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International Collaborative Leadership Institute



COLLABORATIVE CAPITALISM

Capitalism's Future Genesis

With the demise of Communism in 1989, Capitalism has reigned supreme.
But, in its wake, many inequities and instabilities remain.

Capitalism at a Cross-Roads

Recent polls show most young people do not support capitalism. For many Millennials who grew up during the 2008 recession, capitalism means a global and personal financial crisis. In 2011, a Pew Research study found among people ages 18 to 29, 46 percent had positive views of capitalism, and 47 percent had negative views. In a similar study, researchers found the American Dream has collapsed for many young adults – only half the children born in the 1980s will earn more than their parents.

The problems with traditional capitalism are:

1. Lack of Moral Imperative – most capitalism is amoral at best & immoral at worst
2. No Productivity Increase in years, despite the wide array of new technologies
3. Majority of work performed has little or no added-value that benefits customers
4. Eighty-five percent of the world's Workers are Disengaged
5. Economies are stagnant or faltering because of poorly structured and led businesses

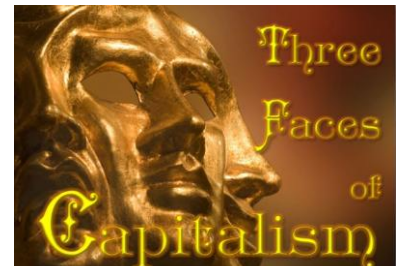
While many Millennials have a very jaundiced view of capitalism today, when examined carefully, we find Capitalism is far from being monolithic.

Three Faces of Capitalism

There are three different competing forms of capitalistic business:

*Adversarial Capitalism, Transactional Capitalism, and
Collaborative Capitalism*

.....each founded on different beliefs and strategies, producing very different results.



Adversarial Capitalism's Dark Side

Historically, *adversarial* capitalism has been a thorn in the side of democratic countries. In its worst forms, power struggles, beggar thy neighbor, deceptive practices, labour strife, class warfare, and monopolistic practices have plagued *adversarial* capitalism. Ethics always takes a back seat to gaining advantage.

Transactional Capitalism – the World of Exchange

Transactional capitalism is perhaps the oldest form of commerce – its rules of engagement began along the trade routes of the Mediterranean Sea, and have underpinned commercial trade for thousands of years. Its value manifests in simple exchanges of value where complexity is minimal. The hallmarks of the *transactional* capitalist are: *buy low, sell high* and *make a deal*. Transactional capitalism will always be useful in many situations, but does not fulfill the promise to youth in modern democracies, nor does it flourish where innovation and adaptation is required.

Collaborative Capitalism

It's now time to challenge the future of capitalism by scrutinizing its effectiveness in creating competitive advantage. These problems are fundamentally ensconced in deeply imbedded beliefs about competitiveness, many of which are wrong or outdated.

Is there a pathway to remedy capitalism's inequities, without diluting its inner strength?

Amidst this malaise, a new collaborative form of *collaborative* capitalism has motivated employees to generate innovation, inspired Millennials, spurred productivity, and been a great investment.

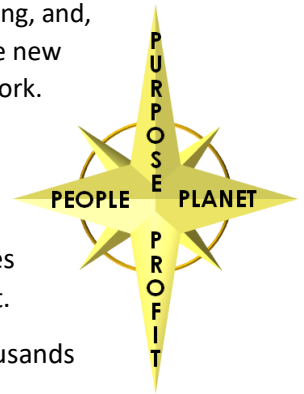
Collaborative Capitalism

Collaborative Capitalism is the only model businesses can count on for their future; it succeeds because it consistently creates superior advantage.

This form of capitalism does not imply the loss of competitive spirit; on the contrary, by *aligning the interests* of all stakeholders for a common goal, collaborative capitalism creates greater flow and creation of value, as does a winning sports team working together to compete in a contest.

The better all the parts work together, the higher the chances of creating, adapting, learning, and, ultimately winning. This is the outcome of embracing and using people's minds to produce new innovations, including better processes for production and removal of non-value added work.

Most forms of collaborative capitalism reward workers with either a percentage of the profits or a portion of the equity ownership. *Collaborative Capitalism* maintains strong standards of being fair to its workers, trustworthy to its customers, financially sustainable, and competitive when pitted against other forms of capitalism. Employees view their employer as "family" that aligns the 4 Ps – Purpose, People, Planet, & Profit.



One of the great advantages of *Collaborative Capitalism* is that it already exists in thousands upon thousands of businesses across the globe. In other words, it doesn't have to be "invented;" it is not an unproven "ideal" that needs development and testing. The elegance of *Collaborative Capitalism* is that it does not pit the wealthy against the have-nots; nor the big against the small. By aligning interests, excellent returns are possible for both investors and workers.

What's been missing is the acknowledgement of its economic power as a new breed of capitalism, and the teaching of its underlying principles of collaboration.

Collaborative Capitalism's Promise for the Future

In hundreds of cases, we continually find that *collaborative* capitalism creates greater, more sustainable competitive advantages. Most importantly, *Collaborative Capitalism* demonstrates that doing the ethical things in business can, and does produce competitive advantage.

It is time to highlight Collaborative Capitalism as the best path to our economic future and the Antidote to Socialism.

See our [Strategic Initiative](#) on Collaborative Capitalism for more details and action plans

See White Paper on Collaborative Capitalism