

My Comments.

Section 1 Board Leadership & company purpose

- A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society. *The board should ensure that the necessary resources, policies and practices are in place for the company to meet its objectives and measure performance against them.*

My comments

So many of our economic and social problems stem from this statement – the part that says “generating value for shareholders and contributing to wider society” If we have the purpose wrong ,right at the beginning, then the results will be skewed. Economic activity emerges from people’s interactions. Its purpose is to improve the health & wealth of the family, community, nation or world. All players owe a prime duty to society, not a secondary one. The correct order of *Purpose* should be:-

- The health & welfare of the people
- The viability of the company itself
- The benefit of the shareholders
- The benefit of other stakeholders

A business is not in business to make money. It is in business to provide the goods & services that add to the health & wealth of the people, and make money from that. The profit is the result, not the purpose. Profit is the rudder that steers the enterprise to fulfil its purpose. Attention=efficiency.

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