



Reimagining capitalism: How to measure performance in a new moral economy



Misum Forum 2023 Speakers



Prof. Rebecca Henderson, Harvard Business School



Prof. Anette Mikes, University of Oxford



Prof. Jan Mouritsen, Copenhagen Business School



Prof. Juliane Reinecke, University of Oxford



Peter Kinnart, CFO Atlas Copco



Carl Mellander, CFO Ericsson



Jonas Rickberg, CFO Scania

Misum Forum 2023 Key Themes

CLIMATE (DE)STABILIZATION

- Professor Rebecca Henderson emphasized the importance of addressing climate change, arguing that the changing climate poses a broader challenge to societal institutions, including financial markets, infrastructure, housing, and agriculture, which have historically relied on climate stability.

MEASURING PERFORMANCE

- Professor Jan Mouritsen stressed the importance of measurable, auditable, comparable, and credible metrics for effective decision-making.
- The CFO panel called for government efforts to enhance sustainability reporting's comparability and objectivity and discussed the importance of distinguishing between different levels of sustainability performance among companies.
- Professor Anette Mikes highlighted the need to manage aspects that cannot be easily measured, such as ethical considerations. She proposed using tools like an ESG radar to identify trade-offs and stimulate moral imagination in the boardroom.

Misum Forum 2023 Key Themes (continued)

ACCOUNTABILITY

- Prof. Henderson emphasized the need for a balance between free markets and healthy democracies through political solutions; private sector involvement is crucial where governments are unwilling or unable to act.
- Professor Julianne Reinecke stressed the importance of protecting common resources and future generations' needs as a shared incentive.
- Professor Anette Mikes called for accountability, not only financially and legally but also ethically, by including ESG priorities in key decision-making.
- Prof. Mouritsen discussed the role of emissions calculations in making sustainability actionable and auditable - warning that can be unintended consequences when implementing emission reduction measures.
- Industry panelist spoke of the need for governments to incentivize sustainable solutions and stop subsidizing fossil-based technologies and commented on the lack of demand within capital markets for climate accountability.

TEMPORALITY

- Prof. Reinecke and Prof. Mikes discussed the temporality issue in financial models, emphasizing the need for a shift from short-term profit-focused thinking to considering long-term risks, opportunities, moral, and ethical considerations. They argued for a more forward-looking approach to decision-making.
- CFOs in the panel mentioned the diversity of financial assumptions, with some capital market actors focusing on short-term views and others, like pension funds, prioritizing long-term financial interests and climate risk evaluation.

Misum Forum 2023 Takeaways: So now what?

Professor Rebecca Henderson encouraged leaders to reflect on their purpose, find joy daily, focus on actionable steps and believe that change is possible.

CFOs emphasized the need for sustainability reporting to go beyond compliance and become a tool for analysis and deeper understanding - that sustainability performance should be as natural as financial performance and demanded by investors.

Professor Juliane Reinecke stressed the need to consider whether our current selves align with our desired selves and noted the importance of the role played by business schools of educating future leaders while also working to update the agendas of current ones.