

Billionaire donates company for social cause: future of philanthropy?



Donating companies to social causes could be the **future of philanthropy**, said [Raj Sisodia](#), the leader of **Tec de Monterrey's [Conscious Enterprise Center](#)**, in reference to the [Patagonia](#) clothing company

A few days ago, company founder **Yvon Chouinard** announced that he would be donating his company, valued at **three billion dollars**, maintaining its operations but allocating its profits to tackle climate change.

*"When you have a company with clear **purpose** and **values**, you can use it as a platform to make a difference,"* Sisodia said.

*"There's a clear and pure **awareness** about its **purpose**. **It's all about the purpose**,"* he said.

La empresa Patagonia fue donada en su totalidad para generar ganancias destinadas a la lucha contra el
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Could donating companies be the future of philanthropy?

Sisodia said that the case of Patagonia is a **step in the right direction**, but it can't be copied by everyone.

*“We can’t expect all companies go as far as Patagonia has, but it shows us what a **company with principles** can do. It’s about finding **cost-effective solutions** to the **world’s problems**,”* Raj said.

The **distinguished Tec professor** said that the actions taken by the company are an example of **conscious capitalism**, a movement in which Raj aims to **heal the world through private companies**.

*“If we analyze **conscious capitalism** based on different levels of consciousness, Patagonia is at the top. There’s a **clear and pure awareness** around its **purpose**,”* he said.

“This isn’t a business with a mission, but a mission with a business” - Raj Sisodia.

<https://twitter.com/patagonia/status/1570151257112969216>

Company Actions to Promote Conscious Capitalism

Sisodia added that although not all companies are able or willing to do what Patagonia has done, there are some **actions** that can be taken to promote conscious capitalism.

*“They can integrate the principles of conscious capitalism; having a **higher purpose** related to solving **people’s real problems** on the planet, whilst at the same time not contributing to those problems.*

*“We are identifying the way we want to **serve** people, including **society, the planet, and customers**.”*

Raj also said that companies can focus on helping, not only with **financial** issues, but also **physical, emotional, and intellectual** ones, among others.

*“Now that we know the impact it has, we also know our **responsibility**. We know exactly what the **consequences of our actions are**, so we must take responsibility for them.*

*“We must start leading and managing our **businesses** in a **conscious** way.”*

Raj lidera el Centro de Empresas Conscientes del Tec de Monterrey. width="900" loading="lazy">

Donating Patagonia to a social cause

In mid-September 2022, **Patagonia** transformed its **business model** based on its **purpose**.

Instead of generating wealth for investors, it will donate the **money** from its **profits** to help the world to tackle **climate change** and to defend **nature**.

*“Each year, the **money** we make after reinvesting in the business will be distributed as a **dividend** to help **fight the crisis**,”* it said in a statement.

The family, which owns the company, transferred the property, valued at about **three billion dollars**, to a **trust** without receiving a tax benefit.

In addition, they transferred their voting **stock** to an entity in charge of the **continuity of the company** and to the donation of the profits generated by the company.

*“Patagonia is a **profitable and successful company**, but everything is for a **purpose**. In most companies that purpose is to make money. However, at Patagonia, people, clients, and even the profits serve the purpose of the organization.*

*“This isn’t a **business with a mission**, but a **mission with a business** that’s built to help save the planet,” Raj said.*

The Tec professor said that actions such as those by **83-year-old Chouinard** can **inspire other companies** to find a purpose through conscious capitalism, **generate value for their people**, and **create a vision** to heal the world with private companies.

<https://www.instagram.com/p/Cif5qbAjmgi/>

Patagonia and its purpose of helping the world

Raj talks about how Yvon found a purpose when he opened his company, which makes **tools for climbers**, realizing that he could help lessen the effects of pollution generated by its processes and products.

*“Yvon was manufacturing equipment to help mountaineers climb, such as pickaxes or hammers, but he realized that they were **affecting the environment**. His products were being left behind by climbers and were sometimes causing erosion,” says Raj.*

That’s when Chouinard turned his company around by offering **clothing and accessories** for the outdoors, but with the aim of reducing its **impact** on the **environment** and also supporting the social cause of fighting the climate crisis.

*“Patagonia’s vision is not to harm the environment. Over time, **climate change** has become a **serious and growing problem**, so they publicly **committed** themselves to the cause,” said Sisodia.*

Some of the actions carried out by Patagonia included not only Chouinard’s company but also **companies** that they are associated with such as **Walmart**.

*“Patagonia is a well-known company, but it isn’t a huge company. Yvon Chouinard said that if he could make those **big companies** change, even a little bit, it would make a **big difference** in the world.*

*“He has always had that **vision**. Not just as a **leader** of a **company**, but as a **leader of a movement**,” says Raj.*

La empresa Patagonia fue donada por el multimillonario Yvon Chouinard para combatir el cambio climático
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The need for a Copernican revolution that puts people at the center

Raj spoke about **leadership** and the necessity of taking responsibility for important social issues like the **climate crisis**.

According to a [UN report](#), 75% of terrestrial ecosystems and 66% of marine ecosystems have been seriously altered, while the population has multiplied and pollution is rising, as is the world's temperature.

Sisodia said that a **Copernican revolution** is necessary, alluding to **Nicolaus Copernicus**, one of the men who claimed that the Earth was not the center of the universe, but part of a larger system.

*“We need a **Copernican revolution in the way we do business**. We’ve put profits at the center as if they were the center of the universe, with the people, other species, and nature around it.*

*“That needs to change because we’re destroying our ecosystems and the planet. We need to put the **lives of people and other species at the center**. People can’t flourish in a world that is withering,”* concludes Sisodia.

“People can’t flourish in a world that is withering.”

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