

The strategist's bookshelf

Positioning the business for a sustainable future

Gayle C. Avery

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David Grayson, Chris Coulter and Mark Lee: *All In: The Future of Business Leadership* (Greenleaf Publishing & Routledge: London, 2018).

CEOs need to develop strategies that will make their enterprises sustainable in today's volatile, uncertain, complex and ambiguous (VUCA) world, particularly now that sustainability has become mainstream. In their new book *All In: The Future of Business Leadership*, David Grayson (social entrepreneur and Cranfield Professor Emeritus), Chris Coulter (CEO of GlobeScan) and Mark Lee (Executive Director of SustainAbility) offer powerful insights on how leaders can orient their businesses towards sustainable futures.

This highly readable book draws on the combined practical wisdom of thousands of experts through the GlobeScan-SustainAbility Leaders Survey collected over two decades and from interviews with Chairs, CEOs and Chief Sustainability Officers of well-known corporations. The Leaders Survey tracks the extent to which a panel of experts recognizes companies as leaders in sustainability, resulting in annual company rankings.

The authors, long-time advocates of making sustainability a core goal of management, describe how the concept of sustainability has progressed in three phases, now with a fourth phase pending. In Phase 1

(1997-2005), corporate sustainability leadership was about avoiding harm, primarily to the environment, reducing risk and minimizing the negative impacts of doing business. BP and Shell provide examples from this era with their attention to safety and not polluting.

Phase 2 (2005-2016) saw a shift to integrating sustainability practices into a firm's strategy – making it part of business planning, environmental and social impact reporting, and product and service development. Walmart epitomizes this phase with its announcement in 2005 of pursuing 100 percent renewable energy, eliminating waste and shifting to sustainable products, and more recently of reducing carbon in its supply chain. Pursuit of these and other strategic goals led to major transformation of how Walmart does business.

In 2016, just as many CEOs and their teams were mastering the strategic phase, the third and current phase in sustainability arrived. In the new Phase 3, leadership is based on clearly-stated values and purpose, with the purpose permeating every aspect of the business. Purpose-driven leaders like Paul Polman at Unilever and founder of Patagonia Yvon Chouinard examine every corporate action, function, product and service for the positive impact it makes on the world.

As for the future, the authors of *All In* anticipate the arrival of a fourth phase

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from around 2025 – the Regenerative era. In this phase, companies will be expected to focus on the circular economy (closed loop), use accounting models that assess all environmental and social impacts in addition to economic outcomes, and optimize the positive impacts of everything their company does.

All In is full of examples of corporations leading in each phase and details how they got there. Most were catapulted into sustainable leadership by one or all of three key catalysts:

- Pressure from external conditions, including from stakeholders.
- Perspectives, often taken from science and technology.
- People – key individuals or champions of sustainability. Well-known among these champions are Ray Anderson of Interface carpet fame, Lee Scott at Walmart and Hannah Jones at Nike.

The GlobeScan/SustainAbility Leadership Survey also reveals that the companies highly ranked on sustainability have changed across the phases. For instance, in 1997, companies such as Dow, Monsanto, 3M, Dupont, Shell and Interface topped the list for their efforts in identifying their negative impacts. Twenty years later, purpose-driven Unilever, Patagonia, Interface, IKEA, Tesla, and Natura take the top places. Only Interface has continued to rank at the top.

However, across the different phases, the Leaders Survey shows that

sustainable corporations exhibit a consistent set of leadership attributes: Purpose, Plan, Culture, Collaboration and Advocacy. *All In* explains how each of these attributes has been implemented, providing a range of current examples from around the world and a set of enablers for each attribute:

- **Purpose** involves being clear about why the business exists. That is, we explain to stakeholders, “Why we do what we do.” Enablers of purpose include being authentic, linking business decision-making to social good, ensuring senior management buy-in, mobilizing stakeholder understanding and engagement, and being flexible and open to adapting to changing societal expectations.
- **Plan** brings the purpose to life by articulating what we aspire to, and what we actually do, and then being consistent about our actions. Enablers include identifying a compelling business case for sustainability, integrating the purpose across all core business activities and functions, measuring and monitoring progress, and supporting senior managers who follow the plan even in difficult times.
- **Culture** supports the purpose in how things are done. Culture builds on the organization’s history and values and ensures transparency and trust. Behaviors that reflect the desired culture are recognized and rewarded, accountability and ethics reinforced, innovation and

learning supported and diversity and inclusion fostered.

- **Collaboration** involves partnering with other businesses and sectors of society to achieve the purpose. Enablers of collaboration include matching partner and company objectives, identifying the most suitable structure and form for the partnership, balancing the depth of commitment among partners, ensuring top team support, attending to governance and facilitation issues between the partners and ensuring that the collaborations operate within local and other laws.
- **Advocacy** identifies where the authority of the business is used to advance sustainability. Enablers of advocacy include being able to justify the advocacy to other stakeholders as being in the long-term interests of the business, and ensuring consistency in company conduct. Effective advocacy requires having clear and transparent objectives, being proportionate in handling the topic, adopting the best available scientific knowledge and understanding the appropriate context and respecting alternative views.

I can recommend *All In* as a highly enjoyable and practical guide for CEOs looking to bring their companies into the current phase of sustainability and to help them develop strategies to ensure a more sustainable future for their company and for the world.

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