



Conscious Scaling Workshop

Conscious scaling is a framework for conversations between investors and teams focused on identifying and mitigating long-term risks associated with a business model or technology's impact on society, the environment, and all stakeholders with the understanding that mitigating those risks now will create better outcomes, including shareholder value, in the future.

Suggested attendees:

- All company founders
- Members of senior management team who are interested in attending
- Investment partner / team member who leads relationship with the portfolio company
- Optional: one person who attends all Conscious Scaling sessions from your fund

Suggested format / timing:

- 90-120 minutes is appropriate for this first session
- Works well in a relaxed setting, over food or drinks
- Informal group conversation; mix the seating plan so it is not investors opposite team

Suggested follow-ups:

- This is the first part of an ongoing dialogue between investor and portfolio company
- Where appropriate, action points should be elevated to / measured at the board level
- Encourage the founding team to run a version of this session with the rest of their team
- Conscious Scaling lead or investment partner to check in at 6 month intervals (can be phone call, email, or in person meeting)
- Create a safe space for founders of similar companies in your portfolio to discuss such challenges and questions together, away from the investment team
- Investors should begin to actively track how their companies are measuring and mitigating potential long-term risks and downside scenarios

1. In 10 years' time, your company is a global category leader... all your commercial goals have been realised and you are worth \$XB. How has the world changed for the better?

[20-30 mins]

Advice to investor / Conscious Scaling lead running the session

- *This conversation will largely flow around mission - what has been achieved at scale that makes society better?*
- *But also ask the founders to think about what their business model looks like at scale, ask about what a successful culture looks like in this scenario and what would make the founders proud of such an outcome*
- *Take notes on all the positive changes you come up with, but also begin taking your own notes that might be relevant to question two below*
- *Who are the beneficiaries of the positive outcome? What are the implications for them?*
- *How can the firm measure this positive impact?*

2. OK - now flip the scenario around. In this vision case, who are the potential losers? How might parts of society be worse off? What could be the unforeseen second and third order consequences of your success?

A helpful mental tool to use is to imagine your company is the centre of a Black Mirror episode - what are the potential storylines?

[30-45 mins]

Advice to investor / Conscious Scaling lead running the session

- *Use your notes from question 1 to come up with potential Black Mirror storylines yourself; bounce these off the founders / leaders and make sure to note down every storyline*
- *As you go, extract the key themes from the emerging storylines. These could be along the lines of Security, Environment, Equality and Inclusion, Data etc.*
- *Once you have imagined a good number of Black Mirror storylines, work together to extract the key long-term risks implied by these cases*

3. Together, as founders and investors, what can we do to measure, mitigate and proactively prevent any of these long-term risks from being realised?

[20-30 mins]

Advice to investor / Conscious Scaling lead running the session

- *Themes to explore:*
 - *Who are all the stakeholders? How can their views be part of decision making?*
 - *How can a strong culture be a defence? For example, celebrating the discovery of errors over a culture that is fearful of exposing them?*
 - *What success metrics can be measured / tracked that are more related to social / environmental impact than commercial impact?*
 - *What should the founders / leaders prioritise?*
 - *Who could be hired to help?*
 - *How can the investors help and support? Could future investors be asked to sign up to principles on future term sheets?*
 - *What can be baked into the OKRs or sprints?*
 - *What policies could be created?*
 - *Do they have a values / mission statement to mitigate identified risks?*
 - *Should some of this be discussed at a company off-site?*
 - *Can something around mission and principles be included in the articles of association?*
 - *Could the team run 'wargaming' sessions for certain risk scenarios?*

4. Actions and follow-ups emerging from the session

[10-15 mins]

Advice to investor / Conscious Scaling lead running the session

- *What can the founders / leaders stop / start / continue doing today?*
- *What can be elevated to a board level discussion?*
- *What should be measured in the board reports or company dashboards?*
- *What should the founders prioritise over the next 6-12 months?*
 - *E.g. building a more robust data policy or security architecture etc.*
- *What can the investors start doing today to help and support?*