



Intellectual Capital for Communities
In the Knowledge Economy

Intellectual Capital for Communities in the Knowledge Economy Nations, Regions, Cities and Emerging Communities



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Human Progress and Business Management

Iconic Examples and Lessons

Philippe Lukacs

Three very different examples

Valrhona

Created 1922, 530 employees, excellence chocolate, global market

Family controlled

Compete, with an almost equal position, with a company 10 time bigger

Excellent results even during 2008/09

Sodexo

Oustanding speed of growth since creation (1966)

380 000 employees (21st largest employer worldwide)

Family controlled

Global leader for services improving daily quality life

Danone

BSN-Gervais-Danone created 1973

75 000 employees

Shareholder controlled

Global brand

Valrhona specific culture from the very beginning and Valrhona present vision

Very close personal relations with chefs

Close partnership with cocoa producers

A company which relies on quality human relationships

Not a classical strategy

be the global leader, increase the market, increase pleasure of customers

....

The vision focuses on human progress

Try to counterbalance tendency to a shrinkage of tastes
(pizzas, ketchup, sodas,...)

Contribute to the development of gastronomic

sensitiveness of people

Examples of Valrhona actions and results

Alliances relations based on a common dynamising ambition
with all stakeholders

- Producers
- Chefs
- Distributors
- Final customers
- Non customers

Exceptional internal cohesion and motivation
from Executive Committee to operators

Long Term personal alliances
not narrow debates focused on prices

Sodexo specific vision from the very beginning

A double aim (Pierre Bellon)

- . Improve daily quality of life
- . Contribute to the economic, social and environmental development of areas in which company operates

Domain of activity choosen accordingly

- Activity needing low capitalisation, high human intensity
- Food services on clients sites, *not hotels*

Mode of development defined accordingly

- Growth as to allow promotions and development of employees

Acquisitions develloped accordingly

- . Alliances with companies sharing same values
- . Respect of acquired managers and employees



Sodexo present strategy

Become the strategic partner of businesses and organizations
creating, managing and delivering comprehensive Quality of Life
service solutions

Provide a springboard for employees' development

Make Sodexo a globally known, loved and chosen brand

LT Alliances based on final aims

Strong coherence within all directions

Clients

Employes

Final customer

Example of action

Close collaboration with UK Dept of Justice

Design build and manage young offender institutions, detention centers, post-release rehabilitation hostels

Alliance based on Dept of Justice final aim

Increase successful re-entry

Recidivism rate reduced by as much as 50%

*A dynamising relation based on an high ambition
not a debate narrowly focused on prices*

Danone specific vision from the very beginning

An alliance between two persons
sharing a common aim

- . Daniel (Danon)Carasso : increase health with yogurt (*Gervais-Danone*)
- . Antoine Riboud : company should have a « double project », social and economic (*BSN*)

Double project, *Riboud, 1972* :

« Role and responsibility of the company **leader** take a new dimension.

He will be evaluated through 2 criteria :

- . Realisation of economic objectives
- . Realisation of human and social objectives.

To achieve this double aim, he will have to find a dynamic equilibrium between
EFFICIENCY, RESPONSABILITY, PERSONNALISATION, SOLIDARITY »

Danone present vision and examples of actions

Bring health through food to as many people as possible

Mode of evaluation of 1500 Key managers

1/3 economic

1/3 management

1/3 social and environment

New non costly impulses developed outside main market
with financial equilibrium

Danone Communities (2008)

1st action: Bangladesh (Joint venture with Grameen Bank)

Yogurt to make up for nutritional deficiencies and to develop revenues

Company has to be profitable

Danone Ecosystem Fund (2009)

Strengthen and develop activities of partner's who make up Danone's ecosystem

Lessons derived from these new impulses are reinjected within main strategy
Danone Communities General Assembly immediately follows Danone's

5 KEY LESSONS

1/ Human Progress AND Business is worth

It gives company a strong, stable and dynamising course

Internally : strong motivation from board to operators

With the ecosystem : LT alliances instead of narrow debates

Combine the 2 aims is possible

Riboud : « I do it because I want to live such moment.

It is also to sell more yogurt »

Combine the 2 aims is necessary

Aiming at human progress only is not enough

2/ Necessary impulse from leader Values and Will prior to external indicators

Need of an impulse given by the leader himself

Vision collectively defined by board of directors

Specific actions defined by managers

Necessary linkage with leader's, directors, managers
personal values

This gives energy

Indicators come last

This allows control

3/ Necessary deep linkage with company culture and coherence inside/outside

Analyse company specific skills, culture and sources of proudness

Search what could be its contribution for a desirable future

Derive a specific vision and strategy

Vision may adress but one aspect of human progress
(Valrhona : sensitiveness, Danone : health)

But strategy must be coherent in all domains

Customers, employees, suppliers, distributors,...

A clear specific strategy covering all domains of action

Some superficial peripheral actions

Respect of some external CSR indicators

4/ Human Progress objectives allow and need alliances

Sharing a common high motivating aim
allows a dynamising relation

(Valrhona, Sodexo)

A narrow debate

To reach aims which are not usual for companies,
alliances with others sharing same aim
are necessary

(Danone Grameen Foods)

*Development of alliances between people and/or groups
which are different is, in itself, an aim of Human Progress*
Means and end are similar

5/ It is possible to develop strategies concerning shareholders allowing LT ambitions for human progress

Choose a sector and/or a mode of development allowing maximum independence
(Sodexo)

Develop new exemplary non costly actions in a self-sustainable way
Reinject lessons in main strategy
Create progressive support of shareholders
(Danone)

Built Long Term trust-based relations with individual shareholders
(Air Liquide)

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Thank you for your attention !

Questions?

lukacs@catalyser.fr