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## BUSINESS EUROPE

# Anita Roddick

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The "Queen of Green," the "Mother Teresa of Capitalism," the formally appointed "Chief Wiper Away of Tears" of the Ogoni People -- Anita Roddick, founder of The Body Shop, died this week. What was her real legacy? Was she the pioneer that mainstreamed corporate social responsibility as a corporate necessity? Was she the activist who sold out to big business?



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It all began in Brighton. Anita had two kids. No job, no cash, and a husband who had gone off to ride a horse from Buenos Aires to New York. What she did have was an idea: a local shop selling homemade beauty products. She had spotted a location, nestled between two funeral parlors in downtown Brighton. She could call it "The Body Shop." Plus, she reckoned, she could paint the walls green to hide the mold. If the company couldn't afford enough bottles, customers could easily bring them back to refill their own. They would call it recycling.

So Roddick went to the banks. Nowadays they would know instantly what to do -- offer her a loan on predatory terms, take the family house as collateral, and then sell her off anyway as a collateralized debt obligation to some unsuspecting hedge funds. But this was 1976. No income? No asset? No business experience? No business plan? Not bewilderingly, these banks said no (they called it credit risk management). So Roddick approached a good friend, the owner of a local garage. He lent her £4,000.

The Body Shop worked from the get-go. Customers flocked in, some beguiled, allegedly, by trails of scent that Roddick left leading from the street to her door. From 1976 to 2006 The Body Shop expanded from its Brighton storefront to 2,045 shops, with 77 million customers. Later, when then Dame Anita Roddick, Commander of the British Empire, sold the company to L'Oreal, the former garage owner-cum-partner walked away with £137 million.

So The Body Shop was a financial success. But what is its broader legacy?

The first is unarguably the issues that the company supported. From the outset, and increasingly as the company stock-piled cash, Roddick used The Body Shop not just to push natural products but as a platform to support the issues that she, her customers and her employees cared about.

Across the pantheon of British campaigns from the 1980s onward, wherever you look, there was

Roddick. Her story is a rendez-vous with activist history that is almost Forrest Gump-like: financing the London headquarters of Amnesty International; supporting Greenpeace's Save the Whale Campaign; pioneering the use of a biodegradable plastic bag for Body Shop products; campaigning for the U.K. government's decision in 1998 to ban animal testing for cosmetic products and ingredients; campaigning against domestic violence; pioneering fair trade with emerging markets; fighting against the mining industry's carbon emissions; leading the long-term campaign against Shell and its role in the Ogoni Delta in Nigeria, a campaign that was critical in the release of releasing 19 Ogoni held in Nigeria after the execution of Ken Saro-Wiwa. Needless to say, she could've done none of this had her business not prospered.

That is not to say that she was above reproach. Too far, said some employees and franchise operators, when she wanted the group as a whole to take a stance against the first Gulf War. Not far enough, said campaigning journalist Jon Entine in a 1996 environmental and social audit of the company. Why did The Body Shop propose boycotts of China when some of its own suppliers were Chinese? Why was the company at war with Shell when it used plastic bottles made with petrochemicals? Just how much of its revenues did the company really share with the Kayapo Indians in Brazil, who produced key ingredients for Body Shop products?

And why, above all, did the company sell out last year to L'Oreal -- a firm 26% owned by Nestlé, a target of Roddick's boycotts?

But that publicized tension, between the ethically desirable and the operationally possible, may be the evidence of her lasting impact. Under Anita Roddick's leadership, The Body Shop engaged. Not from a theoretical perspective, but hand to hand. And she engaged with a simple and radical vision: Her corporation would be accountable not just to its shareholders, but to its broader stakeholders -- from employees to local communities to customers. It would be a corporation that delivered on three bottom lines -- environmental, social and financial results -- providing benefits to those stakeholders and deriving superior performance in return.

And that, across the range of stakeholders the company coexisted with, is what she pretty much delivered on. The sales force led Body Shop at Home parties driven by word-of-mouth marketing. NGOs co-branded and delivered Body Shop outreach and positioning to new domestic and international audiences. The media lionized her as a feminist icon, and her company as a business model. Franchisees queued up to expand the business into 55 countries. "Socially responsible investors" piled into the stock as one that met their own ethical and social criteria while delivering financial returns.

Most important, The Body Shop's customers wanted Body Shop items, as politicized shoppers purchasing the two-for-one combination of product and impact. The result was a company whose market value stood at £350 million in 1991 and which was finally acquired for £652.3 million.

The Body Shop pioneered the stakeholder corporation. The mark of its influence lies perhaps with the extent to which that model is now the articulated, if not fully implemented, mainstream. The final proof of her legacy will be the ability of companies to deliver it.

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