



What is creating shared value? (CSV)

Creating shared value (CSV) is a way to grow economies, market places, companies, and communities in the long term interest of business and everyone else. Shared value helps us understand how to incorporate social impact into business strategy to drive a new competitive advantage.

Societies everywhere are facing significant social, environmental, and economic challenges.

- Governments and NGOs can sometimes lack sufficient resources and capabilities to fully meet these challenges
- Business can help create sustained impact by meeting these needs at a profit.

We need a new approach!

Highlights from Creating Shared Value at Harvard Business School

Michael Porter and Mark Kramer talked a lot about how the role of business in society is evolving



PHILANTHROPY

Donations to worthy social causes

Volunteering



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Compliance with ethical and community standards

Good Corporate citizenship

Sustainability initiatives

Mitigating risk and harm

Improving reputation and trust



CREATING SHARED VALUE (CSV)

Addressing societal needs and challenges through the business itself

Finding new opportunities

Achieving competitive differentiation

Making a profit

The role of business:

The purpose of business is to create economic value in a way that creates shared value for society.

Businesses acting as businesses, not as charitable givers are arguably the most powerful bridge for many of society's pressing issues. Shared value opens up major strategic opportunities to create competitive advantage, while driving out the next wave of innovation.

How do you create shared value?

Shared value is found at the nexus of business opportunities, corporate assets, and social needs.



Unlocking Shared Value

Shared value enables business to re-think how they might solve customer/ societal needs or problems in a non-traditional way that is different to product definition or segmentation.

It enabled business to identify customer groups that have been poorly serviced or overlooked by industry and gets business to think in terms of improving lives not just meeting conventional needs.

When thinking about creating shared value business must start with no pre-conceived constraints about product attributes, channel configuration, or the economic model of business.

I think government has a role to play in CSV in NZ

Government understands the big problems affecting society and has an important role to play in creating opportunities for businesses to help solve some of these problems

What can government do?

- Regulate and operate in ways that enable and motivate shared value and can guarantee early markets.
- Provide business incentives to solve problems.
- Convene stakeholders and catalyst shared value approaches.

