



THE PRINCE OF WALES
BUSINESS LEADERS
FORUM

STAKEHOLDERS: THE CHALLENGE IN A GLOBAL MARKET
CONCLUSIONS AND FOLLOW-UP ACTION

CHARLESTON, SOUTH CAROLINA, USA
20-21 FEBRUARY 1990



The Prince of Wales with Charleston Forum Co-Chairs and Staff

L-R: Guy Salter, Assistant Private Secretary to HRH The Prince of Wales; Lodwrick Cook, Chairman and CEO Atlantic Richfield Company; John Clendenin, Chairman and CEO BellSouth Corporation; HRH The Prince of Wales; Robert Davies, CEO The Prince of Wales Business Leaders Forum; Robert Horton, Chairman The British Petroleum Co. PLC; Richard Thoman, President and CEO American Express International; John Phelan, Chairman and CEO New York Stock Exchange; Sir Allen Sheppard, Chairman and CEO Grand Metropolitan PLC; James Dowling, President and CEO Burson-Marsteller

The Prince of Wales Business Leaders Forum

HRH The Prince of Wales convened the first meeting of the Prince of Wales Business Leaders Forum in Charleston, South Carolina, USA on 20-21 February 1990. Over 100 leaders of multi-national and international businesses met in the beautiful surroundings of Charleston to focus on the new challenges from stakeholders faced by business operating in global markets.

Business participants attending the Forum were from companies operating throughout the world, based in 13 countries: Australia, Belgium, Brazil, Bulgaria, Canada, Denmark, Germany, Hong Kong, Hungary, Japan, Netherlands, United Kingdom and the United States of America.



HRH The Prince of Wales arrives at The Exchange and Customs House, Charleston

Chairmen, Chief Executives (CEOs) and outstanding entrepreneurs from fast-growth companies had a unique opportunity to meet with other experts and community leaders to share ideas and compare experiences at Forum sessions and focus groups in the intimate settings of some of Charleston's most beautiful houses.

The Forum took place against a changing international business environment presenting new opportunities and challenges to global business.

Two key questions were addressed:

- Did continued business success demand a more sensitive response to the social and political challenges resulting from acquisitions, mergers, joint ventures, licensing and marketing agreements in new and changing markets around the world?
- Would companies led by far-sighted executives, which are more responsive to emerging international issues, be more competitive in the long run?



L-R: Lodwick Cook, Chairman and CEO Atlantic Richfield Company; HRH The Prince of Wales; Sir Allen Sheppard, Chairman and CEO Grand Metropolitan PLC

"I knew that this meeting would be possible one day if we could persuade the right cross-section of business leaders to meet together.

As business increasingly operates in global markets, it seems to me that many of the issues that we face can only be investigated and addressed by an international group such as this. Similarly, this should not just include leaders of some of the world's greatest companies, but some of the other international businesses and emerging high growth companies."

HRH The Prince of Wales
Charleston, South Carolina, USA

Discussion focused on the rising expectations of "stakeholders" - shareholders, customers, employees, suppliers, national governments and local communities - in the fast changing political and business world of the 1990s. The Forum explored how long-term international business success now requires business leaders to promote educational improvements in their overseas markets, act positively to protect the environment for future generations and assist new enterprise in emerging market-led economies.

Business participants explored the business rationale for action on these key issues in the communities in which they operate around the world. They compared experiences in their overseas markets. They also identified follow-up actions for fellow Chief Executives.

Following the opening of the Forum, a special seminar was organised and filmed by "Columbia University Seminars on Media and Society". A panel of international CEOs and experts explored with a moderator the conflicts and issues faced by business leaders attempting to balance commercial judgements with the social demands in the international market place.

The first set of draft guidelines produced for the Forum was published in Charleston as "A Checklist for International Business". It was compiled from the best practice of participating companies to assist others in planning to respond to the issues discussed.

Attitude Survey Supports Forum Objectives

The findings of a Burson-Marsteller survey on international CEO attitudes on business involvement in the communities in which they operate, was published on the eve of the Charleston meeting. The survey revealed that increased responsiveness to stakeholders in overseas markets was a critical issue demanding CEO attention in the 1990s. Virtually every CEO (92%) felt that practical

experience of business involvement in the community is becoming increasingly important for the career development of business leaders of tomorrow. Education and training and care for the environment were considered the international priorities.

Most agreed that corporate reputation for concern for local communities was an advantage when establishing business overseas, with one third thinking it helped a great deal.

Over half believed that private shareholders expected higher corporate social responsibility performance from international business; and over one third experienced increased expectations from institutional investors.

The survey revealed that lack of local know-how and the attitudes of local managers were the greatest constraints to increased responsiveness to local community needs in international markets.

Forum Conclusions and Recommendations

A number of conclusions were drawn by participating CEOs in the focus groups and general Forum:

General

- The attitudes and expectations of stakeholders are shifting rapidly. International businesses anticipating and responding to these changes will be more competitive in the long-term. Being responsive to these emerging issues is in the long-term interests of shareholders and other stakeholders.
- Companies have a great deal of excellent practice in community programmes and responsiveness to community issues in their primary locations - the challenge is to "internationalise" this aspect of good management practice.

- Know-how is already available on how best to manage community initiatives in overseas locations through developing links with local community leaders and sharing best practice with other companies.
- CEOs have a critical lead role to play in setting company values and ensuring that local managers are briefed, encouraged and prepared to listen to local community leaders.



"Building Urban Communities Seminar" Finale at Dock Street Theatre, Charleston
 L-R: Rt. Hon David Hunt MP; Trevor Osborne, Chairman Speyhawk PLC; HRH The Prince of Wales; The Mayor of Charleston, Hon Joe Riley

Education

- Involvement by business in action to improve educational standards for both young people and adults in overseas markets will be crucial to future business competitiveness. Support for teacher training programmes and improved communication between business and educationalists is a critical factor.
- Participants agreed that international companies should exchange good practice and review which successful initiatives might be adapted to other countries.
- Business schools might play a part in the training of managers in issues associated with responsiveness to stakeholders and management of community programmes.

Global Environment

- International companies should adopt the same high and forward thinking environmental standards in their overseas operations and products as they would at home.
- Companies must strive to adopt total processes and products based on principles of "sustainable development" - ensuring that use of resources today does not harm the resource needs of future generations.
- As a key stage in increasing the environmental awareness of local managers, they should be encouraged to visit and report on environmental projects in the countries in which they operate.

Promoting an Enterprise Culture

- It is in the direct interest of companies, operating in countries where the market economy is developing, to assist in initiatives which help the growth of new enterprise; particularly in Eastern Europe and the developing world.
- Business executives should assist community leaders in inner cities and isolated rural areas to regenerate their neighbourhoods by developing business skills.

Building Urban Communities

The Forum was followed by a seminar, "Building Urban Communities" on how private and public sectors could work in partnership with local communities to revitalise urban areas. The seminar focused on the features which give Charleston a high quality urban environment with active local involvement. It also included examples from Europe and Japan. CEOs have a decisive effect on investment decisions and therefore a major influence on the quality of urban design and "liveability" of communities.



HRH The Prince of Wales launches the pilot International Enterprise Centre at Ganz-Hunslet, Budapest, May 1990. Pictured with Yoji Okabe, Senior Managing Director The Sumitomo Bank Ltd; Lodwick Cook, Chairman and CEO Atlantic Richfield Company; Harry Codd, Managing Director Ganz-Hunslet

Forum Follow-up

The Prince of Wales invited participants at this first Forum in Charleston to write to him over the following two months to give their views on the issues raised and what part they might play in follow-up initiatives.

Conclusions, both at the Forum and in subsequent responses received, demonstrate that CEOs found that this new network provided a unique focus for a personal exchange of experience and frank dialogue on crucial international issues demanding attention from CEOs. Particular emphasis was placed on the value of informal contact and the participation of some outstanding leaders from local government and communities, environmentalists, health workers and educationalists.

The participants felt that the vision shared in Charleston, and the experience exchanged, should be communicated to the next generation of business leaders who would be managing company operations in overseas markets in the 1990s and beyond.

The Prince of Wales was asked, by those present and in follow-up letters, to reconvene similar practical meetings, in other suitable locations around the world, building on the ideas raised and network of contacts made through the Forum.

The Hungarian "Enterprise Project"

Following the recommendation at Charleston for pilot enterprise initiatives to be set up in Eastern Europe, and the invitation from The Prince of Wales for a group of business executives to join him in Hungary, the first such project was begun in May 1990. A group of 30 international business leaders, including representatives of some companies present at Charleston, joined The Prince of Wales during his official visit to Hungary from 8-10 May 1990, to discuss and launch an international enterprise programme.

"We are all only too aware that the world in which we do business is rapidly changing. We have only to look at the remarkable developments and unfolding opportunities in Eastern Europe, where economic progress will hold the key to whether democratic government can flourish. These are crucial times for the business community to demonstrate that it can be a creative force for progress and stable government."

HRH The Prince of Wales
Charleston, South Carolina, USA

Operating from a pilot international "Enterprise Centre" in Budapest, a range of enterprise training and advice programmes are being established as role models for company support for new enterprise formation in Eastern Europe. A second set of Forum "Guidelines for Companies Operating in Eastern Europe" was published, drawing on existing good practice. A Business Leaders Team was formed in Hungary to provide assistance and meetings of CEOs with business interests in Hungary are being convened in the UK and US this autumn.



The Prince of Wales Business Leaders Forum, Budapest, May 1990

L-R: Lord Young of Graffham, Chairman of the Executive Committee, Salomon Brothers International Inc.; HRH The Prince of Wales; Lodwrick Cook, Chairman and CEO Atlantic Richfield Company

Future of the Prince of Wales Business Leaders Forum Office

Long-term plans are being developed, with the support of leading Charleston international business participants, for the organisation of future Forum meetings in other regions and for the establishment of a permanent office for The Prince of Wales Business Leaders Forum. This will promote regular communications and meetings, within the network of CEOs started at Charleston, on CEOs' leadership in community relations as a natural part of successful international business practice. An initiative to communicate the spirit and thinking of the Charleston Forum to "the CEOs of tomorrow" is being developed.

International Programme

A further international programme of events is being planned to extend the network of CEO involvement to other regions. Exploratory discussions have been held with business leaders and others in South America, Europe, Japan, India and the Pacific regions to review the potential for future initiatives. Details of the programme should be available towards the end of 1990.

Japan Meetings

In November 1990, a series of exploratory meetings are being held between the Prince of Wales and Japanese business leaders, including a new Young Business Leaders Team, focusing on good practice in international community involvement.

Sponsors of The Prince of Wales Business Leaders Forum Charleston Conference 20-21 February 1990

American Express International
Atlantic Richfield Company (ARCO)
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Ford Motor Company
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with the assistance of:

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and

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The Prince of Wales Business Leaders Forum
Business in the Community International
41 Threadneedle Street
London EC2R 8AP
United Kingdom

Tel: 071-588 6157
Fax: 071-374 2024

Business in the Community
Registered Office
227a City Road
London EC1V 1LX
United Kingdom

Tel: 071-253 3716
Fax: 071-253 2309

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				The Rt Hon Lord Young of Graffham	Chairman of the Executive Committee Salomon Brothers International, Inc.

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Christopher Alexander	President/Director Center for Environmental Structure
David d'Ambrumenil	Lionspring Enterprise Limited
William Aramony	President United Way of America
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