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That companies need to become more sustainable is no longer the debate, but there is a need to understand (in easy terms) what companies could be doing and how this action will deliver sustainable business success, as well as helping to save the planet.

The *Global Research Project In Search of Sustainable Business* was established to take this challenge forward, to 'join up the dots' and to help business leaders develop holistic, rigorous and business-focused approaches.

Following 18 months of detailed case study development and analysis, I am pleased to share a summary of the initial insights from the first phase. Many of the lessons are transferable and helpful to organisations in all sectors. We have therefore distilled the key insights into 12 principles for sustainable business:

1. **Think big.** Carbon is not the only issue. By considering all aspects of sustainability – including resources, waste, people, biodiversity and energy – it is possible to make a greater impact.
2. **Develop your structure.** An appropriate measurement and reporting framework for environmental, social and economic impacts provides visibility, focus and discipline. Life-cycle impact analysis enables you to identify opportunities for cost savings and improved sustainability performance.
3. **Think entrepreneurially.** See if you can incorporate sustainability principles to generate new income streams, differentiate your goods and services and enhance competitive advantage. For example, producing renewable energy as a sideline to benefit from appropriate feed-in-tariffs.
4. **Look at product innovation.** Consider ways of innovating in

How to deliver: a dozen principles for sustainable business

HEADLINES

- 40% reduction in carbon emissions and energy use is already achievable;
- Sustainable products can offer significant whole-life cost advantages, with up to 40% savings;
- Closed-loop models can enable even greater levels of waste reduction, re-use/recycling and associated carbon reduction (70%);
- Integrating sustainability principles in goods and services can deliver improved profitability, in some cases doubling margins;
- Payback for specific initiatives within 1-2 years

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product design to reduce the amount of virgin raw materials needed, increase the use of recycled content and establish suitable low-carbon alternatives. Consider offering value-added customer choice, perhaps changing your model to focus on services that look after the complete product lifecycle.

5. **De-risk your business model.** Establish how dependent your products and business operations are on non-renewable inputs;

look to find ways at reducing your long-term dependency and business risk.

6. **A structured approach to energy- and carbon-reduction.** Think about the 'energy hierarchy'. Can you reduce initial demand and then improve efficiency, before considering the optimal mix of renewable energies.

7. **Re-think resources and waste.** Consider adopting a closed-loop or cradle-to-cradle approach to resource management. Find ways to re-use your own waste, or even waste from other industries.

8. **Sustainable supply chains.** Seek out suppliers who share your vision and values. Share the challenge and work collaboratively with your key suppliers. But ensure that commercial arrangements support and enable, rather than inhibit investment through the supply chain.

9. **Align with other business initiatives.** Try integrating the key principles of 'lean', continuous improvement and energy, carbon and waste reduction within your own services and processes. Look for the full range of beneficial impacts that may be possible; scarcity and cost challenges may be a route to deliver improved resource utilisation, waste reduction and enhanced profitability.

10. **Collaborate to compete.** Nobody has all the answers. There are a surprising number of people and organisations out there, grappling with similar challenges – go find and collaborate.

11. **Sell the business case.** Model all intended benefits and costs to establish initial business case expectations. This enables you to sell the new approach to your board, customers and other stakeholders – and win over any sceptics.

12. **Leadership is crucial.** Winning hearts and minds is key. Effective leadership, awareness raising and promoting the benefits will all help to drive change. Employee engagement is vital; try and tap into the latent desire for improvement; set the challenge and see the great ideas they can generate. Try and incentivise the right behaviours, with a balance of 'stick and carrot'. Finally, change is hard, so persevere. Even when the going gets tough, never give up.

For a full copy of the report, join the project's online community at www.globalsustainablebusiness.org and visit the 'Case Studies Learning' section. Michael Townsend is founder and CEO of Earthshine Solutions Ltd
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