Managing Corporate Impacts

Co-Creating Value

JENNIFER J. GRIFFIN
The George Washington University
School of Business



Contents

Li	st of figures	page x
Li	st of tables	xi
Foreword by R. Edward Freeman Acknowledgments		xii xiv
	and outcomes	1
	Financial impacts	8
	Employees in the workplace impacts	9
	Product-based impacts	10
	Information-sharing impacts	11
	Multiplier effects	15
	Multiplier effects along the value chain	16
	Net impacts and combining impacts	17
	Why now? And why bother?	20
	Corporations are uniquely qualified	22
	Sparking new conversations	24
	How the book is organized	26
	Looking ahead	33
2	Four mindsets on financial impacts	34
	Financial impacts: direct and indirect effects	35
	Win-win situations	39
	Efficiency	39
	Innovation	41
	Parade of horribles	46
	Investments and cost centers	48
	Pernicious behaviors	50
	Implications for co-creating value	53
	Looking ahead	56

vi Contents

3	Employee and product impacts	58
	Personnel and the workplace	61
	Leadership opportunities	66
	Product impacts	68
	Product marketing	69
	Product use	70
	Complementary products or services	73
	Leadership opportunities	74
	Implications for co-creating value	75
	Looking ahead	76
4	Information-sharing impacts: redefining 'community'	78
	Information impacts: connecting communities	80
	Blurring the composition of community	83
	Variety of information shared	87
	Volume of information shared	89
	Information impacts: leadership opportunities	91
	Implications for co-creating value	96
	Consistency in rhetoric and reality	99
	Consumer-driven and supplier-facing investments	99
	Competitiveness, rivalry, and differentiation	100
	Looking ahead	100
5	Combining impacts, net impacts, and spillover effects	102
	Value creation	104
	Value destruction	107
	Net impact	109
	Financial spillover effects	111
	Employee and workplace spillover effects	113
	Transferring skills and expertise	116
	Building community infrastructure	117
	Employees as ambassadors	118
	Product and service spillover effects	119
	Information spillover effects	120
	Implications for co-creating value	122
	Momentum, materiality, and measurement	123
	Looking ahead	125
6	Multiplier effects	127
	What are multiplier (network) effects?	128
	Multiplier effects: along the value chain	133
	Multiplier effects: combining social, environmental,	
	and economic impacts	139
	Social impacts along the value chain	139

Contents vii

	Environmental multipliers along the value chain	145
	Multiplier effects across geographies	147
	Global coordination	148
	Shared responsibility	149
	Local leaders	150
	Monitoring and reporting	151
	Implications for co-creating value	152
	Looking ahead	153
7	Debunking persistent myths about co-creating value	155
	Corporate impacts are 'giveaways'	157
	Corporate impacts are only felt from large firms	162
	Corporate impacts are 'not my job'	168
	Corporate impacts predominantly affect local	
	communities	173
	Corporate impacts are equivalent to compliance	176
	Implications for co-creating value	178
	Looking ahead	179
8	Anticipating changes in expectations	182
	Businesses: changing expectations through	
	competition	184
	Governments: changing expectations and	
	responsibilities	190
	Civil society: changing expectations through	
	public opinion	193
	Convergence: blurring of boundaries	197
	Implications for co-creating value	199
	Looking ahead	201
9	Convergence: combining issues and interests to	
	co-create value	202
	An issue-by-issue approach	205
	General issues	205
	Sourcing-producing-distributing issues	207
	Game-changing issues	209
	Issues moving across categories	211
	Limits of an issue-by-issue approach	212
	Issues as discrete items	212
	Legacy issues	215
	Persistent issues	217
	A stakeholder-by-stakeholder approach	218
	Mixed messages	219
	Stifling innovation	220

•••	\sim .
V111	Contents

	Ostensible permanence Foregoing multiplier effects and convergence	220
	opportunities	222
	Implications for co-creating value	224
	Looking ahead	227
10	Aligning initiatives and mechanisms for impact	229
	Initiatives (what to do)	233
	Functional initiatives: human resources,	
	marketing, and corporate governance	234
	Cross-functional initiatives: development,	
	environment, and corporate governance	236
	Mechanisms (how to implement)	237
	Solo mechanisms	238
	Collaborative partnering	239
	Implications for co-creating value	241
	Looking ahead	242
11	Integrating global and local impacts in a global	
	economy	244
	Corporate impacts and global governance:	
	an introduction	245
	Global governance	248
	Legitimacy	249
	Information disclosure	251
	Examples	252
	Twin pressures: globalization and local responsiveness	255
	Global strategy	256
	Multi-domestic strategy	257
	Transnational strategy	258
	Limitations of traditional product-market strategies	4.50
	in global economies	259
	Stuck betwixt and between global and local pressures	263
	Scalability	266
	Small businesses and small countries	269
	Implications for co-creating value	270
	Looking ahead	272
12		274
	Co-creating value	275
	Creating value, rather than capturing it	279

Contents	ix
----------	----

Corporate impacts and co-creating enduring value Finding the sweet spot by design Asking better questions	281 284 285
References	288
Examples of web-based resources	313
Index	330