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45 Jeroen De Flander spoke in 45+ countries. 48.000 Reached over 48.000 people. 3 Author of three Amazon-bestsellers By: Michael E. Porter and Mark R. Kramer The capitalist system is under siege. In recent years business has been criticized as a major cause of social, environmental, and economic problems. Companies are widely thought to be
prospering at the expense of their communities. Trust in business has fallen to new lows, leading government officials to set policies that undermine competitiveness and sap economic growth. Business is caught in a vicious circle. A big part of the problem lies with companies themselves, which remain trapped in an outdated, narrow approach to
value creation. Focused on optimizing short-term financial performance, they overlook the greatest unmet needs in the market as well as broader influences on their long-term success. Why else would companies ignore the well-being of their customers, the depletion of natural resources vital to their businesses, the viability of suppliers, and the
economic distress of the communities in which they produce and sell? It doesn't have to be this way, say Porter, of Harvard Business School, and Kramer, the managing director of the social impact advisory firm FSG. Companies could bring business School, and Kramer, the managing director of the social impact advisory firm FSG. Companies could bring business and society back together if they redefined their purpose as creating "shared value"—generating
economic value in a way that also produces value for society by addressing its challenges. A shared value approach reconnects company success with social progress. Firms can do this in three distinct ways: by reconceiving products and markets, redefining productivity in the value chain, and building supportive industry clusters at the company's
locations. A number of companies known for their hard-nosed approach to business—including GE, Wal-Mart, Nestlé, Johnson, and Unilever—have already embarked on important initiatives in these areas. Nestlé, for example, redesigned its coffee procurement processes, working intensively with small farmers in impoverished areas who
were trapped in a cycle of low productivity, poor quality, and environmental degradation. Nestlé provided advice on farming practices; helped growers secure plant stock, fertilizers, and pesticides; and began directly paying them a premium for better beans. Higher yields and quality increased the growers' incomes, the environmental impact of farms
shrank, and Nestle's reliable supply of good coffee grew significantly. Shared value was created. Shared value was created. Shared value was drive the next wave of innovation and productivity growth in the global economy as it opens managers' eyes to immense human needs that must be met, large new markets
to be served, and the internal costs of social deficits—as well as the competitive advantages available from addressing them. But our understanding of shared value is still in its genesis. Attaining it will require managers to develop new skills and knowledge and governments to learn how to regulate in ways that enable shared value, rather than work
against it. Porter, Michael E., and Mark R. Kramer. "Creating Shared Value." Harvard Business Review 89, nos. 1-2 (January-February 2011): 62-77. Find it at Harvard Purchase Share — copy and redistribute the material in any medium or format for any purpose, even commercially. Adapt — remix, transform, and build upon the material for any
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material in the public domain or where your use is permitted by an applicable exception or limitation. No warranties are given. The license may not give you all of the permissions necessary for your intended use. For example, other rights such as publicity, privacy, or moral rights may limit how you use the material. Companies can create economic
value by creating societal value. There are three distinct ways to do this: by reconceiving products and markets, redefining productivity in the value chain, and improving the local and regional business environment. Each of these is part of the virtuous circle of shared value. Improving value in one area gives rise to opportunities in the others. We
believe that sustainable companies of tomorrow are those bringing scalable and profitable solutions to the most pressing challenges of today. Creating Shared Value is the title of an award-winning 2011 article in the Harvard Business Review, by Prof. Michael Porter and Mark Kramer. They wrote of a broader definition of strategic business
development, the overlap between planning for economic benefit and a company's ability to positively impact social and environmental conditions. Creating Shared Value is unashamedly about making profit, but that economic benefit must have an equally measurable impact on a social or environmental issue. Shared value is a more sophisticated
form of capitalism that brings social purpose into the boardroom, enabling businesses to lead social progress and reclaim the respect of society. Through reconceiving products and markets, redefining productivity in the value chain, and building supportive industry clusters, companies can simultaneously create economic and societal value. Redesign
products & services to address social needs—Open new markets by serving unmet needs in underserved communities—Create market-based solutions to social problems—Consider new ways to deliver and distribute products & services Maybe it was Enron, Lehman Brothers, or Bear Stearns. Perhaps it was the divisiveness of mega media outlets that
are meant to inform and educate us, not terrify and mislead us. But somewhere along the way, I grew exhausted by how many stories there are about large companies exploiting the wellbeing of small communities, organizations, and individuals. And for what? A more than necessary financial gain? Greed? Ambivalence? Whatever the reason was, I
have become a much more conscious consumer in many areas of my life. As such, in 2015, I returned to school to focus on developing initiatives and media that impacted the world in a positive manner. Two professors, Mark Moore and Jim Bildner, offered a course called "Sparking Social Change." In this class, I heard, "There is no greater abuse than
to offer hope to others and then to take it away." Since then, I have been keenly curious about how to implement programs that are sustainable and beneficial to the greater good but practical for the capitalist world in which many of us live. This led me to the shared value framework—a topic that is on the rise. So, let's explore: What is shared value in
the workplace? What is Shared Value? (And How to Implement A Strategy at Your Organization) Shared value is a business Review—that intrinsically links economic growth to social responsibility. It's a framework for creating economic value while
simultaneously addressing societal needs and challenges. The authors explain that for business to move forward, "the purpose of the corporation must be redefined as creating shared value, not just profit per se. This will drive the next wave of innovation and productivity growth in the global economy. It will also reshape capitalism and its relationship
to society, and legitimize business again as a powerful force for positive change." As the demand for business to be sustainable and socially responsible has grown in recent years, many corporations have embraced creating shared value (CSV) as part of their business framework. The theory is now driving purpose as well as strategy. At the same time,
especially in the wake of COVID-19, purpose in business has become integral to a company's culture, employee retention, and survival. While CSV and shared values will never be perfectly synonymous, we are in a moment when they are working in tandem to redefine business practices and corporate culture. To put this into practice, Kramer and
Porter site three main principles for shared value: Reconceiving products and markets by meeting societal needs through products and serving unserved and underserved customers. Redefining products and serving unserved and underserved customers. Redefining products and serving unserved and underserved customers.
regional business environment) by improving skills, the supplier base, the regulatory environment, and the supporting institutions that affect the business. Businesses that have done this successfully While no company has been built entirely on the CSV framework, many organizations have applied the principles to make improvements. Examples
include: A leading energy provider developed a global healthcare initiative to provide better medical care through innovations that lowered costs, increased access, and improved quality of care, all while creating a new market base. An international hotel chain implemented an online tool to help control energy consumption and reduce costs while
protecting the environment. The tool also attracts eco-conscious guests. A large food and beverage company developed ongoing financial and training assistance to create a better and more consistent supply network that benefits both the farmers' and organization's bottom line. It provides farmers with more supply channels, more earning
opportunities, and a better quality of life. A technology company developed free education software for classrooms to help students, schools, and communities succeed. A financial services firm invested in diversity and inclusion by creating products and services that support underserved communities of color and women as well as youth in
underprivileged communities. As a result, it has cultivated a customer base mostly overlooked by other investment institutions. The theory of creating shared value (CSV) is that companies can help society while making a profit. What is the difference between CSV, CSR, and ESG? Sometimes it is easy to confuse Corporate Social Responsibility (CSR)
and CSV. CSR is about companies giving back to society without any financial benefit to themselves. It is based in philanthropy and charity. Porter and Kramer believed that CSV should replace CSR. Porter especially believed that companies should not be spending shareholder money subjectively (per executives' preferences or personal passions) on
charitable works. The theory of CSV is that companies can help society while making a profit: by creating products that have a positive social impact, and by supporting that creation and distribution minimize environmental impact, and by supporting that creation and distribution minimize environmental impact, and by supporting that creation and distribution minimize environmental impact, and by supporting that creation and distribution minimize environmental impact, and by supporting that creation and distribution minimize environmental impact, and by supporting that creation and distribution minimize environmental impact, and by supporting that creation and distribution minimize environmental impact, and by supporting that creation and distribution minimize environmental impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social impact, and by support products that have a positive social imp
come to pass, CSR has been adopted into the CSV platform. This graphic illustrates the differences: Environmental social governance (ESG) is another division of modern business devoted to creating positive social impact and sustainability. ESG works in tandem with CSV and CSR. Where CSV and CSR create and implement programs, ESG is
primarily tasked with the gathering and reporting of corporate data regarding sustainable (social impact) initiatives. Shared value in corporate culture state as a business strategy—a reimagining of product creation, supply chains and manufacturing methods that would positively impact (external) stakeholders, the environment,
community, and society, while also creating profit. It did not originally concern itself with the corporate culture and (internal) stakeholders have become more vital to the sustainability of business, creating shared value in corporate culture initiatives has become more
commonplace. "Shared value success requires more than great strategy," says Dane Smith in his article for FSG. "Companies cannot successfully implement their most promising shared value ideas, unless they have leaders and employees who believe in the strategy and are committed to changing practices that stand in the way." What does internal
CSV look like? For example, a major food supplier was struggling with constant turnover in entry-level positions. To solve this, it created shared value in employment practices by turning to vulnerable populations in the communities where they did business, instituting training initiatives to overcome the literacy, numeracy, and skills barriers that kept
those populations from finding gainful employee Expectation Gap Analysis tool are helpful for companies to gauge if their employees feel personally connected to their company's shared value commitments within corporate culture. Purpose as a
shared value in corporate cultureIn recent years, especially in the Workplace," which focuses on today's employees and holding on to top talent. Great Place To Work recently released their 2023 report, "The Power of Purpose in the Workplace," which focuses on today's employees and
their search for workplaces where their contribution makes a difference. This is especially true with younger generations. According to the report, "when millennials believe their work has meaning—that it's more than "just a job"—they are three times more likely to stay. And they're nearly two times more likely to stay if they feel their voice is valued,
regardless of their position." If employers foster a culture of purpose for their employees, businesses will see their "retention, employee wellbeing, and stock market returns improve," asserts Great Place To Work. When millennials believe their work has meaning they are three times more likely to stay. How to implement shared value in your
organizationIncorporating CSV into your business strategy and corporate culture should go hand in hand. For business practices: Design for impact: Prioritizing "design thinking" can help companies improve outcomes with a focus on broader, more equitable stakeholder experiences. This requires a large, but not
insurmountable, cultural shift for many organizations. Adopt circular production models: The c
intelligence: Artificial intelligence (AI) exploded into the daily lives of billions of people during the 2010s and offers unprecedented opportunities for any organization. Put your people and the planet first. For corporate culture: Assess your existing company's
systems: Make sure they support and reward your shared value culture. Cultivate champions: Find and promote leaders who are influential and can encourage a cultural shift. Empower them to help implement champe. Communicate across the organization: Openly
ground up on CSV, rather it is used by sectors/departments/subsidiaries. However, their theory has unquestionably left its mark on businesses embrace positive social impact as a business and cultural imperative. As Emmanuel
 Faber, CEO of Danone, says: "Your company does not exist to make a profit. It is not true. Making a profit is a way for your company to continue to exist. The reason it exists is because it has a social impact—a positive reason for people to engage with you." If you're looking for actionable ideas on how to create shared value in your workplace, check
advancing social or environmental issues. But, whilst companies understand the moral imperative in delivering value for all stakeholders, a huge opportunity exists in seeing the business are interdependent. This is the key principle of
shared value. Tourism companies can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if extreme weather events spoil farmers' crops. And financial services can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling. Food suppliers can't thrive if a pandemic prevents us from travelling.
risk mitigation - or doing no harm - to actually create new value for business (and society). Shared value is a framework designed to create business solutions to social and environmental problems. Put differently, it's a means to deliver on your purpose, profitably. And that's ok, if not important. As delivering on your purpose through the business
itself can enhance the authenticity, sustainability and scalability of the impact you're creating. In practice . . . Shared value harnesses the resources, skills and innovation of an organisation to target the issues that intersect with its business. As a differentiation strategy, it seeks to address these issues in a way the rest of the market is not. The concept
was introduced in 2011, by Harvard professors Michael Porter and Mark R. Kramer in the Harvard Business Review article 'Creating Shared Value,' and has since been adopted by Government and not-for-profits too; both of which can serve as valuable partners in
delivering meaningful and sustainable change at scale. There are three key ways that shared value is achieved: Reconceiving products and markets Creating new products and services for existing or new markets which better serve societal needs Redefining products and markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serve societal needs Redefining products and services for existing or new markets which better serves societal needs Redefining products and services for existing the services 
employees differently, and more productively Enabling local cluster development and capacity-building The creation of both societal and business value is integral to shared value. Societal value comes from vastly improving the conditions in which we live; advancing health
outcomes, education, employment, financial or digital inclusion, service access and participation and/or helping to reduce our impact on the environment. Meanwhile, business value can range from increased revenue or market share to improved productivity, greater efficiency, reduced costs, improved quality, a more secure supply chain, or a more
skilled or productive workforce. "As one of the first regions to really understand the power and potential of shared value at a national level can look like" Technology and Innovation By Sihem Ben Mahmoud-Jouini Creating Shared Value (CSV) is a transformative
approach to business strategy that combines economic growth with positive social and environmental impact. Introduced by Michael Porter and Mark Kramer, CSV moves beyond traditional Corporate Social Responsibility (CSR) by embedding societal benefits into a company's core operations. Unlike CSR, which is often seen as a separate activity or
an obligation, CSV is about aligning profitability with addressing global challenges like poverty, climate change, healthcare disparities, and education gaps. By integrating these objectives, companies not only contribute to societal progress but also unlock new avenues for innovation, customer loyalty, and sustainable growth. The concept of CSV has
gained significant traction among forward-thinking companies that view societal challenges as opportunities rather than obstacles. Businesses such as Nestlé and Unilever have demonstrated how creating shared value can enhance competitive advantage while addressing pressing global issues. However, CSV is not without its challenges. High
implementation costs, measuring impact accurately, and ensuring genuine commitment are just a few of the hurdles businesses face when adopting this model. Additionally, its applicability and scalability vary across industries, and there is a risk of prioritizing profits over true societal impact. This article delves into the 10 pros and 10 cons of
creating shared value, offering an in-depth analysis to help businesses, policymakers, and stakeholders assess whether this strategy aligns with their goals. By understanding its potential benefits and limitations, organizations can make informed decisions about adopting CSV and driving meaningful change. Pros Of Creating Shared Value Creating
Shared Value bridges the gap between economic profitability and social impact, ensuring businesses generate philanthropic initiatives, CSV integrates societal goals into a company's core operations. This alignment makes addressing issues like
climate change, healthcare disparities, or economic inequality central to the business strategy. Companies like Unilever, which focuses on sustainable sourcing and health initiatives, demonstrate how this integration leads to long-term profitability and societal benefit. Aligning profit with purpose helps businesses build trust, enhance brand loyalty.
and secure a competitive edge, especially as consumers and investors increasingly prioritize ethical and sustainable practices. One of the most significant advantages of CSV is its ability to foster innovation. By identifying societal challenges as opportunities, businesses are encouraged to develop new products, services, and business models that
create value for both the company and the community. For instance, companies addressing clean energy challenges often develop technologies that improve efficiency and reduce costs, benefiting customers and the environment. Similarly, healthcare firms innovating affordable medicines or diagnostic tools for underserved markets not only enhance
health outcomes but also capture untapped market segments. CSV turns societal needs into drivers for creative solutions, spurring advancements that benefit both businesses and communities. Adopting CSV provides businesses with a significant competitive advantage by differentiating them in the marketplace. Companies that embed societal impact
into their strategies appeal to socially conscious consumers, investors, and partners. For example, Patagonia's dedication to environmental sustainability has bolstered its reputation and market share, attracting a loyal customer base that values ethical practices. This alignment with stakeholder values helps businesses stand out in crowded markets,
ensuring long-term relevance and success. By addressing pressing issues and demonstrating a commitment to responsible practices, companies can outperform competitors and build a lasting brand legacy. CSV strengthens relationships with key stakeholders, including customers, employees, investors, and communities. By demonstrating a
commitment to shared prosperity, businesses earn trust and loyalty. Employees are more likely to feel motivated and engaged when they work for organizations that prioritize meaningful societal contributions. This improved morale translates to higher productivity and lower turnover rates. Similarly, customers are drawn to brands that reflect their
 values, while investors are more likely to support companies with sustainable and responsible business models. These enhanced stakeholder relationships create a stable foundation for long-term success. CSV opens doors to new market opportunities by addressing the needs of underserved or emerging markets. Companies innovating solutions for
these segments often unlock significant revenue potential while improving living conditions. For instance, businesses that develop affordable, energy-efficient products for low-income households not only meet a crucial need but also capture a growing customer base. By focusing on inclusivity and accessibility, CSV enables businesses to expand their
reach and foster economic development in previously untapped markets. This dual benefit reinforces the importance of integrating social impact into business operations helps companies identify and mitigate risks. Issues such as resource scarcity, labor rights violations, or
regulatory non-compliance can disrupt operations and harm reputations. By proactively addressing these challenges, businesses reduce their vulnerability to legal penalties, supply chain disruptions, and public backlash. For example, companies investing in sustainable sourcing practices minimize the risk of raw material shortages while enhancing
their brand image. Effective risk management through CSV ensures greater operational resilience and long-term sustainability. Companies that adopt CSV often enjoy enhanced brand reputations. By committing to positive social and environmental change, businesses position themselves as ethical and responsible leaders in their industries. This
reputation fosters customer loyalty, attracts top talent, and increases investor confidence. Additionally, a strong commitment to shared value can shield companies from negative publicity, helping them maintain credibility even during challenging times. Businesses that prioritize social impact become more resilient and attractive to stakeholders,
ensuring sustained growth and goodwill. CSV initiatives often prioritize empowering local communities by addressing critical issues such as education, healthcare, and economic development. For example, a company might invest in vocational training programs to improve workforce skills or provide microfinancing to small businesses in its supply
chain. These efforts create a ripple effect, improving the quality of life for community members and building a more robust economic ecosystem. By fostering thriving communities, businesses not only contribute to societal progress but also create a supportive environment for their operations to flourish. Creating shared value shifts the focus from
short-term gains to long-term sustainability. Businesses adopting CSV prioritize investments that generate enduring benefits, ensuring resilience in the face of evolving market conditions. This long-term perspective aligns with growing demand for companies to address environmental, social, and governance (ESG) considerations. By thinking ahead
and adapting to emerging challenges, businesses position themselves as forward-thinking leaders capable of navigating an uncertain future while maintaining relevance and profitability. Companies that integrate CSV into their operations are increasingly attractive to impact investors who seek both financial returns and positive social outcomes. This
influx of capital enables businesses to scale their initiatives, drive innovation, and amplify their impact. Investors are drawn to organizations demonstrating a commitment to sustainability, transparency, and ethical practices, recognizing the long-term value these companies offer. CSV creates a win-win scenario where businesses and investors work
together to generate meaningful change. Cons Of Creating Shared Value One of the primary challenges of adopting a CSV approach is the significant upfront costs associated with implement, technology, and infrastructure to address societal
challenges effectively. For example, redesigning supply chains to promote sustainability or developing new products for underserved markets requires financial resources, making CSV more feasible for larger corporations. Additionally, these high costs car
impact short-term profitability, which may deter some businesses from fully committing to the CSV model. Stakeholders expecting immediate returns might question the viability of these investments, further complicating adoption. Measuring the success of CSV initiatives can be challenging due to the qualitative nature of societal and environmental
outcomes. Unlike financial metrics, which are straightforward and universally understood, assessing improvements in health, education, or community well-being requires advanced tools and methodologies. This complexity can create difficulties in demonstrating the effectiveness of CSV initiatives to stakeholders, including investors and customers.
Furthermore, inconsistent measurement standards across industries make it hard to compare efforts or benchmark success. Without clear metrics, companies may struggle to justify their investments or refine their strategies, potentially undermining the credibility of their shared value efforts. The rise in popularity of CSV has also increased the risk
of greenwashing, where companies exaggerate or falsely claim to be creating societal benefits. Businesses may adopt the language of CSV without making meaningful changes, using it as a marketing tactic rather than a genuine commitment. This practice not only undermines the credibility of the CSV model but also erodes trust among consumers
and stakeholders. Companies engaging in greenwashing risk reputational damage, regulatory penalties, and customer backlash if their claims are exposed as superficial or misleading. Genuine transparency and accountability are essential to avoid these pitfalls. While the premise of CSV is to align profit with purpose, conflicts can arise when these
objectives diverge. For instance, prioritizing long-term social impact might require investments that reduce short-term profitability, leading to tension between management and shareholders. Additionally, businesses may face pressure to prioritize profit over societal goals, especially in competitive markets or economic downturns. These conflicts car
hinder the implementation of CSV initiatives, forcing companies to make difficult decisions about their strategic priorities. Striking a balance between profit and purpose requires strong leadership, clear communication, and alignment among all stakeholders. CSV is not equally feasible or relevant for all industries. For example, businesses in sectors
with minimal direct societal impact, such as manufacturing equipment or wholesale distribution, may find it challenging to integrate shared value into their operations. Similarly, companies in controversial industries, such as fossil fuels or tobacco, may struggle to implement CSV initiatives without appearing hypocritical. This limitation reduces the
universality of the CSV model, making it more suitable for certain industries, such as consumer goods, healthcare, or renewable energy. Businesses in less applicable sectors may need to explore alternative models for integrating social responsibility into their operations. Effective CSV initiatives often require collaboration with external stakeholders,
including governments, non-profits, and community organizations. These partnerships can be time-consuming and complex to establish, particularly in regions with weak institutional frameworks or conflicting interests. For example, working with governments to implement education programs or infrastructure improvements may involve navigating
bureaucratic processes and political agendas. Dependence on external stakeholders can slow progress, introduce additional risks, and limit a company's ability to scale its initiatives independently. Building strong, mutually beneficial partnerships is essential to overcoming these challenges and achieving meaningful impact. Scaling CSV initiatives
across different regions or markets can be difficult due to varying cultural, economic, and regulatory conditions. For example, a successful program addressing water scarcity in one region may not translate effectively to another with different infrastructure or cultural practices. Adapting strategies to suit local contexts increases complexity and costs,
making it challenging to replicate success on a larger scale. This limitation may hinder businesses from fully realizing the potential of their CSV efforts, particularly in global markets where consistency and scalability are critical for success. Implementing CSV often requires a significant cultural and operational shift within an organization. Employees
managers, and stakeholders accustomed to traditional business practices may resist changes that prioritize long-term social impact over immediate financial gains. Resistance can manifest as skepticism, reluctance to adopt new processes, or a lack of engagement in CSV initiatives. Overcoming this inertia requires strong leadership, clear
communication, and extensive training to align the organization with the principles of shared value. Without widespread buy-in, CSV efforts risk being undermined or failing to achieve their full potential. While CSV aims to balance profitability and societal impact, there is a risk that businesses may prioritize economic value at the expense of genuine
undermines the integrity of CSV and can lead to stakeholder disillusionment. Ensuring that social impact remains a central focus is critical to maintaining the credibility and effectiveness of shared value initiatives. Creating shared value is not a quick or simple endeavor. Developing, implementing, and measuring CSV initiatives requires significant
time and effort, often spanning several years. For businesses operating in fast-paced industries or facing pressure for immediate results, this extended timeline can be a deterrent. The complexity of integrating social impact into core operations adds to the time required, as does the need for ongoing stakeholder engagement and adaptation to
changing conditions. While the long-term benefits of CSV are substantial, the time-intensive nature of the process may discourage companies from fully committing to this model. Creating Shared Value is a powerful framework for aligning business profitability with societal progress. The 10 pros, such as driving innovation, enhancing competitive
advantage, and fostering stakeholder trust, demonstrate its potential to transform businesses into agents of positive change, highlight the complexities and risks associated with adopting CSV. For businesses considering this approach,
success depends on genuine commitment, strategic planning, and transparency. By addressing the benefits, companies can build sustainable models that benefit both their bottom line and the broader community. In an era where stakeholders increasingly value ethical and sustainable practices, CSV offers a promising
pathway to create lasting value for businesses and society alike. CSV vs CSR? Creating Shared Value (CSV) is a new business strategy concept. And there's a strong link to Corporate Social Responsibility (CSR). In fact, Creating Shared Value is one of the few new innovative strategy ideas from the last 10 years to help you build a sustainable
competitive advantage. You might have seen the abbreviation CSV CSR which stand for Creating Shared Value - Corporate Social Responsibility. But what is the difference between CSV CSR which stand for Creating Shared Value - Corporate Social Responsibility. But what is the difference between CSV CSR which stand for Creating Shared Value - Corporate Social Responsibility.
at the conference was CSV CSR.As I'm convinced that shared value will have a major impact on strategy thinking, I want to spend some time explaining the concept and my own views in this guide. In short, CSV CSR is a business strategy concept and my own views in this guide. In short, CSV CSR is a business strategy thinking, I want to spend some time explaining the concept and my own views in this guide. In short, CSV CSR is a business strategy concept and my own views in this guide. In short, CSV CSR is a business strategy concept and my own views in this guide. In short, CSV CSR is a business strategy concept and my own views in this guide. In short, CSV CSR is a business strategy concept and my own views in this guide.
on what strategy is all about. You can read the following mini guide to understand the core concept, let's start with the Porter and Kramer's definition: "You create shared value by enhancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it the same time advancing the society in which it is start with the same time advancing the society in which it is start with the society in which it is start with the same time advancing the society in which it is start with the same time advancing the same time advancing the society in which it is start with the same time advancing to the same time advancing the same time advancing to the same time advancing the same time advancing to the same time advancing the same time advancing to the same time advancing the same time advancing ti
operates."The words 'at the same time' are very important. When some leaders look at the relationship between a company and society, they tend to think it's a zero-sum game, a game with only one winner, like the concept of competition within an industry as explained previously. When you do good for society, companies are lose. Companies thrive
society doesn't benefit. The strategy concept of Shared Value looks at the positive sum. It means that certain strategic choices will strengthen your business strategy and at the same time offer benefits for society. So, what to create shared value? Look at your company's activities that give you a sustainable competitive advantage and help society.
advance at the same time. Let's look at an example. Nestlé needs high-quality raw materials to products. When they entered the market in India in the Moga district in 1962, local farmers were not able to consistently deliver this quality. Only 180 farmers passed the test. Nestlé worked with local farmers to improve their
production techniques and long-term contracts to buy products at a fair price. Today there are 75,000 farmers that reach Nestle's quality standards. In the Moga region, they have five times more doctors than other regions of India, better primary schools and basic needs like electricity are fulfilled. Reducing the effects of CO2, fighting poverty and
cradle-to-cradle: topics that you will find on quite a few corporate agendas today. But are they launched with a positive sum effect in mind or are there corporate Social Responsibility generations that I call the Donators, Avoiders and Creators. Let's
take a closer look. Shared Value can give rise to the next major transformation of business thinking Michael Porter - Harvard The first CSR generation is made up of Donators. They are good citizens who believe in the traditional trade-off between organisations and society, but want to give something back to society, to compensate. The good cause is
often randomly selected and driven by the personal preferences of a few individuals, most often the owner or CEO. There is no ambition to strengthen the strategic positioning, but many use it to look good to the outside world and as an advertising campaign on their annual report or website. In fact, I believe that quite a few Donators engage in CSR to
create goodwill and keep off the activists' radar.Let me explain. The world around us is changing you are against sustainability has become the new norm, at least from a lip service perspective. Saying you are against sustainability is simply not done in today's world. In Europe you'd be signing your dead warrant. In this
new world, activists are also more aggressive and look for 'bad' examples that they can use and abuse in their campaigns. So what do Donators do? They try to create (read: buy) goodwill through CSR. These leaders commit an amount of money to show the world that they are sustainable: give the annual report a nice green shine, put some trees or
windmills on the front page and show nice pictures of smiling people with their executive in some far-off country. And the costs are written off as an expense. CSR is a smart move, like point of sale material or a marketing campaign that wins the hearts of consumers. Corporate Social Responsibility should be about more than coloring your annual
the negative impact. A good example is those organisations that are trying to reduce their energy use. The third CSR generation are the Creators. This group embraces the Creators that are trying to reduce their energy use. The third CSR generation are the Creators that are trying to reduce their energy use. The third CSR generation are the Creators that are trying to reduce their energy use. The third CSR generation are the Creators that are trying to reduce their energy use.
an expense. These leaders are also much more selective about the activities they target. They believe that no business can solve all of society's problems so a worthy cause is not good enough. And focus on those social issues that affect the drivers of a company's competitiveness in the locations in which it operates. Where is your company at and
where do you want to be? The answer isn't black and white as most companies don't fit clearly into one generation. But if I were to ask you to take the 80/20, you will most probably be able to pin it down. Sustainability will help to create sustainability will help to create sustainable competitive advantage, a strategic differentiator. And those
companies that find ways to create shared value will have a better competitive position. This does not mean that you have to jump on the bandwagon without pausing for thought. Each company is unique with its own specific value chain, choice of strategy and geographical presence. Not every country looks at sustainability in the same way or has the
same growth challenges but these should not be excuses not to include the topic in your reflection process about your company's strategy, a scenario where the company focuses on creating shared value. CSV CSR is a topic that is getting more and more attention. It has become one of my more popular keynotes over the last year. Like this guide about
Creating Shared Value & Corporate Social Responsibility (CSV CSR)? Want to inspire others? Share now! Creating Shared Value is the business model that allows corporations to become more successful by improving the welfare of their employees, customers, suppliers, community, and society. It is a business model meant to accelerate the
achievement of the Sustainable Development Goals (SDGs). Through Creating Shared Value, organizations can create economic value while simultaneously creating Shared Value was first presented by Michael Porter and Mark Kramer in a 2006 article they wrote for Harvard Business Review. They later expanded this concept in
                                                       Shared value as: "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing to Forbes, Creating Shared value is the future of business. It emphasizes societa
needs and challenges with an innovative model for success, which will make positive changes in our society and economy. Creating Shared Value (CSV) vs. Corporate Social Responsibility (CSR) is a business approach that aims to address social and environmental problems. It is a strategy where an organization
works towards balancing its economic, environmental, and social goals. At its core, Creating Shared Value is about embedding societal concerns into our business models, which goes far beyond CSR. Porter and Kramer clarified that: "Shared Value is about embedding societal concerns into our business models, which goes far beyond CSR. Porter and Kramer clarified that: "Shared Value is not social responsibility, philanthropy, or sustainability, but a new way for companies to achieve
economic success." Below is a table that lists the specific differences between CSV and CSR: Source: Sustainable BrandsCreating an integrated strategy that balances economic, environmental, and social factors. It also means creating a competitive advantage
through the process, rather than just positioning your business to be seen as socially responsible. Three Approaches to Creating Shared Value opportunities centers around three levels: Reconceiving products and markets Redefining productivity in the value chainImproving the local and
regional business environment.1. Reconceiving Products and MarketsIt is about creating new markets and designing new products needed by society. It means addressing the needs of unserved or underserved customers and focusing your business on developing products for those who need them most. This is an opportunity to produce innovative
services or technologies to solve some of the world's problems while growing your market. 2. Redefining Productivity in the Value ChainThis is about designing and restructuring your business model to add value on a more social scale. It is no longer just about providing the best products for the lowest price but offering more sustainable and efficient
production of goods and services. This is an opportunity to introduce more cooperative labor models, implement recycling programs, or reduce your business Environment Creating Shared Value opportunities is often found at a local level where you can work towards building up the
economy around you. It is about creating more jobs in your community, promoting regional growth, and strengthening your connection to those around you. It is about finding new ways for your business to support local charities or nonprofits, rethinking power dynamics in the industry, or even partnering up with educational institutions. Six Benefits of
Creating Shared ValueThere are six key benefits associated with this strategy: 1. Higher Productivity Creating Shared Value aims to use business and society. 2. More InnovationNew opportunities for innovation are created by focusing
your company on societal needs first and foremost. This will create an innovative mindset throughout all departments, leading to a more creative organization. Faster and Better Decisions about production, distribution, and even sales. This means
that your final products or services will better support society in ways that ultimately improve your business' efficiency. 4. Lower Costs Creating Shared Value has the ability to lower costs while increasing productivity. Shared value opportunities foster a more productive workforce while reducing waste and unnecessary spending. 5. Higher
ReturnsToday's competitive business landscape makes it hard to innovate and grow organically. By creating shared value opportunities for your company, you can differentiate your organication from its rivals, promoting more substantial organic growth.6. Better RelationsCreating Shared Value business models encourage trust and transparency
between your business and society. This can strengthen your reputation, raise awareness about your company, and increase the likelihood of gaining the support of stakeholders for future efforts. Example: How a Company Used Shared Value Principles to Transform Their Organization Anheuser Busch InBev is a multinational beer and beverage
company that used shared value to re-evaluate its organizational structure, positioning itself as a leader in Sustainable Development Goals. This process included: Shifting from a social business model to a shared value one where the profits and positive impact on the community were valued above everything else. Collaboration with key stakeholders
across various levels to better understand where weaknesses and opportunities for change lay. Searching high and low for potential shared value opportunities that would benefit the community while also boosting the business. Developing partnerships with key organizations to influence critical social issues. Engaging employees in this important
initiative by helping them understand why shared value is beneficial to the company and society at large, giving them a greater sense of purpose. Building a culture of shared value that encourages collaboration between workgroups, rewards innovative thinking, and promotes sustainability in the company. To reduce the harms caused by alcoholic
beverages, Anheuser Busch InBev launched the Global Smart Drinking Goals, focusing on marketing campaigns, creating guidance labels, and diversifying its products, highlighting no- and lower-alcohol beers. As of 2022, it was producing more than 500 beer brands sold in nearly 50 countries and had made $57.8 billion USD revenue showing that
CSV can benefit our society and profit the company choosing to implement this model. Final Thoughts Creating Shared Value is an innovative way of doing business that benefits both society and your company at the same time. It can be used to re-evaluate your organizational structure, creating new opportunities for innovation while increasing the
productivity of all involved. There are several ways to implement shared value into your business, whether through environmental sustainability or creating new jobs for the local community. The most important thing is to begin making changes today so that your business can be in a better position in the future. FAQs1. What does it mean to Create
Shared Value? Creating Shared Value means balancing the needs of society with business growth. It is a model of business that ensures everyone wins - the company, society, and even investors - creating a win-win situation. It involves thinking about how your business can improve society and looking at societal needs first and foremost to develop
competitively viable products or services. 2. What is the difference between Creating Shared Value (CSV) and Corporate Social Responsibility (CSR)? Though they are very similar, they are not the same. CSR is about doing good things for society that have no direct benefit to your company. Meanwhile, Shared Value focuses on creating innovative
business models that will generate competitively viable products or services while also helping society. It is also about thinking bigger than just one product or service and your company's immediate surroundings. 3. How are shared value opportunities created? According to Harvard Business School, there are three ways you can create shared value
opportunities in an organization: reconceiving products and markets, redefining productivity in the value? There are six key benefits to creating shared value opportunities: higher productivity, more innovation, faster and better
decisions, lower costs, higher returns, and better relations.5. Is CSV better than CSR? Both CSV and CSR are valuable ways of doing business, and they both aim to make your company more competitive while also doing some good for society at the same time. However, Creating Shared Value is more concrete in that it is about trying to solve an issue of the same time.
in a way that benefits everyone involved. The loss of public trust in business—and the corresponding rise in government policies and practices that hamper competitiveness and sap economic growth—are rooted in a narrow definition of capitalism whose time has come and gone. Capitalism is an unparalleled vehicle for meeting human needs,
improving efficiency, creating jobs, and building wealth. But we cannot harness the full potential of businesses until these meet society's broader challenges as part of their core purpose. The purpose of the corporation, therefore, must be redefined as creating shared value, not just profit per se. This will drive the next wave of innovation and
productivity growth in the global economy. It will also reshape capitalism and its relationship to society, and legitimize business again as a powerful force for positive change. The purpose in businesses, not as charitable givers, are arguably the most
powerful force for addressing many of the pressing issues facing our society Shared value will give rise to far broader opportunities for strategy and economic growth A transformation of business practice around shared value will give purpose to
the corporation and represents our best chance to legitimize business again Creating Shared Value (CSV) is a business concept first introduced in the Harvard Business Review article "Strategy & Society: The Link between Competitive Advantage and Corporate Social Responsibility" by Michael Porter and Mark Kramer. According to this concept,
companies can achieve economic success in a way that also produces value for society by addressing its needs and challenges. Creating Shared Value is a management strategy focused on companies creating measurable business value for society by addressing social problems that intersect with their business. The CSV model is an alternative to
the concept of Corporate Social Responsibility (CSR) because while CSR focuses on the mitigation of harm and being a good corporate citizen, CSV emphasizes the idea that businesses can enhance their competitiveness while simultaneously advancing the economic and social conditions in the communities in which they operate. Creating Shared
Value (CSV) is a strategic framework businesses use to generate economic value in a way that creates value for society. The concept, put forth by Michael E. Porter and Mark R. Kramer in 2011, revolves around the idea that the competitiveness of a company and the health of the communities around it are mutually dependent. The framework
essentially encourages businesses to solve societal issues directly related to their business, benefiting both the company and society. It is constructed around three key areas: Reconceiving products, services, or overall business model to meet societal needs. This could involve
developing healthier, more environmentally friendly products or more beneficial to the communities they operate within. Redefining productivity by improving environmental, health, and safety impacts in their value chain. This can involve reducing waste, improving logistics, using
resources more effectively, or improving employee welfare. Enabling local cluster development: Companies do not operate in isolation but are part of a network or "cluster" of businesses, suppliers, and associated institutions in a particular field. By investing in the development of these clusters, businesses can improve their own productivity while
also supporting local economies. The key to this framework is that a business's success and social progress are interconnected. A company can generate economic and societal value by focusing on the areas where these interests intersect. This is distinct from traditional corporate social responsibility (CSR) programs, often viewed as separate from a
company's core business operations. CSV is about integrating societal improvement into a company's strategy and operations. Here are several examples of Creating Shared Value (CSV): Nestlé: Nestlé has been one of the major advocates of the CSV approach. In their coffee supply chain, they recognized the societal problem of poor farming practices
leading to unsustainable yields and low-quality coffee. Nestle's response was to provide support and training to coffee farmers (Nespresso AAA Sustainable Quality Program). This increased the quality and productivity of the coffee farmers (Nespresso AAA Sustainable Quality Program).
aims to decouple its growth from its environmental footprint while increasing its positive social impact. For example, the Lifebuoy soap brand launched a handwashing campaign in rural India, helping to combat diseases and improve health outcomes. This, in turn, increased demand for their products. Google: Google: Google: Google in rural India, helping to combat diseases and improve health outcomes. This, in turn, increased demand for their products. Google: 
Search, Google Maps, and YouTube, have created massive shared value by providing free access to information and educational content to millions of users globally. They have also enabled small businesses to reach larger audiences and compete on a larger scale. IBM: IBM's Corporate Service Corps sends teams of experts to emerging markets to
work on societal problems, for example, improving water quality or transportation infrastructure. These engagements provide societal benefits and give IBM deeper insight into new markets. Novo Nordisk: Novo Nordisk: Novo Nordisk and give IBM deeper insight into new markets. Novo Nordisk and give IBM deeper insight into new markets.
program targets issues such as early diagnosis and access to care, resulting in better societal health outcomes and an increased market for their products. Interface Inc.: Int.: 
footprint. The company has also developed a program to source used fishing nets from local communities, providing income to these examples underline how CSV encourages companies to solve societal issues related to their businesses, allowing both society
and businesses to benefit. It goes beyond traditional CSR and philanthropy, embedding societal improvement into the core of business strategy and daily operations. Creating Shared Value (CSV) is a versatile concept that can be applied to businesses across virtually any industry or sector, from startups to large corporations, manufacturing to service that can be applied to businesses across virtually any industry or sector, from startups to large corporations, manufacturing to service that can be applied to businesses across virtually any industry or sector, from startups to large corporations, manufacturing to service that can be applied to businesses across virtually any industry or sector, from startups to large corporations, manufacturing to service that can be applied to businesses across virtually any industry or sector, from startups to large corporations, manufacturing to service that can be applied to businesses across virtually any industry or sector, from startups to large corporations.
industries, and for-profit companies to social enterprises. Here are a few examples: Manufacturing and Consumer Goods: Businesses in this category can improve their supply chains for efficiency and sustainability, develop products that address societal needs, and adopt environmentally friendly production processes. Nestle's training programs for
farmers and Unilever's Sustainable Living Plan are examples of CSV in these sectors. Technology and Software: Tech companies can create shared value by developing products that improve access to information, boost education, or help small businesses thrive. Google Search, Google Maps, and Google
Classroom, is an example of CSV in the tech sector. Financial Services: Banks and financial institutions can create shared value by offering financial products and services tailored to underserved communities or small businesses. For example, providing microfinance loans to entrepreneurs in developing countries or developing financial literacy
programs. Healthcare: Healthcare companies can create shared value by improving access to medical treatments, promoting preventive care, or working to address public health crises. Novo Nordisk's efforts to improve diabetes care exemplify CSV in the healthcare sector. Energy and Utilities: Companies in this sector can create shared value by
investing in renewable energy sources, improving energy efficiency, and developing affordable solutions for underprivileged communities. Agriculture and Food Production: Companies can help small farmers improve their yields, develop more sustainable farming methods, and improve access to nutritious food. An example is Nestle's work with coffee
farmers. Education and Training Providers: These businesses can create shared value by making education more accessible, tailoring training programs to match workforce needs, and helping individuals gain valuable skills. While CSV can be applied in any sector, the specific strategies and opportunities will depend on the company's specific context,
including its industry, size, geographic location, and core competencies. Creating Shared Value (CSV) offers a variety of benefits to businesses and society. Here are some of the key advantages: Improved Reputation and Brand Image: Businesses and society. Here are some of the key advantages: Improved Reputation and Brand Image: Businesses and society.
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accessed contract results, and material was expendent to compare the format of the compare to th