



HBR Live | Leaders Who Make a Difference

How Business Can Be a Platform for Change

Featuring Marc Benioff

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How Business Can Be a Platform for Change

PRESENTER:

Marc Benioff, Chair & Co-CEO, Salesforce

MODERATOR:

Adi Ignatius, Editor in Chief, *Harvard Business Review*

Overview

Marc Benioff discussed stakeholder capitalism at Salesforce and why he encourages leaders of other companies to take the same approach to business.

Benioff has not only revolutionized the software industry, but he also speaks out on issues ranging from gun and abortion laws to climate change, LGBTQ rights, and women's rights. He has intentionally pursued stakeholder capitalism, valuing not just shareholders, but also other stakeholders, including employees, customers, the broader public, and the environment. Benioff believes that companies don't have to accept a lower financial return or sacrifice their market position in exchange for doing the right thing. In fact, he believes the opposite—if leaders aren't listening deeply to their employees and other stakeholders, they will pay a steep price.

Key Takeaways

CEOs need to manage all stakeholders, not just shareholders.

The role of the CEO is changing. In the past, business schools exclusively taught **shareholder** capitalism—that is, the business of business is business, period. The world has changed, however, and today’s CEOs must take into account and manage **all stakeholders**.

At Salesforce, employees care about what the company does and what it stands for. They hold Benioff accountable for the company’s core values. Benioff feels responsible for listening to and representing all stakeholders, including employees, customers, partners, and the many communities in which Salesforce operates.

“The world is changing and my employees are guiding me into that world. I am listening to them. CEOs who don’t do that will be in serious trouble.”

— Marc Benioff, Salesforce

Salesforce’s journey with stakeholder capitalism started in 2015, when then-governor of Indiana Mike Pence signed a law discriminating against the LGBTQ community. In response, Benioff stated publicly that Salesforce would reduce hiring and investment in Indiana, and would cancel customer events and conferences in the state. The next day, 200 more companies followed his lead.

Governor Pence called Benioff asking to talk. Salesforce flew lawyers to Indiana who negotiated with Pence and the law was rewritten. Benioff noted that the change “was due to active dialog and communication.” This was just the beginning of Salesforce’s stakeholder capitalism story.

In crises, effective leaders embrace their organizations' core values and take action.

Business leaders must “inoculate” themselves against future crises by knowing and articulating their organizations’ core values. Every CEO also needs a business plan that operationalizes those core values.

If leaders get into a crisis and haven’t already thought through their company’s core values, it can lead to very difficult moments. When CEOs have articulated the company’s core values and acted in ways that are aligned with these core values, there are no surprises when a crisis occurs.

“During a crisis, you need to know who you are, what you stand for, and be ready to cross the bridge with your employees and all of your stakeholders.”

— Marc Benioff, Salesforce

All CEOs must become experts in sustainability and climate change.

Both Salesforce and Google are net-zero companies. Many CEOs, however, aren’t familiar with net-zero and other sustainability concepts. Benioff offered two suggestions to fellow business leaders:

- 1. Decide whether you will become a net-zero company.** What are your emissions and how far is your organization from being net-zero? According to the European Green Deal, companies that bring carbon to Europe will pay more in terms of tariffs, fees, and taxes. This will be true in many places worldwide.
- 2. How will you reduce carbon emissions?** You need a plan for sequestering carbon, as well as for accounting for the amount of carbon that your company generates. Think about creating a comprehensive portfolio of measures to track your company’s success in addressing the problem. Useful techniques include offsets, insets, new technologies, or simply lowering carbon emissions.

The pandemic has taught CEOs important lessons about leadership.

According to Benioff, the pandemic opened the door for a new chapter of business. Two years ago, he had no idea that Salesforce would be asked to build contact tracing and vaccine management apps or work with states and nation-states on pandemic-related information management challenges. Salesforce also stepped up to help address PPE shortages, flying planes to New York City, London, Mongolia, French Polynesia, and five other locations around the world with much needed supplies.

For business leaders worldwide, the pandemic was a moment that defined what it meant to be a CEO. Companies that clung to the old ideology that they didn't need to get involved paid a price. Salesforce is stronger today than it was two years ago. Benioff also noted that at a recent meeting of the Business Roundtable, the participating CEOs were very optimistic about their core businesses. They have weathered recent crises successfully, learned lessons, and are moving forward.

Businesses can be platforms for change in the world.

The world has many challenges—and employees, customers, and stakeholders see those challenges. In response, leaders must use their businesses as platforms to create change.

Benioff admires Doug McMillon, Walmart's CEO, for his advocacy on the part of both shareholders and stakeholders. As former chairman of the Business Roundtable, McMillon has motivated other CEOs to embrace stakeholder capitalism. He understands all aspects of Walmart's business and how the company can improve the world. Walmart is building its new headquarters, for example, out of wood because it is an environmentally sustainable material. McMillon's narrative is very different from what society has seen from prior generations of CEOs.

“Good leadership in 2022 is doing the right thing, listening to your key stakeholders, then following your heart and taking the right action. Leaders who do that will end up in a great place. You must trust that you know what you can and should do.”

— Marc Benioff, Salesforce

Other Important Point

- **Salesforce’s 1-1-1 model.** From its inception, Salesforce has been committed to doing well and doing good. With its 1-1-1 model, the company dedicates 1% of its equity, 1% of its product, and 1% of employee time back to the community. This initiative has generated incredible philanthropic accomplishments and sets the tone from the top about the organization’s core values.

This live event was broadcast virtually on April 7, 2022.



Marc Benioff is chair, co-chief executive officer, and co-founder of Salesforce and a pioneer of cloud computing. Under Benioff’s leadership, Salesforce is the #1 provider of customer relationship management (CRM) software globally. Benioff was named “Innovator of the Decade” by *Forbes* and is recognized as one of the World’s 25 Greatest Leaders by *Fortune*, one of the 10 Best-Performing CEOs by *Harvard Business Review* and as the CNN Business CEO of 2020. For his leadership on equality, Benioff has been honored by GLAAD, the Billie Jean King Leadership Initiative, and *Variety Magazine* with its EmPOWERment Award. A member of the World Economic Forum (WEF) board of trustees, Benioff co-founded 1t.org—the global movement to conserve, restore, and grow one trillion trees—and the WEF Friends of Ocean Action. He also serves as the inaugural chair of WEF’s Forum Center for the Fourth Industrial Revolution in San Francisco. Benioff is the owner and co-chair of TIME, and the founder of TIME Ventures—a leading investment firm with over 200 investments. Benioff is author of the *New York Times* bestseller *Trailblazer: The Power of Business as the Greatest*

Platform for Change. Benioff received a BS in Business Administration from the University of Southern California, where he is on its board of trustees.



Adi Ignatius joined HBR as Editor in Chief in January 2009. Previously, he was Deputy Managing Editor for *TIME*. He was the editor of two *New York Times* bestselling books: *President Obama: The Path to the White House* and *Prisoner of the State: The Secret Diaries of Premier Zhao Ziyang*. Prior to his 2007 appointment as Deputy Managing Editor, Ignatius served as Executive Editor of *TIME* starting in 2002, and from 2004 to 2007, he also held the additional title of Editor of *TIME Canada*. Ignatius joined *TIME* as Deputy Editor of *TIME Asia* in 1996 and was named Editor of that edition in 2000. He also wrote frequently for *TIME*, including cover stories on Google Inc. and the 2007 Person of the Year profile of Vladimir Putin. Prior to joining *TIME*, Ignatius worked for many years at the *Wall Street Journal*, where his work was nominated for a Pulitzer Prize.

Ignatius was awarded a Zuckerman Fellowship at Columbia University's School of International and Public Affairs in 1990. He received his BA in History in 1981 from Haverford College. He is a member of the Council on Foreign Relations and the Asia Society.