

February 1, 2013

Topic: Organizational Environmental Sustainability

Contributors

Tiff Armstrong
Managing Director
Harris Williams & Company

Brian Beckmann
MBA Candidate

Sam Chin
Argo Group International Holdings
MBA Candidate

Donna Cox
Vice President, Global Communications
MWV

John Deuel
National Trainer, Keep America Beautiful
Owner, GreenQuest, LLC

Debbie Fisher
Associate Director, MBA Program
Robins School of Business

Ken Krause
Director, Global Product
Stewardship & Sustainability
MWV

Rob Little
MBA Candidate

Austin McDaniel
Nano Drying Technologies, LLC
MBA Candidate

Judith Schremppf-Stirling
Assistant Professor of Management
Robins School of Business

Lacy Strickler
Brooks Adams Research
MBA Candidate

Kendree Thieringer
The Martin Agency
MBA Candidate

William F. Weber
Vice President – DuPont Protection
Technologies, North America
DuPont

For information about the
MBA Dinner Series, contact
Debbie Fisher (dfisher2@richmond.edu)

Key Knowledge Points Developed

Leadership and Strategy

- If companies focus on their core values and dedication to integrity regarding sustainability, they will represent themselves correctly in the marketplace.
- Companies should not focus on only altruistic reasoning, but rather allow sustainability to be a differentiator leading to customer engagement.
- Some companies should focus on what is practical—what will work, and not hide behind what is theoretically important.
- Forward thinking companies are focused on developing better ways to address their ecological footprint combined with better ways to address the needs of their value chain.
- Despite the buzz about sustainability, many organizations have yet to internalize sustainable business practices. The CEO and senior leadership must serve as authentic ambassadors for change in regards to their sustainability efforts. Leadership must promote and expect cultural and individual change within their organizations.
- The government views corporations as part of the solution. Industry leaders must work with the government and regulators to develop tough and reasonable environmental laws and initiatives and then position for and guide internal corporate implementation. Companies should self-regulate before regulations are required of them.
- The government and regulating bodies must enforce sustainability regulations for all organizations.
- It is important to incorporate sustainability into the overall business strategy of the company and balance the triple bottom line between the economic, social, and environmental impacts. Without all three of those ideals working together, none of the three can be maintained.
- Global companies have a difficult challenge in balancing what they are doing domestically for sustainability with what can be done in a developing country where workers may not even have shoes to wear to work. It's important to protect these workers, engage them in more sustainable business practices with the goal of having that become their preferred mode of operation.

Definition

- Sustainability is a relatively new concept in the corporate world and is still evolving in both meaning and practice.
- Different stakeholders have different definitions of sustainability and therefore different expectations. This must be kept in mind while communicating sustainability progress.
- Being green or sustainable has no official definition, and continues to evolve as technology and education move forward. As a result, each individual corporation has to define for itself what sustainability will mean to them.

Consumers

- Smart companies will conduct business in a way that allows their sustainability efforts to be filtered through their customers.
- Industry is not always the triple bottom line “bad guy.” A company may proactively value sustainability, but these efforts don't always align with consumer preferences.
- Our generation needs a paradigm shift. Consumption in the USA is alarmingly higher than any other country in the world. It is not sustainable and technologies and habits will have to advance to help solve the issue. Protecting our natural resources and promoting sustainable practices will be increasingly important in the coming decades as the population continues to grow.
- While sustainability is a main focus for large firms, it is also important to start with the individual, the consumer. When consumers make more environmentally-friendly decisions, the entire world benefits.
- Product pricing can be used to encourage consumer behavioral change regarding sustainability efforts.
- Educating consumers about living more environmentally friendly in their communities and workplaces has proven to be effective at reducing energy consumption. However, it is still not clear whose responsibility it is to provide this education.
- Sustainable practices can be different in every situation and depend on variability in geographic location, service being considered, and nation where the business is taking place.

Innovation

- Sustainability doesn't always apply to processes and tools that we are currently familiar with; it can extend to technologies that are just being discovered—technologies that could have serious impact on the health of people, the environment, and communities. Companies that discover technologies with these possibilities must police themselves and assist the government in establishing reasonable regulations to ensure that the technology is not abused.
- Sustainable development is often thought of as an altruistic ideology, but it can be a very economic activity for many companies—especially companies that are first to discover and move on novel, more sustainable technologies.

Metrics

- How do you measure sustainability efforts/ what is deemed a success? This is different for each company and each individual. It is important for a company to figure out what is the bottom line for them and endeavor to meet that goal.
- Corporate sustainability progress is difficult to quantify. However, metrics can be created based on past performance.
- To promote accountability, it is important to tie sustainability measures with individual actions when possible.

Communication

- Many companies need to get past being defensive in their communications regarding sustainability.
- Communication is important for sustainability efforts. Not only does it promote buy-in from the shareholders and community, it can also serve as a vehicle to drive change.
- It is less about promoting the corporate message about sustainability, but rather making sure that the message is understood.