



**WORLD BUSINESS ACADEMY**  
*Sharing the Vision... Building the Network... Healing the Planet*

November 4, 2019

Mr. Joshua Bolten  
President and CEO  
Business Roundtable  
1000 Maine Avenue, SW  
Suite 500  
Washington, D.C. 20024

Dear Josh:

Our mission when we started the World Business Academy in 1986 was to lead the global business community to be willing to “take responsibility” for the whole of society. We have always believed that business is the dominant planetary institution at this time in human history, and that business must lead society out of its current multiple crises. The reason is simple: the biggest challenge of our times is the speed of change (change itself has been commented on by Heraclitus) as it is the speed of change rather than change itself that is adversely affecting all of human society; and business alone is the institution that at its core is expert at dealing with change. The marketplace teaches us to change or die. Global society finds itself today requiring business leadership in order for civilization as we know it to survive.

With the forgoing backdrop we wanted to acknowledge what a tremendous step forward the Business Roundtable has taken to move from Milton Friedman’s dicta to the stakeholder model recently enunciated. We trust you have been suitably impressed with the overwhelmingly positive response you have received from the general public to your recently published statement. You see, there is a tremendous hunger for authentic business leadership to supply the intelligence and the resources to assist humanity to overcome what appear, with climate change alone, to be almost insurmountable barriers. Your August 19<sup>th</sup> statement created a “spark” in the public imagination that business would at last begin to take an appropriate leadership role in resolving what troubles us as global society. Now, the only question being asked is “Does the Roundtable really mean it, or is this just self-promotional whitewashing?”

I am writing to you as a co-founder of JUST Capital and as a Board Member, Executive Committee Member, and Audit Committee and Finance Chair. As you know JUST Capital is an organization whose services are built on the foundation of annually surveying Americans to identify the issues that matter most in defining “just business behavior.” The favorable response to your move away from shareholder primacy and to instead affirm your commitment to all stakeholders didn’t come as a big surprise to us. This is because the views you and the (now) 183 signatories expressed in the

*2020 Alameda Padre Serra, Suite 135, Santa Barbara, CA 93103  
Phone: 805-892-4600 • Email: [Info@WorldBusiness.org](mailto:Info@WorldBusiness.org)  
[WorldBusiness.org](http://WorldBusiness.org)*



Statement are today unquestionably far better aligned than before with the values and priorities we consistently see expressed by the American people in our survey tabulations.

Still, the commitment to “long-term value” and “to deliver value to all stakeholders” expressed in the Statement must be more than a hollow promise in order to solidify the public’s trust.<sup>1</sup> Obviously, achieving these goals is easier said than done, both in terms of realizing the objective of focusing on longer-term values and meaningfully benefiting customers, employees, suppliers and communities in addition to shareholders, as well as in communicating the continued progress towards these goals in a way the public will understand, accept and reward.

As you know, *The Economist* in its editorial position stated as one of the reasons it wasn’t sure it was in favor of the move toward a stakeholder based governance system was “how will a company know what the public deems valuable.” This is, of course, precisely what JUST Capital does for the 1,000 largest publicly traded companies in the US every year. With the treasure trove of data JUST collects, compiles and analyzes every year it is in a uniquely favorable position to be able to assist the Roundtable in creating a widely accepted, publicly available “score card” of how well the individual Roundtable companies are doing against their stated stakeholder goals.

Clearly, JUST Capital is ideally suited to assist the Business Roundtable in this critical task that involves both analytics and communications skills and standing. As an independent 501(c)(3), JUST has the expertise, the objectivity and the credibility to keep both the public and the media “leaning forward” to the benefit of your organization and the corporations you represent.

Stakeholder benefit represents an important ESG factor, and one that JUST is able to use to meaningfully compare the performance of the Business Roundtable member companies against the full index of companies we cover. My suggestion is that JUST would, in essence, serve as an independent “referee” armed with supporting data to demonstrate that your member companies are leading the broader group of publicly traded firms in fulfilling their commitment to deliver value to all stakeholders; and through year-over-year comparisons to demonstrate continuing positive trending.

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<sup>1</sup> This sentiment is to some degree echoed in the [Harvard Business Review](https://hbr.org/2019/08/is-the-business-roundtable-statement-just-empty-rhetoric) article on August 30, 2019. Entitled “*Is the Business Roundtable Statement Just Empty Rhetoric?*” the author writes: “So, by all means, let’s hold these companies to their words — as employees, customers, community members, and shareholders. Let’s demand that they truly embrace longer-term thinking and fight for policies that enable a thriving world. Otherwise, it’s just empty rhetoric.” [<https://hbr.org/2019/08/is-the-business-roundtable-statement-just-empty-rhetoric>]



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When charted, both data sets would lend themselves visually to presentation as a metric to indicate differentiation, and to track progress – and thereby to keep the issue fresh and stay out ahead of the claim that the Statement was mere empty rhetoric. As an optional added service, I'd like Martin Whittaker, JUST CEO, to consider preparing individualized, *non-public* reports for each of the approximately 200 Business Roundtable member firms to reveal how they respectively compare to the full group, other firms in their industry, and to identify opportunities for future improvement.

In closing, let me assure you that the World Business Academy and all of the academic and business networks with which the Academy is intimately connected will vociferously and continuously promote the value of the stakeholder orientation you have adopted and will do all in our power to convince the American public that your *bona fide* efforts are in the public's best interests, and worthy of the public's support.

Kindest regards,

Rinaldo S Brutoco  
Founding President & CEO  
World Business Academy  
[www.worldbusiness.org](http://www.worldbusiness.org)