

The Conscious Business Value Loop Formula: For a better businesses and a better world

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Part 2: The Conscious Lemonade Stand

Grab your binoculars! We're about to take a close look at the model American business—the Lemonade Stand through the lens of The Business Value Loop Formula:

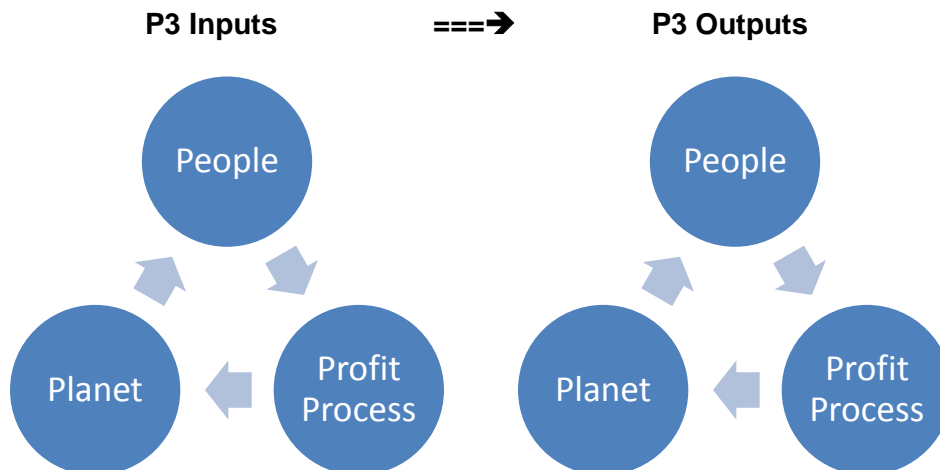
P3 X VL2

We're going to look at two different companies, just like we did with the candy companies. (Yes, I'm noticing that my sweet tooth seems to be a co-author here.)

Here's the familiar story: Three 11 year olds decide to set up a neighborhood Lemonade Stand. Just like my friends and I did many years ago.

Basic P3 Input and Output Systems for a Lemonade Stand

Before we hear from the first group, let's look at the basic Lemonade Stand P3 Input and Output Loops.



P3 Inputs

People

- kids and adults for decisions and labor

Profit Process-

- \$ for ingredients
- labor of kids
- adult assistance

Planet

- warm weather
- ingredients for lemonade
 - commercial mix, water, ice
 - lemons, sugar, water, ice
- serving set up-
 - table
 - pitcher/ container
 - disposable cups
- marketing materials
 - signs

P3 Outputs

People

- customers
- kids and adults for decisions and cleanup

Profit Process

- income minus expenses

Planet

- cash
- disposal of cups
- cleanup of objects and site

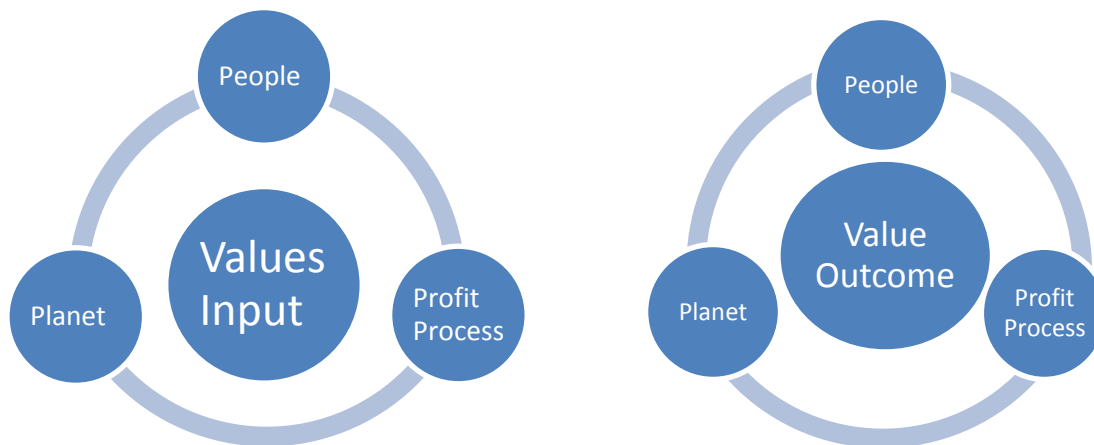
Yes, it's exactly as I remember it!

Two Different Business Value Loops

The basic P3s Inputs and Outputs are the same for each Lemonade Stand business

The Value Loops for each one are very different! Remember that the Values Input Loop comes from the values of the founders. These values are influenced by family, culture, peers, and community.

The founder can choose to be aware of his values and examine their probable outcomes and so refine them to apply to his business purpose. He can choose to include the Value Outcomes he wants to create for People, Profit and Planet into his Values Input process.



The Unconscious Lemonade Stand Value Loop

Values Inputs

People

- “Having a lemonade stand would be so cool!”
- “It’s something to do.”
- “I love making lemonade-It’s easy.”
- “So let’s do it.”
- “We can quit if we don’t like it.”
- “This is gonna be fun.”
- “We’re gonna makes lots of money!”
- “We need people to buy our lemonade.”
- “Well get lots of attention when they see our cool stand.”
- “We’ll see what happens.”

Profit Process

- “Our moms will buy the lemonade.”
- “Our dads will set up the table & signs.”
- “I want to earn \$25 today-that’s what the new game costs .”
- Sign: “Buy Our Lemonade”

Planet

- “We’ll use powdered lemonade mix. It’s cheaper and easier.”
- Impact not considered

Sound familiar? It does to me. I am sure I said several of those statements.

This first group is following the standard model, just like my friends and I did. It’s the “We’ve-Always-Done-It-This-Way” model that all of us learned from our parents.

These young entrepreneurs are not very aware of the values behind their attitudes, decisions and actions. They don’t consciously think about them; they just have them. They don’t stop to consider the consequences or implications of their decisions.

The outcome they expect is fun for themselves and money for themselves. The quality of their lemonade is not important to them. The customer’s role is to give the kids money.

Their brains are awake and functioning normally, but they are unconscious.

Value Outcomes

People

- *“It didn’t work the way we expected.”*
 - *“We picked a great corner.”*
 - *“Not enough cars go by here.”*
- *“People didn’t buy much of our product.”*
 - *“They didn’t like us.”*
 - *“They didn’t like the lemonade.”*

- *“It wasn’t as much fun as we thought.”*
 - *“It was fun hanging out together.”*
 - *“Trying to get people to stop and buy wasn’t fun.”*
 - *“I quit. I don’t want to do this anymore.”*

Profit Process

- Didn’t track expenses
- Didn’t write down steps
- Not much income when split between 3 kids

Planet

- Not considered

Since the Values Inputs did not include thoughtful decisions about the Value Outcomes they wanted from the venture, the kids did not design a plan to achieve any specific outcomes. They got what they got. The lemonade business was an adventure, not a business venture.

The kids expressed their feelings about the result of “not as much fun or money” as they expected, but did not analyze the causes of the outcomes. They do not seem to know that justifying and blaming are not the same as reviewing the results.

Perhaps more parent guidance would have helped the young entrepreneurs be more aware of the values that guided their decisions. Or not. People do not seem to automatically grow into consciousness as they grow up. Most likely the kids are modeling their parents and other adult and peer influences.

The Conscious Lemonade Stand Value Loop

Values Input

People

- *“Our mission is to create our own “Greater Good” business and benefit as many people as possible.”*
- *“Cool. We’ll set it up to be a real ongoing business.”*
- *“We can call it ‘Green Lemonade’! It’s a sustainable business that makes a profit.”*

- *“We’ll make it work so we can teach other kids how to set up their own lemonade business.”*
- *“Let’s make a written plan.”*
 - *“What outcomes do we want?”*
 - *“A great product for our perfect customers!”*
 - *“A solid plan we can keep improving.”*
 - *“A business we can do all summer.”*
 - *“Groups of stakeholders who benefit from our success.”*
 - *“Our own money!”*
 - *“What kinds of customers do we want to attract?”*
 - *“Conscious people who care about the environment—like us!”*
 - *“We know how these people think—It’s how we’ve been raised.”*
 - *“What can we offer that would make them stop and buy from us over someplace else?”*
 - *“Something they will find irresistible.”*
 - *“A cool, delicious, healthy lemonade right now.”*
 - *“Served in an eco-friendly glass.”*
 - *“What do we need to make a great product for them?”*
 - *“Local, healthy ingredients.”*
 - *“Eco-friendly cups and containers.”*
 - *“How do we get their attention?”*
 - *“We’ll wear green T-shirts with Drink Green Lemonade!”*
 - *“What will make them want to come back to us tomorrow?”*
 - *“Earn points % toward higher contribution % with every visit.”*
 - *“A contest -Win a Green Lemonade T-shirt.”*
 - *“What will make them want to tell their friends to come here?”*
 - *“A big social media campaign.”*
 - *“They could earn points to get a bigger contribution to the Boys and Girls Club.”*

- *“My dad and Kim’s mom are our advisors.”*
 - *“They will review our plan.”*
 - *“And coach us along the way!”*
- *“We can hire other kids to make deliveries as needed.”*
- *“Let’s get families and businesses and organizations involved too. And recognize them for helping our mission.”*
 - *“This is so much fun!”*
 - *“This will change the whole Lemonade Stand industry!”*

Profit Process

- *“Let’s make a sales plan so we know how much money we need to invest.”*
 - *“We’re offering high quality ingredients at a fair price.”*
 - *“I bet we can sell an average of 100 glasses of lemonade at \$2 each for 7 days a week for 3 months. That’s about \$30,000 gross.”*
 - *“If we do bulk sales, we can actually make that target.”*
 - *“Customers can buy by the glass or the half-gallon jug.”*
 - *“We can also offer local delivery of gallon or more. I bet families and businesses and churches would go for that!”*
- *“We’ll have to figure out the hard costs from each step of the process to see how much we need for investment. Our business coach can help us.”*
 - *“We may have to borrow some money from our parents. We can sign an agreement to repay the loan with interest.”*
 - *“We can ask families and businesses and organizations to sponsor us.”*
 - *“They could donate*
 - *Ingredients*
 - *Eco-friendly glasses*
 - *Marketing and education materials and services”*
 - *“We can sell the T-shirts to customers and give them to sponsors.”*
- *“As part of our sales process we’ll ask customers what they like best about Green Lemonade and record their answers.”*
 - *“Why is local produce important?”*
 - *“What do you think of eco-friendly disposable products?”*
 - *“Then we can publish the answers and pass them around!”*
- *“We can donate 10% of all net profit to the local Boys & Girls Club.”*

Planet

- *“We want to educate and support the local community about ‘The Greater Good’ model of business!”*
- *“We use eco-friendly products in*
 - *All high quality ingredients:*
 - *Fresh, local, organic lemons*
 - *Purified water and ice*
 - *Choice of organic sugar or Stevia.”*
 - *“And eco-friendly serving containers*
 - *eco-friendly plastic glasses and jugs that are fully biodegradable and compostable.”*
 - *“Even our marketing materials:”*
 - *“We use recycled paper and eco-friendly ink for our signs and flyers.”*
 - *“They say ‘Green Lemonade--Great for You and the Planet!’*
 - *“And list all benefits for body and planet.”*
 - *“Our T-shirts are fair trade and eco-friendly.”*
 - *“And carry our message about responsibility and sustainability!”*
 - *“We use digital media instead of paper.”*
 - *“We’ll post ads and events on vent on social media sites and craigslist.”*
 - *“We’ll do lots of text messaging!”*
- *“We demonstrate social responsibility with our ‘Kids supporting kids’ message.”*
 - *“10% of proceeds go to local Boys & Girls Club.”*

Impressive, huh?

Clearly, the kids behind this Lemonade Stand put a lot of thought into planning their enterprise. They are aware that they are following the values they are learning from their families. They also pay attention to the business models and marketing methods they see used by their favorite brands.

They are intentionally following “The Greater Good” business model. Value Outcomes for several other groups of stakeholders are built into their plan.

Value Outcomes

People

- *“What a great experience!”*
 - *“We walked our talk and showed what conscious entrepreneurs can do—even with a little lemonade stand!”*
 - *“We’ve learned how a sustainable business works.”*
 - *“Green Lemonade is designed for continuity and sustainability.”*
 - *“We’ve documented all the processes and agreements, including what was revised and why.”*
 - *“Working together is really fun.”*
 - *“So is enrolling families, businesses and organizations in our mission.”*
 - *“Interacting with customers is the best part!”*
- *“Now we have a good reputation as conscious, green entrepreneurs who know what they’re doing.”*
 - *“We’re even getting offers for other opportunities!”*
 - *“But first we’re going to put this all together to teach other kids to run a ‘Green Lemonade’ business.”*

Profit Process

- *“We beat our sales goals and made some decent money.”*
 - *“Lots of businesses and organizations sponsored us in some way.”*
 - *“We didn’t have to borrow much money from our parents. We paid off those loans right away.”*
 - *“Green Lemonade is lookin’ pretty green in the bank right now.”*
- *“We gave about \$3200 to the Boys and Girls Club. They can do a lot with that!”*

Planet

- *“Green Lemonade and its stakeholders*
 - *decreased the amount of plastic in our local landfill*
 - *purchased and re-sold local produce*
 - *supported local kids*
 - *educated people about the value of The Greater Good.”*

Wow! Pretty cool for a little summer business, huh?

I confess I was never part of a lemonade stand like this. What a great experience it would have been! I am using this approach to build my current business.

These conscious young entrepreneurs are following “The Greater Good” business model and The Business Value Loop Formula.

They are committed to creating an ongoing business—One they can teach to other kids. They are acting like the founders of a sustainable business “empire.”

Learning is a key value input. By continuously assessing what parts of their processes are and are not working, they can improve their processes and get better and better results.

The next groups of kids who learn the Green Lemonade business will not start at “square one” as the first group did. They will start with a proven model and continue to improve it even more. And then report back to the founders.

Here’s a brief summary of the main Value Outcomes for stakeholders that were built into their plan:

1. Business
 - Solid foundation
 - Based on a clear mission
 - Written P3 x VL2 Plan
 - Written step-by-step processes
 - Designed for continuity and sustainability
2. Future business customers
 - Detailed plan to teach other kids to operate a Green Lemonade business
3. Founders
 - See themselves as separate from business
 - They benefit from the results of the business
 - Including fun, fulfillment and profit
4. Product customers
 - High quality, healthy, delicious lemonade
 - Capture customer feedback
5. Market
 - Written definition and description of market and their wants
 - Written plan to attract and educate market
6. Investors
 - Written agreement to repay loan
7. Staff
 - Written agreement with performance standards

8. Partners

- Plan to recognize and reward individuals, families, businesses and organizations who promote the Green Lemonade business and mission

9. Local community

- Neighborhood
- Local lemon growers
- Local Boys and Girls Club

10. Planet

- Raise awareness of the benefits of The Greater Good approach to business
- Green products
- Community collaboration

11. Industry

- "This will change the whole Lemonade Stand industry!"

12. Advisors

- Written coaching agreement with compensation

Again PLEASE give me feedback on what I have presented in Part 2. I wrote this for YOU. You are the real experts in how you think about content made for you. What do you think?? Agree? Disagree? Questions? Corrections? Examples?

There is a comments section on the Ask Real Conscious Business Experts blog at <http://askrealexperts.com/consciousbusiness/?p=114> See you there.

*Thanks for reading,
Marcia*