



Challenges for Sustainability v3.0

Making future ready solutions for Sustainability in businesses

This paper attempts to define Sustainability initiatives in businesses organizations in three versions (chronologically) and introduces its future, Sustainability 3.0. The paper also identifies the three anticipated key challenges for Sustainability 3.0 and initiates discussion on how can we collectively solve them using Solution Focused change techniques

FLASH NEWS

Finding the Future of Sustainability in Businesses, 6 Sept 2011

The latest McKinsey study on the business of sustainability (Bonini, 2011), states that more companies are reducing energy usage (63% of respondents) and waste in operations (61%) than merely managing their reputation (51%). The keyword for the future of sustainability initiatives in businesses might be "Engagement".

Sustainability v1.0:

Building a responsible image was used as one of the first business cases for sustainability initiatives in businesses. Managing reputation of the company amongst customers and other stakeholders was the mandate of Sustainability 1.0.

Famously labelled as green washing, many corporations portrayed themselves as environmentally responsible without any evidence and by masking environmental wrongdoings. The focus was to create a perception and legitimacy that the business is performing all activities in line with societal and environmental values.

Sustainability 1.0 marks the end of green washing and the start of measuring impacts of sustainable business practices. Managing reputation by fulfilling societal commitments with credibility was essentially the focus in Sustainability 1.0.

Sustainability v2.0:

It's high time that we celebrate the acceptance of non-financial performance (sustainability) reporting by corporations. Organizations like GRI and CDP have established global, common standards while management consulting firms and sustainability professionals are eagerly sought for quantifying and recording all the reporting requirements. The process for collecting non-financial information is laid out through sophisticated reporting systems like Ecodesk and CSRHub. I would call the increasing corporate focus on reporting sustainability performance data as Sustainability 2.0. The 2010 accountability statement of Vancity, Canada's largest credit union



is a great example of leadership in integrated (financial and non-financial data) reporting across the globe.

Sustainability v3.0:

So, how does Sustainability 3.0 look like? It is a state in which all employees in the organization realize the importance of sustainable business practices and make decisions while coordinating with all relevant stakeholders.

The key challenge for Sustainability 3.0 is **Engagement**. Realization of the top level strategies comes only when every employee is engaged in the journey. Also, the policies and regulations will be successful (in terms of accelerating good growth), only when all the stakeholders are engaged. Implementation of cost cutting, responsible initiatives within companies, the increasing scope of stakeholder involvement, and the engagement of leadership at all levels within the corporation are the end objectives of Sustainability 3.0, apart from the continuing challenges in expanding the sustainability reporting systems.

After analyzing global reports and white papers on Challenges for Sustainability in Businesses” released by the major consulting firms during 2011, the three key challenges for sustainability 3.0 were identified:



Key Challenges for Sustainability in Businesses:

1. Creating Change Leaders(tribal leaders) for total engagement:

The McKinsey study August 2011 on “The Business for Sustainability” states that 94% of the respondents say their companies have integrated sustainability into strategic planning. The next stage—Sustainability 3.0—is to catalyze key employees to translate C-suite strategic commitment into organization-wide action. How do we create change leaders (tribal leaders) who

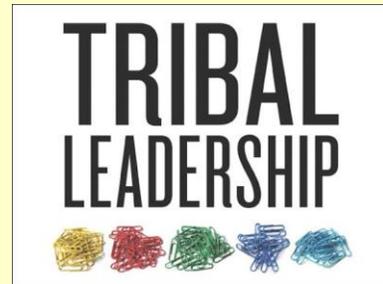


Image: <http://integrallife.com/node/74571>

will enable such a transformation within their organizations? Building an enduring corporate culture of sustainability in the business organization, where all employees are totally engaged in the formulation and implementation of sustainability initiatives, is the greatest challenge for sustainability in businesses. How can we create change leaders or influencers at all levels of the organization to promote sustainability?

2. Communicating the Value Proposition to businesses

The 2011 PwC global CEOs survey (forecast 2014) suggests that companies could save costs by minimizing business risks, improving operational efficiencies and improving employee retention, morale and productivity. CEOs across the globe also believe that there are business opportunities arising by creating sustainable innovative products and services. Despite strong business cases, the C-suite still hesitates in accepting sustainability as a business value proposition.

Probably, the same kind of resistance existed while introducing new concepts such as “Quality” or “Innovation” in organizations. How did companies end up embracing “Quality” as an organization wide norm “Total Quality Management (TQM)”? How can the value proposition of “sustainability” be communicated so that it becomes a cultural norm or policy within businesses?



Image: <http://www.acbizsolutions.webs.com/>

3. Co-creating policies that promote Good Growth:

Any provincial or federal election adds lots of uncertainty towards sustainability initiatives in businesses. Public consultations to formulate policies to mitigate

recession and climate change risks can be more effective by having a shared agenda across the public, private and NGO sectors. Even though governments across the globe, in whatever level they are (federal, provincial or regional) are coming up with the regulatory policies, the private sector will have to work closely with the public sector, NGO and other stakeholders to arrive at the common shared agenda (half of the CEOs surveyed by PwC are optimistic that a shared agenda would be more effective than it has been in the past). How can the businesses, governments and all related stakeholders co-create policies that promote good growth (financially, socially and environmentally sustainable)?



Image: http://www.12manage.com/methods_prahalad_co-

Need for Solutions Focus:

It's high time we stop speaking about problems faced by companies, environmentalists, consumers, and governments in the field of sustainability. The repeated recession strikes on the economy should accelerate our actions in making the world more sustainable and arrive at comprehensive solutions quickly.

Solution Focus (SF) is a smart, agile model for change unique only in its simplicity. What makes it different and more effective is the framework, in which it is practiced, namely: a) what already works? b) How will the world look once the problem goes away? c) What small steps might get us moving in that direction? The potential outcomes would be simple, actionable steps for tackling the challenges and also solving the problems from the world of optimism.

Stakeholder Consulted Solutions:

The importance to stakeholders' perspectives has grown in business corporations and other organizations than ever before. Collaboration and Partnership are the



Image: http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/multi-stakeholder-forum/index_en.htm

key words for Sustainability 3.0 mainly because engagement is the means to the sustainability journey. Expression of the different perspectives and agendas early on is the key to form an integrated platform in which each stakeholder has some wins despite certain compromises. Everyone is looking for an inclusive solution that is

acceptable by all the stakeholder groups, in business schools they call it that Win – Win – Win (wherein every stakeholder wins in this

deal). Stakeholder management is a very important framework used in formulating sustainability strategies and also complementary to the triple bottom line (people, planet and profit) framework.

What is Solution Focus Change?

Solution Focus (SF) is a smart model for change. What makes it different and possibly more effective is the framework in which it is practiced, namely:

- What's already working (in detail- despite the problem)
- What needs to be different and what will it look like when it's working
- What small steps might get us moving in that direction

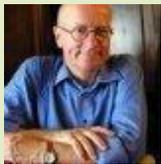
There are many change practices that are helpful to individuals and organizations. SF looks at what we want to happen so that we can go forward sustainably. We reframe problems by looking among them for purposeful elements, solutions within, and we willfully ignore the *cause* of what troubles us.

"Instead of problem solving, we focus on solutions building. Which sounds like a play on words, but it's a profoundly different paradigm" Insoo Kim Berg

"Ah yes," you say, "but what if the solution is the wrong one?" The answers to that often raised challenge are:

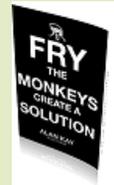
- a) Who knows what's 'right'! Better to make progress right away and to learn something;
- b) Solutions via the slower problem/cause mode the solution is often highly constrained
- c) Things change all the time so why not use SF to speed up the process.

How? The first step is to be counterintuitive: stop using the ancient and well-loved tool – complain/understand/fix. It can't be that simple, can it? Not really. In every practice there are many deviations and exceptions thus, in SF we treat every case as different.



"Transform your Business Using the Most Powerful Facilitation Tools your Organization Already Owns"
- Alan C. Kay, Solution Focused Change Expert

www.frymonkeys.com



Potential Outcomes:

By getting to emergent solutions quicker we can align with the needs of other stakeholder groups' inputs and agenda. By helping stakeholders align we can more readily find creative and innovative solutions for the key challenges in Sustainability 3.0 for businesses. In aligning through emergent solutions we add value to the process and build trust among stakeholders. What are those innovative solutions acceptable by all stakeholders? What are the immediate small steps that can accelerate our progress in Sustainability 3.0?

Share your thoughts at: sustainabilityv3.0@gmail.com

How can you engage?

<p>Attend Workshop on Sept 24 @ CSI, Toronto</p>			 @SF_BIZ_1
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This study was conducted as an independent research paper with inputs from the reference reports including those from the top consultancy firms. Special thanks go to all those industry experts, academic researchers and especially my LinkedIn connections across different countries, who have added immense value to this study by their valuable feedback.

About the Author:

Venkat Somasundaram is a mechanical engineer and recently completed his MBA from the Schulich School of Business, York University with a focus in Business & Sustainability. He is currently an independent consultant with businesses and not-for-profits, assisting them to integrate sustainable practices into their core business model. For his professional profile, please visit:

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Other Relevant Projects: Sustainability Consulting Opportunities in Canada, Life Cycle Assessment in Commercial Vehicles (Trucks and Buses), Sustainability reporting systems, Integrated Reporting and Greenhouse gas reporting

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