Chapter 16

MOONSHOT ENTREPRENEURSHIP

What's the Non-Obvious Trend?

Our tendency to celebrate visionary entrepreneurs inspires a new generation of startup founders to think beyond profit and consider how their business could make a positive social impact and even save the world.

Just over ten years ago entrepreneur Elon Musk published a blog post playfully titled "The Secret Tesla Motors Master Plan (just between you and me)" to share what exactly he planned to do with Tesla in the coming years. At the time in 2006, he described his role as Chairman of Tesla as something he was doing "on the side" while running his other company SpaceX.

The vision presented in that first blog post was fairly simple – build an expensive electric car as a proof of concept, and then use the revenue from that expensive car to build more affordable models in higher volume.

Ten years later it was time to update the vision – so in July of 2016, Musk published his "Master Plan, Part Deux," which was a partial victory lap on the success of his first plan, coupled with another bold vision of priorities for the next ten years:

Create stunning solar roofs with seamlessly integrated battery storage
Expand the electric vehicle product line to address all major segments
Develop a self-driving capability that is 10X safer than manual via massive fleet learning
Enable your car to make money for you when you aren't using it

The plan has his trademark simplicity and audacity. He is the ultimate symbol of an entrepreneur who has already changed the world – and the face of a new evolution in where simply making money is not enough. This is the world of *Moonshot Entrepreneurship* and it is changing business.

Beyond Hustle

Being an entrepreneur was once all about hustle. If you got something for one price and sold it for more to make a profit, you were an entrepreneur. Whether it was newspapers or lemonade or starting your own store on eBay – entrepreneurship used to be largely about making money.

Today, that description of entrepreneurship is incomplete.

Making money is only a means to an end. If your lemonade stand doesn't have a corresponding social mission to make your community (or the world!) a better place then why even launch it? Talking about profit *first* is no longer as respected as talking about profits *with* purpose.

The term "moonshot" has a long history as a way to describe an ambitious and groundbreaking project – inspired by NASA's efforts with the Apollo space mission to send a man to the moon in the 1960s. More recently, Google has adopted the term to describe some of its most innovative projects coming out of its Google X research lab – including the driverless car, augmented reality glasses and various Internet service initiatives like Project Loon.

Google defines its moonshots as a project or proposal that meets 3 criteria:

Addresses a huge problem
Proposes a radical solution
Uses breakthrough technology

Moonshots are big ideas that solve global challenges and the trend of *Moonshot Entrepreneurship* describes the idea that businesses and the entrepreneurs that start them should have a corresponding vision for making a difference in the world.

Perhaps nowhere is this idea promoted more heavily than in the scores of business conferences and competitions created to inspire and celebrate entrepreneurs who think of world changing impact first and everything else second.

Celebrating World Changers

If you're serious about trying to change the world, there are plenty of places where you can tell your story and get honored for it. Dozens of business magazines, conferences and schools are all creating new ways to celebrate budding entrepreneurs who are trying to solve Earth's biggest problems.

At the World Economic Forum in 2016, the "Schwab Foundation Social Entrepreneurs of the Year" honored 12 social good entrepreneurs including a company which had sold more than 900,000 clean cookstoves (Envirofit), and another that was working in the global carpet industry to eliminate child labor (GoodWeave).

Brands are getting involved in these competitions as well – with Unilever sponsoring a "Sustainable Living Young Entrepreneurs Award" to find innovative entrepreneurs under the age of 30.

Some of the highest visibility competitions of the year were often sponsored by large global media organizations. In the past year, *Forbes* published its annual "Change The World List," *WIRED* partnered with Audi to recognize the "Most Exciting Moonshot" as part of its Innovation Awards, and *AdWeek* magazine sponsored Project Isaac – a marketing and design competition to honor big thinking.

The majority of these competitions are designed to honor social entrepreneurs – those whose entire business mission is based on creating a solution to a big challenge. Yet all of this attention on entrepreneurs and brands that focus on solving world changing problems is fueling a corresponding perception that any business, even those not initially started as social entrepreneurship ventures, should think the similar way.

The more we celebrate world changing ideas, the more every entrepreneur feels a need to have and launch one. Sometimes this need ends up changing an entire industry, as it has already started to do in the world of global architecture.

The Japanese Home Of The Future

In 2013 one of Japan's most respected designers named Kenya Hara invited some of the top architects in the country to create seven concept homes to bring the combination of sustainability and urban living to life. The response to the show was so strong, he continued holding the exhibition annually. The latest edition of the show in 2016 had grown to feature 12 houses by architects from inside and outside of Japan.

When describing the expanded vision, Hara said it "is not an exhibition about housing design. It's a response to issues in Japan, including our ageing population, how we use our land and how we respond to visitors who come here from overseas. To me the house is the most interesting platform for thinking about the future of Japan."

In a move to expand the vision even broader, this past year Hara invited companies from outside the housing industry like Panasonic, Isetan Mitsukoshi, Airbnb and Toyota – to encourage more cross pollination of ideas. The event also held two "Asia Days" where interpreters welcomed visitors from outside Japan and plans to expand the event to China next year as well.

Architecture has always shined a spotlight on the culture of its time – and we tend to look back at buildings of a particular era to learn about the attitudes from people about place, nature and their relationships to it.

Moving into 2017, architecture will continue to offer this mirror into societies, and what it seems to be saying so far is that buildings (like businesses) can have a world changing element to them – and new designs and the firms that create them are performing their own version of *Moonshot Entrepreneurship* each time they dream up another concept.

Investing And Buying With Purpose

Given the number of awards that seem to be available both for social entrepreneurs as well as sustainable architects, it might be easy to conclude at this point that a lot of the motivation for creating social impact is purely about ceremony. In Chapter 8, I wrote about the idea of *Authentic Fameseekers* and it might seem like social entrepreneurship is simply an extension of this.

Yet the big ambitions that are routinely displayed as part of *Moonshot Entrepreneurship* are driven by more than a desire for recognition. Several recent surveys from the past year about investor and consumer attitudes suggest that having a social purpose might also be a smart strategy for differentiation because there are plenty of new investors and consumers who believe that the way a company conducts its business is critical to whether they choose to become an investor or buyer in the first place, and how loyal they remain afterwards.

For example, the 2016 Annual Impact Investor Survey conducted by Global Impact Investing Network (GIIN) and JP Morgan predicted that investors who want to create positive impact from their money would invest more than $17 billion in 2016 to finance businesses addressing social and environmental problems.

When considering the companies young people were choosing to support, another 2016 survey from Bank of America illustrated that 85 percent of Millennials were interested in having social impact through investment.

In response to these socially motivated investors, a growing number of financial institutions have created "SRI" funds (for "socially responsible investing") and this growing area (also often called "impact investing") is seeing new funds, bonds and other financial products catering to all kinds of causes – from a fund that only invests in companies with a low carbon footprint, to another that only buys stocks in companies that show gender diversity in their senior leadership.

On the consumer side, an online survey conducted with 27,000 people in 22 countries by research firm GfK found that when consumers were asked about the key responsibilities for companies: "providing good jobs for people" was the most popular response, cited by 47% of respondents.

Another survey of more than 10,000 adults in 28 markets from marketing firm Havas Worldwide found that "73% of consumers believe companies have a responsibility to do more than just generate a profit; 75% believe companies have an ethical obligation to operate in a way that doesn't harm the environment; and 53% avoid buying from companies that have a negative social or environmental impact."

All this research paints a clear picture of consumer and investor sentiments when it comes to the importance for businesses to aim higher and work to solve global challenges and do good.

While the earliest *Moonshot Entrepreneurs* like Elon Musk may have been driven by a combination of ego, optimism and vision – today's entrepreneurs (and intrapreneurs within larger organizations) who are doing the same thing may be equally inspired by responding to what the market (and their customers) are asking of them. This point is particularly clear when you consider the fast moving and consumer centric business of beauty products and makeup, and what *Moonshot Entreprenuership* looks like in that industry.

Cosmetics and Beauty Products

Almost every popular cosmetics brand in the beauty industry today focuses at least in part on its organic natural ingredients or the sustainable methods used for sourcing materials, or their highly personal origin story. Cosmetics brands are experts at telling a personal story, because the vast majority of them are founded by someone who was inspired by a personal need and decided to solve it by starting their company. An early pioneer for this was Body Shop founder Anita Roddick – who helped shape ethical consumerism by promoting fair trade with third world countries all the way back in 1976.

A more recent example is Tarte Cosmetics founder Maureen Kelly who wanted to find cosmetics that weren't "full of unhealthy, icky stuff." Her search led her to create her own beauty brand, sourcing what the brand's website describes as "cruelty-free cosmetics … formulated without parabens, mineral oil, phthalates, sodium lauryl sulfate, triclosan, synthetic fragrances and gluten, just to name a few."

Cosmetics brands Yes To, Lush, Josie Moran, Burt's Bees, Body Shop, Aromacentric, Caudalie, Juice Beauty, ILIA, and many others all feature similar founder's stories, focus heavily on selling sustainable products with natural ingredients and talk about treating suppliers and workers fairly.

The sheer volume of cosmetics, skincare and other beauty brands talking about their natural heritage makes this industry unique. The beauty industry is on the front lines of social impact purely because consumers have demanded it.

The demand is so pronounced, in fact, that a Finnish startup from Helsinki raised nearly a million dollars to create an app called *Cosmethics* which allows consumers to scan barcodes to read about the ethical, environmental and sustainability record of a particular product prior to purchasing. The tool has catalogued more than 40,000 products in its database since it started.

The final element of this trend to consider is to what degree the focus on the social and world changing side of business is driven by the optimism and unique global viewpoint of the youngest independent consumer group today: the Millennials.

The Millennial Mindset

While some trend forecasters ascribe this shift toward social entrepreneurship as a symptom of more Millennials entering the workforce, there is more to the story. All the research into the mindset of people currently aged in their mid to late 20s reinforces how prevalent this belief in the importance of doing business ethically seems to be.

In a Global Survey of Millennial attitudes, consulting firm Deloitte reported the following:

> *Almost nine in 10 (87 percent) believe that 'the success of a business should be measured in terms of more than just its financial performance.' This is a widely held belief; only in Germany (22 percent) and South Korea (30 percent) do more than 20 percent of Millennials say business success should be measured in purely financial terms.*

The same report concluded that Millennials in the workforce are notoriously hard to keep loyal as employees – but a company's willingness to stand for something more than profits is a critical element in whether or not those younger workers remain engaged and motivated in their roles.

When entrepreneur and Case Foundation co-founder Jean Case wrote about the business of doing good, she had this to say about her young millennial workforce:

> *Many in this generation are known for being well-educated, entrepreneurial, tech savvy and idealistic. They take risks, are bold and want to change the world. Unlike past generations, they want to make their passions, inspirations and desire to do good part of their identity—and part of their work. The lines between personal passions and professional engagements are already rapidly disappearing. As a result, this commitment to doing good in the workplace is quickly becoming the new norm that will define the generation.*

This combination of a desire to do good and a willingness to start something new without fearing failure are the mindsets driving the next generation of entrepreneurs. The end result is that entrepreneurs and "intrapreneurs" (those who implement innovative ideas inside organizations while keeping their day jobs) are heavily influenced by the potential impact of those ideas on society as a whole.

Why It Matters:

There is a justifiable belief that the people who will most likely propel the global economy and the world forward are entrepreneurs. History has proven that to be true, but the way we have celebrated them in the past has usually been to look at the size of the workforces they have built or how many millions of dollars they have generated for shareholders. When it comes to social good, we have tended to look elsewhere – with the most common crossover between the two only coming once those entrepreneurs eventually became billionaires and some decided to give a lot of the money back in the form of charitable contributions or foundations.

In 2017 these worlds will collide in a trend that has been years in the making. Now, entrepreneurship is the biggest force for change and impact in the world. On one side, this is from startups with world changing missions that challenge all of our assumptions about everything from how things are made to whether we need to own those things in the first place. On the other side, larger organizations are seeking opportunities to create their own moonshots. *Moonshot Entrepreneurship* is about how every type of entrepreneur has the power to make a dent in the world and achieve something great, and the good news is, the more that try – the better off the world is likely to be.

How To Use This Trend:

✓ **Buy with purpose** – Perhaps the biggest effect on consumers of this trend is that we now have the ability to buy with purpose and from the companies that exhibit more responsibility to the world around them. The fact is, there is a better, healthier, more naturally sourced option for just about anything and we can choose to find it. The biggest winners in this world are the *Moonshot Entrepreneurs* who have already realized this and tailored their companies to succeed in this new reality.

✓ **Set your mission apart** – Does 2% of your profits every year to save the Amazonian Rain Forest really qualify as purpose? Perhaps, but consider the example of Revolution Foods - an ambitious company that not only provides 1.5 million meals a week to 1000 schools, but also works to teach kids about food and nutrition. To do the same, simplify your focus and make your mission something that you share more detail about – including why you believe it … and why anyone else should too.

✓ **Find the moonshots within** – Many organizations have people or teams who are already investing time and effort in their own "moonshots" but they can often fly under the radar.

Great organizations find a way to uncover those teams and individuals and then provide them with the right incentives and support to succeed ... without getting in the way. The secret is to find a way to bring those intrapreneurial innovators out of their shells and then be smart about where help is most valuable to amplify their efforts and drive results.