Setup

When we first arrived at HBS, we were told it would offer us a transformational experience. Personally, I would also characterize the experience as *"completely and utterly overwhelming."* Faced with non-stop section events, a multitude of speakers, a never-ending job search, weekend conferences, piles of cases and of course -- a "hundred" centennial events, reflection doesn't usually come out at the top of our to-do list.

As we celebrate our Centennial, however, it seems appropriate that we take a moment, step back and reflect – a bit on our past, but mostly on our future.

There are some who suggest there may not be much of a future. Management education, they say, is *increasingly irrelevant*, a discipline that served us through the infancy of the modern corporate era, but one which no longer serves society in a meaningful way. Personally, I'm sure my parents, who resettled to this country over 30 years ago, have no idea what I do here, much less how it relates to the outside world. For many of my classmates, I suspect the story is the same.

This shouldn't take us by surprise. Human history hasn't exactly begged for management education. Plato didn't bother to consider tax implications in the Allegory of the Cave nor was Shakespeare particularly bothered by less than ideal risk management strategies in the Merchant of Venice. Management education as a discipline is less than 130 years old…a tiny blip when viewed against the backdrop of our common era.

But here we are, an institution with the lofty goal "to educate ***leaders*** who make a ***difference*** in the world."

How do we remain relevant in a world that doesn't exactly know what we've done for the past 100 years; a world that thinks our role may be irrelevant going-forward?

Body

To answer this question, I dug deep into the dark and painful years of my life as an economics major. During those years, I learned two things: (1) that economists generally don't agree about anything and (2) the only thing they seem to agree is that markets naturally gravitate towards an equilibrium point when supply meets demand.

As the world's premier business institution, we possess a tremendous supply of human capital. To this day, I'm still both intimidated and amazed at the really smart people that surround me each and every day.

Human capital represents our strongest asset, but the world today demands ***leadership***.

A study by the Center of Public Leadership reveals that nearly 80% of Americans do not have faith in their leaders. Compared against all sectors, business leaders rank near the bottom third. This leadership crisis is pervasive and represents not only a US, but also a worldwide concern.

But the demand is not simply for leadership, the demand is for ***leadership with a purpose.***

The world today demands food, water and affordable housing. The world today demands environmental sustainability and cures to disease. The world today demands safe education and access to opportunity.

These are some of the demands of our world today and if we wish to remain relevant, we must find a way to use our supply of leaders to address these demands.

Many critics, including the late Milton Friedman, take issue with this line of reasoning. They say that social and environmental challenges have no part in the realm of business. They say that markets for virtue are either non-existent or negligible.

I disagree. As a vanguard institution at the forefront of our discipline, we have the ability to shape and mold our world by continuously and vigorously challenging the status quo.

I believe there ***is*** a market for virtue, and that we must challenge ourselves to reach out and tap into this market, to innovate and to redefine how success is measured.

Virtue and profitability are not incompatible. Consumers increasingly demand sustainable products and employees want to work for organizations that strive to make the world a better place. Companies like Stonyfield Farms have shown how embedding a social mission into their DNA influences the way they interact with customers, employees and suppliers – thus leading to sustainable profits. Moreover, social entrepreneurs in all corners of our world have employed business models to create social value, often while generating a profit.

You might be thinking that injecting virtue into markets is too hard, too complicated, or something too distant in the future.

Twenty-five years ago students here were first asked to carry portable computers, initially so heavy many called them "luggables." In just this brief period, alumni here have done some truly amazing things. **Carter Roberts, C/O 1988,** started his career at Procter & Gamble before taking on a number of positions in the environmental conservation space. He now serves as the President and CEO of the World Wildlife Fund and has structured a number of partnerships with governments and for-profit companies to address global environmental issues. **Gerald Chertavian, C/O 1992,** was a successful banker and tech entrepreneur before starting Year Up, a social enterprise that provides intensive training to urban adults. **Ben Kleban, C/O 2005,** worked in corporate finance for Boeing before transitioning to education. He recently founded New Orleans College Prep, a results-focused charter school that serves Central City New Orleans.

These are just a few of many alums that have tapped into virtuous markets in the past 25 years. Now imagine what **WE** can do in the *next* hundred years.

Close

Vincent Van Gogh once said, "For my part I know nothing with any certainty, but the sight of the stars makes me dream."

As we commemorate our 100th anniversary today, let us dream of a world where business competes on ***virtue***; where the yardstick for success is ***sustainability, not simply profit;*** where companies respond to the needs of ***society, not simply shareholders***.

Some may call us dreamers, but I'd say the world depends on those who can dream.

As I'm sure it was for many of you, it was a dream that brought me – the son of refugees – to Harvard Business School. And together, I hope our dreams will propel this institution as a force for virtue for the next 100 years.

Thank you.