in one sentence, it would be as follows: in the old world, we made the customer believe he was king, while the new world gives him everything he needs to actually become one.

In the traditional economy, the customer relationship was simpler, based on three key principles. These began with recognition, which normally depended on the business's identity or brand, expertise, skill, references, or a personal connection, which naturally create customer loyalty. The second essential element to the customer relationship has always been proximity. This was, of course, geographical, at a time when travelling was not so straightforward, but also human: before towns and cities grew to such immense sizes, everyone knew each other. This proximity clearly generates trust. Finally, another essential element involved in the act of buying is the transfer of ownership: by purchasing a product, we become its owner. The relationship is therefore based on a simple and logical producer-consumer, buyer-seller relationship. We could argue that this economy leaves the customer in a somewhat passive position, as he becomes - no matter how delicate and subtle the process may be - the seller's prey.

This relationship is as old as time itself: since the world came to be and trade began to create links between humans, this relationship has always been the same, even if the format has changed.

The latest evolutions of this traditional economy, the result of a structured scientific approach, emerged in the 1960s with the Marketing Mix model and the famous 4 Ps of Marketing which became an essential part of the business school syllabus, shaping the minds and practices of businesspeople around the world. Winning over the customer relies on four key factors:

- product: range, quality, associated services,
- price: affordability, deals, sponsorship,
- place: placement, networks, distribution channels, sales forces
- promotion: advertising channels, public relations, communication, direct marketing

Our society has seen it all. I remember, as a child, going shopping with my mother to buy all kinds of products: food, clothing, household appliances, etc. Back then, the seller was the star of the buying process. The seller was the one who had the knowledge and a person we could trust to help us choose the best product. They would guide the customer through the buying process, selling them more or less what they wanted, once trust had been established.

This was a time when salesmen and women were on top of the world, becoming the top salary-earners in companies. Everyone who remembers this type of commerce thinks back on it with a certain nostalgia. There was a more human side to this arrangement and business relationships were based on healthier principles. This is not to say that these principles are no longer healthy, but the relationship is in no way the same.

In this new economy, everything has changed. The customer acts differently. They want everything to be an experience, to be treated as an equal, to be on the same level as the supplier. The relationship between the two parties is based on more fluid, multi-channel approaches. A great deal of effort is put into personalising the sale and making it unique.

Beyond the product or service itself, the two parties are brought closer together through their mutual search for meaning. That is not to say that there was no exchange of values in the old world. Although they were a part of the transaction, they were more tacit and not openly declared as they are today. We moved on from discretion, the result of our bourgeois education, to more empathetic, far-reaching behaviours which sometimes take a direct, even aggressive tone. We are free to say what we want, and we are more than happy to take this liberty.

So how did the Internet and new technologies cause our society and our consumer habits to change so dramatically? The reason is simple: a total revolution of the way in which we access the market. With easy, permanent and unlimited access available 24/7, allowing us to find any product at any quantity, plus the possibility of online payments, the customer can easily consume continuously, from their home, without having to travel. Consumption no longer depends on the provisions of a local supplier and, thanks to the Internet, grants access to the market offer of the entire world! This new paradigm transformed the act of buying and customer behaviour. The customer of today does not wait, does not queue, and does not go to the shop during opening hours: they consume when they need to or when they feel like it, which means they consume continuously, without limits.

E-commerce provided a solution to the limitations of traditional commerce and truly hit it where it hurts. It is true, however, that the two are not comparable and are built on different foundations. The relationship is no longer the same. It even threatens to disappear altogether. If the customer's need can only be met online, the act of purchasing is carried out without contact with a seller: the link is direct, via a website, all contact limited, at the very most, to a few FAQs with a chatbot.

It is curious that we find more security in a machine than a human exchange and have more trust in a computer than in a vendor. This behaviour reveals the innate fear of the buyer of being taken advantage of and paying a higher price than they should. Online, however, this fear disappears. Admittedly, the buying environment plays a major role in this: by making purchases from home, surrounded by our everyday comforts - or even in our slippers if we are to descend into caricature - our defences are lowered. These create optimal conditions to establish trust, the essential pre-requisite of any purchase.

The new customer is digital: they make their purchases online. But they are not only a buyer: their demands have changed too. It is no longer enough to make a purchase, it has to be an experience. The customer seeks not only a transaction but also a personalised service. The dream that is sold with every purchase of a product or service took on a whole other dimension, and businesses must incorporate this into their market strategy. Scott Cook, co-founder of the accounting software Intuit, illustrates this point very well when discussing the evolution of his branding concept: "*A brand is no longer what we tell the consumer it is. It is what consumers tell each other it is.*" This points towards a reversal of trends, a cultural change.

The customer uses their network to consult their community and obtain practical information from those who have already bought the product or service and therefore know it best. It is undoubtedly one of the Internet's greatest strengths to have created this huge international dialogue. Companies are aware of the advantages of the Internet, which allows them to broaden their trading area by reaching the entire world, but also of the risks associated with the immediate sharing of all information concerning them. It takes many years to build a reputation, and it can all be brought tumbling down in an instant. Reactivity and immediacy are part of the digital economy.

In the United States, over half the population regularly make their purchases online. This phenomenon is only growing, proving that the digital economy hasn't yet reached maturity. Europe has not yet reached this threshold but is getting closer by the day, and France, who has not exactly been the star pupil in this area, is catching up fast. And let's not neglect to mention China and developing countries, who are making lightning progress in the field of e-commerce. In every part of the world, the boom of online retail reflects a societal change. This trend continues to grow and seems to be here to stay. The best we can do is to ride the wave of this change in consumer habits, which is, ultimately, a change in society. There is no other solution for the companies affected by this: they must adapt to this change in their environment. Because, once again, "in a changing environment, you must change to remain the same."

"Customer experience" has become a must when it comes to sales strategy. It is a marketing concept that deals with the relationship between companies and their customers.

Marketing professionals believe in breathing new life into this concept, which has now become the key to success for many major companies. Although the act of buying has always involved this idea of the dream, this must be explored even further, with the help of new interactive tools.

Business is now able to create a unique, memorable and symbolic moment of dialogue with customers, which then drives their sales strategy.

The goal is to enter into an emotional space. It is no longer about creating and selling a physical object, but allowing the customer to have a unique experience, from visiting the website to after-sales support. The goal is precisely to trigger an emotional response in the customer before, during and after the purchase. We must understand that we are dealing with a different kind of customer altogether. The access to information provided by the Internet contributes to our collective education and raises the threshold of knowledge, resulting in informed, trained and knowledgeable customers. They know as much about the product as the company does. So, they must sell something that goes beyond the product. The relationship cannot be the same as before and this new paradigm must be explored by companies. The customer relationship has been utterly transformed. A few years ago, advertising was enough to earn the trust of customers. Nowadays, however, customers want concrete actions and that's where customer experience comes in, aimed at offering customers unforgettable moments by playing on their perceptions, senses and experiences. Customer experience must offer the customer unique moments that create or maintain a connection between them and the business.

At points of sale, this translates into a comprehensive offer composed of the company's traditional product or service and a second-level proposal: fun, aesthetics, escapism, a unique in-store experience, etc.

Customer experience is managed using Customer Relationship Management (CRM) tools. Customer experience doesn't only come down to the relationship that exists during the purchase but must be built up over time in order to create a sustainable bond with the customer. To ensure a positive experience for the customer, the company must understand what exactly will resonate with the customer at various points of their journey. Countless companies now send us an e-mail to wish us happy birthday. Businesses are no longer just concerned with customer satisfaction or loyalty, but are increasingly interested in their emotional response. This is represented by the rise of relationship marketing, which focuses on the human and emotional dimension to sales. Of course, Big Data tools are a precious resource in this field. All data on the life of the customer will be added to the company's database to improve their CRM. This allows the company to reach out to the customer on issues that, despite not being necessarily connected with their products, will show them that they care and strengthen the customer bond. This goes completely beyond the realm of salesmanship to enter a space of emotional connection.

We now talk of "sensory marketing." All of this is based on communication and technological tools. This is why today's companies must focus on the customer and not the product. No more designing a product, advertising it, and putting it on the market with great fanfare in the hope of finding potential customers. The Marketing Director of Yahoo!, Seth Godin, cleverly summed up this shift: *"Instead of looking for customers for your products, you seek out products (and services) for the tribe."* The positive sales attitude is about listening to the customer, working out how best to meet their expectations, and incorporating them into the company's strategy.

“Customer experience” tools allow companies to build a new relationship with the customer to promote dialogue and exchange information with them by using new technologies. This is a new approach for the world of business, a “customer-centric” culture as it is known nowadays. We must spoil the customer more than ever, because they now have the ability to harm the company using digital tools, such as social media, customer rating platforms and, of course, company websites, which are open to all. The Internet has indeed given the customer a real arsenal and considerable power. Rather than seeing this as a danger, we should see it as a strength, and use this power to gain customer support and find ways to promote the company via ambassadors who will share positive reviews and improve brand awareness. Word-of-mouth has forever been considered the best marketing tool. Its role has become even more important with the rise of new technologies. Business has everything to gain by building a project alongside the customers, earning trust, securing loyalty, and establishing a relationship as two equals. This is known as a 360-degree customer view: a multi-pronged, no-limits strategy.

Companies can reach their goal as long as they have turned their customers into active and committed agents. In order to achieve this, they must use new technologies to organise and structure their customer relationship. They must listen to them, use their own communication channels, create spaces for co-construction and innovation, ensure their path is as streamlined as possible, personalise their purchases, improve products using technology and offer them a rich experience. Only then will a quality, long-lasting relationship be possible.

When I talk to my clients about issues relating to the digital transformation and help them to approach the issue, I always start by asking them: “when and how do you listen to your customers?”

Although everyone does this or wishes to do so, in reality only few have implemented a structured approach. But this is precisely what it is required: to have a professional approach that makes the most of the tools available. The point of the approach is not only about satisfying the customer, which is the goal of any company. It is also about having the humility to ask your customers what they think about the company. Receiving customer feedback allows us to evaluate our strengths and weaknesses through their point of view. A system must be put in place to handle their comments and make sure their voice is heard. This is a great way to fuel discussions on how to improve products, services and methods. An external perspective is always beneficial. It is, after all, in keeping with the times, now that the Web 2.0 allows everyone to publicly express their opinion on every possible subject. We are in the era of the social web: a means of communication that allows us to create social links.

If they are not doing so already, companies have it in their interests to be mindful of platforms that are used in this way. We know the famous website “Tripadvisor” used for travel activities, which allows users to give professionals a rating to share their impression of the service they received. This trend is only becoming more widespread. Applications such as “Google my Business” or the French “Yellow Pages” invite people to express their views on the professionals indexed in their databases, even if the companies being evaluated do not have an online presence. A simple Google search provides us with plenty of information on what people think of a company. This includes opinions shared on social media, websites, blogs, forums, rating and exchange platforms, etc. As previously mentioned, all this information is stored using Big Data technology.

In other words, everything is known and everything is shared. This is why companies must be prepared to be rated and commented on.

Rather than simply enduring this behaviour, they must anticipate and take control of it themselves. This is exactly what an increasing number of companies are doing by publicly giving their customers a voice.

This is known as our Online Reputation, and this grows every single day whether we like it or not. If we are unable to influence it, we should at the very least analyse it. A system needs to be put in place to permanently monitor all online discourse concerning the company to allow us to react in real time. The idea is to act very quickly when necessary. We only have to think back to the impact of the recent “#metoo” movement to get a sense of this. With social media, a movement can be launched in an instant, catching on like wildfire. Boycott movements now achieve an even greater impact through the use of social media or petition platforms. There is no need to consult a consumer organisation to find out the nature of their complaints. The internet is much more effective. From Google alerts (notification of the appearance of specific key words in any online content) to Social Mention, Netvibes, or free and paid social media monitoring and Online Reputation Management tools such as Mention, Alerti, Hootsuite, Owler, Radarly, Trackur, company image monitoring has become a strategic issue. Because of this, large companies have their own monitoring policies, creating monitoring departments tasked with managing their online reputation.

These practices have only one goal: to satisfy as accurately as possible the needs of an ever more demanding customer. The 21st century business has to work differently, remaining agile and customer-centric. New technologies are the key to achieving this. That is why the digital transformation affects all companies indiscriminately.

Digital tools help companies to access this new economy, to gain presence on what could be described as a new market and forge a new type of relationship with their customers. The customer relationship is an important part of any digital transformation strategy. This can involve the use of tools such as CRM, social-selling, inbound marketing, persona, marketing automation, brand community, etc. With so many options available, it is worth remembering these are but a means to an end, and not an end in themselves. Companies must choose the tools that best match their needs, their market and their clientele. And, most importantly, these must be used for a specific purpose, to achieve a specific goal. The first step in this process is to set a clear target. These tools will act as a means to achieving this target. The whole point of the digital transformation strategy is to give a meaning to our actions and not limit our attention to the tools and actions themselves. Keep in mind the famous Chinese proverb: *“When a wise man points at the moon, an idiot looks at his finger.”*

## **PARTICIPATORY MANAGEMENT**

The major element of this transformation that must be implemented within business concerns the human being and their place within the organisation. This is due not only to a shift in attitudes in the human sciences and management, but also the expectations of the new generation, born into a totally connected world, a generation that is increasingly present in companies with each wave of new hires.

Generally speaking, the management model based on authority and hierarchy is due for a change. It will, naturally, continue to work, but generally only for very small business where the director manages a small workforce. If an employee rejects the authority, he will leave the company and soon be replaced by someone seeking employment. As the business grows, this model is no longer possible. Work must be given a structure, through the distribution of tasks, the consideration of each person's role and the organisation of interpersonal relationships. This is where things become complicated, as the business is forced to deal with a sensitive issue: the human being. Growth means delegating tasks and responsibilities, which means working in harmony with the needs of each individual, given that it is expected to keep everyone on board.

That is where the problem lies with the new generation, no longer comfortable with the top-down structure that imposes a hierarchical, downward flow of command. In this model, authority is built on knowledge: "knowledge is power". Knowledge generally comes from professional expertise: in specialised trades, for example, the boss is the master craftsman or craftswoman, and their employees are their disciples, starting out as apprentices.

But once we move from the context of specialised trade to a corporate or industrial environment, we must assemble a team of directors, managers, team leaders and supervisors, whom we can rely on to carry out their specific missions. We will need to find a way to lead them other than by authority alone if we want them to flourish in their working environment and if we hope to keep them on our team.

The other type of knowledge relates to information. In a traditional model, information does not circulate freely or is transmitted only partially, always in the same downward flowing direction. This model has the advantage of granting a crucial role to the person at the top of the pyramid, forming the basis for his power and authority. It is therefore a model where everything is pre-ordained, without leaving any space for personal initiative or creativity among junior employees. Any employee who wants to make professional progress must accept the model in order to climb the ladder, bit by bit, following a meritocratic logic, earning the trust of the boss and superiors. The employees will be so inculcated in this model that they will only reproduce it with those who end up under their command. This is how the business world has operated since its beginnings.

The old world, hardened by two centuries of mechanisation and the constant search for performance has given way to a world of flexibility and openness, where all things come together, intertwine, feed and enrich each other. The very organisational structure of the company has broken free of its straitjacket to re-establish itself around cultural, structural and managerial levers. Times have changed, and our morals too. *Ô tempora, ô mores*, as the Romans used to say. In the space of just a few years, our mentalities have totally changed and the world of work has been turned upside down.

The only solution for business is to adapt to the overall shift in our society. This is even more important for companies in search of staff, who will need to hire and convince individuals to join the ranks. In a tight job market, companies have no trouble finding staff. But when there are plenty of open positions, as is currently the case in many sectors, it is a different story. In this case, the tables have turned. The change in the relationship with the applicant during a job interview can be used as a valuable case study. While the employee formerly had to win over the company by inspiring confidence in order to be hired, now the shoe is on the other foot: it is up to the company to convince the employee to come and work for them, and it is the boss who is grateful for signing an employment contract. I was recently surprised by an applicant's response to a job offer at my company. Her reply was that she would wait to give her final answer until visiting the workplace and meeting her future colleagues, to make sure they would all get along!

We also mustn't forget that applicants know almost everything about the company and its directors from all the information they have gleaned online and on social media. What business leader would be careful enough to do the same for the applicant? The relationship is truly reversed.

The so-called Digital Natives, which would translate more colloquially as "the young generation born with a smartphone in their hand" will represent 75% of professionals by 2025. What's more, a billion of them will join the world of work over the next seven years. Are companies ready to welcome them? Are their working methods adapted to their daily environment? Do the job offers meet their expectations?

These questions can incite business to take action and enact change. To attract talent and maintain their appeal, companies have to be modern and engaging.

They must create an organisational model, integrating new concepts such as:

- Incorporating younger generations' points of reference
- Improving flexibility in term of space, time and working environment
- Developing a collaborative, agile and fertile model
- Changing modes of management and leadership
- Building a strong company culture

## **GENERATIONS X, Y, Z**

One of most commonly asked questions in companies is how to involve the new generations, X, Y and Z. This is another case of role reversal: it is up to the company to adapt to the needs of young people if it wants to hire them, because they will not stay for long in a company that uses what they consider an out-of-date model. But who are generations X, Y and Z? What makes our kids' generation so different?

Generation X was born between the comfortable years of 1965 and 1979. By adulthood, their culture had morphed into something more complex: the financial crisis replaced the Cold War and the technological advances of the late 20th century were in full swing, captivating this generation. They dived in headfirst, happy to find something that set them apart from their parents.

The next generation, born between 1980 and 2000, inherited a booming world of endless possibility. They were logically named Generation Y for having followed Generation X, but also because of the wordplay with the word "why?". This "why?" was the cry of this generation in response to the rules and regulations of the professional world. These "Digital Natives", as they quickly came to be known, had new expectations when it came to work and corporate life. They studied for an average of three more years than thirty years earlier but found it harder to find a job. Once finally employed, they preferred competence over authority, saw competition as a source of progress rather than danger, preferred not to sacrifice their personal life for work, sought meaning and recognition, and would go to the highest bidder.

It is this generation who changed recruitment, who turned the world of work upside down and challenged businesses' organisational models.

Their consumer habits were different from those of previous generations. According to an American study, 80% of Generation Y trust online recommendations, and 90% would make a decision based on a positive online review.

The last generation was born after the year 2000. They are a major target group when it comes to marketing, but they are still too young to be widely present within companies.

Even more so than Generation Y, the youth of today were born into a digitalised, online world, accessing the technology used by their parents. We therefore must expect different behaviours from this generation and a different, more digital culture. Generation Z-ers or “Zoomers” are described as restless utopians, with a more uninhibited attitude towards mistakes: it is normal to make a mistake, contrary to the attitude of previous generations. Ninety percent of this generation are Facebook users and consume information without necessarily generating it. There is no doubting that companies must evolve to be able to incorporate this generation, offering structuring, educative and psychological management models.

These three generations, X, Y and Z, also go by other names: “Millennials” in reference to the new millennium, or “Generation C” after Communication, Collaboration and Creation, a nod to their relationship with technology and information. This generation is defined not so much for its love of connectivity but for the reasons that persuade its members to go online and for the bonds that are forged through this connectivity. Bonds based on sharing. Google is no longer “their friend” despite what the company would lead them to believe. Whatever they need, they can find it in their community, whether they're looking for a way to travel (Blablacar) or media to consume (Youtube, Peer-to-peer).

For this generation, technology (bots, the internet of things) is used to make things simpler, to enjoy life and to collectively enrich experiences.

The integration of this younger generation is reshaping the organisational models of companies. Millennials' preferences lean towards collaborative community spaces and instant messaging, reflecting the spirit of social media.

The younger generation prefers live communication, by chat or by video. The purpose of in-person meetings has changed, now based on the sharing of values. Beyond this approach to modes of communication, we start to see a radically different vision of communication technologies emerge. While their elders saw it as a threat, most likely due to its difficulty of use, young people saw it as a tool, an opportunity to share values and convictions. This search for meaning is even more significant for Generation Z, who place quality of life at work and project innovation at the top of their list of priorities, while the older Generation Y prioritise financial stability and work-life balance.

The younger generations make their own rules. Companies should do more than just familiarising themselves with these groups. They would do well to take inspiration from them in order to appeal to these younger generations and let them express their creativity. The first step in this direction is to have the younger generation help executives and management staff not quite as well-versed in digital technologies, following the "reverse mentoring" approach. This model is empowering for both parties, allowing for a different kind of mutually beneficial knowledge exchange.

Another method that we see in some more pioneering business is the creation of a "Shadow Board", based on the methods of opposition to the British government that appeared in the UK in the 1980s.

This Shadow Board is presented with all the same arbitrations as the Board of Directors but is made up of a younger team of staff. This compare and contrast of approaches and perspectives between the two worlds helps to keep business strategy relevant. This was the experience in the early 2000s of General Electric, a group with 300,000 employees and the largest market capitalisation at the time. Concerned about the growth of the Internet, nefarious CEO Jack Welch asked ten of the brightest young minds from the company's IT department to coach the company's ten main executives, with three hours of lessons per week. This was paired with an exercise called "Destroy Your Business.com", which involved all staff. General Electric is now one of the old-world companies that has managed to successfully survive the digital transformation.

It would be inadequate and unproductive to discuss the digital transformation without addressing the intergenerational culture gap. Business cannot hide from this phenomenon, at the risk of ossifying themselves, becoming out of sync with their environment, and jeopardising their future. Forcing a company organisation and model from another time on young people will be met with rejection. And being unable to hire younger candidates is an unacceptable scenario.

In other words, there is really no choice: a business transformation must involve a re-examination of its organisational model in order to incorporate young people with different mindsets.

## FLEXIBILITY

Flexibility has become an important factor for business, thanks to the influence of Generation Y. Start-ups set the standard, and older companies are starting to follow suit.

When Steve Jobs, the iconic founder of Apple, offered his employees the option of taking holidays whenever they liked, for as long as they liked, in a country that usually limits paid leave to two weeks per year, many thought he was simply being the same incorrigible hippie he always was. The reaction was the same when he created a crèche so his employees could access childcare at their place of work, and when he placed the toilets for Pixar in the middle of the building so that staff would have an opportunity to run into each other and chat.

This practice of internal nomadism grew in popularity, leading to the boom of “open space” offices. We saw various new approaches, from the rearrangement of spaces to the mixing of roles and profiles. This exchange of ideas through difference can even be found in the application of the teachings of 18th century Scottish philosopher and economist of the Enlightenment, Adam Smith, who once said: “*every man lives by exchanging.*”

Flexibility has therefore become the guiding principle for open organisation, particularly when it comes to working hours. Not every activity allows for flexible hours, but when it comes to office hours, companies are forced to give in to the demands of employees if they want to attract them or retain them, particularly when it comes to working mothers. This is even more applicable when there is a shortage of workers. Part-time work is also a key issue, and a popular option for those looking to keep room for their family life. The tools available today help to achieve this flexibility.

When the business is using a cloud-based computer system, accessible from any device such as a tablet, this opens up the option of remote working. Remote working is becoming increasingly commonplace in business models and behaviours, now more than ever after experiencing life in lockdown during the COVID-19 pandemic. Thanks to cloud-computing, working from home is an increasingly popular option, helping the employee by freeing up their commute time and offering them the freedom to organise their day as best suits them. It also helps the employer by reducing the number of workstations required. For both parties, these advantages are most beneficial for those working in large cities, where traffic jams and expensive rent prices are a common concern. But this requires specific organisation, involving both remote working tools and methods allowing for this flexibility.

This culture of flexibility also affects working relationships. The trend is increasingly to call upon freelancers, self-employed workers who can carry out specialised missions for the company. This was formerly known as piecework. Practices such as this have started to appear online, with the creation of websites and applications that offer an alternative to sub-contracting. By visiting websites such as the global platform “Upwork” or the French website “Codeur”, you can get a sense of the diverse range of services and requests in areas that span all company departments: graphic design, coding, translation, etc.

We know that French legislation is not particularly in sync with this type of legal relationship when it comes to establishing professional partnerships, but attitudes are changing. Our preoccupation with job security is gradually becoming a thing of the past, and Generation Y, as previously described, are much more comfortable with an independent and flexible relationship. This all depends, naturally, on the sector of activity, but today's younger generation have taken it for granted that they will not spend their whole career at the same company, perhaps even changing their profession several times.

## COLLABORATIVE FRAMEWORKS

For any business that wants to try and change its organisation, the first effort will be to get rid of silos, even if they have proved their worth so far. Working conditions and mentalities are no longer the same, particularly for Generation Y who call for trust and responsibility in working relationships, with as little hierarchy as possible. Establishing a collaborative model is not the easiest thing to do, especially when we are working from a different model altogether, but it is certainly the most beneficial approach out there. As goes the African proverb, *“if you want to go fast, go alone, if you want to go far, go together.”* It is a question of fine-tuning the organisation to promote collective intelligence.

Emile Servan-Schreiber, Doctor of Cognitive Psychology, defined the concept of collective intelligence as follows: *“For scientists, it means a group’s ability to be smarter than the smartest individuals in the group. (...) For this to be possible, we need four ingredients: diversity of opinions, independent thinking, decentralisations of sources and, finally, an efficient mechanism to synthesise the gathered information.”*

This open approach is based on resolutely open-minded perspectives, inspired by the “project mode” model often seen in start-ups, by encouraging the creation of multidisciplinary teams capable of producing results in a very short space of time. More open and more fast are the principles of the agile model, originally developed by software developers and now used as an alignment model in companies.

In an environment subjected to rapid changes, permanent adaptation to these changes leads to a reduction in product or service design and development cycles, to provide the customer with concrete, useful deliverables and boost the company's competitiveness. It is no longer a marathon but a series of sprints, in an iterative process.

In this way, all agile process favour participation, collaboration and the involvement of each individual. Commitment to this implies trust and therefore responsibility and autonomy, but also the right to make mistakes. "*Fail fast, succeed soon*" is the clever stance adopted by start-ups.

Combining these new approaches with the use of tools such as collaborative platforms like Yammer (Microsoft) or Workplace (Facebook) makes for an even more effective model. These act as social networks for the business, used only by their staff, allowing them to exchange ideas freely. Companies have understood their potential when it comes to generating ideas and projects, or improving products, services and working methods, both collectively and openly. The value of these solutions can sometimes go beyond the business specific targets. When the Renault group launched its platform, one of the most active spaces was that dedicated to dealership mechanics, who were able to discuss their experiences of fitting parts on specific models.

This inter-disciplinary collaboration, agility and team creativity are what promote fertility in this new generation of business. Hard skills are improved upon through the introduction of soft skills, the latter being particularly important for the younger generations.

## MANAGEMENT AND LEADERSHIP

Quite naturally, it is impossible to improve collaboration, participation, and commitment or promote new behaviours without introducing new management models. Although at the highest level transformation is achieved through the expression of a clear and concrete vision that gives meaning to the company, new management methods are based on the formalisation of a motivational and creative environment.

In this new world, managing is no longer about commanding, but more about delegating, overseeing, creating connections and interconnections. Value is created by facilitation, exchange and feedback, taking everyone into account in order to create trust. I like to use the image of the orchestra conductor to describe the role of the modern business leader. Each member of the orchestra has their own score to play, contributing to the whole piece. There are some soloists who attract attention. But the role of the conductor is more subtle: he must ensure an overall harmony, making sure everything works, that everyone has their place, with a clear vision of the desired results.

And as Roosevelt once said: *“People ask the difference between a Leader and a Boss. The Leader leads, and the Boss drives.”* In today’s mentalities, the role of the leader is not up for debate. What we expect is a change in methods. The younger generations expect a leader to explain their decisions, to provide meaning and perspective, to be open to collaborate on future solutions. Authority is no longer a given, but that does not mean that respect falls by the wayside. A leader will be welcomed into the group and will earn everybody’s trust as long as he knows how to maintain a human approach and share his emotions.

We no longer have to hide our feelings; they are part of our collective adventure. It is by focusing on our emotional side and making authentic commitments that we achieve results. Augustin de Romanet, CEO of Aéroport de Paris, made the solemn observation: "*we cannot find success without putting our necks on the line, without having strong convictions.*" He adds: "*We can never be right when we are alone; we must spend our time listening to others*". This rule certainly applies to the new generations.

The complexity lies in the juxtaposition of these generations and their different cultures. Making a silo of each generation would definitely be the simplest solution. But our aim is to build bridges between these groups and create a common framework for all. This gives us an idea of the challenge we face today when it comes to human resources management. The agility expected by some clashes with the rigidity of others. The need for autonomy held by some clashes with the innate sense of hierarchy held by others. And vice-versa. This calls for a flexible management approach that promotes creativity and allows talents to flourish, building unity out of differences, which are, at the end of the day, complementary. This is not the easiest to achieve, but the business is sure to win as a result.

Everything is changing... even the business !

## PART TWO

# GIVING MEANING

In the previous section, I demonstrated how the digital transformation is not just about technology but also involves a real human and societal dimension. Each of us is affected by this, young and old alike, in both a personal and professional capacity. The introduction of new technologies is a great opportunity for us to give a new meaning to our actions so we can make our decisions through a new lens. It is a wonderful chance for a business to give itself a new lease of life by launching a model that ensures its future success. Yes, it can re-assess its business model to secure another kind of market presence. Yes, it can automate everything within its power and focus its work on seeking out and increasing added value to offer more to its customers. But, above all, it can build a new model of human relationship: internally, this will involve the drafting of a new social contract for staff, and externally this will mean establishing a new type of link with its customers based on commitment, trust and transparency. We should view digital technologies as a means and not an end, as a way we can build a new company and a new world.

Each company must carry out an action plan that is both individualised and has a broader scope that calls for collective action. This is why we must believe in the societal significance of this search for meaning. The direction taken by tech pioneers over recent years is cause for concern and raises questions on the economic and financial domination resulting from their growth, affecting our culture and society. The liberalism with which new services are designed and offered by these tech giants is morphing into imperialism, and our very freedoms are at stake.

Is this the type of society we want for ourselves?

Isn't it time we considered how these changes in behaviour and lifestyle caused by new technologies have impacted our social model to the point of threatening the common good? We must not underestimate the risks associated with the possible negative consequences of this technological change, yet another reason to give a meaning to our actions.

We are therefore faced with an ultimatum. We can let the giants of the digital economy continue business as usual, letting them define the parameters of our future society, with repercussions that extend far beyond the economical. Or we stop this unbridled liberalism in its tracks by implementing regulations that are in the public interest, which falls within the jurisdiction of our public administration, which must fulfil its regulatory role by ensuring a respect for equity and public freedoms.

Many of us have read the 2017 best-seller *Homo Deus* by the Israeli historian and philosopher Yuval Harari. After having presented his vision of the future in no less than 450 pages to prove the inevitability of the technological progress and, despite everything, urging us to trust in it, it is astonishing to see him close his book with the question: “*What is more important, intelligence or consciousness?*” The reader is taken back in time to their very beginnings, already ringfenced by Rabelais in the 16<sup>th</sup> century with his famous affirmation, “*science without conscience is only ruin of the soul.*” Progress has much to offer humankind, but only if it is to our benefit and serves a purpose. It is up to us to clearly define the purpose of progress. “For what?” should be the question on any creator’s lips when it comes to innovations that affect our entire society. Science for science’s sake is certainly fascinating for researchers, but this passion should not overshadow the usefulness of their discoveries or its potential applications. Technology must not be designed to replace human beings or threaten them; it must be designed to help them grow. Hence why we need to give a meaning to our actions, particularly when it comes to the digital transformation. Many signs point to the fact that our society is approaching the end of a cycle and starting one afresh.

We experience this in our daily lives, but we who are from another era, we who have known other times, are not necessarily aware of the current issues caused by new technologies. Our actions today cannot be compared with those of the past. Up until now, our impulse was to reproduce and sustain a model that came before us, proudly walking in the footsteps of our parents' generation. Any attempt to break the conservative mould into which we were born was met with hostility and our responsibility was often limited to obeying orders, which provided its own form of reassurance. We just kept our heads down and with a bit of luck we would end up climbing the ladder ourselves. This somewhat caricatured description allows us to get a feel for the extent of the change that has taken place in just a few decades. Failure to innovate in the here and now and upholding the model of our ancestors is a dead end. We must call upon the forces of disruption to save what can be saved, and to try to find our new place in the sun. We have to voluntarily impose a new paradigm before it is imposed upon us. This is why now, at the dawn of the third millennium, our actions are our responsibility and have serious consequences. We are in the process of building a new society, a new world.

Let's keep this in mind as we strive to do our best so that our children and grandchildren can inherit a better world. We owe it to them. We owe it to them to not repeat our past mistakes and to make the most of this incredible opportunity we have been given to build a better life for ourselves. The only way we can reach this noble goal is to find meaning. To find meaning in all our actions. This means acting with full awareness and responsibility, measuring beforehand, as much as possible, the consequences of our actions, and seeking an improvement, a benefit, a "plus" not only for ourselves and our families, but also for humanity as a whole. Nothing less. Just like the hummingbird of Native American legend who carried drops of water in his little beak to put out a forest fire, doing his bit for the bigger picture.

By giving a meaning to our actions, we are all hummingbirds putting out the fire that devastates our society, drop by drop.

Giving meaning to business activity naturally involves trade-offs, meaning some things will be lost. "*To choose is to renounce*," said André Gide. Without over-insisting on the term "disruption" it is important to keep in mind that committing to a change in paradigm implies giving up certain things. We have to renounce in order to bounce back even stronger, to achieve forward momentum without dwelling on the past, to exist in the future tense. I will take this opportunity to draw upon an article published in *Les Echos* by Pierre Giacometti and Alain Péron, who describe the three "no's" we must consider in order to turn coherence into meaning and discourse into action. First of all, identify what will never change, what is anchored deep in the roots of the business, the foundation of its values that defines the group and its story, what makes you who you are. Then make it clear how you do not wish to act, by implementing fixed codes of ethics and conduct in order to reassure your stakeholders, while being aware that this implies the limitation of your actions. Finally, refrain from making others pay for your choices, which is the very basis of responsible behaviour that be transformed into actions concerning the company's financial model, making clear moves towards changing practices and habits. These three virtuous rules help companies adopt a responsible and appropriate approach. They will bring forth brave, committed and radical leaders. "*To be radical is to go to the root of the matter. For man, however, the root is man himself.*" (Karl Marx)

## VALUES & CULTURE

### Values

It may seem strange and even paradoxical to talk about values when it comes to business. First of all, because it is a concept that has only characterized human spirit. Secondly, because in the collective consciousness, companies are seen as entities without humanity or sensitivity, only motivated by profit. This idea did not emerge by chance and the early years of capitalism have often been defined by excess, particularly in sectors largely reliant on cheap labour.

This was two hundred years ago, and times have changed for the most part, although this model can unfortunately still be found across the world. With revolutions, disputes and political changes came awareness. The class struggles of the early 20th century were not in vain. Little by little, public powers infiltrated the private economy to impose regulations and play the role of defenders of the public interest and civil liberties. Now it is no longer possible for executives to act without restraint or disobey the law. The legal framework is, however, the lowest common denominator, the absolute bare minimum. We can do more than just abide by the rules, and go beyond what is legally required, implementing a policy of our own that covers not only social and environmental issues but also the company's mode of governance. These actions can only be taken voluntarily, built upon convictions and values. This is why values have become so intrinsic to business management. They help the company to forge its own identity, to find what makes it unique and what makes it stand out from the competition. Values should remain our point of reference when deciding which actions to take, a framework that guides our choices, beacons that show us the way.

The difference between this and the legal framework is that it is up to each of us to define our own values as part of a voluntary and collective approach, taking the time to involve all members of staff. Then these values must be shared via an official communication to raise awareness not only within the company but also among customers. A company that publicly states its values is able to create more than just a business relationship, generating trust by connecting with others through sensitivity and humanity. This is not without risk, as companies must be true to their word: rhetoric must translate into actions. If not, the company will lose credibility and the trust of its customers and staff.

Company's values make up its DNA, grouping together the moral, societal and ethical principles that shape its general processes and, by extension, the behaviour of the men and women that make up its teams, whatever the level. Values play an essential role in the day-to-day functioning of a company, both by optimising and improving its internal operations and by consolidating its relationship with third parties. Executives usually place the focus on key human-oriented principles to:

- bring their employees closer together, promoting cohesion and motivation
- secure customer loyalty or develop a strong brand image
- develop a real corporate culture.

Some moral values can guide management style and staff involvement, helping to improve the well-being, commitment and performance of the company's workforce. These may include principles such as support, sharing or kindness.

Businesses also tend to promote more general ethical principles to legitimise their actions and help them to stand out from the competition, such as sustainable development, protecting the environment, or fair trade.

Getting these values down on paper is a team effort that must involve all staff, engaging the entire company. For this to be possible, executives must be attentive and listen carefully. For practical reasons, it is best to keep only the most meaningful values and prioritise those that can be presented and defended in a clear manner. At the end of this brainstorming process, the business will have to carefully sort through these ideas, as it cannot use them all. Generally speaking, priority values include those designed to for internal use and intended to shape the work of employees and the company's reputation to enhance the brand image. Keeping these two targets in mind is crucial when defining this foundation of balanced, coherent and complementary values. The goal is to limit the final list to a total of five to ten concepts, summing up the company's identity in just a few words.

Take the example of the Pau-based company Famille Michaud, a world leader in the honey market. Famille Michaud promotes five well-defined values within their company and in all communications: *"humility, ambition, honesty, respect and the right to make mistakes"*. This is more than enough to establish a human and attractive framework. What is most surprising is the simplicity of the formula. Before achieving this result, we will have to go step by step, gradually whittling our ideas down to their very essence. My impression is that the essential is simple by default, and touches on human values that we perhaps tend to forget in the mad race for progress and success. We should never forget our fundamental values, the human dimension that should remain the heart of every project. Values act as the foundation on which we build our structure. They help us to create our corporate culture.

## Culture

The different elements that make up a business organisation and operations must be interconnected to create a cohesive unit. It is the cement that holds this corporate culture together. This may seem exaggerated, but we must acknowledge the fact that every business has its own unique quality and identity forged by its history, its accomplishments, its failures, its team and its executive(s). This, however, does not constitute a culture on its own. Just like Monsieur Jourdain who spoke prose unwittingly, each company has its own culture whether they are aware of it or not.

It is wise, nonetheless, to reflect and work on this culture, if we want to give it more substance and life.

The first step in defining this culture consists of bringing together all members of staff to share ideas and their vision of business life, beliefs, norms, rituals and codes. It is warmly recommended to draw upon some of its historical figures to enrich its culture, creating a mythos around the company's "heroes".

The second step will be to extend corporate culture beyond the parameters of work organisation and processes to address the behaviours of all members of staff, their ways of exchanging ideas, working together and communicating. The aim is to set the best possible working conditions in order to create a positive general atmosphere, working towards the job satisfaction and well-being of all employees. This will naturally concern management style, which is not always the easiest to change. Implicit rules, beliefs and singularities will leave their mark on the company's style, character, personality, profile and identity. By shaping your image and reputation, corporate culture forms the business identity and helps you to stand out from the rest not only through your appearance, but through your actions too.

In his lecture at Stanford University, Sam Altman, CEO of the famous Californian start-up accelerator company Y Combinator defines corporate culture as follows: *“A company’s culture are the everyday beliefs, values, behaviours and actions of employees in pursuit of a company’s goals or mission.”*

This culture is generally formalised by a code or charter, which serves as a point of reference in decision-making processes and during moments of doubt. This document will outline all general targets as well as the company’s philosophy and values while asserting its identity. This text is designed to be used by staff and to motivate them, ensuring cohesion and, as a result, contributing to the company’s growth. It will cover all rules concerning working methods, human relations, and the principles that define the company’s organisation and operations. It will also outline a set of values. The main values that make up a corporate culture will be based on ethics, responsibility, respect, tolerance, collective interest, community spirit, and open-mindedness, as well as professionalism, skills and customer relations. This list must be adapted to the business and this can be achieved in as many ways as there are businesses, as it is up to each one to make its own choices

Remember that the main goal is to build a company identity that will help it to stand out on the market. Two companies can follow the same strategy, have the same types of structures and use the same management techniques, but each will still have its own culture.

We must consider how this culture can boost our performance by working towards a cohesive unified vision of the company’s name, products or services, customers and brand image. The identity it gives the business will be essential in recruiting and incorporating new team members. Corporate culture is above all a great catalyst that gives meaning to actions by evoking the deep aspirations shared by human beings.

This is why it is so important to group these together under an overarching purpose. Executives will naturally have the greatest say in how this is put together, it is also crucial to receive input from all staff members, who must have a place in the project, identify with the text and embrace the final product. This constructive effort will be in vain if it merely results in a document left to gather dust on a shelf. We have to breathe life into this document by constantly linking it back to everyday life.

Successful companies have all managed to establish a productive culture that truly focuses on the idea of unity and builds a community. It has to be seen as a tool for success, something that deserves an appropriate amount of attention, whatever the company's size or activity.

It is no coincidence that all companies that thrive in this new world have turned culture into a major lever for success. Taking the example of Google, former boss Eric Schmidt would often say that the daily running of the company wasn't down to him, but to its culture. For all Silicon Valley entrepreneurs, corporate culture is seen as the most important link in the chain, even before strategy and product. One of the most influential thinkers in management, Peter Drucker, who passed away in 2005, offered ideas broadly inspired by these Californian success stories, with his now famous formula: "*culture eats strategy for breakfast.*"

As there is no better way to learn than by example, let's look at another case: Blablacar, one of the greatest success stories of the French digital economy. Founded in 2006, the company is now present in more than 22 countries and has more than 90 million users or as the company calls them, "members", including them in the company's project.

Its greatest challenge has been to maintain the start-up mindset of its founders despite the strong cultural differences that go hand in hand with intercontinental expansion.

It decided to establish a set of values to unite all staff members towards a common goal, using collaborative tools that promote a general atmosphere of team spirit. This led to the company being awarded the “Fun and High-Performing Company” prize at the 2014 “Great Place to Work” awards.

So, what is the Blablacar approach? First of all, they only hire service users, who are already familiar with the company and its values, often selected from the company’s brand “ambassadors”, a category designating the most highly ranked active users on the platform. Then, each new recruit is mentored by an employee with more than 12 months’ experience at the company.

A monthly event is organised to help the new arrivals get to know the rest of the team. The group dynamic is maintained through weekly “Blablataalks”, where each team presents what they worked on last week and what they plan on working on next week, which helps bring the group closer together. The company tops this off with their six golden rules, their “BlaBlaPrinciples”, displayed not only on the company’s website but also in its offices, distributed as brochures or even stickers! This communication shows just how important a company’s values have become and how far they can take you. We can learn a lot by looking at these six golden rules and their justifications:

**“Be the Member.** Our objective is to create value for the members of our carpooling community. To do so, we need to walk in their shoes, drive in their cars, have empathy for their needs and constraints. We are users of our service, members of our community.

**Share more. Learn more.** We learn and grow collectively as a team. We build internal knowledge, and will all be better at our jobs and grow as professionals by learning from other teams and sharing information rather than retaining it. We also share learnings with the rest of the ecosystem.

**Fail. Learn. Succeed.** We are innovating, taking risks, building an entirely novel solution, walking on unbeaten paths. We will sometimes fail along the way. That's part of the story, and we will collectively learn from these failures to become stronger as a result.

**Dream. Decide. Deliver.** We dared to imagine a travel solution that did not exist. But the idea is nothing without the execution. Great ideas come with bold decisions, and the diligence to deliver on them. There is a time to Dream. A time to Decide. And a time to Deliver.

**Be Lean. Go Far.** Lean means avoiding waste. A creative start-up spirit is nurtured by frugality and a smart use of resources that will enable long-term sustainable growth. Our product should be lean and create a simple user experience to offer the most value. If you know when you want to go, you can make the right choices to remain lean.

**Fun & Serious.** Individual Seriousness actually enables Collective Fun. When you take what you do at heart, and work seriously, there is room for everyone to have fun together, and enjoy the ride. We are committed to a Fun & Serious work environment.”

These six BlaBlaPrinciples were derived from a collaborative company-wide process, which took place in late 2017, five years after the first version of ten Principles had been crowdsourced from BlaBlaCar's first 60 employees. The team felt that as the company evolved, so should its Principles. These are the rules the company collectively agreed upon to guide their next phase of development. This helps us to understand how culture guides strategy and growth.

Critics may only see this as a grandiose marketing scheme solely intended to improve the company's reputation and branding as an employer. I prefer to see it as the expression of a model that accommodates transformation and growth and an example to be followed. An example of how to give meaning to your business.

## **OUR PURPOSE, OUR MISSION**

### Purpose

Now, at the start of the 21st century and the third millennium, finding meaning is without a doubt the direction every business needs to take. This does not only apply to private economy actors. Our entire society is in search of meaning, faced with ever-increasing uncertainty about what our future will look like. Giving a meaning to our actions involves a certain kind of mindfulness. It means imbuing your business plan with a certain kind of spirituality, in the literal sense of the term. This may seem like a vulgar exaggeration, but it has its grain of truth. I do not, however, wish to over-generalise, and I know of several companies that have given meaning to their business plan from day one. These companies therefore do not need to carry out this self-reflection. However, the vast majority are born from market opportunity or marketable expertise, without any real reflection on the meaning behind their actions. They then grow their activity little by little, guided by the choices made by the men and women who make up their team, sometimes becoming giants themselves. Commercial success is usually the most common reason for their growth, driven by human ambition. These ingredients come together to create forms, or bodies. But these bodies are only robotic in their actions, and do not have a soul per say. My personal impression is that we are approaching the end of a cycle in our contemporary economy. This cycle was necessary in creating a form of life, one that worked reasonably well. But our society has evolved, and a great deal, at that. Our expectations are not the same anymore. This applies to individuals, who are no longer happy to accept any old job out of necessity, prioritising working conditions and the role that is offered to them. They need to see and understand the purpose of the job. They hope to get more in return for they work than just a salary: they want to contribute to a collective project, preferably one that serves society as a whole, by working for their business of choice.

In parallel, social responsibility has become a loudly expressed and even urgent expectation for those who believe that businesses must be held accountable. This has become even more pronounced with the expansion of the Internet, which gave everyone a voice and allowed the masses to express their opinion in a new way. This is particularly evident when it comes to environmental issues and climate change but can be seen with other subjects too. The concept of integration affects all segments of society, including businesses, which are essential pieces in the overall puzzle. Companies are expected to serve a purpose, which leads to the formation of its ethos and its contribution to the common good. This body must be given a soul in order to give actions meaning. This is where we start to see this notion of corporate spiritualisation. Profit can no longer be the sole motivation. A company must be a place of creation and shared values and must assume responsibility when it comes to social and environmental issues.

In France, at least, public authorities have started to weigh in on the subject. The ideas championed by the PACTE law, introduced by the French Minister of the Economy and Finance Bruno Le Maire at the beginning of his mandate in 2017 and enacted on 22 May 2019, came as a great surprise. The acronym that gives this law its name (PACTE) conveys a strong political and economic vision that hopes to enable an agreement between parties, in this case between public authorities and companies. Its full name, the “Action Plan for Business Growth and Transformation”, reveals the immense scale of the project. The scope of its provisions is sometimes astonishing, with a character that could almost be described as philosophical, or at the very least political, since it outlines a model of society.

In one section entitled “Rethinking the place of business in society” (articles 160 onwards) this law offers companies the possibility of defining their purpose or “raison d’être”, which will be included in their statutes. The company then becomes a responsible entrepreneurial entity that openly states “the principles that the company adopts and will allocate resources to uphold in the conduct of its business.” This is a way of recognising that the meaning of its activity cannot be limited to generating profit.

We must retain from this text two important changes to business regulation. The first are the legal implications of the measure and their integration into a company’s purpose. The second are the public implications which take the form of a social commitment. It is a major change intended to improve the social inclusion of companies. This law is a very loud cry for change that can no longer be ignored by businesses. We must keep in mind how cleverly constructed this text is, as it is not often that one encounters such a straightforward political or social motivation in legislation.

Its content is structured into three parts. Firstly, all French companies must take environmental and social issues into account to a greater extent, which is undoubtedly a matter of law. This broader social interest is everyone’s responsibility. This is followed by two additional steps which act as suggestions that companies are free to adopt: the possibility of implementing a “raison d’être” or establishing themselves as a “purpose-driven company” (*entreprise à mission*), a new term for the world of corporate law.

The goal of the lawmaker is to point companies in the right direction with binding them to it, and these last two elements are left up to the company's own volition. Admittedly, this provides a strong impetus, with the entire weight of the French government placed behind this initiative.

By giving companies the option to include their “raison-d’être” in their statutes, the law persuades them to adopt an approach based on public transparency. By doing so, they visibly make a commitment, to which they will be immediately held accountable. No lying or trickery will go unnoticed! Now that everything is made common knowledge instantaneously via the Internet, the financial and reputational consequences of such behaviour could be devastating.

With this freedom given to companies balanced by the high expectations of the public authorities, many companies have started to reflect on their ways, demonstrating the influence and effectiveness of the PACTE law.

They appreciate the freedom the law allows them and the possibility to make their own choices in how they express their vision and position. This leaves room for them to find creative new ways of combining strategy, meeting a market need and its utility for stakeholders, society and the environment.

To support companies through this process, an official guide has been published, outlining the four following conditions to be applied to any company’s purpose:

- relevant: the social utility of a company is defined in direct correlation with its activity, depending on its greatest societal and environmental concerns;
- ambitious: it must positively impact the company in all respects;
- productive: it offers a goal to work towards, taking into account what is feasible;
- impactful: at all stages of the company's life and activity.

This experience also allows companies to consider five factors to successfully define their purpose which must be:

- distinctive, meaning that it is unique and specific to each company;
- cross-cutting, meaning that it takes both everyday targets and the bigger pictures into account;
- long-lasting, meaning that it should not be subject to constant change;
- simple, meaning it should be concise to ensure that it is readable and easily shared;
- credible, meaning it must be rooted in reality.

To take this concept of purpose beyond the realm of theory and abstraction, here are a few examples taken from the first French companies to adopt this practice:

ATOS: "Atos enables its customers and employees, and members of societies at large to live, work and develop sustainably, in a safe and secure digital space."

BONDUELLE: "To inspire the transition toward a plant-based diet to contribute to people's well-being and planet health."

CAMIF: "To offer products and services for the home that benefit people and the planet; mobilise our ecosystem, collaborate and act to invent new models of consumption, production and organisation."

COVIVO: "Reveal all potentials through sustainable relationships and well-being."

DANONE: "Bringing health through food to as many people as possible."

DASSAULT SYSTEMES: "To provide business and people with virtual universes to imagine sustainable innovations capable of harmonising product, nature and life."

EDF: “Our *raison d’être* to build a net zero energy future with electricity and innovative solutions and services, to help save the planet and drive wellbeing and economic development.”

KLESIA: “To guarantee a peaceful future and contribute to everyone’s quality of life”

L’OREAL: “Create the beauty that moves the world”

MICHELIN: “Proud of our values of respect for customers, people, shareholders, the environment and facts, we are sharing the adventure of better mobility for everyone.”

ORANGE: “Orange gives everyone the keys to a responsible digital world.”

SCHNEIDER ELECTRIC: “To empower all to make the most of our energy and resources, bridging progress and sustainability for all.”

SNCF: “Bringing freedom for everyone to move about with ease while preserving the planet.”

The main motivation for companies to set a purpose is to acquire the loyalty and commitment of employees and stakeholders, united around principles that give a meaning to their activity. Seeing it as a superficial communications exercise would be a mistake. There is, of course, a certain amount of ceremony involved, but the intention is to present strong ideas and convey a real sense of commitment.

The contribution of companies to the common good can in no way be skin-deep, or an afterthought. It must be a true act of sincerity as the company’s survival is at stake. As our old models are starting to show their age, companies must venture beyond the confines of social responsibility to assert their utility through a total overhaul of their economic model and governance, both built on schemes that have now become obsolete. A company’s purpose will only have value if it can translate into concrete, tangible and measurable actions and can be fully integrated into the company’s economic model.

The keys to success lie in the involvement of employees, who must feel that they are a part of this purpose-building project. The company's future plan must be based on the shared values, culture, and the ideological foundation that constitute the company's history and DNA. Companies must first reach an understanding of their market influence, what makes them different and what gives them a unique competitive advantage. Suffice to say that this purpose must be the product of pure authenticity. It is never advisable to place the bar too high and make promises you cannot keep. This is why it is so important to listen to and involve as many employees as possible in this purpose-building project and why it is so essential to ensure measurability by selecting performance indicators that must be monitored and shared.

This purpose must be unique to each business hence the freedom companies have been given in this area. If this were not the case, all would have the same purpose, totally devaluing the concept. Setting a purpose gives the company more of a soul, a human side that is unique by nature. This extra effort differentiates the company and gives it a competitive edge on the market. This is surely the best possible opportunity for a company to show what makes it different, its culture, vision, sensitivities, interests and mindset. The purpose is, in essence, forward-looking, and finds its meaning by encompassing all relevant issues.

It reflects the values of responsible capitalism by tackling environmental, social, societal and ethical issues head on, as well as issues relating to governance. It becomes the epitome, the lifeblood of its responsibility. The purpose also helps to express the company's unique identity, which is its main competitive advantage on the market. With such promising prospects, who wouldn't want to seize this opportunity with both hands?

That being said, let's remind ourselves that this purpose-based framework adopted by companies is simply an opportunity and it is entirely possible to choose not to pursue this approach, and simply continue on the same path.

But would this choice not risk tarnishing and marginalising the business image? In other words, can a company with no defined purpose continue to survive? It seems that the question answers itself. This is in no way about punishing businesses that have not defined a purpose, or even worse, an attempt to dissolve them. But it is a safe bet that choosing not to go down this path will condemn the business to a slow death.

With no legal obligation, pressure will come from the environment and customer base. It will be the competitors and the market who gradually push businesses to adopt this societal dimension.

By the end of 2020, only 30% of SBF 120 (top 120 of French quoted companies) had defined and published a purpose statement, with only 10% incorporating it into their statutes. Out of these 12, seven were linked to the State, which comes as no surprise given the expectation written into the PACTE law: we must set an example! These were EDF, Engie, ADP, Française des Jeux, Orange, Icade and GTT. The five others were companies with a philosophy of socially-conscious capitalism: Atos, Worldline, Carrefour, Danone and Kering. Here we are in very low digits: the movement is still taking its first steps. Now, at the end of the health crisis caused by the pandemic, it has taken on a greater significance.

### Purpose-driven companies or “*entreprises à mission*”

The PACTE law went even further than simply calling on companies to draft their purpose statements, and created the status of “purpose-driven company” (*entreprise à mission* in French) for those looking to make a public, binding commitment. It is relatively easy for a business to define its purpose but becoming a “purpose-driven company” is a more significant undertaking. The process requires the company to define a general purpose or “mission”, supported by social and environmental targets that the company pledges to pursue. This means the company must set up an internal monitoring department to ensure this purpose is followed throughout the company’s decision-making and management processes and define the monitoring methods. The Purpose Committee or “Comité de Mission” must be separate from the company’s core departments and must have at least one employee of its own. Its powers are as follows: “it will carry out any checks it deems appropriate and will obtain any document required in order to monitor that the mission is being followed.” The department will produce an annual report to be released along with the management report when approval meeting for annual accounts is scheduled, therefore placing it as a priority.

The company will also need to undergo a performance assessment by an external state-approved auditor, as written in the Decree of 2 January 2020. In fact, the commitments made by the company become binding on third parties, which leads to their contractualization and the communication of the external audit outcome. Although the company is free to define its own targets, the status of “purpose-driven company” involves clear checks and balances that must be taken into consideration. Beyond its material implications, this is a fundamental paradigm shift from a community composed of the company's partners to a larger collective including all those who participate in the company's activity or who suffer its consequences. The purpose-led company clearly communicates its role and its place on the planet to *everyone*.

To fully determine the scope of this public commitment, we must analyse its legal basis, which is a sort of openly declared, self-imposed contract and above all a form of responsibility. This is why a lot of care must be put into all communication carried out as part of this project, which will be essential in giving strength to this action and enriching the company's image. This explains why we are seeing more and more "tag lines" under company logos. Our choice of words must give our ideas meaning and direction. The era of purely consumption-driven communication is far behind us now. The public declaration of a company's commitment and ambition must be brief and clear in style. Take an example from the energy sector, the subject of many changes and societal debates, whose key players in France have openly declared their commitment through the following slogans:

EDF: *"Be the energy for change"*

ENGIE: *"Energy is our future, save it."*

SUEZ: *"Guaranteeing operational and environmental performance"*

TOTAL: *"Committed to better energy"*

VEOLIA: *"Resourcing the world"*

VINCI: *"Forging a sustainable world"*

By defining its purpose, the company strongly conveys an image of having pledged a service to society. The end to their business activity is found beyond the company's inner world. It is based on societal foundations and expresses a desire to contribute to the positive growth of society. It aims to demonstrate its social inclusion and to do its bit in whatever way it can. What is wonderful in this definition of purpose is the total freedom of choice and direction. Each company can set its course of action and define the goals behind its existence.

At the start of 2021, a year and a half after the law came into force, France crossed the milestone of 100 purpose-driven companies. This number may appear insignificant, but this marks a rapid increase, following on from only 29 companies in August 2020. In June 2021, they were 200, and in September 250. No doubt that the movement is now on.

The truth is that companies need a little time to choose whether to make this commitment, find the right method of implementation and reflect on the concept as a whole. What is interesting is that more than half of these were SMEs, contrary to the frequently held view that the subject only affects large corporations. In 2021 and beyond we will no doubt see a major increase in the number of companies making this pledge, one of the very few positive outcomes of the COVID-19 crisis.

## Existentialism

The private economy has therefore entered a new phase in its history, one that is as imposing as it is fascinating. In the vein of the spiritualism mentioned earlier, we come to the topic of existentialism, a human philosophical concept introduced by philosophers Kierkegaard and Nietzsche, later re-explored by the works of France's very known Jean-Paul Sartre. His rebel spirit cried out in opposition of the society of his era, and he revolutionised contemporary thought with the idea that it was up to every human being to define the meaning of life, as a free individual in control of their own existence. What seemed to be a liberalisation of the human being in reaction to the conservative theories defined by moral and religious precepts had well-known consequences on the evolution of Western society and spirituality. This line of thought certainly has its share of responsibility for the loss of meaning and our current search to find it. Without further delving into this truism, I cannot help but make the link with the corporate context as it seems that businesses are particularly affected by this existential doubt, perhaps even more than individuals themselves. By asking questions such as “Who am I?” and “Where am I going?” and searching for their answer, will businesses be able to give meaning to their actions and define their purpose, or perhaps establish themselves as “purpose-driven companies”?

One of the consequences of existentialist thought, once we have set aside the potential dread associated with it, is commitment and responsibility. This is the bottom line for businesses today. It is about more than intentions; it is the action that must be taken through intellectual reasoning and societal responsibility.

This is a major issue. It affects all businesses, whatever their size or sector of activity. It will also help to create a positive emulation within the company, as long as all employees are involved in the process. Thus, by applying a philosophical or at least social perspective, companies can build a stronger financial project more rooted in societal issues. When pursuing a general quest for meaning, companies should not be concerned and, on the contrary, should see this trend as a fantastic opportunity to become stronger and find a new lease of life.

## **ACCOUNTABILITY**

Business transformation is an intensive, complex endeavour whose importance demands more than a superficial approach. This project cannot be carried by executives alone, whether that means one person or a group of partners. It must involve everyone who represents the company and participates in its daily operation. It is a project that must involve every man and woman, even if this takes place at different levels. It is about getting everyone on board, in the most literal sense. This will be, after all, a group effort, just like for a ship's crew, where everyone has their role to play. First of all, this applies to the project's brainstorming phase. Then, the commitment of employees and their unity will become even more crucial in securing the project's success. This is why all members of the company must assume responsibility. Transformation based on a company's social responsibility is only possible if everyone feels involved and can contribute in their own way. Setting this as a basic rule will have consequences in terms of management. Executives must understand and accept this, which will not come easily to them as it is bound to disrupt their reliable, tried-and-tested model.

But be warned! You cannot ask your employees to embrace accountability without granting them a certain amount of freedom and power. A delegation model based on trust must be established. This approach has not always been taught in France's top management schools and is therefore not commonly adopted in companies.

But there is no more room for doubt: this is now the go-to model. It is the model of younger generations who no longer accept the hierarchical authority that orders them to blindly follow their command. The modus operandi is project management. An employee will only understand their assignment if it is clearly defined with precise objectives.

They will be ready to commit to a company as if taking on a challenge and will commit to seeing the project through to completion. Once the assignment is complete, it is more than likely that they will leave the company in search of a new challenge, unless they are offered a new one straight away. Human resources management has been disrupted by this new arrival of mentalities to which it has been forced to adapt.

Accountability does not rule out surveillance, just as trust does not rule out control. The set objective will be reached by a path made up of several checkpoints. These checkpoints will take the form of indicators that allow the company to take stock and make sure the work is on track. This monitoring will be carried out in complete transparency alongside the employee, who will have full access to this information and will be able to carry out a self-assessment as they progress in the project. The goal of these indicators marking the project flow is not to punish the employee, but instead to help them by providing intermediary reference points with which to assess their own processes as they progress. It is an accountability tool that avoids giving the individual too much free rein and therefore delaying the process with corrections. This is why we must use methods and tools to help ensure accountability among employees, in the aim of avoiding negative consequences such as a lack of yield or, on an individual level, failure. To avoid a “lose-lose” situation, we need a “win-win” approach that benefits everyone.

The first step in ensuring accountability is building trust between the executive or manager and their staff, which is easier said than done. We must take our hands off the steering wheel to let the passenger drive for the first time. The goal is to give them the chance to succeed. The result may well be the same as simply giving them orders, but the difference is that by assuming accountability for their work, the employee is as motivated as he can be.

Accountability presents employees with a real opportunity and gives them a chance to express themselves by making their own decisions and taking initiative, which they were previously unable to do. This process of automation generates more responsibilities and more professional opportunities. It is the road to self-empowerment.

Meanwhile, the company will benefit by discovering the hidden talents and skills of their staff. And this can only have a positive effect on profits. This is why we have to see employee accountability as an essential change in business management, and a strong step towards building collective intelligence. For executives and managers, it is about being attentive and listening to others, working towards the development of soft skills. A good coach is not someone who gives their team the best tactic, but someone who helps their team to challenge themselves. Here are a few quotes on leadership to consider:

*“The role of a leader is not to come up with all the great ideas. The role of a leader is to create an environment in which great ideas can happen.”* (Simon Sinek)

*“We expect leadership qualities from a manager, not the virtues of a boss. They should not place themselves centre-stage or assert their decision-making power. Their role is to guide, arbitrate, mediate and only make a decision if absolutely necessary.”* (Bernard Gannier, CEO PWC France)

*“People ask the difference between a Leader and a Boss. The Leader leads, and the Boss drives.”* (Roosevelt)

*“The essence of leadership is to get others to do something because they think you want it done and because they know it is worth while doing.”* (Eisenhower)

*“Leadership is made to be shared”*

*“A real leader makes themselves as small as possible”*

I still remember a quote by Maréchal Lyautey that greatly inspired me when I created my first business: “*do nothing, get everything done, but don't leave things going done*”. This lesson had such a great impact on me that I have applied it throughout my life, which has naturally resulted in a rather busy schedule!

What we must take from this is that the implementation of employee accountability depends on the good intentions of the employee's manager(s) or executive(s). As the business grows, these leaders realise that they cannot allow themselves to carry out or even supervise every single task. The managerial roles they have assigned themselves will only continue to generate the same fears and the same behaviours towards their junior staff. Only a general change in mindset will put an end to this ossified culture. Delegating tasks and fostering employee accountability has become the key to ensuring optimised organisation. By establishing operational autonomy, we evenly distribute the workload, lightening that of senior staff so that they can focus on more high-value and profitable activities. This distribution does not mean total free rein, and constant dialogue will be necessary, sometimes using digital tools. This team spirit is built on good intentions, but also by implementing structure and processes “with backbone and heart”. This will yield more team cohesion and stronger management, allowing the company to tackle future challenges more easily.

Employee accountability is also, and perhaps most importantly, about communication. The message must be clear and intelligible to be fully understood. Then there is another essential step in securing accountability: transmitting knowledge. As Ernest Renan once said, “*knowledge is power*”. An employee will only feel confident and capable of overcoming challenges if he is trained and, most importantly, mentally prepared. Managers must therefore ensure they are sharing knowledge with their teams.

Accountability is specific to each individual. This is simply because each person is unique and has their own ways of approaching challenges.

A “one size fits all” approach won't work. Everyone assumes accountability in different ways, which demands flexibility and individualisation. Accountability must be accepted on an individual basis, not as a group. I once heard the phrase “*there is only one person who is responsible and several who are irresponsible*” from a business leader who had created a fantastic, personalised accountability programme for his staff. This means that accountability comes down to the behaviour of the individual and not the group.

Once responsibility is shared, each individual tends to rely on others and lets the group dynamic take over, an abstract notion that is difficult to grasp. It is a bit like the idea of the State, which is seen as the larger collective but not the individual, by telling ourselves: “*The State is them!*”

Accountability flips this around to say: “*I am the State!*” or, in the corporate context: “*I am the Company!*” This feeling of belonging can only result in accountability and, as a result, perfect inclusion.

That being said, not everyone will embrace the project. Some employees will prefer to remain on the side-lines and assume a more “junior” role, unmotivated by the possibility of gaining independence or new responsibilities. Quite the opposite: for some, the very notion of accountability is scary in itself. Decision-making may be a source of fear and create a mental block, not to mention the idea of being held further accountable for your work. We must understand and respect this feeling. These individuals play just as important a role in the company's operations. There is room for everyone, but we must open the door to individual growth and help these employees to overcome their fears. The best method in this case would certainly be to advocate the right to make mistakes.

As a Chinese saying goes, “*always leave a little room for a mistake*” and as Confucius argues, “*a man who has committed a mistake and does not correct it is committing another mistake.*” We must see mistakes as an opportunity to grow and to learn. Note the beautifully phrased quote by Nelson Mandela, who faced great suffering during various periods throughout his life: “*I never lose. I either win or learn.*” This concept is not easy to apply in companies which are by definition performance-oriented and generally expect perfection from their employees.

The race for competitiveness on the market should not rule out the implementation of human resources management based on understanding and humanity. This is where the role of the coach comes in. A coach is there to support employees and help them progress, getting the best possible result from everyone; not to punish them.

Encouraging employee accountability is a mandatory component in the transition of companies towards a 21st-century model. It is possible thanks to the will of business leaders and the expectations of those involved. It is a team effort that enables collective intelligence, increasing the company's returns as a result.

## **SYMBIOSIS**

The Greek origins of this word mix the two concepts of “together” and “life” to signify a long-lasting, mutually beneficial relationship between two living organisms of a different type. The word is commonly used in the field of biology, but it can easily be applied to the world of business. Indeed, the latter is the result of a complex blend of composite elements, based on relationships between distinct, unique entities and its existence depends on the good functioning of the system as a whole. Like a biotope, the company is an ecosystem in which living organisms interact and exchange, like an organic entity made up of coexisting cells that co-generate positive energy from their interconnections. Its stability and its growth depend on its ability to produce resources from these interactions. The interdependence of these interrelated elements makes for a delicate construction. Its architecture is in a permanent state of fragility because the cement that holds the parts together and ensures the structure's integrity is an intangible substance, the most delicate of all: human nature. Relationships between individuals are what give structure and life to the company.

This first takes place at the team level. The overall atmosphere of the company drives the structure as a whole, helping it to move forward. This is why management and working methods are so important, along with the care and attention given to each employee to ensure their professional empowerment. A happy employee will give off positive energy which will rub off on others and contribute to the company's daily vitality. However, an unhappy employee who expresses his stress or unhappiness will generate blockages and tension. For business generating symbiosis with employees is a life principle.

But this doesn't only apply to employees. A company is not a remote island, cut off from the rest of the world.

It only exists through the relationship with the surrounding environment it has built for itself and through the bonds forged with other entities. Upstream of business relationships based on shared interest and legal contracts, these are relationships between men and women who communicate and share their goals. Once again, this is a human phenomenon. The correct method is to establish a cooperative relationship: it is not about each party conducting business on their own side but instead working together to achieve a common goal. It is a new culture that we must instil in others, or we should at least work towards its acceptance. We are not talking about one-track thinking or brain transplants here, just the validation and respect of each person's identity in order to find a synergy, inspired by the energising relationships found in nature between different plant species. Within this ecosystem, each individual maintains their autonomy and their own destiny while sharing a common goal. This means creating as many connections with others as possible, helping the company to reconsider its model in search of optimum performance.

Business leaders and their partners, those who created the company and defined its purpose, are the first to be affected by this issue and must assume responsibility for it. Their work doesn't end with this act of creation, and they are usually very much present in the everyday operations of the company, keen to implement their organisational model. Their responsibility is to build an ecosystem that is both powerful and convincing enough to generate a training effect. They must start by setting an example. Two elements will help business leaders ensure symbiosis in their company. There must first be an understanding between the business leaders themselves. Nothing is more harmful to good business practice than conflict between individuals, particularly between senior staff. It is their responsibility to know how to resolve any difficulties that may arise in their relationships to preserve the common good and keep the company on the right track.

Then, it is up to them to successfully manage their relationship with their staff, as smoothly and harmoniously as possible. Business leaders must adopt a new management style, and we have seen how classic management models have now been turned upside down. In the same way that a sports team will only achieve positive results if they have been coached on a human level, a company can only exist and progress if its leaders have managed to build a team dynamic and connect with their troops on a psychological level. Another image I like to use often is of the orchestra conductor who brings everything together while remaining inconspicuous. My staff will often hear me saying: "*You are playing the music; I am just making sure you are playing in key.*" Music lovers will know that it is not only about the music being in key, but also the sound, the human vibration which will put that extra bit of soul into the conductor's work. This is what makes the orchestra unique and what defines its identity, its strength. The same goes for companies. The products or services may be of a very high quality but if there is no harmony, stakeholders and, more importantly, customers will be able to tell. This will be a harsh blow to the company's reputation.

How can we fail to understand that symbiosis with customers is the foundation for any company's success? Of course, there is a whole process upstream that allows products or services to be placed on the market. It goes without saying, however, that without customers this would all be in vain. The final goal is to sell, not to produce. And the act of selling relies purely on the quality and price of the product. We must build a bond with the customer, a human relationship created to generate the perfect conditions for a sale to take place: trust. This is a mammoth task as each customer is a separate entity, with their own strengths and weaknesses, to which we must adapt. This is the difficulty of symbiosis: it cannot be stereotyped based on a single model but should be tailored to each customer.

Each is a unique case and modern marketing techniques show how crucial it is to “tailor” marketing in order to ensure sales: the product must be adapted to the customer's requests, which requires flexibility when it comes to manufacturing methods. Naturally, this all depends on the product or service in question but in all sectors current trends point towards a personalised sales approach.

Businesses must therefore seek the same symbiosis with their suppliers. The relationship is reversed, and the company becomes the customer. It will have the same demands as its own customers and will seek to establish a unique and made-to-measure relationship. This request goes beyond the simple act of buying, as the purchased product or service is essential to the company's operations.

Instead of a one-off service, what the business is looking for is a permanent supply. The need is essential, as it determines its production and therefore delivery to its customers. This is why it is so crucial to maintain a symbiosis with suppliers. It is about building a partnership, just like with customers, based on trust and going beyond shared material interests. Once again, the quality of the human relationship will be the cement that holds this business relationship together.

Finally, another essential partner for companies with whom to create a relationship of trust is the bank. By “bank” I refer to the company's financial partner, which could be one or several, as companies generally work with a number of banks or financial institutions. This relationship, perhaps more than any other, is entirely built on trust. This ultimate stage of the relationship will only be fully achieved if the company, or rather its leaders, know how to provide the right ingredients. Contrary to popular belief, it is about more than figures. A banker is no less of a human being than anyone else and needs evidence in order to forge their opinion. Symbiosis can only be obtained if the company commits to transparency.

I cannot emphasise enough that we must tell our bankers everything, especially when we are having difficulties. When these are declared ahead of time, there is time to anticipate any issues and provide remedial solutions. Hiding the situation is the worst possible approach, as it always rears its head sooner or later, consequently damaging trust and generating a permanent sense of doubt. Companies have everything to win by seeing their banker as a partner and establishing a relationship of trust with them, creating a symbiosis essential to keep business running smoothly.

An operational symbiosis with company players acts as the foundation for all that comes after. This is a reality in every company, something that shapes its existence. This predominantly applies to partners, employees, customers, suppliers and financiers. Symbiosis is not just about establishing a cordial or friendly relationship. Positive relationships as they have always existed are essential but must now be nurtured in a slightly different way. To be in symbiosis with its stakeholders, a company must first be in symbiosis with itself. It must link actions to ideas, project to object, the material to the immaterial. The slightest inconsistency will have drastic consequences as it will be a lie. The company must build an overarching approach, built on beliefs and sincerity. The aim we must set for ourselves is to become a symbiotic company.

In view of this goal, our first step must be to work on the company's values, purpose, social responsibility and mission. This new ethos will act as a general framework, feeding into the everyday relationships between the company and its stakeholders. As the younger generation would say, it's about "matching each other's vibe" that's what makes a symbiotic company. The expectations of the younger generation and the new wave of consumers is forcing companies to change. Their questioning of the status quo threatens to radically change our paradigm, logic and language.

To remain in sync with this community's expectations of a new model, we are left with no option other than to re-evaluate our business' architecture, methods and relationships and adapt them to a responsible model of sustainable development.

The transition involves a new way of thinking, a new culture, a new mindset, which for us is a step into the unknown. The economic logic is unusual and even counter-intuitive, as it can go against the grain of more traditional practices. It is based on an approach centred around cooperation, kindness, diversity and circularity, and makes the most of technology. Humanity and collective intelligence play an essential part in this.

Successfully transforming companies for the sake of the common good relies on striking the best possible balance between two apparently contradictory forces: economic-financial sustainability and socio-environmental sustainability. Indeed, we cannot achieve symbiosis without creating a relationship between the business and society as a whole or without taking the socio-environmental impact of its marketed products and services into account from day one.

This means selecting company stakeholders who share the same goal: this naturally applies to suppliers but also users, or customers, or even the customer's customers. The core principle to keep at the heart of the company's ecosystem is humanity. The symbiotic economy respects both human beings and nature.

Any symbiotic company must therefore respect three dimensions - human beings, society and the environment - all while maintaining financial stability, of course. The major contemporary shift is that we can no longer set ourselves apart from others. Social responsibility has to be incorporated into the company's activity. Absolutely ! There is no alternative but to account for this cost in the sales price, which assumes that customers will be prepared to pay a higher price. It seems that this is indeed the case, particularly after the COVID-19 crisis, with customer expectations at an all-time high.

Only in this way can the businesses maintain stability and ensure their longevity. This will amount to a symbiosis of all human, social and environmental elements, resulting in a new type of business model: the symbiotic company. Its primary objective will no longer be to dominate the market, or to pursue its own particular interests. Instead, the company will aim towards social inclusion and longevity. Its culture will no longer be based on competition. Instead, it will be based on collaboration, by forming connections with other ecosystems. Using the model of open-source software, we are no longer isolated entities. We work with others, in an approach built on openness, agility, opportunity and intelligence. A new economy is in the works: the economy of the 21st century, perhaps even of the third millennium. Now, doesn't that sound like a revolution?

Everything is changing... even the business !

## PART THREE

# TOWARDS A NEW KIND OF CAPITALISM

We cannot talk about economic revolution, open-mindedness, a new culture, managerial shifts, social responsibility, and purpose-driven companies without eventually examining our current model. This is no other than our market economy, which has remained the same since its very conception and has survived two centuries of changes, crises and challenges. Just like Churchill, who described democracy as *“the worst form of government – except for all the others that have been tried”*, we can say the same about capitalism, when we look at the failure of other economic models. That being said, the system is noticeably on its last legs, as if reaching the end of a cycle. Emmanuel Macron wrote in his 2016 book *Revolution*: *“We are currently experiencing the final stage of global capitalism which, through its excess, is demonstrating its inability to last in the long term. Excessive financialization, inequalities, destruction of our environment, the relentless growth of the global population, increasing geopolitical and environmental migrations, the digital transformation: these are the elements of a major shift that calls for us to react.”* There are many indicators that point in this direction, and the consensus is clear. The only problem: this change cannot happen with a snap of the fingers. We need to allow “some time” for new dynamics to gain traction. But do not fear: the wheels are in motion!

Hence the name of this book: *Everything is changing... even the business!* We are starting to see some early signs thanks to certain initiatives and experiments. Although it has always been the nature of youth to challenge the culture they inherited and set themselves apart from older generations, this time they truly succeeded. The arrogance and tenacity of those young Californian students has given rise to some truly unprecedented success stories. The start-ups of the 1980s have become international market giants. These are the famous “Big Five GAFAM” : Google, Apple, Facebook, Amazon and Microsoft.

It's no coincidence that they are all in the technology sector. Of the top nine market capitalisations at the beginning of 2021, only one, an oil company, is not classified as a "technology" company, which shows the extent to which this new economy has taken over. However, although these companies have created new economic models, they have in no way challenged the capitalist model. On the contrary: their founders have found the perfect way to exploit the system, making themselves the biggest fortunes in the world, in the case of figures such as Jeff Bezos (Amazon) Elon Musk (Tesla) Bill Gates (Microsoft) Marc Zuckerberg (Facebook), etc. There may be table football in the office, or a laid-back dress code, and your boss may be your "pal", but that doesn't mean that the final goal is not ultimately to enhance the personal wealth of the CEO-and-founder. We can hardly call it a new model.

Nor can we see any sign of social responsibility, with companies pulling all the tricks in the book to pay as little tax as possible, or even none at all, tax havens being a shamefully popular option. The try to calm their conscience with public acts of generosity through foundations cleverly curated by themselves. Such is the model followed by the English-speaking world, one that calls on the good will of citizens to make up for the inadequacy of public policy. It's true that we pay less taxes true that we pay less taxes in these countries, allowing the one-percenters to make their own contributions to combating inequality, usually in the form of donations. It is worth noting that this generosity allows them to pay even less tax, like a snake biting its own tail!

One can't help but admire these impressive entrepreneurial feats. But their immense, international scale and the wide-reaching pervasiveness of their activities naturally provokes fear. Their growth is without limits, constantly breaking new records. Instead of endangering them, the COVID-19 pandemic actually boosted their growth, with the boom of the digital economy.

Their financial power exceeds those of several nations, and we are now asking ourselves how far this can go. Their impact on society is particularly worrying, because these monsters are creating a new way to live, consume, communicate and connect with others, by sweeping away centuries' worth of traditions. It is admittedly difficult, if not impossible, to resist these changes. We are all consumers of the many advantages offered to us by new technologies. This raises concerns about where this society will take us, as it appears to be devoid of meaning. It is in fact following a thought process that does not serve the common good. It is not by chance that all these companies started out in Silicon Valley. The founders share the same vision of the world and the same liberal values. They are all driven by the idea of conquest and the creation of a globalised economy, not to mention the megalomaniac dreams of figures like Elon Musk, who hopes to reach the moon by 2024 and eventually Mars, or Jeff Bezos, the richest man on the planet and CEO of Amazon, who completed on 20 July 2021 the first tourist trip into outer space. This all has a strong resemblance to a form of imperialism, if not colonialism. This feeling is substantiated by the dependencies created by tech giants, whose services and products are so deeply engrained into our everyday lives that we cannot go without them. Surreptitiously, we end up in a relationship of subjugation, if not enslavement, to the point where this so-called liberal model is infringing upon our freedoms.

More than liberalism, this model is inspired by libertarian ideology, a concept that is rather foreign to Europeans. Libertarianism is an extreme branch of liberalism that expresses not only a mistrust but an opposition to the State and public institutions. This movement is very influential in American intellectual circles. Peter Thiel is one its most famous advocates. Co-creator of Paypal, he is a legendary investor in Silicon Valley, and one of the first to have put his faith in Facebook.

He funded, for example, an autonomous floating city-state in the sea named “Seasteading”, exempt from territorial laws and acting as a liberal paradise where individual freedom is king and there are no notions of State, collectivity or common good whatsoever.

Another example is cryptocurrency. If we take a closer look at the concept, we find all the fundamental concepts of libertarian ideology: the creation of currency is in the hands of individuals and not States, bringing the old dream of liberal economist Friedrich Hayek to life. The most surprising element is the total lack of references with which to define value, except for the law of the market, i.e. supply and demand, which sets the perfect conditions for speculation. Knowing all too well the impact that currency can have on the stability of a civilisation by affecting its economy, we have reason to be afraid. All we have to do is look at the crises faced by countries dealing with high inflation in 2021 such as Lebanon, Argentina and Venezuela, to name but a few, to understand that a currency cannot be created without a real public orientation towards the common good, without supervision and without total independence from political power, let alone the laws of the market, which is precisely where central banks come in.

We must therefore take proper account of the current state of play, of this new society being built at high speed through new technologies owned by increasingly powerful corporate entities, led by minds that are far from innocent and that follow a very precise ideology. It is high time we put an end to this “survival of the fittest” attitude that I can only describe as a “Western” to highlight its exaggerated state, and to introduce a new kind of regulation in a world that is foreign to us. In other words, it is time for the world of politics to tackle the subject head-on. This is in the process of catching on, but at a very slow pace compared to the supersonic speed of development seen among the “big players”. This means we cannot rely on public institutions alone.

I am convinced that companies have their role to play in pushing for a new dynamic, on a voluntary basis rather than by obligation, by expressing their beliefs and good will. The new capitalism will be shaped by the initiative of companies and citizens, not laws and regulation. This comes down to a mindset, a certain vision of the world and a desire to make sustainability a primordial concern for our society. Many, including Lenin and De Gaulle, have used the well-known idiom "*where there's a will, there a way.*" And as Clémenceau once said: "*You have to know what you want. When you know it, you have to have the courage to say it. When you say it, you have to have the courage to do it.*" So, let's do it!

The rising popularity of principles concerning social responsibility are generating new perspectives that will shake up traditional capitalism. By involving all stakeholders in the pursuit of goals that benefit us all, these ideas will push companies to question their role and their place in society.

Keeping in mind the complexity and speed of current changes, it is clear that the major issues of today cannot be resolved by political powers and civil society alone without the essential contribution of business. It is not so much a question of ethics or philanthropy but an urgent call for collective action. The future of our society and planet is at stake. We must therefore question the sources of this legitimacy and consider the consequences in terms of governance and shared value, without forgetting its impact on economic models and the rebuilding of trust towards economic and financial players. It would be unreasonable to see the movement as a mere passing trend, a marketing phenomenon or a new imperative of social responsibility that can be dealt with in a superficial manner. Instead, let's see it as the first steps towards a radical transformation of capitalism, as we question the usefulness of these economic models and reflect on the concept of shared value.

For around half a century, the increasing disassociation of the world of finance from the real-world economy has harmed the legitimacy of capitalism, causing it to appear increasingly "de-rooted".

The process of short-termism at play is essentially about prioritising the satisfaction of shareholders, who are generally investors not involved in the company's activity. On both sides of the Atlantic, the situations are similar, but not identical.

In the anglophone world, we see increasing criticism of this rejection of shareholder capitalism based on the view that *“the social responsibility of business is to increase its profits”*, as argued in Michael Friedman's famous 1970 article. Opposition to this sacrosanct rule constitutes a full-blown cultural revolution, in this part of the world where money and the market economy are the very cornerstones of its ideology. This cultural heritage is being undermined by a new paradigm that opens the way to the “stakeholder theory”, where stakeholders are considered to fully and legitimately participate in the sharing of generated value, in the same way as the shareholders.

In continental Europe, a historical melting pot of social ideas, alternative models of capitalism based on a future-proof entrepreneurial culture prioritise power sharing within the company, synonymous with democratisation and the balance between labour and capital.

In France, a country characterised by a latent suspicion of money in general, and business profits in particular, not to mention a great deal of social conflict, the State is the sole guardian of the line that divides the profitable market sphere and the public sphere of the common good. The recent provisions of the PACTE law have disrupted this cultural landscape by authorising, even encouraging, private companies to declare their contribution to the common good.

On the basis of these observations, we must now go beyond our current achievements and the regulatory corpus of social responsibility, which is shaped by different lines of tension depending on national regulations, managerial cultures and the various constraints affecting the business' activity.

The elasticity of capitalism has allowed it to seamlessly incorporate CSR and seamlessly drain it of all substance, by keeping it at the margins of all sovereign functions or systems of production, far from the boards of directors where rules for creating and sharing value are discussed and adopted. Today, CSR reporting still appears to be a robotic box-ticking exercise, far-removed from strategy. Very few companies have worked towards changing their economic and governance models to pursue sustainable development goals. CSR remains intrinsically fragile and discretionary, as it is based on values set by business owners or those who act on their behalf, but who do not necessarily understand its purpose or its scope. In the absence of any legal foundation, a CSR policy can only be created through a shift in shareholder and managerial culture. It all comes down to individuals and their “mindset”, making it a more fragile concept. How long can this last? If changing mindsets do not generate action of their own accord, then public authorities will be forced to impose regulations, once again. This would be far from ideal, but this is their role, after all, and these regulations are long overdue when we look at the deteriorating state of our planet and our society.

The concept of sustainable development has been around for several years and, with the fast rate of complicated societal change, has now almost become obsolete. The term “responsibility” has a philosophical and moral sense of “prospective and collective responsibility”. It is astounding that we still find ourselves at this stage, as it is not so much a question of tidying up loose ends but committing to a process of deep and irreversible change. In order to achieve this, we must distance ourselves from this short-term logic and deeply re-examine our corporate legal infrastructure and accounting standards for assessing value creation, in order to pave the way for a new economic culture. One thing is evident: our tentative steps towards social responsibility and political change have not been able to mend the fractures that threaten the stability of our societies, and feelings of concern are palpable.

On the economic level, the problem we must solve is how to make a business thrive in a deteriorating world. The underlying idea of a “better business” is slowly gaining in popularity, resulting in the improvement of internal modes of operation and regulation. These changes always stem from the voluntary actions of conscious and responsible individuals.

An ideological shift is underway, pushing boards of directors, general assemblies and parliamentarians to debate on the further development of corporate purpose and governance, and new forms of value sharing. Contribution to the common good seems to have become the most popular path among companies trying to prove their social utility, helping to secure their longevity. Since the 2008 crisis, an unusually violent event that shook the global economy, major projects have been launched all over the Western world to re-examine the social purpose of companies and their role in the city. Our capitalist model has been put into question.

These debates are rooted, particularly in Europe, in a very fertile soil. Change is in motion, and progress is happening quickly. The very strength and purpose of this book is to make it clear that the time is now and that we must take action.

## SHARE CAPITAL

The concept of capital is the result of the economic shifts that took place along the 19th century due to the rise of industrialisation and the need to raise significant funds beyond the means of even the richest investors. Under Napoleon Bonaparte, a Commercial Code (*Code de Commerce*) was adopted in 1807, setting the basis for the first commercial companies. The second half of the 19th century saw the appearance of the first major industrial projects, including the development of the country's railway lines, which demanded vast amounts of capital. It was therefore under Napoleon III that the French company law of 1867, which is still in force today despite its many amendments, established the model of a limited company, with the declared aim of helping to raise greater amounts of capital to finance major works.

The purpose of creating companies was therefore twofold. On the one hand, it was a way of granting legal personality to a legal entity whose purpose was to bring together natural persons. It was therefore intended as a sharing tool, and since its creation, the company has been the architecture that allows for a business project to be shared by a group of people. On the other hand, the notion of capital introduced the principle of limited liability. If share capital is not distributed between partners, the company will belong to one or more natural persons in a personal capacity, forming part of their assets. But a company does not only have profit: it also has debts. And when the latter exceeds the former in quantity, the company must suspend payment, despite having commitments to fulfil. In this way, all debts, as part of the company's assets, are transferred to the business owner. In the absence of limited liability, the bankruptcy of an individual company leads to the bankruptcy and ruin of its owners and their families. This called for a solution that would reassure investors and encourage entrepreneurship.

Limitation of liability to the capital invested in a company offered clear protection of private, non-professional assets. If business failed, investors would lose their invested capital, but their personal assets would remain unaffected. Share capital only affects businesses who have chosen to adopt the legal framework of a company. It represents the capital invested in the company by partners, generally in the form of money, but sometimes through the contribution of goods, provided that they are useful for the business' activity. Partners are compensated for these contributions through rights, shares or units. The owners of these deeds represent the company's partners, or owners. They are responsible for all major decisions concerning the company, which are discussed during the general assembly. Share capital therefore involves a variety of legal concepts.

These rights come with the rights of ownership and enjoyment, which can be separated in the case of asset-stripping, but let's put these legal subtleties aside for now, as they do not concern the subject at hand. Property rights grant decision-making powers, which can be exercised during general assemblies. It also allows holders to reap the benefits of the company's activity i.e. the distribution of profits, known as "dividends". In this way, the concept of share capital also comes with a notion of financial profitability, adding to its appeal. One and a half centuries have reinforced this capitalist model and have seen it evolve through legal and regulatory changes, all aimed at boosting economic growth.

The reflection of this capital in accounts may come as a surprise to the uninitiated: it appears on the liabilities side of the balance sheet, listed under debts, along with bank loans or current debts to suppliers and other creditors. It is important to understand that this capital represents a debt owed to the partners, which perfectly reflects the dichotomy between the partners and the company. Partners invest capital in the company so that it can develop its activity, and this puts the company in their debt. This debt will never be repaid, apart from in the case of termination of business activity, during the process of liquidation.

Alternatively, it can be transferred to another party, in what is known as a transfer of shares. Partners may come and go, but the company will continue to pursue its activity, further proof of the distinction between a company and its partners. This financial concept has produced something of a disconnect between the active members of a company, those who carry out the work, and the owners. The company can become the object of speculation and see its shares grow and sometimes soar in value, without this affecting the employees and those involved in the company's operation. This can be explained by the fact that intangible elements all influence the company's value, such as development opportunities, which are sometimes far removed from the current reality. Such is the role of stock exchanges and financial markets, the gatekeepers of financial speculation on companies.

This brief overview of share capital allows us to understand its complexity and its effect on sensitive areas essential to any company. But there is another way to look at capital, a different perspective. The notion of business dynamics has been incorporated into the legal, accounting and financial lexicon. Capital can indeed act as a catalyst through its federative capacity. If the partners who possess capital are the decision-makers when it comes to the direction of the company's activity, we can reconsider our approach to the "investor round". It would be wise to grant decision-making powers to those who have made another kind of investment in the company: its staff or even its stakeholders.

Regardless, we must not forget the purpose of raising equity capital, which is attached to share capital, but we will discuss approaches to the concept later. The culture of this new generation, based on openness and sharing, is reluctant to accept the traditional concept of share capital, in which partners act as devout capitalists with the unique goal of receiving dividends. There is no better way to completely destroy team motivation.

Finding a dynamic will require a round table involving not only the company's partners but all those who have a role to play the running of business and its development.

Naturally, employees are the first who come to mind, but this may extend to stakeholders, such as customers or suppliers. Financiers will also be essential, as the company requires funds to survive. This is where the very word “stakeholders” comes from.

The concept of employees becoming partners in their company has existed for many years. France's *Sociétés Coopératives Ouvrières de Production* (SCOP), or “Workers' Production Cooperatives” in English, have existed since 1831, aimed at improving working and living conditions for workers. Since its conception, the cooperative movement greatly increased in popularity in France, particularly within agricultural and banking spheres. However, without reaching the point of total sharing between employees, opening up the concept of capital to include employees could be a new management model for “traditional” companies ran by a single director or a handful of partners. Allowing them to access capital is a way of further involving the people who occupy essential roles in the company, boosting their loyalty and providing them with this sense of ownership.

This also creates a new kind of relationship, gives them a voice within the company's governing bodies and ensures they are heard. It puts them on an equal footing, in the aim of reducing or eradicating the notion of hierarchy. This new governance model can help to enhance performance. Support measures can help business leaders to implement bonus share schemes or offer shares at a lower rate. For employees, this is a perfect opportunity to change their status and have a different company experience, by finding another incentive to work. Both parties will benefit from this, enjoying a “win-win” relationship.

Customers and suppliers require a different approach. Once again, we are not looking for a financial transaction, we are seeking to build a stronger relationship based on mutual benefits. It is based on one very simple idea: the strategy of my customers and suppliers is of direct interest to me as it affects the future of my company. This is why I must be sure to include my main customers and suppliers in my strategy to make sure I am acting in sync with them. For my suppliers, this ensures the continued provision of goods and services. For my customers, this ensures sales. The idea is to offer them “cross-shareholdings” so that each party has a stake in the other’s capital. A simple contractual business relationship may be enough to continue the relationship. But if we structure this relationship around a legal basis, with each party having a stake in the other's capital, it takes on another dimension. This way, we have more reasons to do business together. And in order to cement this desire to work together and to ensure the longevity of the business relationship, we can give these stakeholders a place within our governance bodies.

This way, boards of directors are more than just rubber stamps; they become spaces for exchange, where decisions are made collectively. It is not complicated; it is just a question of dedication. This reciprocal distribution of shares comes at no cost to the company and can be achieved through a simple exchange of shares, all in modest and reasonable proportions. Once again, it is not a financial transaction, but a new governance style and a new way of bringing people together. It is about holding out a hand, opening the door, committing to transparency and structured collaboration.

Nevertheless, we must not underestimate the role of financial partners. Helping them to access share capital is a good way to appeal to them and involve them in the company’s project, which we will now look at in more detail.

## **FINANCING**

Companies cannot exist without money, the old “sinews of war” Sinew is the connective tissue that binds muscle to bone, allowing the articulation of our different body parts. In the figurative sense, the sinews are the parts of a structure that give it strength. To go to war against your enemy, you need sufficient financial resources. Nowadays, the same expression can be used for a business project. Although it is not the same as going to war, you will go head-to-head with your competition on the market, and the financial resources at your disposal will play a decisive role. Success is not necessarily proportional to the amount of money invested, but we cannot deny that it certainly helps a great deal. Of course, this means all kinds of investment. Depending on the activity, this can quickly add up to significant sums of money. Projects that require the use of an expensive industrial tool, a prime business location, the conducting of long-term research, or the acquisition of a major investment will all require large sums of money. Projects that do not require any particular investment will in any case require financing to launch their activity, through what finance professionals call the WCR, the working capital requirement. The business must be able to pay for initial stock and, above all, meet the operating expenses until they see their first returns. This same rule also applies to activity growth. In summary, the question of financing is at the forefront of business leaders’ minds.

The “best” kind of financing undeniably comes from the business owners, its shareholders. It is provided to be invested in the company’s activity, without any expectation of immediate returns. Such is the definition of capital, which plays a major stabilising role and generally represents the backbone of the company’s finances. Across the board, this type of contribution should be a priority, as it gives the company strength and independence.

However, personal funds have their limits and are generally not enough to cover a business' investment needs. They must therefore seek funds from external sources, which inevitably involves seeking financial aid from banks, which exist for this very reason. Contrary to preconceived ideas, banks are reluctant to grant loans to newcomers or first-time entrepreneurs, no matter how promising the business plan, and they are under no obligation to continue financing a business project. It is important to understand that they are taking a risk by granting a loan, namely the lack of repayment. To compensate for this risk, applicants will be asked to provide personal and concrete collateral, specifically personal assets, preferably property. It is a daunting commitment that business leaders are reluctant to make, precisely because if the company fails, the property given as collateral may be seized. But is there another way? There are two answers to this question. Generally speaking, no, there is not. The answer is only yes if business leaders are prepared to distribute the fruits of their work: the returns on business activity. This is a possible way of building a new approach to business financing.

Financiers are an important addition to the list of third parties to build a partnership with as this will be a long-lasting relationship. Businesses borrow money over a period of several years, generally for as long as possible in order to spread out the repayment, therefore creating a true link to the bank over the long term. The second reason is that this type of relationship cannot be maintained without trust. A business leader will only be granted a loan when having earned the bank's trust.

Trust in the project, of course, but also personal trust. It cannot be overstated how important the latter is for the relationship to work. Those seeking business loans should therefore provide more than just financial information in their application. It is within their interests to be as transparent as possible, especially about themselves.

Any effort that helps to build this trust should be made, and must be authentic, as there is nothing more detrimental to the relationship than dishonesty. As you can see, there are many good reasons to carefully build up a positive relationship with your financial partner(s). Never forget that this relationship creates a dependency that may turn out to be devastating if the business falls on hard times. When bankers loses trust, they will only have one goal: to get their money back, Euro for Euro, to the detriment of the company and its owner.

Lately, bankers have become stricter in their practice due to the fall of the market. When interest rates covered the cost of risk, banks were more inclined to grant loans. But with near-zero rates, the bank no longer has a sufficient margin to incorporate a risk premium and is therefore reluctant to invest in any potentially high-risk projects. It is therefore very hard for businesses to obtain credit, let alone an overdraft, unless they have assets that they are willing to list as collateral. As a result, all signs point towards building a different type of relationship with the company's financial partners, breaking away from traditional models.

A relationship with the business' financiers based on a partnership, cooperation or even sharing is perfectly attainable. Financiers are prepared to take a risk in investing capital on the condition of a substantial return, superior to the market's standard interest rates. This can be generated in two ways: by seeking capital gains or by profit sharing.

In the first case, capital gains will be generated through the holding of the company's securities and their subsequent transfer. For this to be possible, the company must accept partners who are not involved in business operations, but who have a right to inspection and supervision, which the company may find unpleasant. This is primarily due to the fact that expectations will differ between partners, as the financiers will have no other objective than financial gain. This can cause tension in relationships. Ideally, companies should enter an agreement with the financiers for a sufficiently long period of time, for example eight years, with pre-determined exit conditions, in order to avoid any future tensions.

As long as there is this expectation of dividends, relationships between partners may not always be smooth sailing. But if the deal is made clear from the start, there will be no nasty surprises. The ideal situation is to ensure that everything is organised, by contract, statutory provisions or by partner agreement, to set a clear framework beforehand. This may take the form of preference dividends that will offer financial partners unique benefits. Other arrangements can be made to make sure all parties are satisfied. It is all a question of dialogue and negotiation. Once again, *“where there’s a will, there a way.”*

And let’s not forget another financial tool, one that is perhaps more suitable to small and medium-sized enterprises: crowdlending. Halfway between an investment and a loan, it allows companies to receive funds in return for a share of their profits, often with minimal interest. It is a risk for the lender, meaning that they will not take the investment lightly and will carefully consider the project before making their decision. This financial tool is not new and was introduced into French law in 1978 to help the steel industry.

Due to its nature, it is usually presented as an equity product, which helps to improve the financial structure of the business. What works to the benefit of the company is that, in terms of financial analysis, crowdlending is not listed as debt, but as “near-equity”. Companies can therefore expect to see an improvement in their balance sheet without necessarily an increase in capital, and consequently a better rating, whether from Banque de France or any other rating agency, not to mention improving its reputation among suppliers and even customers.

Crowdlending quickly gained in popularity during the 1990s recession, faded away for a few years, only to reappear during the 2008 financial crash. The French government saw it as a good way of funnelling funds into companies through the French public institution OSEO, now BPI France.

This same tool was used to help businesses survive the COVID-19 crisis and ensure recovery, as the French government asked insurance companies to release 11 billion euros to be distributed in the form of equity loans.

This financing method should be at the top of business leaders' lists. It demands a certain open-mindedness, but less so than making a partner a shareholder. Crowdfunding does not affect share capital, which remains in the hands of the partners. Business leaders can therefore be sure of maintaining control of their company, which is generally the norm in small to medium sized enterprises. They just have to accept that a share of the profits will go to the lender, which will result in paying a higher interest rate than that of a traditional loan, as long as the company manages to make a profit. It is a bet placed on the business' future, a win-win situation. Taking into account the number of businesses that struggle to secure more traditional forms of investment, this model could prove to be beneficial, particularly when there are no other options available.

If we build an economy based on sharing and cooperation, we will naturally transition towards these kinds of partnerships when looking to finance our businesses. Business leaders simply need to accept the concept of profit sharing, which demands a real shift in mentality. Beyond the purely financial aspects, what is great about this kind of financial partner is that they will be just as motivated to ensure the smooth running of the business. They will even have a role to play in its growth, using their network of contacts to seek leverage.

This is how investment funds of venture capital companies have specialised in different sectors and have developed a sound knowledge of each field, which can help them to build strategies with the companies in their portfolio.

Financing, just like all other aspects of corporate life, must now be examined with a fresh perspective, and these newly found partnerships will be of a sure benefit to the company. It is an approach that helps us move towards a new capitalism and a new economy.

## COMMUNITY OF INTEREST

We have seen how mentalities have changed so much in so little time, shifting towards this search for meaning. We have also seen how important it has become for us to build smarter partnerships. No matter the context, the goal is to bring together different energies, create new synergies and start a collective movement. This is how the company of the third millennium will work towards a new kind of capitalism: by building itself like a community. The internet and its pioneers have given rise to the concept of the “social network”, allowing people to assemble a group around themselves or around a project. These networks became friendship groups, each person living within their online circle, or circles, as it is even possible to create several different ones across different platforms. Just by using an online pseudonym, we can create as many virtual worlds as we like, based on a particular identity or theme. Our society naturally leans towards collective structures, as we seek to inject a little extra soul into our lives, something with strength and power.

This approach can be easily appropriated by companies who, by definition, exist to bring people together, forging links between them to give shape and life to the group as a whole. A company is really a network, although it is not usually seen as such. If we wholeheartedly accept this idea of a network, we can benefit in a great number of ways. It is a culture that requires structure and encouragement. As was previously discussed, this culture is at its best when it gives meaning to the company's activity, contributing to the common good and pursuing a broader social mission. This goes beyond the traditional profit-seeking mission of all companies, even though this goal should not be totally set aside.

It is harder to get people to work together towards a cause than towards a simple financial goal. The strength of the project will create stronger links between individuals, increasing opportunities for success.

We can compare this activity to that found in team sports, where each player has their position, but is nothing without their team-mates. A business is exactly like a sports team. The first similarity lies in how the different players complement each other: everyone contributes to the result. The second is the importance of the values that underpin these collective actions, such as team spirit, solidarity and cooperation. Without these, there is no chance of success. The famous expression of Latin origin and the current unofficial motto of Switzerland, “*one for all, all for one*”, perfectly symbolises the “*esprit de corps*” that contributes to entrepreneurial success. We have now moved to a more horizontal model reflective of each individual's responsibility, as opposed to the top-down hierarchy endured by previous generations. I must emphasise just how useful this model can be in helping companies successfully adapt for the future, in terms of their internal organisation and *modus operandi*. This collective model can also extend to forging closer relationship or cooperation with other businesses.

The concept of a “family of businesses” mainly refers to consortia created through an agreement between companies linked by mutual economic, legal or financial interests. This vertical integration model was first developed in Japan during the wave of the second half of the 20th century, with its famous “*sogo susha*” that created sprawling corporations and built economic empires. In this world, companies in the same group conduct business together to maintain all profits within the one entity. The architecture incorporates both suppliers and clients, all along the supply chain, right up until the final customer. This approach certainly has its appeal, as it helps to improve the complementarity of activities and therefore the sharing of business strategies. The intended goal is to ensure an overall coherence, with a highly effective approach focused on economic optimisation. The downside to this model, in the greater context of the new economy, is that it is purely designed to seek profit. That being said, it is up to us individuals to adopt a different strategy.

If we applied a culture of corporate responsibility to these trusts, it would be sure to have a powerful, dramatic impact. It is a question of dedication. We must hold on to this model of collective strength, which has proven to be effective.

This is not to be confused with the notion of a business' "community of interests". It has the advantage that it can be implemented regardless of activity or size: even the smallest of SMEs can adopt this approach. The aim is to involve the different stakeholders who contribute to the company's economic life and work with them to build a living community, going beyond business interests. This is a way of breathing life into the business that requires effective and permanent action. Here, a great deal comes down to transparency: the best way to involve individuals is to keep them regularly informed about the business' news and actions. This means not only its wins, but also its challenges and losses. The company should also encourage dialogue to receive feedback and advice. This *modus operandi* is based on a collective approach, hence the term "horizontal". To provide a framework for this type of governance we must assemble all the necessary structures, whatever the terminology: board of directors, management board, supervisory board, management committee, executive committee, strategic committee, etc.

What matters is the spirit in which this system is implemented, which should encourage freedom of expression, delegate of authority as much as possible, and apply a collective decision-making rule. Of course, this democracy must not create blockages and governance performance must remain the priority. Nevertheless, differences of opinion will push teams to reach a consensus, resulting in a better final decision. Although the process is more complex than a simple downward-flowing decision made by one person, it has the strength of the group behind it and will result in easier implementation, since everyone will have contributed to the final decision and will be committed to taking action.

Which stakeholders should be involved in this community? First of all we have our staff, setting aside those who we would classify as “executives”, to distinguish this notion of responsibility and support for their teams. Depending on the size of the company, this will be followed by a selective process, taking only those in managerial roles. This will not prevent you from creating sub-groups and organising an upward flow of information. Once again, we are looking to build a “bottom-up” dynamic, which is all a question of mindset.

After rallying up the business’ workforce, we must incorporate our main external stakeholders. I discussed earlier which customers and suppliers are the most important here. Building long-lasting relationships with these stakeholders is essential to business survival and strategy. Involving them in discussions and hearing their point of view will be an enriching experience. It is essential we align our choices and projects with theirs, within reasonable limits, of course, as each party must feel free to conduct business as they wish.

Their feedback is very useful indeed as it allows us to evaluate the moves of our competitors. Any customers won over by competing commercial offers will be able to immediately provide information that will allow the company to respond quickly. This flexible model guarantees a certain longevity. The same goes, in the opposite direction, for suppliers, who can provide information on market demand. Beyond the obvious business relationships at play, we must see this sharing of information and collective brainstorming as the reinforcement of our human bond, which has the greatest influence of all. Trust is the foundation of all healthy and equitable business, and this can be taken as far as implementing cross-shareholding systems, as previously discussed.

This representation of all members of the community would not be complete without our financial partners. We have looked at the importance of providing non-financial information when seeking financing.

This can be done when necessary, of course. But ideally, this will be an ongoing process. The best way to earn the trust of your financial partners is to involve them in the everyday life of your business, organising the sharing of information and even allowing them to participate in governance bodies. Keeping them up to date with everything, including any problems, will only play to the company's advantage. Their contribution to governance will be of immense value, thanks to their experience and their continuous benchmarking of the market. It is therefore a completely different type of relationship that must be established with the company's financial partners.

Another potentially useful profile to be included in the community is an external figure, whose experience and knowledge could be used to benefit the company. This person could be granted the status of "independent director", to be incorporated into one of the company's governing bodies, or perhaps "senior advisor", to be involved in general management. These individuals will be appointed specific projects, perhaps on an ad-hoc basis and, more generally speaking, will be asked to weigh in on business strategy. These tend to be influential figures who can also help to open doors when it comes to networking or may be involved in other activities that are of interest to the company. Large companies often use this method, and it is now up to SMEs to follow suit.

In conclusion, we must remember that this "community of interests" will only work efficiently if it is driven by a certain mindset, based on inclusion and dialogue. In our current climate of uncertainty, we must take great care and be on constant alert when bringing the outer world in. Recently, we have simply been groping our way forwards towards the future. Only time will tell if our choices were the right ones. By this light caricature, what I mean to say is that we have so much invention ahead of us, in this digital era.

A very wise quote by the Spanish poet Antonio Machado, taken from his fantastic work *Caminante, no hay camino*, perfectly illustrates this situation: "*the road is made by walking*". These early years of the 21st century and our third millennium are steeped in feelings of adventure and conquest. This means that the bravest of us will succeed, as long as we stick to the right path.

Open-mindedness and caution will be crucial in this. This is reflected in the motto of Silicon Valley: "*We live in a VUCA world.*" VUCA, a concept invented by the U.S. army in the 1990s after the collapse of the Soviet Union, stands for Volatility, Uncertainty, Complexity and Ambiguity.

Building a business project in such an environment is more difficult than entering an already tried-and-tested world, as was common practice up until now. Our tools to navigate this world are unreliable, meaning we must constantly analyse our situation and rely on informed readings and quick reactions to set us on the right path. Sailors out on the high seas may be used to this kind of visual navigation, but business leaders are more accustomed to basing their decisions on concrete data. This is why we must shift our Cartesian mentalities towards open-mindedness and dialogue.

A whole new mindset!

Everything is changing... even the business !

## CONCLUSION

FROM THE QUANTITATIVE TO  
THE QUALITATIVE

The Covid health crisis has held a magnifying glass up to society, exposing the shortcomings of an economic model based only on the generation of profit. The provisions of the PACTE law unlocked the gates to changing France's dynamic by making the company an independent contributor to the common good. Businesses will soon be competing on a new playing field, to see who can do better for the planet and for society. By pushing for the changes and innovation necessary to bring about solutions high in shared value, businesses can have a more positive impact. Economic viability and positive impact are not mutually exclusive concepts. By shifting towards a more inclusive, regenerative and contributory economic model that no longer prioritises the satisfaction of shareholders alone, businesses come out on top. They will be able to attract the best talent from a generation that cares about environmental and societal issues and seeks meaning and values, and it will be a useful partner to public institutions by helping to build the economy of tomorrow.

The list of themes involved in this transformation covered in this book is by no means exhaustive. Yet it is striking how everything converges in the same direction: a quest for wellbeing and meaning, both on a personal level for those working in companies, and on a societal level, in terms of the impact of business activity on the natural and human environment. This trend sheds light on the situation, helping us to understand our areas for improvement, by way of contrast: need and demand highlight the areas in which we lack. In this quest, we can tell there is at least a certain inadequacy, if not a total deficiency. Are contemporary businesses and the contemporary economy in a critical condition? Are they failing to serve society?

Ever since the end of the Second World War, 76 years ago, western society set off in mad pursuit of consumption, synonymous with a higher quality of life. We now have our result, an impressive one at that, but at what cost?

Immense sacrifices have been made, to the detriment of the planet, universal balances, even human health, despite the incredible scientific advances of our times. We have put these errors down to ignorance or self-deception. But this argument is long past its expiry date, considering that for half a century, scientists have been warning us of climate change and the risks associated with the depletion of our non-renewable natural resources! We have sacrificed quality for quantity. The devastating shortages experienced in most western countries during the first half of the twentieth century helped justify this decision, and what occurred was surely inevitable. Without judging the past, let's look towards the future. We cannot continue on this road now that we know it is a dead end of no return. Best to kick things into reverse. In every sector and, of course, the economy in general, everyone must shift their focus back to quality. The rule is simple: to move from the quantitative to the qualitative! Whatever the extra cost, this step is essential for the survival of our species. Is it more expensive to eat organic? Yes, but is that such a bad thing? Do we not owe it to our health? Have we not taken this preoccupation with lowering the cost of the weekly family shop too far? The quest for quality is a virtuous one, as evidenced by the very strong consumer trend we are currently seeing, particularly among the younger generations. This phenomenon has reached such an intensity that we have arrived at a point of no return. Considering this, the 21st century is shaping up to be characterised by this search for quality, which is excellent news.

By orienting our company growth and transformation projects towards this target, we give them a universality and power that will enable them to overcome any obstacles. This is the challenge companies face today, justifying the urgency of this endeavour. This commitment must be made publicly in order to receive the recognition it deserves, and to compel the business to take this step towards the future without looking back.

The first approach will be to draw up a strategy set in stone within the business' official documentation, its statutes, which can be consulted by anyone who is interested. This strategy must also be shared through public communication, as carefully composed messages shared on the company's website.

Gone are the days where a company would hide away, keeping its cards close to its chest. The time has come for businesses to open up, to engage in dialogue and cooperation with others, and to practice transparency, sincerity, and generosity. Our words reflect our actions, and our actions reflect our words. We make commitments and we are prepared to be held accountable for what we do. The business represents a crucial link in the chain of society and is now expected to fully assume its responsibility. This concept is a radical departure from the notion of private property that has prevailed since the early years of capitalism. This had the unfortunate effect of building a wall around the company, leaving it to answer to itself alone. Seeing the business as a part of the bigger picture helps us to understand its societal role.

Any company led with this new mindset will be in constant dialogue with its environment. It will constantly absorb all kinds of information from the surrounding network it has made for itself, but also from its community of interest. This will include financial information, of course, as well as non-financial information. We must admit that up until now, this information has been purely financial. This is because it is easier to evaluate financial or management performance.

Non-quantitative aspects are harder to grasp, but they are nevertheless as essential part of a company's life. According to Einstein, "*not everything that counts can be counted, and not everything that can be counted counts.*" Beyond the subtlety of this wordplay, there is an incredible strength and great significance to this phrase, coming from the father of the theory of relativity.

Since the times of this famous scientist, our society has made great progress in the so-called “human” sciences, and the immaterial has come to occupy a major place in our lives, even within business. A manager is no longer recruited without a detailed analysis of their soft skills, meaning their social intelligence, communication skills, personality, interpersonal relations, critical thinking, team spirit, creativity, flexibility, etc.

The same applies to the company, in terms of how it is perceived by others. If you wanted to get general overview of your health, it would not be enough to take a blood test alone, which would measure performance. You must also undergo a functional assessment, to understand your behaviour, movement and habits. An idea can only be seen as positive or negative if we know its origin and its destination. It's the momentum that matters. And this momentum will be the result of the action we have taken, the projects we have led, the targets we have worked towards, the quality of our interpersonal relations, our management style, the optimisation of our skills, the attention we give to each person, our rate of social inclusion, how we have improved quality of life at work, our awareness of environmental impact, our CSR policy, our focus on quality, our certification or standards, how we share added value, and the place we give to ethics in our general policy.

All of these elements are essential to fully understand a business. This is why it so important to publicly share this self-diagnosis, by releasing a report that talks about company life in other ways than figures. Financial reports do not cover all these elements that make up company life. Taking stock of these is just as important as taking stock of the company's finances when it comes to those unfamiliar with the business, who will be in the process of forming an opinion or judgement about its performance and future. Financial rating agencies are beginning to attribute more and more importance to extra-financial data.

Analysis ratios are incorporating what are known as ESG supplements, in order to address environmental, societal and governance issues. We must bring about a change in mentalities if we wish to put the qualitative back in the quantitative, or in any case to place them side by side, and no longer pursue one without the other. The future lies in the reporting of non-financial information, whatever the size of a business or its sector of activity. Leaders have it well within their interests to share more details about their business' day-to-day operations, as this will help to form connections, fostering sympathy and trust. This process can be streamlined by the use of extra-financial performance indicators, organised into three categories:

- Social intelligence indicators, demonstrating the business' ability to create and develop connections within its ecosystem, which will translate into its ability to implement inclusive and interactive governance, while demonstrating its commitment to the digital transformation.
- Global value indicators, which place ESG criteria at the heart of the decision-making process by assessing the extra-financial impacts of the company's actions, helping to determine its purpose or "raison d'être".
- Human wealth indicators, which reflect the level of quality of life at work, working towards a balance between well-being and productivity, between individual freedoms and fulfilment in contributing to the collective project, and between creativity and responsibility.

A reflection of society, business changes and undergoes deep transformations.

Everything is changing... even the business!

Are we going to see a new economy, a new capitalism?

It seems so. Time will tell.

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