

2008-2009

Building Communities Educational Series: Sustainable Business Practices and Strategies

**Brought to you by the Center for Community & Economic Development
Co-sponsored by the Sustainability and Energy Teams
University of Wisconsin-Extension**

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Center for Community &
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Today's Presenter

Bob Willard

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www.sustainabilityadvantage.com



Bob is a leading expert on the business value of corporate sustainability strategies. He has given hundreds of keynote presentations to corporate, government, university, and NGO audiences on the bottom-line benefits of sustainability strategies. He has authored two books, *The Sustainability Advantage* and *The Next Sustainability Wave*, and created a DVD of his presentation, *The Business Case for Sustainability*. His next book, *The Sustainability Champion's Guidebook*, will be released in spring 2009. He worked 34 years with IBM Canada, is on the faculty of the Sustainable Enterprise Academy, and serves on the advisory board of the Natural Step Canada. He has a PhD in sustainability from the University of Toronto. See www.sustainabilityadvantage.com for more information about him and his resources for sustainability champions.

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Sustainable Business Practices and Strategies

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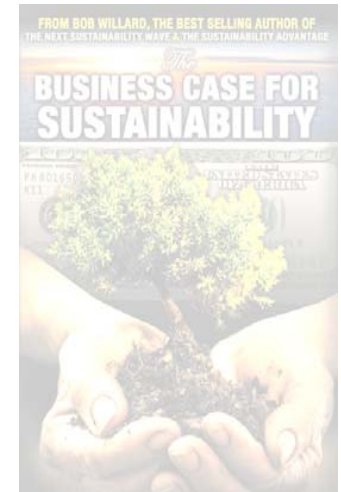
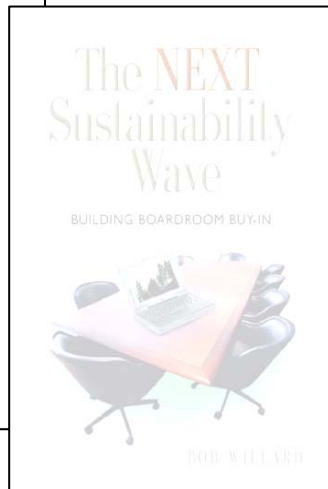
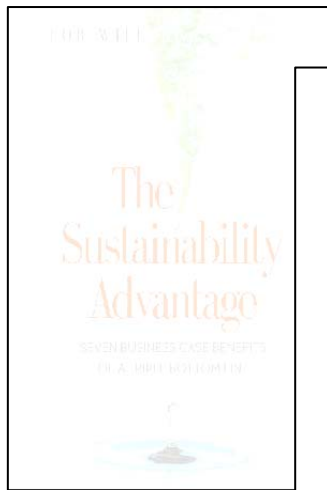
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February 17, 2009

Center for Community &
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Communicating the **BUSINESS CA\$E** for Sustainability

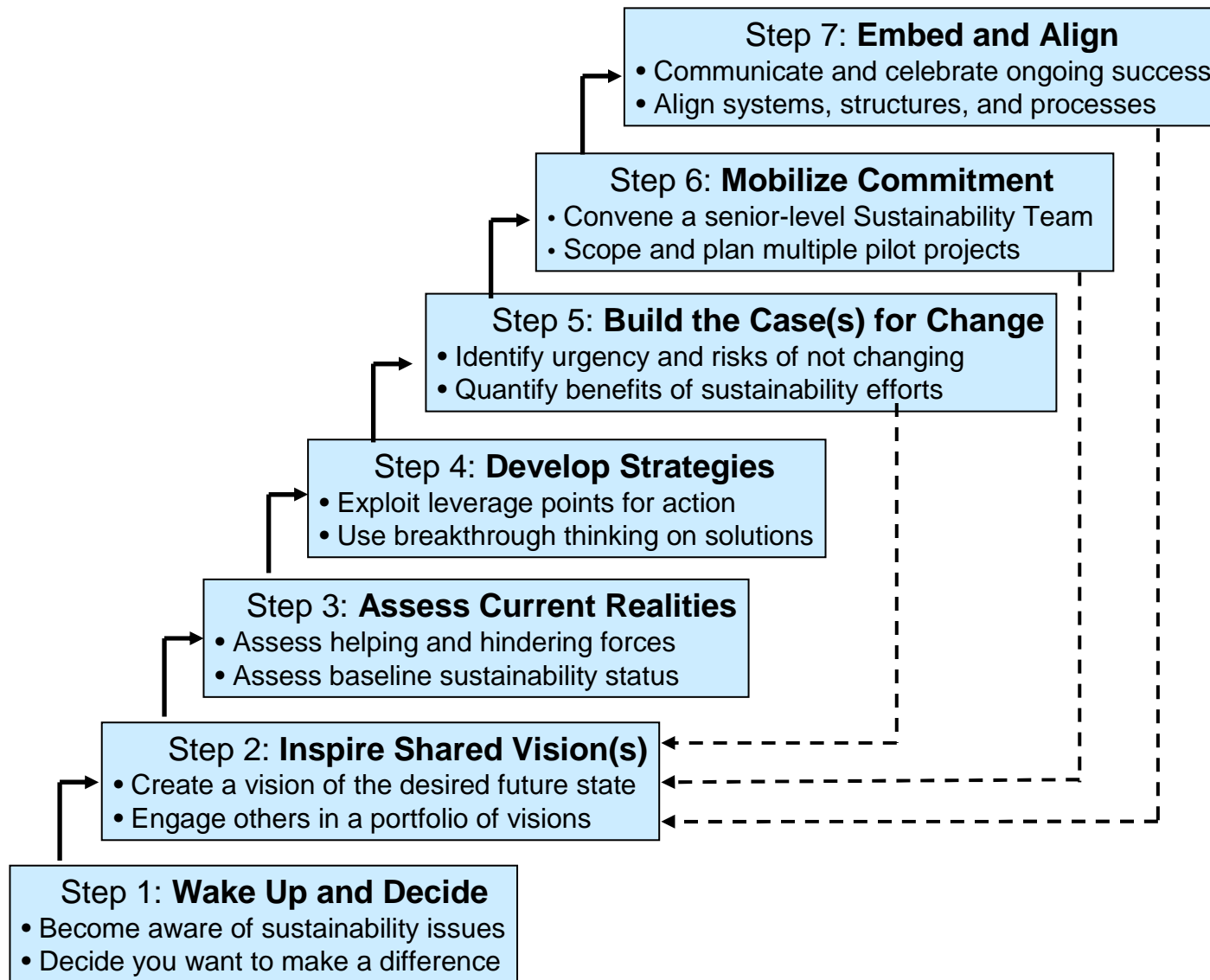


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7-Step Sustainability Change Process



Corporate Sustainability 3-Legged Stool

Sustainability = Sustainable Development (SD)
= Environmental, Social, Governance (ESG)
= Corporate Social Responsibility (CSR)
= Corporate Responsibility (CR) = Green
= Triple Bottom Line (TBL) = 3Es = 3Ps

Economy - Profits

Growth, Jobs,
Taxes
Products
Services



Environment - Planet

Eco-efficiencies
Eco-effectiveness

Equity - People

Employees
Community / Culture
World

Smart Business 3-Legged Stool

Asset Management

Financial
Capital

Built
Capital



Natural
Capital

Human
Capital

Social
Capital

Sustainable Value Creation

5-Stage Sustainability Journey

5. Purpose/Passion

Values-driven founder / CEO

4. Integrated Strategy

Enhanced business value



3. Beyond Compliance

Eco-efficiencies /
PR crisis /
Regulatory threat

2. Compliance

Regulatory enforcement

1. Pre-Compliance



Two-Part Business Case

OPPORTUNITIES

Financials

NGOs

Economists

Employees

Media

RISKS

Global Markets

The Public

Nonfinancials / Reputation

Investors

Customers

Banks

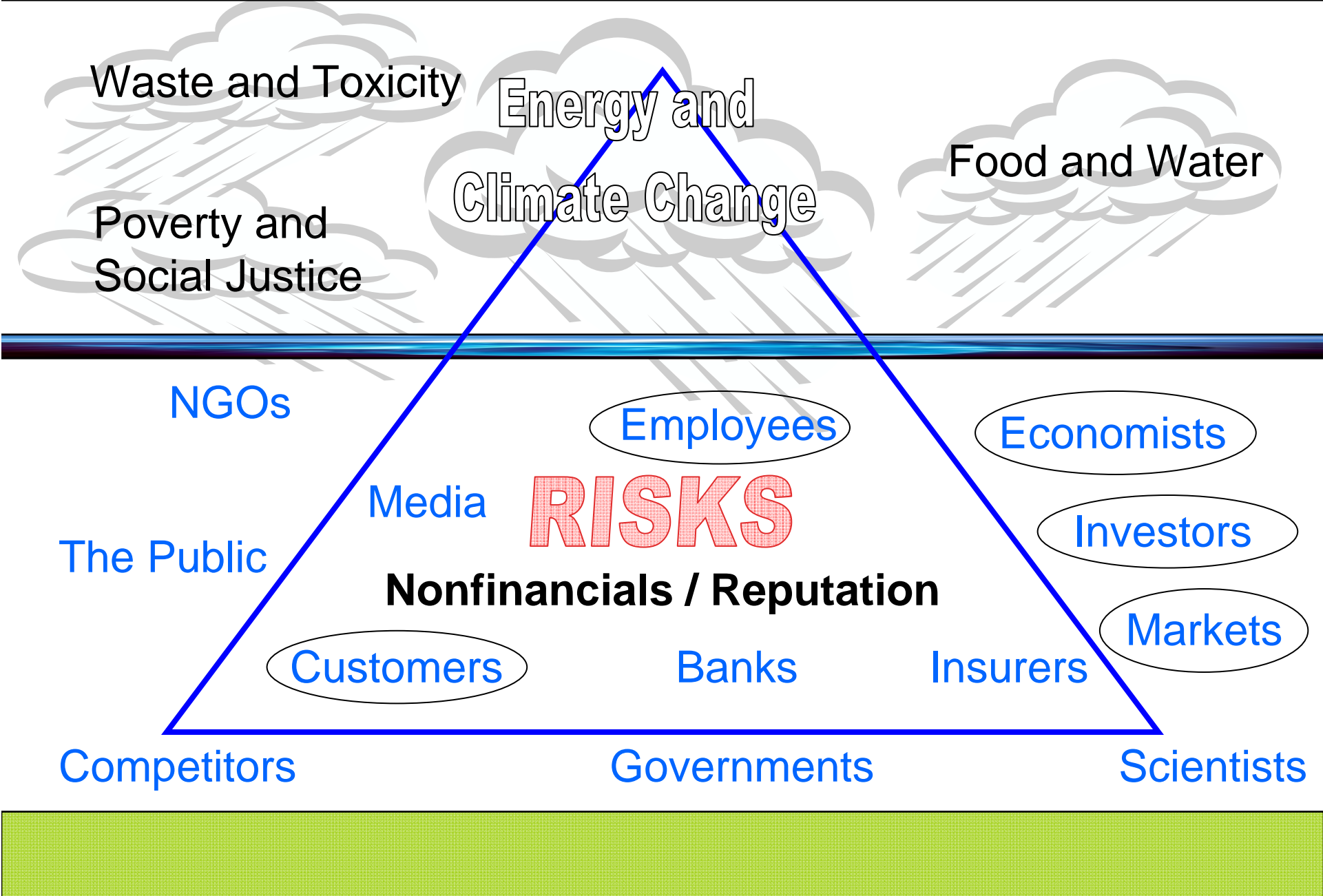
Insurers

Competitors

Governments

Scientists

Big Four Sustainability Storm Clouds



Waste and Toxicity

Energy and
Climate Change

Food and Water

Poverty and
Social Justice

NGOs

Employees

Economists

Media

RISKS

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The Public

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Two-Part Business Case

OPPORTUNITIES

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One More Goal ... or an Enabling Strategy?

Profit

Innovation

Share price

Speed to market

Growth

New markets

Revenue

Talent wars

Customer care

Productivity

Expense savings

Motivation

Competition

Brand image

Market share

Managing risks

Leadership

Compliance

Governance

Supply security



Typical SME Company Benefits

Revenue	\$4,000,000	
Profit	\$200,000	(5% of Revenue)
Workforce:	50	(43 + 7 Managers)
Avg. Employee Salary	\$25,000	
Avg. Manager Salary	\$55,000	

Potential profit increase: +66%

- + Energized employees + Improved corporate image
- + Competitive advantage + Positioned for the future



Potential Improvements

- | | |
|--|------|
| 1. Reduced recruiting costs | -1% |
| 2. Reduced attrition costs | -2% |
| 3. Increased employee productivity | +6% |
| 4. Eco-efficiencies: savings in energy, water, materials, waste handling | -10% |
| 5. Increased revenue / market share | +5% |
| 6. Lower insurance & borrowing costs | -5% |

... yielding a profit increase of **+66%**

REPUTATION



Green Building Business Case

Figure 3
Financial Benefits of Green Buildings
Summary of Findings (per ft²)

Category	20-year Net Present Value
Energy Savings	\$5.80
Emissions Savings	\$1.20
Water Savings	\$0.50
Operations and Maintenance Savings	\$8.50
Productivity and Health Benefits	\$36.90 to \$55.30
Subtotal	\$52.90 to \$71.30
Average Extra Cost of Building Green	(-3.00 to -\$5.00)
Total 20-year Net Benefit	\$50 to \$65

Source: Capital E Analysis

Two-Part Business Case

OPPORTUNITIES

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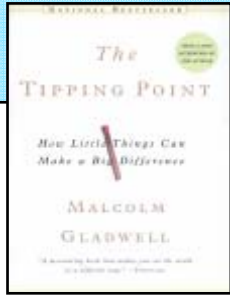
Insurers

Competitors

Governments

Scientists

The “Tipping Point”?



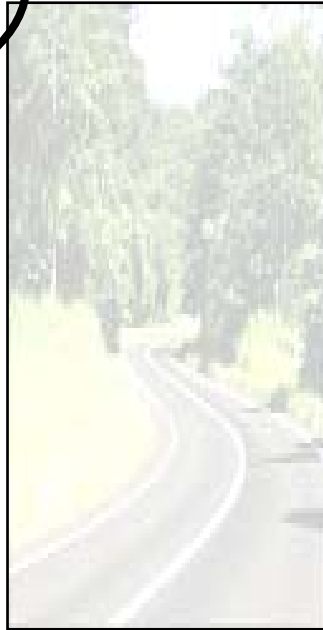
20%

5. Purpose/Passion

Values-driven founder / CEO

4. Integrated Strategy

Enhanced business value



3. Beyond Compliance

Eco-efficiencies/

PR crisis/

Regulatory threat

2. Compliance

Regulatory enforcement

1. Pre-Compliance

In Summary ...

Sustainability is **smart business**

Business language applies

Important stakeholders' expectations are rising

New **market forces & risks** are in play

Relevant to **existing business priorities**

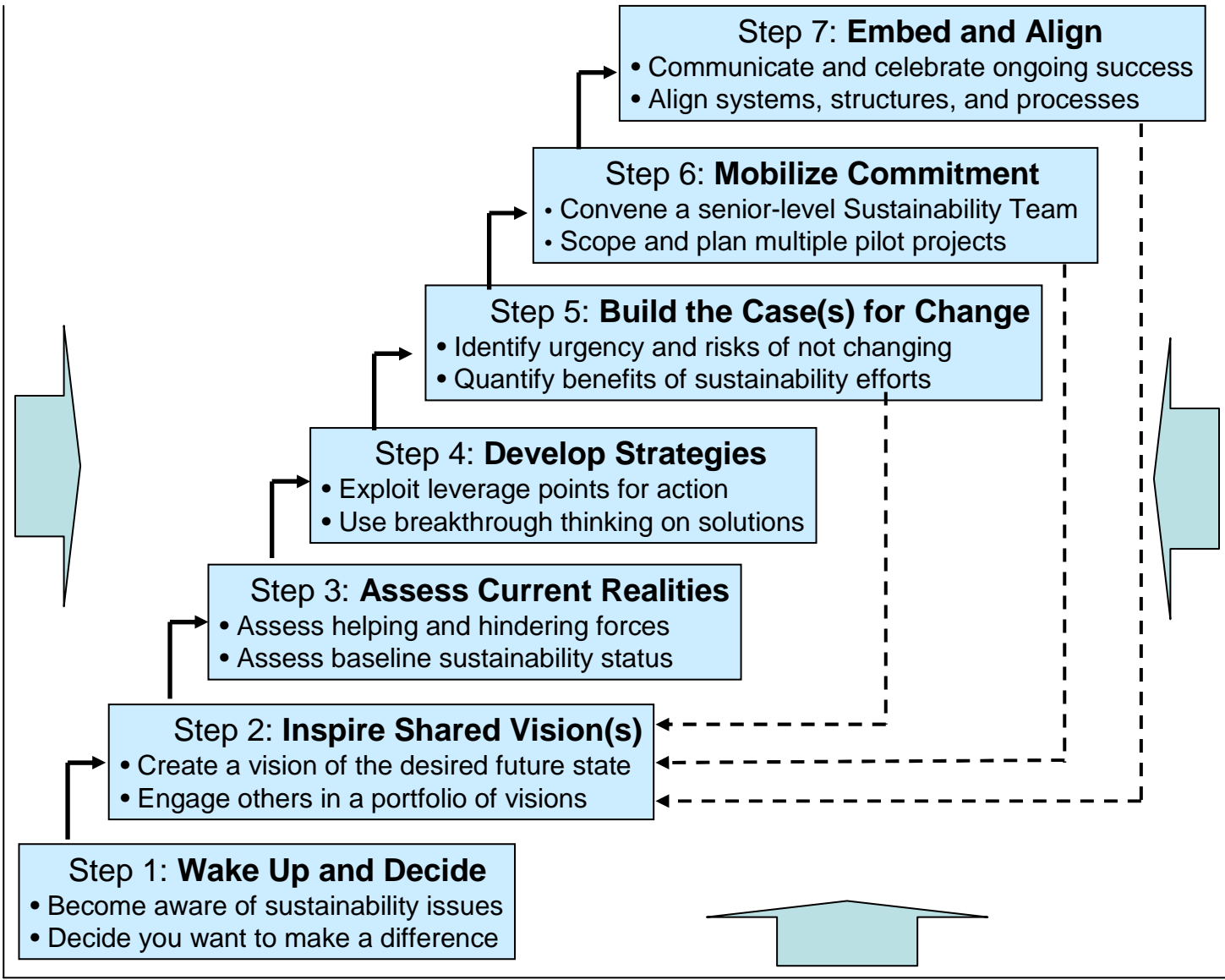
Can **protect & enhance company value**

Many willing, helpful **partners**

Opportunity for **leadership ... by example**



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7 PARADOXES

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Get Credible,
Stay Credible

Dialogue

Collaborate, Educate,
Network

Meet Them Where
They Are

Piggyback Existing
Initiatives

Influence the
Influencers

Practice "Planful
Opportunism"

Step 7
Embed and Align

Step 6
Mobilize Commitment

Step 5
Build the Case(s) for Change

Step 4
Develop Strategies

Step 3
Assess Current Realities

Step 2
Inspire Shared Vision(s)

Step 1
Wake Up and Decide

Displaying Hubris

Mishandling
Office Politics

Being a "Problem
Child"

Failing to Produce
Results

Succumbing
to Stress

Changing Everything
at Once

Getting Off to a
Bad Start

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You Have to Do It Yourself; You Can't Do It Alone

To Get "Hard Results," Work on the "Soft Stuff"

Motivators Inhibit Commitment

One's Person's Dream Is Another Person's Nightmare

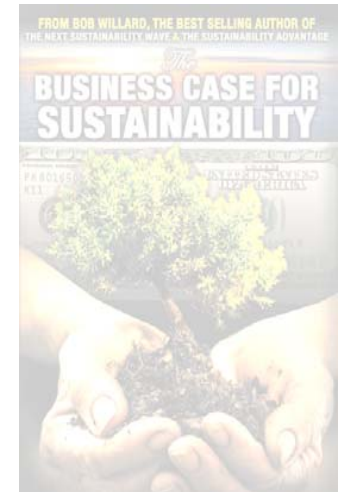
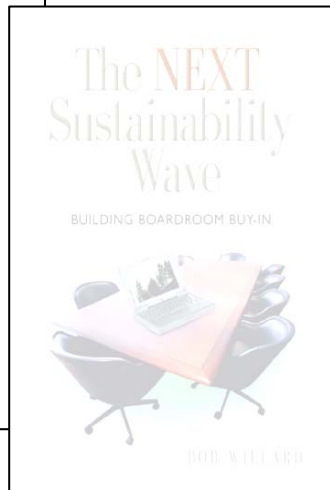
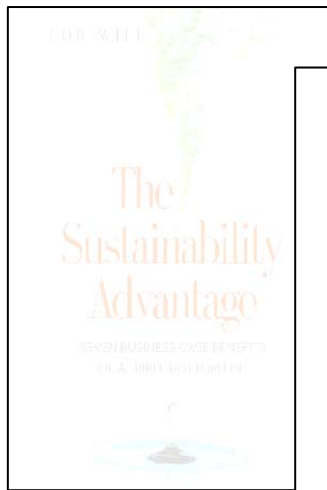
Go Slow to Go Fast

Go Small to Go Big

Things Need to Get Worse Before They Can Get Better

7 PARADOXES

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Questions?

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Next session

March 17, 2009, 11:30 - 12:30 P.M., C.T.

Green Collar Jobs: Sustainable Work in a Low Carbon World

Presenters: Gary Green, Department of Rural Sociology, University of Wisconsin-Madison, and Andrew Dane, University of Wisconsin-Barron and Chippewa and Sarah White, COWS

Will future jobs be increasingly “green?” If so, what makes a job or an industry green? Is a green job a good job? What constitutes this “green economy” that we hear so much about these days? This session explores the nature of green collar jobs and their implications for business and community development. It looks at links with environmental concerns, efficiency considerations, and workforce (and employment) development in terms of education and skills requirements.

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Thank You!

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