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The connected company

Sustainability is now at the forefront of the latest Industrial Revolution, combining collaboration, innovation and brand positioning in the corporate mix. By Dan Atkins.

The need for sustainable business practices is no longer a topic of debate in many boardrooms. The market has shifted and the business world is moving on. A number of progressive companies are at the forefront of this new Industrial Revolution, shifting both their entire business models along with the greater business context; and they're using collaboration and innovation to do so.

Sustainability has moved far beyond simply implementation of a one-size-fits-all framework and the development of a sustainability report. It now forms a major part of many companies' brand positioning, and the changing way in which companies are articulating their sustainability journey has seen a growing need to engage a wide range of stakeholders in the conversation.

Companies everywhere are increasingly calling on their stakeholders for assistance on this new and relentless drive towards innovation and collaboration.

Gone are the days when one company's annual, and sustainability reports look so different you'd be forgiven for thinking they had been developed by two separate companies. A growing number of stakeholders, including customers, employees, investors and suppliers are asking companies for in-depth sustainability information that goes beyond the requirements of the Global Reporting Initiative.

Accurate business metrics and measures that evaluate a company's sustainability integration within strategy, overall reporting and culture will be increasingly vital in communicating that firm's sustainability credentials.

The emergence of social media and Web 2.0 is also contributing to this changing context. Through applications like Twitter and Facebook and growing access to an expanding and informed market, businesses have increasing opportunities to communicate and leverage their sustainability credentials. To do so however, they must develop sophisticated engagement models.

Also emerging are many opportunities for business to embrace collaboration, stakeholder engagement and innovative new operating models. They will however, be under the spotlight more than ever, as these technological advances dramatically increase the demand for corporate transparency.

Collaboration, conviction, courage

So what does this changing context require of business? The World Business Council for Sustainable Development (WBCSD), in its recent report 'Vision 2050 – the new agenda for business', described the way forward as "a call for further dialogue... a call for action. Collaboration, conviction and courage will be required to visualise and implement the radical changes needed".

The World Economic Forum (WEF) refers to this changing context as the "new normal" where "the global economy is... driven by a combination of innovation, evolving consumer values and more accurate product costs... a world defined by innovation and a new abundance".

The involvement of my firm, Shaper Group, in the forum's Driving Sustainable Consumption project demonstrated to us how collaboration and sustainable innovation are being used by leading global companies to drive this changing context. Companies such as Nike and Wal-Mart are shifting their focus towards sustainable business practices and, in doing so, are changing their entire business models.

Wal-Mart, the world's largest retailer, is working closely with its suppliers to reduce greenhouse gas emissions in the supply chain by 20 million tonnes by 2015. It is actively using collaboration and innovation to embrace sustainable business practices and also founded the Sustainability Consortium, an independent group aiming to develop "transparent methodologies, tools and strategies to drive a new generation of products and supply networks that address environmental, social and economic imperatives".

Nike and Wal-Mart are not alone. Best Buy, Nestlé, SC Johnson, Unilever and others involved in the WEF project are also unveiling new business models that capture the opportunities of this changing context.

For example, Chris Librie, director of global sustainability at cleaning products company SC Johnson, told the WEF event how his company was engaging consumers and demonstrating transparency through the 'Greenlist', which educates consumers and provides full disclosure of the ingredients in all products.

Business now has a real opportunity to drive engagement throughout the value chain and identify areas of innovation and collaboration. Businesses wanting to grasp this opportunity will need to both re-think how their value-to-customer is created and move towards longer term, trusted relationship with key stakeholders. Many companies are already actively talking with their supply chain and forming long term relationships with their key stakeholders, including customers. This shift in business thinking and practice drives us into uncharted, yet exciting and essential new territory: a global system that has re-defined business value away from resource consumption.

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