

DEAL's guide to redesigning businesses through Doughnut Economics – Taster workshop



Version 1.0 (March 2023)



## Quick overview

Workshop to explore what Doughnut Economics implies for the deep design of your business.

Taster version.

<b>@</b>	Understand what the Doughnut implies
22	For whom People working with or within a business
0	Expertise Prep needed but no technical expertise
9	Scope Holistic - nothing is off the table
Ŀ	Duration and variations 2 hours
	In person and/or online In person and/or online

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About this workshop – the taster version

DEAL's engagement with business focuses on transforming the deep design of businesses, so that they can become regenerative and distributive in their core operations, and hence help to bring humanity into the Doughnut.

This workshop helps companies to identify their most transformative ideas for becoming regenerative and distributive in their strategies, practices and impacts, and then to identify the design changes needed to make this possible.

This workshop and its methods are continually evolving in response to learning and feedback, and we ask everyone to contribute to this - see <u>Share back to inspire others</u>.





## Taster workshop: 2 hours (instructions)

A two-part, 2 hour workshop to produce groundbreaking ideas.

1

# Regenerative & distributive ambitions

Create the most ambitious and transformative ideas that allow your business to become regenerative and distributive.

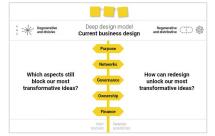


Canvas 1
Transformative
ideas

2

# Redesign your business

Identify changes in your business design to enable your transformative ideas.



Canvas 2 **Business design** 





### Before you start

#### Who should run workshops

The Doughnut Design for Business workshop requires ambitious and curious facilitators (see <u>Key skills for facilitating this workshop</u>).

If in this role, don't aim to provide specific advice, but pose challenging questions to encourage transformative innovations. Be ready to showcase and encourage leadership that embodies traits like humility, integrity, courage and self-awareness (see <a href="Inner Development">Inner Development</a> Goals, Theory U or Regenerative Leadership for relevant frameworks).

#### What this tool contains

This slide deck contains both parts of the taster workshop, along with guidance on <u>preparing and running the workshop</u>, and on <u>sharing back to inspire others</u> in the annexes.

It also includes key considerations for specific types of participants: <u>start-ups</u>, <u>large companies</u>, <u>family businesses</u> and <u>ethical businesses</u>.

Please also carefully read the following slide on safeguarding the integrity of Doughnut Economics.

A longer <u>core version of this tool</u> is also available.





# Dos 👌

#### Safeguarding integrity

- Do use this tool to facilitate a workshop for businesses, following <u>DEAL's Guidelines and Principles, including DEAL's Policy for Business.</u>
- 2. Do use the entirety of this tool.
- 3. Do use this tool at the most relevant scale for your business, from subsidiary to the entire business.
- 4. Do clarify with participants how you will deal with confidentiality and whether the discussions will be shared beyond the workshop.
- 5. Do <u>share back</u> your learning on the DEAL Community Platform if you're facilitating a workshop as an <u>organisation in action</u>. This can inspire others and help DEAL improve the tool.
- 6. Do ensure you've met DEAL's criteria if you're a consultant wanting to use these tools (see <u>DEAL's policy for Consultancies and Organisations</u>).

# Don'ts 🖓

#### Weakening integrity

- 1. Don't use this tool to provide specific advice to businesses support and facilitate their journey instead.
- 2. Don't publish 'company Doughnuts' focus on sharing back <u>business case</u> <u>studies as stories</u> instead. See <u>case</u> study guidance.
- 3. Don't claim alignment between any business and the Doughnut as a result of having done this workshop.
- 4. Don't adapt this tool or use only a part of it its integrity depends on the whole journey (see <u>DEAL's policy for businesses</u>).



Part 1.

Regenerative & distributive ambitions



### 1. Regenerative & distributive ambitions

First, you will identify some transformative ideas that would enable your business to be part of a regenerative and distributive future that helps humanity into the Doughnut. These will likely be ambitions your business is not yet pursuing - and they may seem unattainable due to its current design (e.g. investors' expectations), or due to market pressures or regulatory requirements.

These are indeed the kinds of ambitions we want to identify, by challenging the limits of our imaginations, parameters of the current business model, industry norms, and economic system we work within. Identifying the most transformative ideas at this stage will be key to ensuring that the rest of this workshop is effective for your business.

#### Introductory materials

- Video: <u>Intro to redesigning business</u>
   <u>through Doughnut Economics</u>
   (facilitators can choose to play this video to cover slides 9-20 & 28-43)
- What Doughnut Economics means for business (section 1)
- Introductory article on Doughnut Enterprise Design

#### Canvases to use

- Print: Canvas 1 Transformative ideas
- Online: Canvas 1 on the Miro board

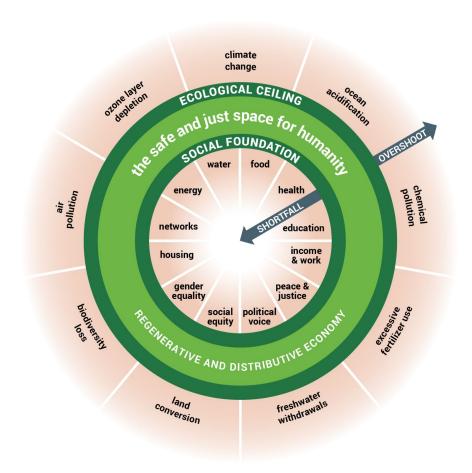
#### Further resources for participants

- Resources on Steward Ownership
- Post Growth Entrepreneurship & talks



# The Doughnut: a compass for 21st century thriving

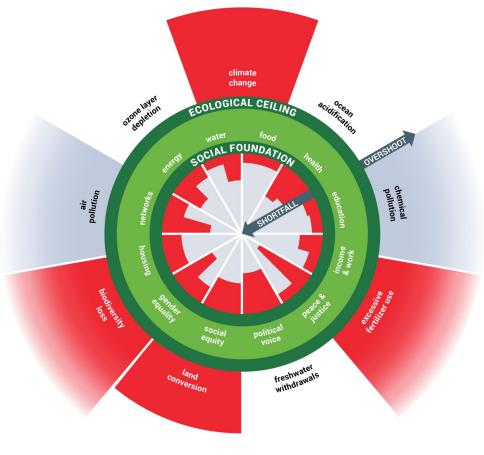
The goal is to leave no one falling short on the essentials of life, without overshooting planetary boundaries.





# The world is far out of balance

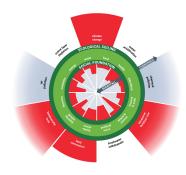
Today's global economy leaves billions of people falling short on life's essentials, and is overshooting multiple planetary boundaries.





Businesses
designed to
prioritise margins
and dividends push
humanity and the
living world far out
of balance.

How much financial value can we extract from this enterprise?

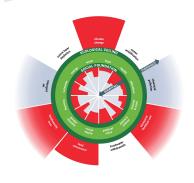




Businesses designed to prioritise margins and dividends push humanity and the living world far out of balance.

When businesses are focused on extracting maximum financial value, they all too often become degenerative and divisive.

# How much financial value can we extract from this enterprise?

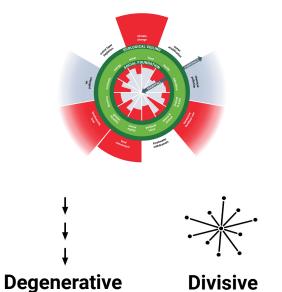






Many businesses increasingly want to embrace a social and ecological purpose.

How much financial value can we extract from this enterprise?



How many benefits can we generate in the way we design this enterprise?



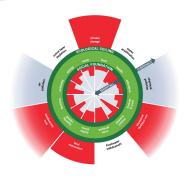


Many businesses increasingly want to embrace a social and ecological purpose.

That calls for a change in their dynamics - to becoming regenerative and distributive by design.

Let's explore what these principles mean...

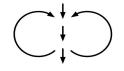
How much financial value can we extract from this enterprise?





How many benefits can we generate in the way we design this enterprise?





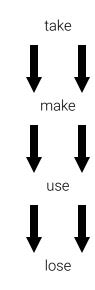


Regenerative

**Distributive** 

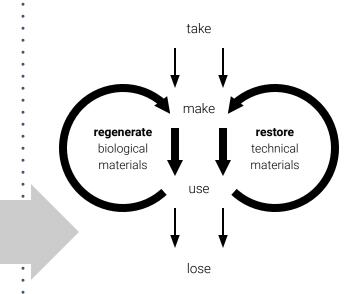


# To change the future, change the dynamics





Running down Earth's life-supporting system



#### Regenerative

Working with and within the cycles of the living world



It's time to go beyond seeking 'sustainability'.

It is no longer enough to aim to be "100% less bad", in the words of the designer Bill McDonough.

Given the scale of degradation of the living world, it is now essential to repair, reuse, restore, and regenerate.

#### Degenerative

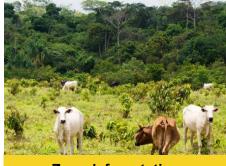


Landscape degradation



**Built-in obsolescence** 

#### Sustainable



Zero deforestation



100% recyclable





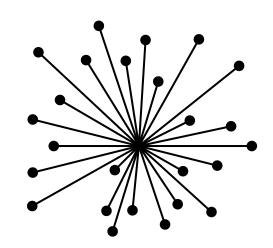
Landscape restoration

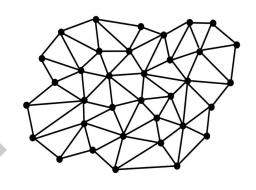


Repair & modular design



# To change the future, change the dynamics





**Divisive** 

Capturing opportunity and value in the hands of a few

#### **Distributive**

Sharing opportunity and value with all who co-create it



**Business** must become more than just 'inclusive'.

It is not enough to provide merely the minimum that people need for a decent life.

The global scale of inequality and marginalisation calls for businesses that are committed to sharing value and opportunity with all who co-create it.





**Poverty wages** 



#### Inclusive



Living wage



**Technology partnerships** 



#### **Distributive**



Living wage and profit share



**Open source design** 



Transformative ideas are too often held back by current thinking and culture.

New possibilities arise from a new mindset.

"We cannot solve our problems with the same thinking we used when we created them."

- Albert Einstein

#### What can block transformative ideas?

Outdated processes

Rigid financial targets

Short-term thinking

Culture of hierarchy



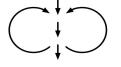


Suspending practicality

Broad perspectives

Long-term thinking

Culture of courage







**Distributive** 





#### Visualise futures

In this first activity, you will explore how your business will belong to a thriving future economy. This will require it to pursue the most ambitious ideas to become regenerative & distributive. Let's call. these transformative ideas.

You can identify these ideas via quiet reflection, or a group discussion. The next slide provides a canvas to capture these ideas.

#### Towards regenerative and distributive business: generating transformative ideas

Visualise a thriving future economy that is regenerative & distributive by design. Your business is part of it.

What are your most ambitious ideas for getting there?

What will your business start doing & stop doing?

Draw inspiration from many voices:

- the living planet her forests, rivers, air & soil
- employees, customers, supply-chain workers
- activists, local communities, future generations
- industry leaders, junior colleagues, technical experts

Go beyond what's currently feasible. Go where the business has greatest impact.



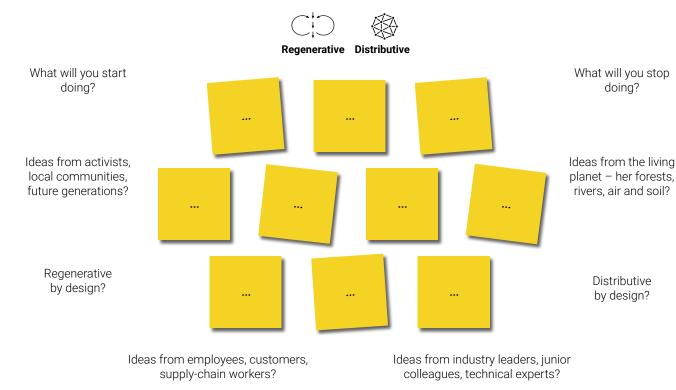
#### 1 2

## Generate transformative ideas

In this activity, it is critical to consider ideas that don't currently seem practical or feasible, and focus on where your business has greatest impact.

The previous slide shows ways to identify such ideas, including by drawing inspiration from many voices. Use yellow sticky notes to capture them on this canvas.

# Visualise a thriving future economy. Your business is part of it. What are your most ambitious ideas for getting it there?



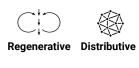


Canvas: Transformative ideas 21

# Generate transformative ideas

Example of a consumer goods company

# Visualise a thriving future economy. Your business is part of it. What are your most ambitious ideas for getting it there?



What will you start doing?

Ideas from activists, local communities, future generations?

Regenerative by design?



What will you stop doing?

Ideas from the living planet – her forests, rivers, air and soil?

Distributive by design?

Ideas from employees, customers, supply-chain workers?

Ideas from industry leaders, junior colleagues, technical experts?

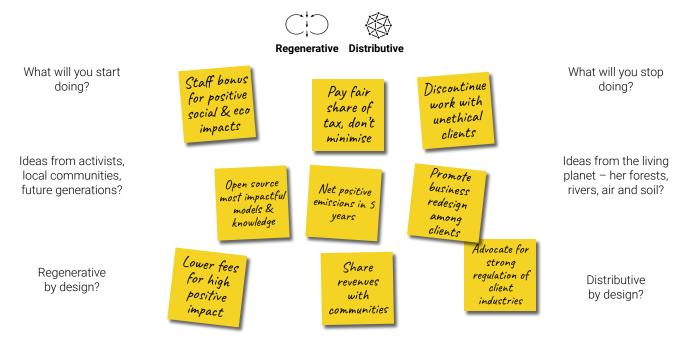


Canvas: **Transformative ideas** 

# Generate transformative ideas

Example of a professional services company

# Visualise a thriving future economy. Your business is part of it. What are your most ambitious ideas for getting it there?





Ideas from industry leaders, junior colleagues, technical experts?



Canvas: Transformative ideas 23

#### Part 2: regenerative & distributive ambitions

### Wrap up

By visualising a thriving future, you have identified transformative ideas for your business to become regenerative and distributive in its core operations and supply chains, core products and services, so that it will help to bring humanity into the Doughnut. To generate these transformative ideas, you have considered some difficult questions about what you will start and stop doing to belong to a thriving future, and you have drawn inspiration from many voices, including workers and communities, experts and peers, the living planet and her forests, rivers, air and soil. These ideas should be challenging, and beyond what currently seems possible.

You will next look at how the current design of your business holds back such ideas and how that design can evolve to fully enable you to pursue such transformative ideas.



Part 2.

# Redesign your business



## 2. Redesign your business

You have identified a range of ideas and actions that your business could pursue to become regenerative and distributive by design. Now, this final activity helps you identify specific changes to your enterprise design that can best enable you to pursue such ideas and actions. In this way, your company can help to realise a regenerative and distributive economy that can bring humanity into the Doughnut.

#### Introductory materials

- Video: <u>Intro to redesigning business</u> <u>through Doughnut Economics</u> (explains content from slides 9-20 & 28-43)
- Paper: What Doughnut Economics means for business (sections 2, 3 and 4)

#### Canvases to use

- Print: Canvas 2 Business Design
- Online: Canvas 2 on the Miro board

#### **Further resources for participants**

- Community Ownership
- Innovations in Finance
- Employee Ownership financing
- <u>Fundraising for Cooperative startups</u>
- List of related tools on co-ownership



## Part 2. Redesign your business

# Step 1. Explore business design



Most businesses find they are limited by their design.

We should introduce refillable perfume bottles – but bringing consumers on board needs investment, and the payback period on that capital expenditure is too long.

Paying tea pluckers a living wage cannot mean paying suppliers more for their tea. The market just won't reward this. Plantations need to fund it by raising productivity.



Tea industry executive

senior executive, major beauty brand



I've been asked to create a range of regenerative clothing – while being expected to deliver the usual 15% profit margins from the outset. Impossible.

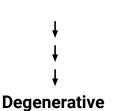


head of innovation, major clothing brand



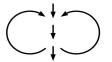
Today's mainstream businesses only adopt regenerative & distributive practices if doing so will maximise their margins & dividends. And that's rare.

This contrasts with the design of most not-for-profit organisations, which enable regenerative & distributive ideas.





Divisive







**Distributive** 

Business as usual designed to maximise margins and dividends



What's possible with current business design

Commons & communities

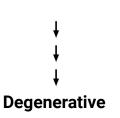
**Public services** 

NGOs & charities



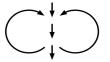
Unlocking the scale of action required by business calls for a redesign of business itself.

Such a redesign is essential if business is to be part of a regenerative and distributive future.





Divisive



Regenerative



**Distributive** 

Business as usual designed to maximise margins and dividends Business
redesigned
to unlock
regenerative &
distributive
possibilities

Commons & communities Public services

NGOs & charities



There are many effective ways to start transforming business.

# Exerting public pressure





Making the business case















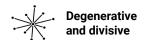
To reinforce these and drive further ambition, Doughnut Economics focuses on transforming the deep design of business.



#### **Driving questions**

Different companies are driven by very different questions, which underlie and subtly shape every decision that they make.

How does the deep design of a business determine the focus of a business? Which of these questions is it able to focus on?...



How much value can we extract through this enterprise?



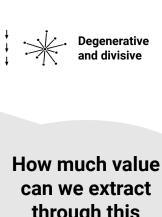
How many benefits can we generate through this enterprise?

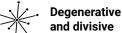


Deep within every business are layers of design that profoundly shape what it can be and do in the world: its Purpose, Networks, Governance, Ownership, and Finance.

This is the deep design of business as inspired by author & theorist Marjorie Kelly.

Let's explore all five layers.











can we extract through this enterprise?

**Purpose** 

**Networks** 

Governance

**Ownership** 

**Finance** 

How many benefits can we generate through this enterprise?



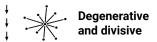
#### **Purpose**

Why does this business even exist?

What purpose does it serve in the world?

How is that purpose manifest in its operations?

How is that purpose manifest in its products or services?



#### **Profit driven business**



Profit-driven business, such as fast fashion, aims to make and sell products as cheaply and quickly as possible - often resulting in social and ecological exploitation.

Purpose

Networks

Governance

Ownership

**Finance** 

Regenerative and distributive





#### **Purpose driven business**

Mission statement

Products & services

Operations & supply chain

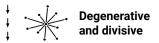
Disruptive innovations

Purpose focused on benefits for people and the living world can be expressed through the founding mission, operations and supply chains, core products and services, and by disrupting and innovating in the industry.



#### **Purpose**

Example





Profit-driven business, such as fast fashion, aims to make and sell products as cheaply and quickly as possible - often causing social and ecological harm in the process.



Regenerative and distributive









Manos del Uruguay exists to support its extensive network of rural artisans who make its natural wool-based products, and who co-own the business.

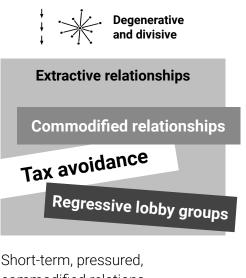


#### **Networks**

What relationships does the business hold - with its customers. suppliers, staff, governments, communities and partners?

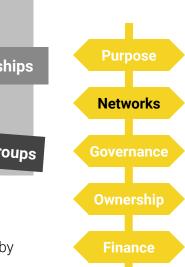
What new connections does it need to create?

What outdated relationships must now be left behind?



Short-term, pressured, commodified relations.

Membership of regressive lobby groups that block change.









#### **Collaborative partnerships**

Fair Trade

Fair Tax Mark accredited

Progressive alliances

Circular industry networks

Long-term, committed and impact-focused relationships

Joining progressive alliances that promote transformation.



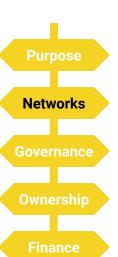
# Networks

Example



commodified relations.

Membership of regressive lobby groups that block change.



Regenerative and distributive





# **Collaborative partnerships**



During the COVID-19 pandemic, many global brands cut orders and reduced prices for suppliers. In stark contrast, the food and homewares importer El Puente provided extra financial flexibility, paid upfront, and supported its suppliers - all enabled by its model of multi-stakeholder governance.



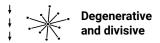
# Governance

Who is on the board, with a voice in decision-making?

What are the company rules and culture?

What are the metrics of success?

How openly are annual accounts reported?





Focused on maximising margins and dividends for shareholders and owners. Quarterly reporting drives short-term pressure to deliver growing sales, growing market share, and growing profits.



Regenerative and distributive





**Governance in service of purpose** 

Board representation

Transparency

Metrics of success

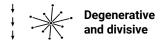
Management incentives

This is enabled by designs such as: multi-stakeholder boards, including employee representation, and giving a voice to nature; full transparency; and rewarding management for social and ecological impacts.



# Governance

Example





Focused on maximising margins and dividends for shareholders and owners. Quarterly reporting drives short-term pressure to deliver growing sales, growing market share, and growing profits.



Governance



### **Governance in service of purpose**



Riversimple, a maker of hydrogen cars, seeks to balance interests through a board with six custodians who represent: the environment, users, neighbours, staff, investors and commercial partners.



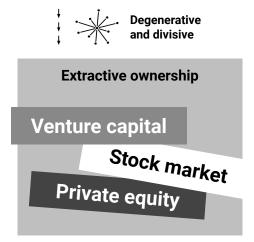


# **Ownership**

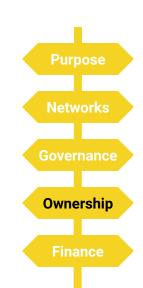
Who owns the business?

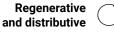
What are their interests and expectations?

To what extent can the owners change or undermine the intended purpose of the business?



Owners pressures the business to focus solely on growing margins and dividends, even if this undermines the business's focus on social and ecological goals. Only financial interests are represented in the ownership mix.









### **Generative ownership**

Steward ownership

Cooperatives

Employee ownership

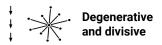
Community ownership

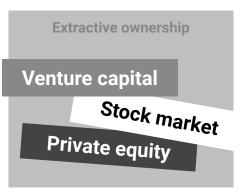
Many ownership models enable businesses to focus on regenerative and distributive results, including ownership by employees, cooperatives, stewards, communities, multi-stakeholders and impact investors.



# **Ownership**

Example





Owners pressures the business to focus solely on growing margins and dividends, even if this undermines the business's focus on social and ecological goals.
Only financial interests are represented in the ownership mix.



Regenerative and distributive





### **Generative ownership**





The clothing company **Patagonia** has adopted a steward ownership model in order to lock in its commitment to protecting and restoring nature. The company set up a trust that controls all shares with voting rights, and an environmental nonprofit collective that controls all shares with dividend rights.



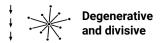
# **Finance**

Where does finance come from, and what does it demand?

What are the margin and dividend expectations?

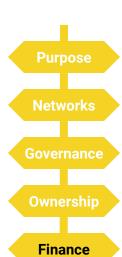
What are the rules on reinvestment & profit allocation?

What's considered a fair return for investors?





When the quarterly report is king, companies focus on short-term growth in sales, profits and market share. This sets the limits and possibilities for businesses. It can block new ideas and strategies, and prevent much-needed investment in regenerative and distributive strategies.



Regenerative and distributive





### Finance serving purpose

Dividend caps

Flexible margins

Revenue sharing

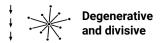
Profit share to charity

There are many ways to ensure that finance serves purpose, such as through: flexible margins; dividend caps; funds for transformative ideas; profit distribution to employees and charities, revenue sharing with communities, and pricing based on impact.



# **Finance**

Example





When the quarterly report is king, companies focus on short-term growth in sales, profits and market share. This sets the limits and possibilities for businesses. It can block new ideas and strategies, and prevent much-needed investment in regenerative and distributive strategies.



Regenerative and distributive





### Finance serving purpose



**SELCO India** reinvests its profits and is able to achieve lower and slower growth and margins. This enables it to invest into provide tailored energy solutions to underserved populations, to train technicians & incubate local solar enterprises. To enable this business model, it replaced its previously unaligned investors.



# Do legal forms matter?

In most jurisdictions, there are a range of legal forms that a business can take, and these can significantly shape the deep design of businesses there. The scope of these legal forms varies across jurisdictions.

In order to pursue their most transformative ideas, some businesses do decide to change their legal forms. But doing so is not an essential step for using this tool: it also invites businesses to explore possibilities for their redesign, whatever their legal form.

### **Examples of legal forms**

Private company or corporation limited by shares Publicly listed company or corporation Social enterprise (often with an asset lock and dividend restrictions)\*

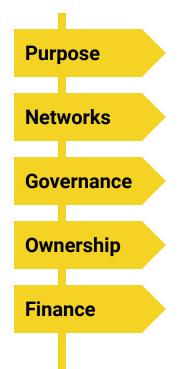
Cooperative

Benefit corporation

\* e.g. Community interest company (UK); Low-profit limited liability company (US)



# Benefits of redesign



**Exploring deep design is critical for:** 

- aligning internal processes with business purpose
- enabling new partnerships and engaging stakeholders
- channelling investment into transformative ideas
- locking-in legacy and protecting mission
- becoming regenerative and distributive by design



# Part 2. Redesign your business

# Step 2. Identify what blocks action, and how redesign can unlock it

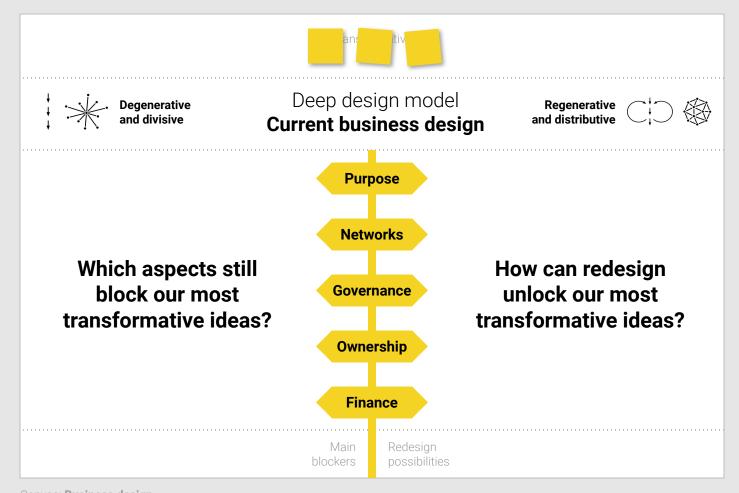


# Explore business design

With your most transformative ideas in mind, now ask how the design of your business can evolve to unlock your most transformative ideas.

Do use the questions in the next slide as prompts to consider how your business design may evolve.

Note, you don't need a reflection in every design layer.







1 2 3

Think about what holds back transformative ideas and how design changes can enable them.

The points here can help identify ways in which your current design can block your ability to pursue your most transformative ideas, and ways redesign can unlock them. See more examples in subsequent slides for further ideas

# Consider these to explore business design

### Consider these to identify how your design might be holding you back

design can evolve to enable you

Is there a gap between stated purpose & day-to-day reality (culture, operations, impacts)?

**Purpose** 

What would your purpose be from a Doughnut Economics perspective?

Consider these to identify ways your

Are you able to enter very long-term & committed partnerships (e.g. with suppliers)?

**Networks** 

Can you redefine your partnerships in line with your purpose (e.g. long-term contracts, pricing that enables purpose)?

Which stakeholders are represented on your board, and which should be?

Governance

Which stakeholders can be represented on your board to better navigate trade-offs between ecological, social & financial goals? (e.g. workers, planet)?

Which stakeholders are missing from ownership mix?

**Ownership** 

Can ownership change to better align with your purpose (e.g. employee or steward ownership, change voting rights among owners?)

How do expectations on margins & returns shape your priorities & possibilities?

**Finance** 

How might expectations on margins & dividends be reshaped to unlock your most transformative ideas?





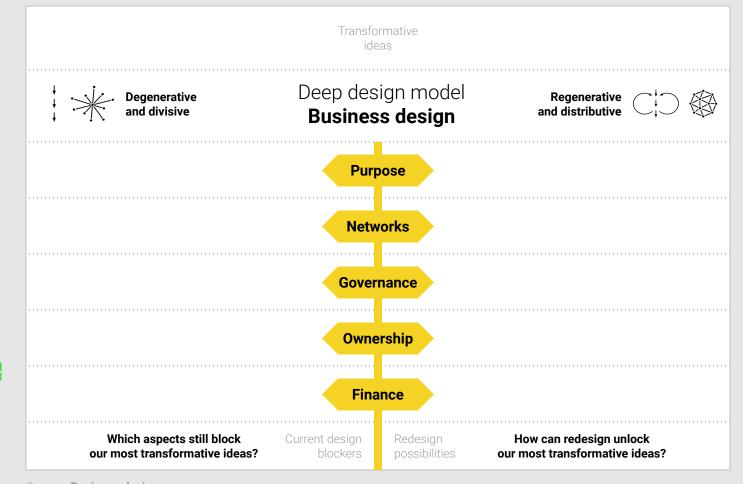
1 2 3

### **Explore business** design

Place the most transformative ideas you earlier generated on top.

To answer the two main questions at the bottom of the canvas: use red sticky notes on the left and blue sticky notes on the right.

Finally, use a green sticky note to share the design journey?





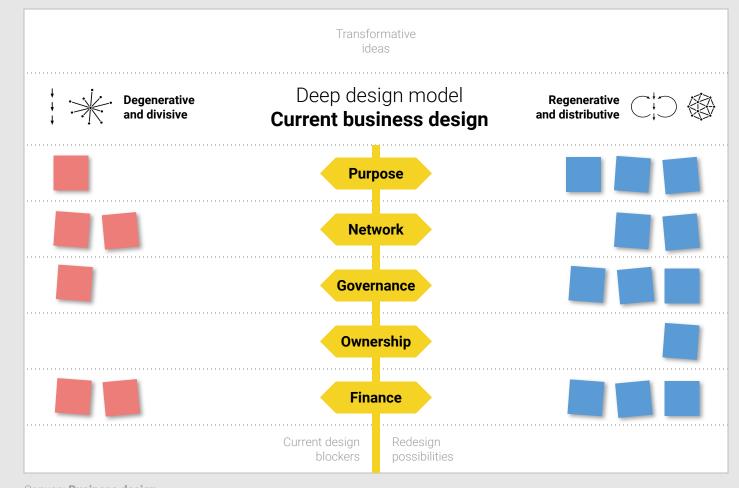
1 2 3

# Explore business design

Use sticky note main barriers to identify ways in which your current design blocks or holds back your most transformative ideas.

Use sticky note redesign possibilities to identify ideas to redesign your business to unlock and enable your ideas.

Remember, you don't need a reflection in every design layer.





### **Explore business** design

Example of a consumer goods company



Prices paid to suppliers enable double living wage

Factories sequester carbon

Only use life-friendly chemistry



Degenerative and divisive

Deep design model **Current business design** 

Regenerative and distributive





**Purpose** 

Supplier relationships focus on low prices and lack long-term commitment needed for deep partnership.

Only investors represented on the board - no voice of impacted stakeholders.

Employee ownership <5% of shares, and majority of these only senior management.

High margin and dividend goals limit high social and ecological impact actions and exclude projects that achieve lower margins or returns.

**Network** 

Long term commitment with prices to enable cost of

Governance

Employees and main suppliers represented on board.

Start with 2 x observer seats next year, with rotating seat for 5 main suppliers and one for employee rep.

**Ownership** 

**Finance** 

for biggest social and ecological ideas.

Current design blockers



# Explore business design

Example of a professional services company



Discontinue work with unethical clients Lower fees for high positive impact Advocate for strong regulation of client industries



Degenerative and divisive

# Deep design model **Current business design**

Regenerative and distributive





Purpose doesn't address trade-offs - unable to justify losing income to generate more positive impact.

Clients typically unconcerned with sustainability.

Majority of partners believe bringing their personal ethics to leadership is sufficient. No other stakeholder represented in governance. **Purpose** 

Network

10 highest impact clients who redesign business for purpose become 'priority clients'.

Governance

Representatives from a human rights & an eco organisation become board members, with votin rights.

Ownership

Partner agreement caps profit share for all to increase reinvestment in purpose.

Junior partners have expectations of high profit share in the future.

Finance

30% of profits go to an internal fund to subsidise most impactful clients & projects.

Current design blockers

Redesign possibilities

Create internal impact fund, start with 10% of next financial year profits, increase slowly by 5% each year.



### Part 4: Redesign your business

# Wrap up

You have now explored the most transformative ideas that would enable your business to contribute to, and belong in, a regenerative and distributive future - one that helps to bring humanity into the Doughnut. Critically, these transformative ideas involve making changes to the deep design of your business, which you have begun to identify. You have also identified an action you can take to begin your Doughnut Economics business design journey.

As you reflect on how to bring about the changes you have proposed, be sure to retain that entrepreneurial can-do spirit alongside your conviction to transform business so that it responds to the context and challenges of our times. This is an iterative process: keep learning as you go. You can continually update your plan in response to emerging possibilities.

Can business help bring humanity into the Doughnut? It is time to find out.



Annex A.

Canvases, printouts and Miro

# Annex A. Canvases, printouts and Miro

# <u>Click here</u> for all printable canvases.

We recommend printing each canvas at least in A2 size (420 x 594 mm) so participants have enough space to stick notes all over the canvas spaces.

For the Miro board, see Online workshop and Create your canvas.



1. <u>Transformative ideas</u>



2. Business design



Annex B.

Prepare and run the workshop

# Annex B. Prepare and run the workshop

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# **B1.** Key skills for facilitating this workshop

- Enthusiasm to explore transformative ideas that challenge the possibilities of today's business world, and curiosity about how the deep design of businesses can evolve to enable such ideas.
- Awareness of some existing alternative enterprise designs that are relevant to participating businesses (e.g. employee ownership, social enterprise, steward ownership).
- Skills in guiding businesses through the journey of exploration, and being comfortable not to propose specific ideas or solutions.
- Time to prepare and gain some familiarity with the businesses participating (e.g. their industry, legal form, board members, reporting of impacts).
- Comfortable with complexity and with encountering defensiveness or frustration from some participants (such as limitations around what they believe can be changed and around their desire to be provided with practical advice).



# **B2.** Identifying participants for the workshop

### If run within a single business, invite:

- People intrigued and excited by the prospect of evolving the deep design of business, in particular its relationship with finance.
- Those with agency over the future design of the business (e.g. in evolution of their board, financial parameters).
- People from outside the C-Suite, those with experience in how senior decisions shape day-to-day operations and generate trade-offs.
- Those with experience of proposing ideas that have been turned down or limited due to financial considerations (e.g. technical experts).
- Those who represent the voices and interests of those most impacted by the decisions of the business.
- Those who bring in the most ambitious ideas and challenging perspectives.



# **B3.** Running a workshop for start-ups

- Engagement with investors will likely play an important role in what's possible with business design. Investor engagement may also be preoccupying founders and staff in a start-up. Recognise and engage with this throughout the workshop.
- Prepare by reading up on the role of 'terms sheets' for equity investment (e.g. <u>this primer</u> on community-ownership that includes some insights on terms sheets).
- Encourage start-ups to consider simple design options initially. They can tailor their design in a way that is appropriate for their ambitions and challenges, and this can evolve over time.
- Encourage start-ups to identify a few impact priorities, recognising that a broader range of impacts may seem overwhelming to focus on at first.
- Raise questions around ways that their vision may be supported or hindered by early-stage design choices (especially financing).
- Emphasise the opportunity start-ups have to shape their design from the outset (in contrast to established business, where more ambitious design changes may be more difficult).
- Avoid being prescriptive with specific design options.



# **B4.** Running a workshop for large companies

- Include some individual participants who have agency over the future design of the business (e.g. in evolution of their board, financial parameters).
- Include also participants from outside the C-Suite, those with experience in how senior decisions shape or constrain day-to-day operations and generate trade-offs.
- Include participants with experience of proposing ideas that have been turned down or limited due to financial considerations (e.g. technical experts).
- Encourage a long-term perspective in shaping the deep design of the business, insisting on a focus on business redesign but allowing longer time horizons.
- Emphasise that more sophisticated design changes can be planned for the future, as the business learns from initial design changes and evolves.



# B5. Running a workshop for family businesses

- The values and future legacy of the family is likely to be an important factor. Recognise this openly and include this in discussions.
- The business may be designed around the long-term and values-focused voice of family members, who use this to keep the business committed to a purpose. Recognise the value of this and retain it as one feature, as additional design changes are explored. Take the approach of building towards the family's underlying goals by reinforcing their efforts (e.g. NGO working on issues the family is passionate about could be represented on the board).
- There may already be significant philanthropic contributions that the family make. Identify ways in which the design of the business and its core operations can reinforce such goals, making the business a vehicle for achieving the positive impact in the world (e.g. through profit reinvestment into the most transformative ideas).
- If there's a resistance to business redesign, encourage them to experiment with smaller changes in design first, with a view towards bigger changes in the future.



# **B6.** Running a workshop for ethical businesses

- The business may be designed around a 'benevolent founder', who uses their ownership role to keep the business committed to a purpose. Recognise the value of this and retain it as one feature, as additional design changes are explored. Take the approach of building towards the founder's underlying goals by reinforcing their efforts (e.g. impacted stakeholders could become co-owners).
- The products and services of the business may themselves be the greatest focus of its mission. If so, encourage designing around this feature but invite them to explore how to align operational impacts too.
- It is likely that they already know what their priority is, so don't labour the point about reconsidering this priority. Instead, help them to just recognise the broader impacts.
- They may resist design changes, as they are already considered an ethical business with their current design. Encourage them to identify ways in which they can be more ambitious and become one of the defining the businesses of the future.



# **B7.** In-person workshop considerations

### Some general tips:

- As the facilitator, you will be responsible for introducing the concepts and the activities.
- You will need to print the canvases we've provided (see <u>Canvases</u>, <u>printouts and Miro</u>).
- You also need to choose where to put the canvases: on tables, on the floor, on vertical boards, on a window these are just a few of the approaches that people have tried so far.
- Sticky notes are a good way for people to add comments. You may also prefer to write directly onto the canvases. Whichever way you choose, encourage participants to be succinct and to prioritise ideas. Canvases that contain too much detail could become overwhelming.
- You will need a projector or large screen to present the slides contained in this tool. Recognise that long periods looking at slides could reduce engagement levels. After presenting the slides, you could give time for a more dynamic discussion about the concepts. Doing this in a circle where everyone is standing up can be useful.



# **B8.** Online workshop

To run a workshop online, you will need to use a videoconferencing application such as Zoom or Teams. You will also need to prepare a <u>Miro canvas</u> from the template (see <u>create your canvas</u>) or a similar canvas in another application such as Mural, Padlet or Jamboard.

**We strongly recommend** that, if you are running a workshop using Miro, you have one facilitator per breakout room who can 1) confidently use Miro, 2) share their screen with breakout room participants, and 3) take notes from the discussion on the Miro canvas itself, for all to see.

It can be a good idea to share the Miro canvas plus the following introductory materials with participants ahead of time, so they can familiarise themselves with the concepts and activities:

- Intro to Doughnut Economics
- Intro to business and the Doughnut

Anyone calling in on their phone won't be able to see the canvas, so let them know this ahead of time, and let the facilitators know this so they can explain what's happening.



# **B9. Online workshop - create your canvas**

We have created a template on Miro which you can use to create your own online canvas. To create the Miro canvas:

- 1. Follow this link.
- 2. Click on the title of the board Taster version Doughnut Design for Business in the top left corner, next to the word 'Miro'.
- 3. If you are already signed into a Miro account, select 'Duplicate board', and the board will then duplicate into your account. If you are not signed into a Miro account, you can create one for free, very easily this will give you space for up to three free boards.
- 4. Once a duplicate copy of the board is in your account, you can share it with others. If you have a free account, you can invite others to access and edit the board by email. If you have a paid account, you can create a link and password for anyone to access and edit the board.
- 5. Once you have your own board you can populate the canvas with relevant examples, questions and pictures to help participants get started in the workshop.



# **B10.** Sample workshop planning (2 hours)

Time	Part	Duration
9.00	Introduction to the session	5
9:05	Participant introduction	10
9:15	Play DEAL's introduction to redesigning business	20
	through Doughnut Economics video	
09:35	Part 1. Regenerative & distributive ambitions	35
10:15	Part 2. Redesign your business	35
10:45	Plenary reflections and wrap up	15
11:00	End - Coffee!	



# **B11. Responding to common questions**

- **The role of legal forms?** Legal forms (such as limited companies, non-profit entities) vary across jurisdictions. A business may decide to change its legal form as part of its redesign, but that is not essential to this tool, which invites a process of business redesign, whatever the legal form.
- Connection with certifications? Most certifications assess the policies and practices of businesses. A few cover some aspects of business design, but no certification scheme that we know of yet covers the scope and ambition of the Doughnut Economics approach to business redesign. We very much hope in future that some will!
- **Businesses 'doing the Doughnut'?** There is no credible way of assessing whether an individual business is operating 'within the Doughnut'. The business examples included in this tool are not proposed as 'Doughnut businesses'.
- **Advocating specific business designs?** The tool invites businesses to create innovations in their deep design, without advocating any specific designs: there are many possibilities.



Annex C.

Share back to inspire others

# Doughnut Design for Business | Annex C. Share back to inspire others

# Share back and communicating publicly

### C1. Facilitators summarising reflections

Organisations and consultants using this tool with businesses are asked to follow <u>DEAL's Policy for Consultancies and Organisations</u>. As part of this, we ask them to share back a summary of key reflections from their workshop(s). See slides <u>Facilitators summarising reflections</u>.

### C2. Case studies of businesses

DEAL invites submissions of case studies of businesses demonstrating how their deep design blocks and / or enables the most transformative ideas needed to help humanity into the Doughnut. See slide <u>Case studies of businesses</u>.

### C3. Businesses communicating publicly

Any business inspired by Doughnut Economics can only publicly associate with it by focusing on its deep design. See slide <u>Businesses communicating publicly.</u>



# Doughnut Design for Business | Annex C. Share back to inspire others

# C1. Facilitators summarising reflections (1/2)

### Who needs to share back?

If you are a consultancy or other organisation providing professional advisory services and you are using this tool with businesses, you are required to register as an 'Organisation in Action' on DEAL's platform and follow <u>DEAL's Policy for Consultancies and Organisations</u>.

If you are a not-for-profit organisation using the tool with businesses, we also ask that you register on DEAL's platform as an 'Organisation in Action' and follow <u>DEAL's Policy for Consultancies and Organisations</u>. This includes sharing back your experience and insights with the rest of the DEAL community, in the spirit of reciprocity and peer-to-peer learning.

If you're using this for 'internal reflection' as a business, it is optional to share back your insights. If you choose to, please connect with us through the DEAL <u>contact form</u>. Note also the <u>dos and don'ts</u> at the start of this tool.







Doughnut Design for Business | Annex C. Share back to inspire others

# C1. Facilitators summarising reflections (2/2)

### How to share back?

As an Organisation in Action, you will be listed on DEAL's platform and be able to post stories. We ask for stories of the workshop that 'share back' insights covering key aspects of the workshop, as well as suggested ways in which the tool can improve.

When posting your story on DEAL's platform as an Organisation in Action, we ask that your story focuses on the following:

- Examples of transformative regenerative and distributive ideas identified in the workshop.
- Examples of the current design of the businesses that block and enable such ideas.
- Examples of ideas for business redesign and how these could enable transformative ideas.
- Challenges and insights that emerged in exploring transformative ideas and business redesign.
- Ways the tool can evolve to better support businesses on the business redesign journey.

Your reflections will need to respect confidentiality expectations of participants.





#### Doughnut Design for Business | Annex C. Share back to inspire others

## C2. Case studies of businesses

DEAL would like to select and share some compelling case studies that demonstrate how the most transformative regenerative and distributive ideas can be unlocked through business design and redesign. We invite businesses to share stories with us that focus on the following:

- the most ambitious regenerative and distributive ideas to pursue
- how the current design of the business currently blocks or enables these ideas
- how a redesign of the business can unlock and enable these ideas.

To submit a case study, please share it through the DEAL <u>contact form</u>, choosing the category 'Tools and Stories' and theme 'Business and Enterprise'. To retain the integrity and ambition of Doughnut Economics, DEAL itself will post these on the platform, and we ask that case study stories of individual businesses are not posted directly to the DEAL platform.



#### Doughnut Design for Business | Annex C. Share back to inspire others

## C3. Businesses communicating publicly

Any business that has been inspired by Doughnut Economics to make or explore substantive changes to its deep design (including by using the Doughnut Design for Business tool) is welcome to communicate publicly about this.

We ask that any communication is limited to Doughnut Economics serving as inspiration for changes in its deep design, through addressing its Purpose, Networks, Governance, Ownership, and Finance. The concepts and images of Doughnut Economics cannot be used for any other public communication by businesses.

We also ask that there are no public facing claims or communication that suggests any business is within the Doughnut, a Doughnut Business, aligned with Doughnut Economics, endorsed by DEAL, or similar.

The above also applies to consultants in their work with business clients.

For the full policy on how Businesses can engage with Doughnut Economics, see <u>DEAL's policy for businesses</u> and refer to the <u>Dos and Don'ts</u> at the start of this tool.



Doughnut Design for Business

Annex D.

Acknowledgements, images

#### Doughnut Design for Business | Annex D. Acknowledgments, images

## **Acknowledgements**

#### This tool was created by

Erinch Sahan, Kate Raworth and Carlota Sanz Ruiz of DEAL, in collaboration with Ruurd Priester.

#### We would like to thank

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All who participated in the pilot workshops and who reviewed the drafts of the tool.

Marjorie Kelly for the conceptual inspiration. Iconmonster for the icons used.



## Doughnut Design for Business | Annex D. Acknowledgments, images

## **Images**

Slide	Name	Source
7	Part title: Schoonschip	Isabel Nabuurs, Schoonschip
16	Landscape degradation	Ulet Ifansasti / Greenpeace
16	Zero deforestation	iStock
16	Landscape restoration	Andrea Borgarello
16	Built-in obsolescence	Fully Syafi / Greenpeace
16	100% recyclable	iStock
16	Repair & modular design	Stocksy
18	Poverty wages	Greg Walters (CC BY 2.0)
18	Living wage	Falkirk Herald
18	Living wage and profit share	John Lewis Partnership
18	Aggressively enforced patents	Pix4Free.org
18	Technology partnerships	Nguyen Hung Vu (CC BY 2.0)
18	Open source design	Drupal.org
20	Blue sky with sun	iStock
25	Part title: Wooden construction	Paul VanDerWerf (CC BY 2.0)

Slide	Name	Source
31	Exerting public pressure	European Parliament (CC BY NC ND 2.0)
31	Exerting public pressure	Ulet Ifansasti / Greenpeace
31	Enlightened leadership	Vismedia
31	Setting new targets and metrics	Surveyhacks.com (CC BY 2.0)
31	Setting new targets and metrics	Ken Teegardin (CC BY-SA 2.0)
31	Making the business case	Jerry Michalski (CC BY-SA 2.0)
31	Making the business case	1DayReview.com
34	Profit driven business	Flickr, Aaron Joel Santos
35	Manos del Uruguay	Manos del Uruguay
37	El Puente	Cornelia Kolbe (CC BY-SA 4.0)
38	Govern. in service of finance	Freepic.com
41	Patagonia	Patagonia
42	Fin. serving financial returns	Freepic.com
43	Body shop, Plast. for change	The Body Shop





# Doughnut Design for business – Taster tool

**Annex E. Facilitation ideas & options** 

#### **About this annex**

There are multiple ways facilitators can adapt their <u>Doughnut Design for Business</u> workshops. This annex provides some ideas and options for doing so - mostly alternative ways of introducing and structuring activities. Some of the below provides options to adapt the activities (e.g. by using the Doughnut visual in the first activity of the taster tool). Others add optional new concepts to introduce (e.g. corporate to-do list).

The slides below cover some options that can apply to any part of the workshops (sections 1-4), as well as ideas that are relevant to only specific parts (sections 5-12). For those running workshops for start-ups, the slides in section 13 below are tailored for start-ups to introduce the activities in the tool.

Critically, any adaptations of the Doughnut Design for Business tool (and indeed any business engagement with Doughnut Economics) must continue to focus on identifying:

- (a) regenerative and distributive ambitions to help humanity into the Doughnut; and
- (b) changes in the deep design of businesses to unlock these ambitions.



## **Content**

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3.	Adding energiser activities	83
4.	Setting preparation tasks for participants	84
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## 1. Setting expectations



This workshop does not produce an implementation plan. While there will be some ideas identified (both actions/strategies as well as design changes), other processes and models will be needed to further develop and implement these. This tool primarily serves as a compass to identify ambitious ideas and transformations that may otherwise not arise.

You may choose to add complimentary activities to go further on planning.



## 2. Running all workshop activities as group activities



You can choose to run each activity in this workshop as a group activity. Participants would form small groups of 4-6 and select a business to focus on collectively throughout, completing the canvases as a group.

If participants are from different businesses, this will mean they don't all get to apply the activities to their own businesses.



## 3. Adding energiser activities



You can add activities that increase the engagement of the participants at different points (e.g. after lunch). E.g.

- Telling our eco-stories
- Line up: ask participants to form a line based on how much they agree with a statement.
   e.g. 'My industry is changing sufficiently to help humanity into the Doughnut'



## 4. Setting preparation tasks for participants



To help your participants prepare for the workshop, you can choose to set tasks like the following:

- 1. Identify some recent ideas that would have contributed to social or ecological goals, that weren't pursued.
- 2. Assess if and how the company's constitution or by-laws deal with social or ecological goals.
- 3. Assess the rights and responsibilities of the CEO and board members.



## 5. Part 1: Focusing on business model transformation



Business model transformation may be a key issue for your participants. For instance, transitioning to e.g. circular product design (repairable & modular) may be particularly relevant. In these cases, you can focus activity 2 on the actions needed to transition the business model as a way to identify transformative ideas.

You may also choose to add an additional scoping and planning activity to implement these ideas.



## 6. Part 1: Canvas options to map ideas

For Part 1, you have 2 options for the canvas you use. You can choose to use either:

- 1. the canvas provided in this taster tool (option 1 below); or
- 2. the canvas with the Doughnut visual (option 2 below), which is the version from the Core tool.

For option 2, you can find the <u>canvas here</u>. To introduce the activity, you can use slide 26 from the Core tool. To show examples of the completed activity, you can use slides 29 and 30 from the Core tool. In addition, you can choose to show Canvas option 1 to show questions that help participants identify ideas.

#### Canvas option 1



#### Canvas option 2





## 7. Part 2: Adding the 'Corporate to-do list' slides

To highlight the disparities in ambition among businesses, and to highlight inconsistencies across different levels of a business, you can choose to add the following 2 slides on the corporate to-do list after introducing regenerative and distributive dynamics.

When talking through these additional slides, introduce each level of business ambition by starting from the bottom (least ambitious) level of 'Do nothing', which can be described as continuing with business as usual. Then work your way up through each level, eventually getting up to doing the Doughnut, which is about pursuing the most ambitious regenerative and distributive ideas through an aligned enterprise design. The participants will soon be exploring these ideas through the next activities in the workshop.

Use these only if it's helpful. I.e. only if it seems compelling to identify inconsistencies and contradictions in ambition within a business. It is an additional concept that may or may not be helpful. You be the judge.

To incorporate the concept of the 'Corporate to-do list' into your workshop, copy the following 2 slides and paste them after slide 19.



Ambition varies across businesses.

The laggards do nothing. Many are trying to act where it increases profits. Others try to calculate and do their fair share. And a select few aim to eliminate all their ecological and social harms. The Doughnut calls for more ambition: to actively maximise benefits.

#### **Corporate to-do list**





Company actions often fall short of their commitments.

#### **Corporate to-do list**



'Do the Doughnut'

CEO speaks



**Mission zero** 



Do your fair share

**Company commitments** 

Middle management incentives



Do what pays now

Do nothing

Human rights in supply chain



## 8. Part 2: Prioritising ideas to bring over from part 1



Participants may need additional guidance to select the transformative ideas they want to bring over to activity 2. You can help them identify the (up to) 3 ideas to bring over from activity 1 to activity 2 by posing the following questions:

- 1. What is the easiest idea to implement?
- 2. What idea do you like the most?
- 3. Which idea would have the greatest impact?



## 9. Part 2: Identifying next steps on redesign



You may judge it's helpful to guide participants further on planning the implementation of the enterprise redesign ideas they have generated. To achieve this, you could end with the question:

## What next steps may be needed to begin the journey of further developing and implementing this idea?

Examples could be to create an internal group or committee within the business, seek legal advice, meet with key shareholders.



## 10. Alternative activity slides tailored for start-ups

The below are slides tailored for running the core tool with start-ups. They include alternatives for the most relevant slides that introduce the activity in part 2.

Note: there are no alternative slides below for part 1 of the Taster tool, as the current slides are already applicable to start-ups.



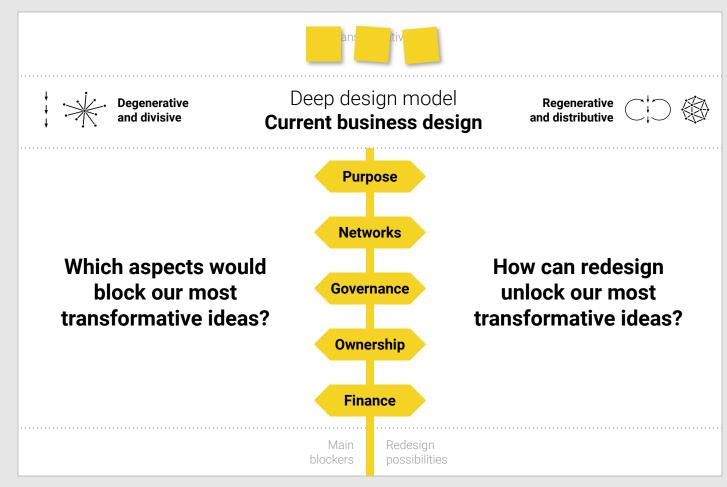
#### Part 2 start-up slides

## Explore business design

With your most transformative ideas in mind, now ask how your business design can be shaped to unlock your most transformative ideas.

Do use the questions in the next slide as prompts to consider how your business design may be shaped.

Note, you don't need a reflection in every design layer.





#### Part 2 start-up slides



2 3

Think about what may hold back transformative ideas and how some design choices can enable them.

Consider the most common business designs in your **industry** in exploring the questions on the left hand side. The points here can help identify ways business design may block your ability to pursue your ideas, and ways alternative designs can unlock them

## Consider these to explore business design

#### Consider these to identify how business design may hold back ideas

Consider these to identify ways your design can be shaped to enable you

Is there a gap between stated purpose & day-to-day reality (culture, operations, impacts)?

**Purpose** 

What would your purpose be from a Doughnut Economics perspective?

Are you able to enter very long-term & committed partnerships (e.g. with suppliers)?

**Networks** 

Can you redefine your partnerships in line with your purpose (e.g. long-term contracts, pricing that enables purpose)?

Which stakeholders are represented on your board, and which should be?

Governance

Which stakeholders can be represented on your board to better navigate trade-offs between ecological, social & financial goals? (e.g. workers, planet)?

Which stakeholders are missing from ownership mix?

**Ownership** 

Can ownership change to better align with your purpose (e.g. employee or steward ownership, change voting rights among owners?)

How do expectations on margins & returns shape your priorities & possibilities?

Finance

How might expectations on margins & dividends be reshaped to unlock your most transformative ideas?



#### Part 2 start-up slides

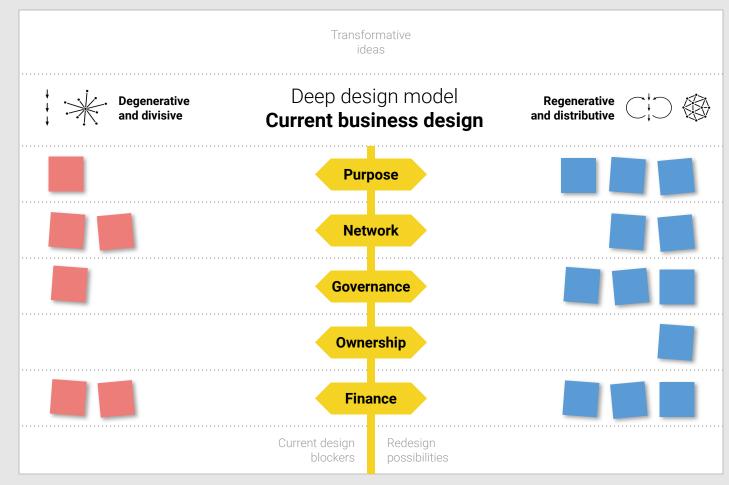




#### **Explore business** design

Use sticky note main barriers to identify ways in which business design could block or hold back the most transformative ideas. Consider common business designs in your industry.

Use sticky note redesign possibilities to identify ideas to shape the design of your business to unlock and enable your ideas.







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v1.1 has added <u>Annex E</u>, which contains various options for adapting the activities in the workshops (e.g. for start-ups), and has updated some of the images and examples (e.g. SELCO replaces Body Shop in Finance).





## **Doughnut Design for Business**

DEAL's guide to redesigning businesses through Doughnut Economics – taster workshop

Version 1.0 (March 2023)

