

The Big Ideas

CONSCIOUS
A Fundamental Attribute

CAPITALISM
Marvelous, Misunderstood, Maligned

THE FOUR TENETS
Of Conscious Capitalism

FUEL
To Fulfill the Mission

THINK WIN-WIN
Win-Win-Win-Win-Win

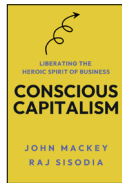
LEADERS
Learn and Grow

SELF-ACTUALIZING HUMANS
And Their Benefits

THE SECRET WEAPON
Of Leaders, Heroes, & Heroic Businesses

“There may be no more important truth in our book than this: What we collectively envision, we can create and bring into reality. Together we create our future reality, so we should do so consciously, collaboratively, and responsibly. The Good, the True, the Beautiful, and the Heroic can be made manifest in our world through the power of our collective creative dreams.”

~ JOHN MACKEY AND RAJ
SISODIA



Conscious Capitalism

Liberating The Heroic Spirit of Business

BY JOHN MACKEY AND RAJ SISODIA © 2013 · 344 PAGES

FROM THE BOOK

“We need to discover anew what makes free-enterprise capitalism what it has been: the most powerful creative system of social cooperation and human progress ever conceived. We next need to rethink why and how we engage in business to better reflect where we are in the human journey and the state of the world we live in today. We need a richer and more ethically compelling narrative to demonstrate to a skeptical world the truth, beauty, goodness, and heroism of free-enterprise capitalism, rather than continuing to harp on the tired maxims of self-interest and profit maximization. Otherwise, we risk the continued growth of increasingly coercive governments, the corruption of enterprises through crony capitalism, and the consequential loss of both our freedom and our prosperity.”

Hi! It's Michael Balchan here, and it's an honor to share this Philosopher's Note with you.

Brian, our Founder & Chairman, was in some of the very early conversations about what would become Conscious Capitalism, before the movement even had a name.

Today, the principles of Conscious Capitalism guide our business and are fundamental to how I'm approaching my role as CEO... which is why Brian asked me to create this Note.

The last Note I created was on Brian's book, *Areté*. In that [Note](#) (and thousands of other places), we talk about how Ancient Wisdom and Modern Science agree that the ultimate purpose of life is to be the best version of ourselves, in service of something greater. In a word: Heroic. That's why *Areté*'s subtitle is: “*Activate Your Heroic Potential.*”

Well it's the same for a business. That's why *Conscious Capitalism*'s subtitle is “*Liberating the Heroic Spirit of Business.*”

As it turns out, great individuals and great organizations share A LOT in common. They're both purpose driven. Their reality is relational. They're guided by virtue. And they actively generate and focus energy towards shaping the future—for the mutual benefit of all.

How? That's what we'll explore, along with an overview of Conscious Capitalism and its Four Tenets, plus practical tools we can apply to our lives and work, today!

Grab a copy of the book [here](#), and let's get to it!

A Fundamental Attribute of Being Conscious

“This is a fundamental attribute of what it means to be conscious. Once we become conscious of all of the consequences of our actions, it is unacceptable to ignore the negative ones or to continue to justify them as the inevitable side effects of creating other kinds of value.”

“But mistakes are actually great opportunities for learning and growth. The idea is not to celebrate our mistakes, but to learn from them as quickly as possible and move on. If we don't learn from our mistakes, we will keep repeating them, and it often becomes harder to deal with their consequences.”

~ JOHN MACKEY AND RAJ
SISODIA

“Business is the force in the world that is fulfilling every major value of the great spiritual traditions: intimacy, trust, a shared vision, cooperation, collaboration, friendship, and ultimately love. After all, what is love at its core? It is the movement of evolution to higher and higher levels of mutuality, recognition, union and embrace.”

~ MARC GAFNI, DIRECTOR
OF THE CENTER FOR WORLD
SPIRITUALITY

We'll talk about capitalism in just a moment. First, let's start with conscious.

I love the way John and Raj frame it up: can we make the connection between the actions we take and the consequences they create? And then use that information to reduce the negative (harmful) consequences and increase the positive (helpful) ones?

Phil Stutz calls that “The Instinct Cycle” ([See +1](#)): we (1) get an **intuition** that (2) we **decide** to act on then (3) we take the **action** and (4) receive the **consequences**, positive or negative.

Importantly, and paradoxically, Phil says that true success isn't driven by the type of consequences we receive, but by how fast and frequently we can move through the cycle. No person or business can be “right” all the time. The critical question is: can we learn?

It also reminds me of another living expert on being conscious, Eckhart Tolle, who tells us in *The Power of Now* (the first Philosopher's Notes I ever read. [Check it out here](#)):

“Once you realize that a certain kind of food makes you sick, would you carry on eating that food and keep asserting that it is okay to be sick?” Plus “It is certainly true that, when you accept your resentment, moodiness, anger, and so on, you are no longer forced to act them out blindly, and you are less likely to project them onto others. But I wonder if you are not deceiving yourself. When you have been practicing acceptance for a while, as you have, there comes a point when you need to go on to the next stage, where those negative emotions are not created anymore. If you don't, your ‘acceptance’ just becomes a mental label that allows your ego to continue to indulge in unhappiness and so strengthen your separation from other people, your surroundings, your here and now.”

Let's make the connection between our actions and consequences. And be conscious.

Capitalism: Marvelous, Misunderstood, Maligned

“In the long arc of history, no human creation has had a greater positive impact on more people more rapidly than free-enterprise capitalism. It is unquestionably the greatest system for innovation and social cooperation that has ever existed... The extraordinary innovations that have sprung from this system have freed so many of us from much of the mindless drudgery that has long accompanied ordinary existence and enabled us to lead more vibrant and fulfilling lives.”

That's from the opening paragraph of Chapter 1, right before we learn some of the unprecedented gains free-enterprise capitalism has helped create over the last ~200 years:

- Percent of the world's population living in extreme poverty: down from 85% to ~16%.
- Average income per capita: global increase of 1,000%. And “*Contrary to popular belief, prosperous countries have a higher level of life satisfaction.*” 7.5/10 compared to 4.7/10.
- Population: growth from one billion to over seven billion, primarily because of progress in sanitation, medicine, and agricultural productivity.
- Average life expectancy: increased to 68 years, from less than 30.
- Percentage of undernourished: down from 26% to 13%.
- Literacy rates: from almost complete illiteracy to 84% of adults who can now read.

So if capitalism has been so powerfully positive, why is it so disliked, by so many? The authors lay out four primary reasons:

1. Capitalism has been mistakenly given a narrow, self-serving, ethically-devoid identity.
2. Too many businesses operate with a low level of consciousness. (See Big Idea #1)

“Conscious companies are much more productive than their traditional counterparts. But it is not the kind of productivity that is squeezed out of harried, pressured team members through threats and incentives. It is the kind that results when people are in a state of flow, producing excellence, creating innovations, and loving what they do. You can move mountains with that kind of energy.”

~ JOHN MACKEY AND RAJ
SISODIA

“Trust is the essential lubricant of a smoothly functioning conscious organization....Trust can only be earned slowly, as a result of actions and not just words.”

~ JOHN MACKEY AND RAJ
SISODIA

3. Too many people believe the myth that business is solely about maximizing profits.
4. Regulations and the size and scope of government have greatly expanded, spreading crony-capitalism and restricting competition in favor of well-connected businesses.

Those are real, significant challenges to overcome, for both our business and ourselves.

On that note, let's take a moment for Debbie Ford's finger-pointing exercise from *The Dark Side of the Light Chasers* (See [Notes](#)), “Hold your hand straight out in front of you and point at someone. Notice that you have one finger pointing at them and three fingers pointing back at yourself. This can serve as a reminder that when we are blaming others we are only denying an aspect of ourselves.”

Have you mistakenly given yourself a narrow, self-serving, ethically-devoid identity? Or can you see yourself from a much broader, interconnected, virtue based perspective?

What level of consciousness are you operating with on a moment to moment basis?

Are you focused on money and what you can get? Or on what you can create and share?

Do you give all people equal consideration, freedom, and opportunity? Or are you (intentionally or unintentionally) re-writing the rules and restricting our collective potential?

“We need to discover anew what makes free-enterprise capitalism what it has been: the most powerful creative system of social cooperation and human progress ever conceived. We need to rethink why and how we engage in business to better reflect where we are in the human journey and the state of the world we live in today. We need a richer and more ethically compelling narrative to demonstrate to a skeptical world the truth, beauty, goodness, and heroism of free-enterprise capitalism, rather than continuing to harp on the tired maxims of self-interest and profit maximization. Otherwise, we risk the continued growth of increasingly coercive governments, the corruption of enterprises through crony capitalism, and the consequential loss of both our freedom and our prosperity.”

Fun: Try re-reading that, but replacing “free-enterprise capitalism” with “human beings.”

Then let's be the change.

And while we're at it, let's also remember to celebrate and encourage greatness in others. Debbie's finger-pointing trick works both ways. As she says: “If you admire greatness in another human being, it is your own greatness you are seeing.”

The Four Tenets of Conscious Capitalism

“Conscious Capitalism has four tenets: higher purpose, stakeholder integration, conscious leadership, and conscious culture and management. The four are interconnected and mutually reinforcing. We refer to these as tenets because they are foundational; they are not tactics or strategies. They represent the essential elements of an integrated business philosophy that must be understood holistically to be effectively manifested.”

These Four Tenets form the core of Conscious Capitalism.

1. **Higher Purpose:** The positive difference a business is trying to make in the world.
2. **Stakeholder Integration:** Seeking to create mutually beneficial wins for customers, team members, investors, partners/vendors, society, and more.
3. **Conscious Leadership:** “Perhaps the most important element... Without conscious leadership, little else matters.”
4. **Conscious Culture & Management:** Self-sustaining, self-healing, and evolutionary. They are resilient (though not impervious) to leadership changes.

“Purpose, mission, and vision are often used interchangeably. However, it is important to maintain a distinction among the three. Purpose refers to the difference you’re trying to make in the world, mission is the core strategy that must be undertaken to fulfill that purpose, and vision is a vivid, imaginative conception or view of how the world will look once your purpose has been largely realized.”

~ JOHN MACKEY AND RAJ
SISODIA

“Frankl taught that people can discover meaning and purpose in their lives in three ways: by doing work that matters, by loving others unconditionally, and by finding meaning in their suffering.”

~ JOHN MACKEY AND RAJ
SISODIA

The book spends several chapters on each Tenet. We’ll spend one Big Idea on each.

Fuel to Fulfill the Mission

“Friedman believes that taking care of customers, employees, and business philanthropy are means to the end of increasing investor profits. I take the exact opposite view: Making high profits is the means to the end of fulfilling Whole Foods’ core business mission. We want to improve the health and well-being of everyone on the planet through higher-quality foods and better nutrition, and we can’t fulfill this mission unless we are highly profitable. Just as people cannot live without eating, so a business cannot live without profits. But most people don’t live to eat, and neither must businesses live just to make profits.”

The first Tenet is **Higher Purpose**. A conscious business doesn’t exist just to maximize profits (myth #3 above), but to make a positive difference in the world.

Reading that reminds me of Jim Collins, the extraordinary business strategist/thinker whose best-selling books (*Good to Great*, *Great by Choice*, and *Beyond Entrepreneurship 2.0*) echo and confirm the principles behind Conscious Capitalism.

Collins’ latest work, *What to Make of a Life* (see [Notes](#)), is (a) PHENOMENAL and (b) the first application of his trademark research approach to individuals, rather than businesses.

One of the key findings? People who live their life fully “reverse the arrow of money.” Rather than working to make money, they find a way to use money to fuel what they love.

As with a fully activated human, so with a fully activated business. Profit fuels purpose.

Brian talks about the same idea in both [Optimal Business 101](#) and the [Notes](#) on Nike founder Phil Knight’s book *Shoe Dog*: “A business needs healthy profits to survive (and thrive) just like we need healthy red blood cells to survive (and thrive). But... We don’t live for the red blood cells. And, optimal businesses don’t live for the profits. We use those profits as FUEL for our higher purpose of making the world a better place.”

Back to John and Raj: “Profitable companies can grow and continue to fulfill their higher purposes, and their profits fuel the growth and progress of our society.”

And “Just as happiness is best experienced by not aiming for it directly, profits are best achieved by not making them the primary goal of the business. They are the outcome when companies do business with a sense of higher purpose, build their businesses on love and caring instead of fear and stress, and grow from adversity—Frankl’s principles reinterpreted for business. The paradox of profits is that, like happiness, they are best achieved by not aiming directly for them.”

And in case you’re wondering: “How does a traditional profit-centered business fare when it competes against a stakeholder-centered business? As we detail in appendix A, there is compelling evidence that conscious businesses significantly outperform traditional businesses over the long run.”

Think Win-Win-Win-Win-Win-Win

“Stakeholders are all the entities that impact or are impacted by a business. Conscious businesses recognize that each of their stakeholders is important and all are connected and interdependent, and that the business must seek to optimize value creation for all of them. All the stakeholders of a conscious business are motivated by a shared sense of purpose and core values. When conflicts and potential trade-offs arise between major stakeholders, conscious businesses engage the limitless power of human creativity to create win-win-win-win-win-win (what we will refer to henceforth as Win^6) solutions that transcend those conflicts and create a harmony of interests among the interdependent stakeholders.”

“Most importantly, I have learned that life is short and that we are simply passing through here. We cannot stay. It is therefore essential that we find guides whom we can trust and who can help us discover and realize our higher purposes in life before it is too late.

.”
~ JOHN MACKEY AND RAJ
SISODIA

“This is one of the most important ideas in this book: If you look for trade-offs, you will always find them. We guarantee this. Humans have a strong confirmation bias. If we expect to see something, we are likely to start seeing it.”

~ JOHN MACKEY AND RAJ
SISODIA

The second Tenet is **Stakeholder Integration**, which shifts the perspective of a business from being narrow and self-serving into an expansive, positive-sum creative force.

“All are linked interdependently. Management’s responsibility is to hire the right people, train them well, and ensure that those team members flourish and are happy while they are at work. The team member’s job is to satisfy and delight customers. If we have happy customers, we will have a successful business and happy investors. Management helps the team members experience happiness, team members help the customers achieve happiness, the customers help the investors achieve happiness, and when some of the profits from the investors are reinvested in business, you end up with a virtuous circle.”

During the Conscious Capitalism annual CEO summit (which I HIGHLY recommend [checking out](#)), one of the most powerful parts is connecting with other CEOs committed to using business as a force for good, and hearing the Win^6 solutions they’re creating.

At the 2026 event, I was particularly struck by a conversation between Steve Hall (Founder & CEO at Make it Matter Foundation) and Steve Beard (Chairman & CEO of Covista). They shared how Covista, a health-care education company, is pioneering partnerships where (a) students get tuition support and clinical training in exchange for (b) employers getting a multi-year commitment to join their workforce after graduation, from employees who are already familiar with their systems and values, which (c) makes enrollments at the school go through the roof, which is good for Covista’s business, while (d) addressing a growing jobs gap by increasing the supply of well-trained nurses capable of staffing and serving in some of the largest hospitals. (Read more about this publicly-available case study on CNBC [here](#).)

Win-win-win-win-win-win. Win^6. That’s Stephen Covey’s Habit #4 (See [The 7 Habits of Highly Effective People](#)) on another level.

At Heroic, one of the ways we’re applying Win^6 is with our Heroic Leadership offer: A mission-driven CEO wants to grow their business, so they bring us in to develop their leaders and high-potentials (the 8s and 9s that they know can be 11s). Those individuals grow as leaders and as humans, at work and in life. Their teams then perform better and stay longer. Their customers get better work, and want more of it. The business fuels its higher purpose. And the CEO gets a growing business that they spend less time working in and more time working on... with a service they’re excited to renew because of the value it’s creating for everyone.

CEO wins. Mission wins. Leaders win. Teams win. Customers win. Heroic wins... and so do our partners, coaches, investors, and the world. Win^6^6

Back to the authors, quoting Ed Freeman and his colleagues: *“Managing for stakeholders is not about trade-off thinking. It is about using innovation and entrepreneurship to make all key stakeholders better off and get all of their interests going in the same direction.”*

Want a playful visual for the power you can create when you integrate and align different stakeholders in the same direction? Check out this clip from [Finding Nemo](#). “Swim down!”

That kind of alignment is necessary if we want to fulfill our higher purpose. And one of the most fun and rewarding aspects of the work we do is the opportunity to do it alongside extraordinary individuals, investors, and partners who are pointed in similar directions. People like the 150+ world-class Luminary Guest Faculty instructors who have helped train and coach Heroic OS+ members. Organizations like [Conscious Capitalism](#), and [Human Flourishing](#) (which grew directly out of the Heroic community), and [EOS Worldwide](#), and [Scaling.com](#), and [Mariner Wealth Advisors](#), and so many others. Day 1. All in. Let’s go!

Whose interests can you align with to create Win^6 outcomes?

Leaders, Learn and Grow!

“You cannot have a conscious business without conscious leadership.”

~ JOHN MACKEY AND RAJ SISODIA

“We humans have the potential to learn and grow all of our lives. It is sad when we stop learning and growing, because as soon as we do so, we begin to die—biologically, psychologically, and spiritually... Conscious leaders intentionally continue to learn and grow throughout their lives, challenging themselves to be and do more.”

Tenet #3 is **Conscious Leadership**. It’s absolutely critical. “*You cannot have a conscious business without conscious leadership.*”

If you’ve watched [Leadership 101](#), or explored some of the Notes in the [leadership collection](#), you know there’s no single, “right” way to lead. However, one characteristic that *IS* shared by conscious leaders is their commitment to continuous learning and growth.

Do you want your business (or your life?!) to grow? Then YOU need to.

“A business cannot truly evolve, learn, and grow if its leaders—particularly the CEO—are not learning and growing as well... Since leadership can often prevent the company from reaching its highest potential, one of the best motivations for wanting to learn and grow is that it will be beneficial not just in our own lives, but also in the lives of all those with whom we interact, including the company and all the people it touches.”

So how do we do that?

“A time-tested way to grow is to find role models—people whom we most admire and want to emulate. We’re naturally attracted to people who embody the qualities, ideals, and character virtues we most want to realize within ourselves.” (Again, check out the [Conscious Capitalism events](#)!)

And know that *“We are extraordinarily fortunate today to have the world’s collective knowledge and wisdom from ancient times to the modern day at our fingertips, available to access anytime, anyplace, and virtually for free. We don’t have to be restricted to only the mentors around us today... We can ‘hang out’ with Buddha in the morning, Peter Drucker in the afternoon, and Jane Austen in the evening. It is well worth our while to engage with the wisest, most enlightened beings that humankind has produced.”*

Of course I’m biased, but that’s EXACTLY why I believe any leader committed to continuous learning and growth should be using [Heroic OS](#) (or OS+) every day. (Plus have a [coach](#).)

John Mackey (co-founder of Conscious Capitalism & Whole Foods Market) is not biased. And he says: *“Heroic is the best self-development platform in the world.”* (Thank you, John!).

The Benefit of Self-Actualizing Human Beings

“Conscious businesses create purposeful work environments that challenge and encourage their team members to learn and grow. They understand the importance of creating self-managing work teams that are both empowered and collaborative. The conscious business organizes itself around intrinsic motivators such as purpose and love and creates a work environment that enables its team members to flourish as self-actualizing human beings. The benefits from this are shared by all the stakeholders, including investors.”

Tenet #4 is **Conscious Culture & Management**. Isn’t it beautiful that one of the keys to creating a powerful, conscious culture is to create an environment that enables team members to flourish as self-actualizing human beings?

Better human beings = better leaders and employees = better businesses = better world.

So what kind of environment are you creating? What shared assumptions, values, and

“It is essential that the “conscious mind” of management create a system in which all major stakeholders are aligned with the purpose of the organization and with each other. All should function as organs of a single body (indeed, the word corporate comes from corpus, or “body”), and all should be respected”

~ JOHN MACKEY AND RAJ SISODIA

norms shape how you (or your team) actually behave, especially when no one's watching? The soft stuff is the hard stuff. These things matter. Remember:

"The difference in business impact and personal happiness between a team member who is inspired, passionate, and committed and one who merely shows up for a paycheck is enormous. The blame for this does not lie with 'lazy and unmotivated' workers, but with companies that fail to create purposeful workplaces in which people are given the opportunity to find meaning, purpose, and happiness in their own lives by contributing to the valuable work of the company."

The Secret Weapon of a Heroic Business

"One simple thing we do at Whole Foods Market has proven to be transformative in helping create a workplace of love and care: all our meetings end with voluntary appreciations. We set aside time at the end to allow anyone in attendance to appreciate anyone else participating in the meeting—for something they've done recently together, some favor or hospitality, or even just qualities about somebody they like or admire."

What's the secret weapon of a leader? Of a hero? Of a Heroic, conscious business? Love. And celebratory or appreciation is one of the simplest, easiest ways to practice it.

On that note: Thank you. It's an honor to serve this movement as CEO, and I'm grateful for the trust you've shown me by making it to the end of this Note. I hope you found at least one Big Idea that really resonated, and that you're excited to put into practice.

I feel aligned with John and Raj when they say:

"Our primary purpose in writing this book is to inspire the creation of more conscious businesses: businesses galvanized by higher purposes that serve and align the interests of all their major stakeholders; businesses with conscious leaders who exist in service to the company's purpose, the people it touches, and the planet; and businesses with resilient, caring cultures that make working there a source of great joy and fulfillment. We truly believe that this will lead to a better world for all of us. Together, business leaders can liberate the extraordinary power of business and capitalism to create a world in which all people live lives full of purpose, love, and creativity—a world of compassion, freedom, and prosperity. This is our vision for Conscious Capitalism."



Michael Balchan

"All worthy purposes eventually take on a heroic character, because at some point, vision combines with scale to transform the world. In many cases, the purpose, too, becomes explicitly heroic, far grander in its scope and ambition than anything that could have been imagined at the company's birth."

~ JOHN MACKEY AND RAJ
SISODIA

If you liked this Note,
you'll probably like...

[Arete](#)
[Man's Search for Meaning](#)
[What to Make of a Life](#)
[The Tools](#)
[The 7 Habits of Highly Effective People](#)

About the Author of This Note

MICHAEL BALCHAN



Michael Balchan is the CEO + Head Coach of Heroic, Public Benefit Corporation. As Brian Johnson's student since 2011 and collaborative partner since 2016, he helped create Heroic OS, OS+, and the Mastery Series, and led the creation of Heroic Performance Coaching, Workshop Instructor Training, Accelerator programs, and Enterprise Leadership services. Michael is a Harvard trained behavioral economist, an Eagle Scout, an Ironman / Crossfitter / yogi, and a committed husband and father to his wife Kristen and their daughters, Dylan and Cameryn.