THE MARKETING JOURNAL

REGENERATION or Extinction?

A DISCUSSION with PHILIP KOTLER, CHRISTIAN SARKAR, and ENRICO FOGLIA



The publication of Regeneration: The Future of Community in a Permacrisis World has raised eyebrows in the world of business and academia. The authors – Philip Kotler, Christian Sarkar, and Enrico Foglia – decided to clarify some of the issues raised in the book by explaining why we are at a critical juncture in human history, and what must be done now.

Philip Kotler (PK): Our readers are asking us – why did we write this book? Why don't we explain?

Christian Sarkar (CS): I think there are many reasons. One – it's a continuance of our work on <u>Brand Activism</u>, this time at a local level with communities. We want to promote the idea of community-based regeneration, and two – we wanted to make sure that we defined regeneration in a way that doesn't allow it to be coopted and turned into yet another greenwashing buzzword. But it's thanks to you and Enrico that we ended up in Palermo studying regeneration on the ground. That opened our eyes to the new **regenerative business models** we describe in the book. We wanted to share this with everyone.

Enrico Foglia (EF): Palermo was a life-changer for all of us. One minute we're on a Zoom call with Palermo's then-Mayor – **Leoluca Orlando**, and *assessora* **Cettina Martorana**, and next we're traveling to Palermo for a deep dive assignment to talk to community leaders and develop practical ideas for the future. Thanks to you, Phil, for sending us to Palermo!

Philip: And Christian decides to move to Palermo – because of the people, and the interesting community-centered businesses he encountered there. I was impressed with the "South-working" concept and the *prison-brand*. But let's start with a *definition* – what is regeneration, and why is it different from sustainability?

Christian: We agreed to define regeneration from a systems perspective, that REGENERATION is the *process* of rebuilding or renewal of the COMMON GOOD - taking an asset, resource, ecosystem, individual, family, organization, community, or place, from crisis and collapse to recovery and regeneration. Of course, Nature is at the heart of it, but so are people and social justice.

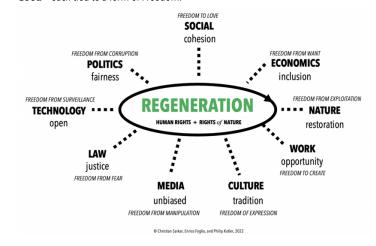
Enrico: We wanted to show that the biggest danger to our society is the **loss of trust**. And what better way to examine a **zero-trust society** than to learn what was required to make space for *trust and the Common Good* in a city like Palermo which had been under the grip of the Mafia for so long. The challenges in Sicily are still ongoing, and we think the book offers some important lessons

for open-minded politicians and community leaders.

Christian: And our search for a *process* for Regeneration led us to the indigenous, frontline communities which are experiencing climate, livelihood, and social disruption. We learned about how their definitions were different from the academic definitions of regeneration.

Philip: What about Freedom? How do we reconcile individual freedom with community?

Christian: The US tradition of rugged individualism has morphed into a deep suspicion for community and public good. Freedom to exploit people and trash Nature is not freedom. In the book we define the *9 Domains of the Common Good* – each tied to a form of Freedom.

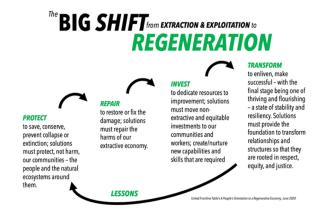


Our position is this: The Climate Crisis and the Collapse of Society are both symptoms of the same fatal sickness: *the destruction of the Common Good.* We cannot compartmentalize the climate and separate it from the rest of society or our activities.

Philip: The freedom to accumulate and hoard wealth is a natural tendency of powerful members of the community. How do we balance Nature with economic freedom?

Enrico: In addition to Human Rights, we also must learn from indigenous communities that the Rights of Nature must also be protected. Regeneration must include both. That's why we turned to the Common Good. As **Pope Francis** says, "The climate is a common good belonging to all and meant for all."

Philip: So, the shift in mindset is the most important thing. How do we change the minds of our leaders? That is the Big Shift to Regeneration.



Christian: Let's view the Big Shift as the shift from extraction and exploitation to regeneration. This is the message of the indigenous tribes and groups.

Philip: And what does business have to learn from this? What did you find in Palermo?

Enrico: We discovered a number of entrepreneurial leaders, who viewed their business as a community business. Their focus was on building *community value* and *business value* at the same time. One example was the story of <u>Lucia Lauro and Al Fresco Bistrot</u> (the prison brand), another was <u>Claudio Arestivo and Molti Volti</u>. In the book we have eight examples of regenerative businesses from Palermo.

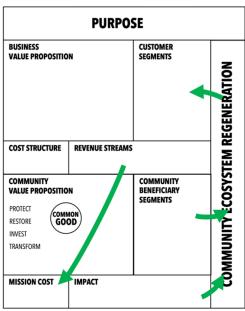
Philip: We also have a tool for people to use to envision this model – a **regenerative business model canvas**. Can you explain?

Christian: We adapted **Alex Osterwalder**'s business model canvas to outline a "double loop" regenerative business model. This is the abbreviated version:

REGENERATIVE BUSINESS MODEL

ORGANIZATION:

COMMUNITY:

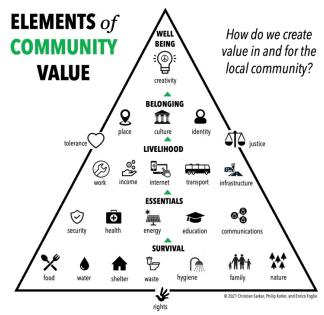


adaptation of Alex Osterwalder's Business Model Canvas (Strategyzer)

Regenerative business models protect the Common Good and build community ecosystems at the same time in a virtuous loop of social, economic, and environmental justice.

In the book we show readers how to fill out this canvas with examples from our case studies – some from Palermo, and others from elsewhere.

We also created a <u>community-value pyramid</u> to visualize the jobs to done from the perspective of the community.



We should ask if our government is working for the Common Good. Here's a citizen's checklist we compiled.

Philip: What about south-working?

Enrico: An example of this approach is the opening of a south office in Palermo by **BIP**, the Italian consulting firm – also my employer. The brainchild of chairman **Nino Lo Bianco**, the south office hired locals, sent native Palermitans living in the North back to their city of choice, engaged in remote work for Northern clients, and begin creating business opportunities in the South. This establishes a *regional* "**wealthsharing strategy**" which seeks to create new synergies in the South, including skills and capacity building with university students in Palermo. The jobs are in sectors like cyber security, digital transformation, innovation, and sustainability.

How does southsharing differ from its cousin – outsourcing? It is *not* based on cost. The employees in southworking areas are *paid the same* as the employees in the north.

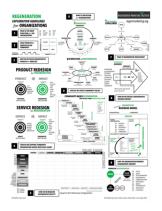
Philip: And the approach has brought new jobs to Palermo. I understand BIP is opening more south-working offices?

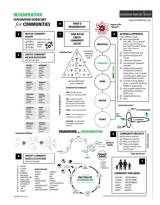
Enrico: Yes, we are opening two more south-working offices. One in Puglia, and the other in Napoli. So far there have been eighty jobs created in the Palermo office – bringing high tech innovation and digital security services to a city that did not have a technology base.

Philip: In the <u>book</u> we outline many approaches to community regeneration, and how to build a regenerative business. What can we give our readers to help them visualize the process?

Christian: The <u>Regenerative Marketing Institute</u> has two <u>downloads</u> that summarize these two approaches. Community leaders and business owners are

welcome to check them out before they read the book!





Regeneration Exploration
Guide for Organizations
(PDF)

Regeneration Exploration
Guide for Communities
(PDF)

Philip: Now let's turn to even deeper questions. **Is the corporation obsolete?**

Christian: Our institutions are not fit for purpose – either because they are corrupt, or because they lack the imagination and will required for the tasks at hand. The same can be said for our leaders. They have betrayed the public trust. For forty years the institutions of the world have worked to "mitigate" climate change with no results – or worse – failure to stop the rapid destruction of the ecosystems which keep us all alive. Leaders and businesses have largely ignored the cries of our dying planet. A desperate scientific community has taken up arms to spread the word, but the media won't listen. And inequality keeps growing – social, economic, climate, you name it.

Enrico: *None* of the world's leading industries would be profitable if they actually *paid* for the natural capital they use.

Philip: So, we have moved from a polycrisis to a **permacrisis** world.

Christian: A real problem is the inability of our current leaders to face the science and do something about it. The scientists are going mad with frustration, and the corporate media continues to go play games of distraction.

Philip: What must be done now?

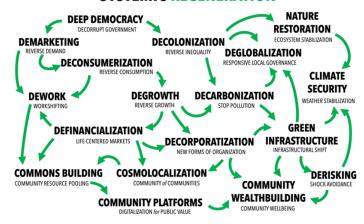
Christian: *Total systemic regeneration* of our entire economic *and* social world to *stop* the **Death of Nature**.

Total systemic regeneration refers to a complete overhaul and transformation of various systems that make up our society, including the economy, finance, banking, and governance. This type of regeneration would involve significant changes to the fundamental structures and principles that guide these systems, in order to create more equitable and sustainable outcomes. In terms of the economy, total systemic regeneration would involve a shift, a leap, away from traditional models that prioritize endless growth and profit over social and environmental concerns.

Systemic regeneration means breaking away from the existing mindset of globalization and neoliberalism. It means capitalism must become truly democratic and inclusive. The *special interests of billionaires* must not be

allowed to destroy the Common Good. The people who were worried about cancel culture are now busy canceling Democracy.

SYSTEMIC REGENERATION



Enrico: The Regenerative Marketing Institute's purpose is to help and promote this shift. We can't do it with the existing institutions. And we are running out of time. We ask people – leaders and followers to do what they can to start the shift.

Philip: If we don't?

Christian: The alternative is **extinction**. Forget about Mars. *We* must change before Nature decides to wipe the slate clean.



CHRISTIAN SARKAR

Christian Sarkar, Enrico Foglia, and Philip Kotler are co-founder of the Regenerative Marketing Institute. Their book – Regeneration: The Future of Community in a Permacrisis World is available now. See also: The Regeneration Journal.