

INNOVATION

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PETER STRUGATZ: A SOCIALLY RESPONSIBLE BUSINESS PIONEER

Peter Strugatz is an early member of the mission-driven business community as an entrepreneur and an investor. His ability to analyze and assess both impact and scalability led him to invest early in today's success stories including Stonyfield Farm Yogurt and Zipcar. Peter brings out the talents, skills and knowledge in people to build sustainable, successful businesses and enterprises. Peter was invited to Green Monday to spoke about his insight and experience in social venture in the fall.

Q: How did you begin to invest in socially responsible companies which help the environment and build us a better future?

A: Back into earlier days my family was running business in a socially responsible way. We did that not because of any compliance agenda, but who we were. When I joined Social Venture Network, a membership organization of socially

responsible businesses based in USA, I was exposed to the pioneers of the movement, such as Ben Cohen from Ben & Jerry's and Gary Hirshberg from Stonyfield Farm. For many years the group was the axis of this kind of business, and also responsible for starting a few similar organizations and investor circles, such as Business Alliance for Local Living Economies (BALLE). Later I became a "microscopic social investor". Some of my investments were successful, for example Stonyfield Farm Yogurt, which was sold to Groupe Danone eventually, and Zipcar, which was the beginning of the sharing economy model.

Q: What factors determine the success of potential start-ups in food industry and their obstacles?

A: A really delicious product and a high-performance, mission-aligned team. The food it offers has to be distinct in the market, at the same time it has to be implemented



Peter Strugatz (left) and a few examples of the socially responsible businesses he involved

Core Partner:





Califia Farm, the hottest barista blend almond milk in USA, was brought to HK by Green Common this year
Figure source: <https://goo.gl/GTYgtC>

with a plan. A high-performance team can attract more resources to market the product. The obstacle emerges when the company is striking for a balance between product development and team-building. Usually the solution takes effort to create, and the founder has to make some sacrifices in personal life. Passion, perseverance and tenacity are required at the early stage of start-ups.



Q: Green Common brought Califia Farm, the hottest barista blend almond milk in USA, to Hong Kong this year. You were the consultant of the company and how do you rate its success?

A: Califia Farm grew tremendously in the market in five years' time simply because the product is delicious. It acts as a cleaner and healthier alternative to current options on the market. Their marketing began with the packaging and this draws lots of attention from consumers. The packaging motivates people to try and consumers soon realize moving towards a plant-based diet is the best way to change and save their health and the planet. The Califia team also has great ability to rapidly bring new products to the market. They brought more than 20 new products in a year, while Coca-Cola could only bring 3 comparably.

Q: What are the key criteria of a socially responsible business?

A: The triple bottom line framework can help us to understand. It consists of three parts: people, planet and profit. To me, the most important criterion is how the workers are treated in the workplace and the culture of the company. This is followed by different models of governance of the company. I believe that humanity is the driving force to create a better world. Business had become the cause of many problems in the world before; even the government is greatly influenced by the business giants. If the world is going to survive and change, it is done through businesses.

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