



VALUES AND VALUATIONS

Walk into any one of WeWork’s more than 200 offices around the world and you get exactly what you expect: trendy, techy spaces serving a new generation of business. WeWork’s co-working spaces offer “design for deep thinking” and are located in everything from derelict opium factories to historic buildings. And their growing popularity has earned WeWork a \$20 billion valuation, making the company one of the most successful startups in existence.

But the spaces are just a front. According to CEO Adam Neumann, WeWork is neither a tech nor real estate company. Instead, the chief executive says it is a community business bent on putting passion, people, product and **purpose** before profit. The company’s ultimate mission is “to create a world where people work to make a life, not just a living.”

The executive is set on proving that **purpose** through a series of programs. In 2017, WeWork announced it would launch WeGrow, a private grade school where the goal is to “mold the next generation of entrepreneurs,” according to Business Insider. WeWork has already launched Rise by We—a facility that features gym equipment, saunas and yoga classes that connect wellness and spirituality with entrepreneurialism. The company has also



made big commitments to aid military veterans and refugees.

By focusing on the people who share the same space every day, we can create a sense of community,” Mr. Neumann told young entrepreneurs during a visit to India, reported *The Business Standard*. “Relationships forged [here] lead to a happier, more stable workplace.”

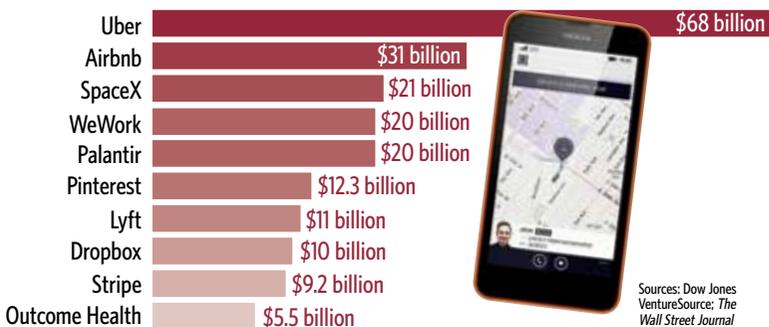
But is WeWork’s buzzworthy **purpose** inflating the company’s true worth? Some critics say yes.

“WeWork is nothing but Regus with a paint job—it’s newer, cooler,” Frank Cottle, chairman of Alliance Business Centers, a large network of serviced offices, told *The Wall Street Journal*. The newspaper also reported that “IWG PLC, an office-leasing company with a business model similar to WeWork’s, manages five times the square footage and has about one-eighth the market value.”

“WeWork is arguably the most overvalued company in the world,” Scott Galloway, a marketing professor at the NYU Stern School of Business and founder of business

KNOW THEIR WORTH

The 10 most highly valued startups in the United States are:





Members work in a common room at the WeWork offices in San Francisco.

PHOTO BY MICHAEL SHORTY/GETTY IMAGES

intelligence firm L2, told Business Insider. “WeWork is now getting a valuation equivalent of \$550,000 per customer. So it’s hard to imagine how they can monetize consumers to the extent that warrants a \$550,000 evaluation per consumer. I bet if you look at a Regus or another co-working space, you’d find that they’re worth kind of single-digit thousands. WeWork makes absolutely no sense. [It] is the perfect example of this frothy market of consensual hallucination between the company and its investors.”

SALESFORCE'S SOCIAL CAMPAIGN

Salesforce has built its brand on doing well by doing good.

“Companies can do more than just make money, they can serve others,” CEO Marc Benioff told *Forbes*. “The business of business is improving the state of the world.”

That philanthropic **purpose** was formalized in the organization’s “1-1-1 model,” which leverages 1 percent of the company’s technology, 1 percent of its people and 1 percent of its resources to improve the world.

Salesforce is now putting this model into action to influence social change. In October, Salesforce Ventures launched a \$50 million impact investment fund “to invest in social enterprises that are using its cloud-based customer relationship management platform in new ways to change the world,” according to *Fast Company*. The fund will specifically seek out startups using the Salesforce platform in four priority areas:

- **Workforce development:** Companies enabling equal access to education to prepare students and workers for the jobs of the future.
- **Equality:** Companies developing tools that promote equal opportunity and economic empowerment for women and underrepresented groups.
- **Sustainability:** Companies creating better access to clean energy, improving resource efficiency and increasing supply chain performance.
- **Social sector:** Companies amplifying impact for nonprofits and NGOs through technology that increases efficiency and transparency.

“At Salesforce, we’ve been committed to doing good as part of our business model since our founding and pioneering of the 1-1-1 model,” said Suzanne DiBianca, executive vice president, corporate relations and chief philanthropy officer, Salesforce, in a press release. “The Salesforce Impact Fund allows us to support a new generation of startups that are focused on driving positive social change.”

BLOCKCHAIN FOR CHANGE

The European Union (EU) is betting big on blockchain.

As part of its Horizon 2020 initiative, the EU has already awarded more than €5 million in grants to companies using the technology on various projects, such as cryptocurrency.

Now it is doubling down on

those efforts.

In November, the EU announced its Blockchains for Social Good contest, which challenges individuals, social entrepreneurs, civil organizations, research centers, students, hackers, startups and others “to develop scalable, efficient and high-impact,

decentralized solutions to social innovation challenges leveraging Distributed Ledger Technology (DLTs),” according to European Commission’s website. The winning entry—which will receive €5 million—will demonstrate not only social impact, but also transparency and accountabil-

ity, usability and inclusiveness, cost-efficiency, and clear added value for European citizens in societal, economic or environmental terms.

Entries must be submitted by the second quarter of 2019, and the winner will be announced in 2020.