

PART 1

SETTING THE SCENE

About this book

What is sustainability?

What does this mean for business?

The sustainability journey

Getting started

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About this Book

'Your Chinese clock radio sounds, waking you up with news from the BBC, and you slip out of your Egyptian cotton sheets and into the shower. You dry off and put on underwear from El Salvador; jeans from Lesotho, and your favourite blue shirt from Sri Lanka. A cup of Tanzanian coffee, some Brazilian orange juice, and you're off to work in your Japanese car - assembled in Kentucky, powered by gasoline from Saudi Arabia, Nigeria, and Russia. Good morning!'

WORLDCHANGING

The world we live in today is ever shrinking, and although increased communication and globalization play their part, they are not the only reasons. There is a growing realization that everything and everyone has become very interdependent. With almost 7 billion people living on the planet, regardless of who you are, where you live or what you do, you are impacted by and have an impact on the health of the planet, society and the world economy. The decisions we make as employees, as consumers and as citizens on a daily basis impact both business and the wider society.

Consider this: People are wondering what is happening to the bees. Bees play a crucial role in the supply of the world's food as they are essential for the pollination of one third of the world's crops, valued at

\$ 215 billion annually worldwide. Unfortunately, no one knows exactly why bee colonies are disappearing, and few people seem particularly bothered with it . . . yet. Since we are so dependent on these little creatures for the food we eat, perhaps we should be more concerned about the worldwide loss of these bee colonies. While there appears to be no single definitive cause for this potential disaster, intervention by man and industry through the use of pesticides and stress to colonies are considered to be factors.

The world's challenges are also business challenges. Not only do environmental, economic and social issues impact the ability of a business to operate now and in the future, but they impact their employees, the communities in which they operate, their customers, the sources of their materials.

For this reason, managers and employees at all levels and in all types of organizations are placing greater emphasis on sustainability, and are increasingly interested in bringing sustainability culture and tools into their daily operations. Although many start because of a desire to make a positive impact on the world, they are finding that the results can be significant in terms of real business benefits, such as reduced costs and liabilities, greater service quality, higher customer satisfaction and improved corporate image.

Nevertheless, many managers face considerable uncertainty over what they can, or should be doing, to enhance their environmental and social practices and sustainability goals. They often believe that applying new tools to address these challenges may be good for society, but not necessarily for the business itself. A lack of understanding of the potential benefits, fear of moving in new directions, confusion over the range of tools available to address sustainability issues, overwhelming and often-contradictory amounts of information are among the reasons why many are slow to act.

This book aims to give managers and individuals the knowledge and tools to be able to apply sustainability practices to their business in a way that is both profitable to the business and to society as a whole. The book does not appoint

blame for the challenges we face, but instead focuses on how businesses and employees can take action to be part of the solution.

Imagine what you could do as a company if you had 7 billion employees all pulling in the right direction?

Who is *The Sustainable MBA* for and why should I read it?

This book is aimed at managers, both experienced and new, who are interested or curious to know more about the field of business and sustainability and how they can apply these ideas to their jobs, regardless of what they do or where in the world they do it. Because it provides an introduction to these issues, it will be of interest if you fall into one, and probably more than one, of the following groups:

- ❑ I am in a ***management position*** and need to better understand what sustainability is but don't have the time to spend hours researching. I understand that I can make an impact through my work and my decisions, but am not sure how to.
- ❑ I am an ***entrepreneur*** and am interested in starting my own business and want to incorporate some sort of sustainability elements into it, either as part of my core offering or as part of the way I do business. I understand that sustainability provides a range of exciting new opportunities that I want to understand and explore.
- ❑ I am a ***CEO*** or board member and want to learn more about how I can move my business to be more sustainable. I understand that this is becoming the new business reality and that business success and sustainability are linked. I understand that in order to really move forward in this area, CEO leadership is required.

- ❑ I run or work for a **small business** and am overwhelmed by the amount of information out there on sustainability. I want to do something but am not sure what to do and where to start. I understand that I can tap into sustainability opportunities even with my limited budget and time and that these tools can help strengthen my overall business.
- ❑ I am an **employee** where my day-to-day job doesn't currently have anything to do with sustainability, but I think it could, and I want to know how I can incorporate it into my job. Regardless, I understand that sustainability tools and strategies will increasingly become part of everyone's day-to-day job and I want to understand what it is all about.
- ❑ I work in **sustainability** but mostly spend my time in one area and am not as familiar with everything else happening in this vast and growing field. My job rarely involves stepping back and thinking about the big picture.
- ❑ I am a **teacher** or a **trainer** and want to incorporate sustainability messages into my teaching lessons. I understand that if the new generation of employees and managers are aware of these issues, this could have a huge impact.
- ❑ I am a **student** and want to know more about this issue. I hope someday to be working for a company that takes sustainability seriously. I am passionate about these issues and want to make sure I direct that passion into an area where I can really make an impact.
- ❑ I am a **consumer** and want to make the right choices on a day-to-day basis. I understand that the products I buy help to support either good business practices or bad ones. I find it difficult to sort through quickly and easily and would like some help.
- ❑ **I** just want to know more about sustainability, but am overwhelmed by all the information out there and not sure where to begin.

Regardless of whether or not you have the word ‘sustainability’ in your job description, it is increasingly important that you understand what sustainability means, both as a concept, and as a set of decisions and actions that impact your organization. Few jobs require or even provide the chance to step back and think about the big pictures. So, regardless of your job function or the industry you work in, you will find that this book has some information directly relevant to you, while also introducing you to some of the tools that other industries are exploring.

What you will find in *The Sustainable MBA*?

The Sustainable MBA equips individual employees with the tools to be able to take sustainability from talk to action; to understand what is happening in this area, sell these ideas to others on their team and implement them. For this reason the book provides a vast amount of information and resources on the topic including:

- ***An overview of sustainability tools:*** The book provides an overview of the work being done in sustainability. While sustainability is an interdisciplinary subject, the typical MBA, the typical business and employee expertise and training is still, for the most part, divided by functional areas. This is why the book is organized to follow the typical MBA.
- ***Business case:*** For every tool and idea introduced, the business case is presented to help you understand the advantages it could bring and to present a case to sell it to your team or managers.
- ***How tos and guides to implementation:*** The book does more than simply outline the tools and ideas involved in sustainability, it also provides information on how to implement them, with links to resources for more information and help.
- ***Challenges:*** The book outlines the challenges involved in pursuing different sustainability strategies in order to give managers a ‘heads up’ on what to expect. At the same time, the challenges presented

act as a call to the next generation of corporate leaders to build their careers around tackling these problems.

- ***Knowledge from experts around the world:*** The book draws on a vast amount of information and research that has been undertaken in this area by groups internationally as well as over 100 interviews with students, professors, experts, thought leaders, businesses, CEOs, entrepreneurs, NGOs and international organizations working and interested in this area.
- ***Tips for sustainability champions:*** Whether you are looking to be a sustainability champion at work or as a consumer, the book is filled with tips for individuals and teams who are looking to explore some of these tools including handy lists and lessons learned. They build the case that sustainability and business profit and success are inextricably linked together, rather than diametrically opposed to one another.
- ***Many additional resources:*** Because the field of sustainability is a complex and changing field, the book contains many links to organizations and websites where you can find up-to-date information, statistics, best practice and information. The focus is on international websites because they change less frequently, and because they often link to other national or local initiatives happening in countries around the world.
- ***Trends and new ideas:*** Last but not least, the book presents many exciting trends happening around the world in sustainability—things you want to keep an eye out for.

How *The Sustainable MBA* is organized

The ***Introduction*** sets the scene with the basics on what sustainability is, what this means for business, what the sustainability journey looks like and how to get started. It also provides tips on how to recognize leading companies, how to sell sustainability to your team and how to get past excuses.

The **Core Topics** present information on sustainability as it relates to the main topics introduced in a typical MBA programme and the core functional areas of a business; *Accounting, Economics, Ethics, Entrepreneurship, Finance, Marketing, Operations, Organizational Behaviour* and *Strategy*.

The **Tools** provide information on how to conduct audits and assessments, as well as a guide on how to *green the office and buildings* you work in. Other tools are spread out through the book, and all present guidelines, techniques and concepts that a business can use to incorporate sustainability into their operations.

The **Wrapping It Up** section provides ideas on how *you as an individual* can make a difference, as an employee, a consumer and a citizen, and how your actions in each of these spheres has an impact on sustainable business. The section also provides a look at what *the future* may bring as well as some *tips for moving forward*.

Finally the **Who, What, Where, How** section provides some additional resources for individuals looking to learn more about who has a role to play in sustainability, how different industries are involved, and links to organizations working in sustainability business in different regions around the world.

Ideas on how to use this book

There are many different ways an individual or a business can use this book to explore sustainable business options.

- ❑ Take this book and read it from cover to cover or dip in and out to learn more about the issues that interest you.
- ❑ Provide copies to members of your team to raise the general awareness in your office on these issues.
- ❑ Start a brainstorming session around the areas that your business could explore.

- Use it as a reference guide when you are interested in finding out more.
- Organize a short or long course around this information.
- Use it as a way to learn more about what business is doing to make smarter choices as a consumer.

Planet Earth fact sheet

- There are over 6 700 000 000 people in the world. The world's population is predicted to reach 7 billion early in 2012 and top 9 billion in 2050, with the majority of the increase taking place in developing countries. Median age: total: 28.4 years.
- These people live in 195 countries in the world (192 of them are members of the UN). Much of this population is concentrated in coastal cities with several hundred million living within 1 metre elevation of mean sea level.
- They speak 6 000 to 7 000 different languages, half of which are at risk of disappearing. There are 878 properties on the UNESCO World Heritage list, a list of sites around the world considered to have outstanding universal value.
- The earth is 70.8 % Water and 29.2 % Land. Of all water, 97 % is salt water and only 3 % is freshwater. Of the 3 % only 5 % is readily available, mostly in underground aquifers. Nearly 20 % of the population lacks access to safe drinking water and 40 % are without adequate sanitation. By 2025, 40 % of the world will live in water-scarce regions.
- If the GDP of countries is compared to the annual revenue of companies, then in 2008 38 companies would have been in the top 100 countries.
- Over two-thirds of the world's 785 million illiterate adults are women.
- One million people become new mobile subscribers everyday. Some 85 % of them live in emerging markets.¹ More than 2 billion mobile phones are in use around the world. Over 1 581 571 589 people use the Internet.

- Ten largest urban agglomerations: Tokyo (Japan)-35 676 000; New York-Newark (US)-19 040 000; Ciudad de Mexico (Mexico)-19 028 000; Mumbai (India)-18 978 000; Sao Paulo (Brazil)-18 845 000; Delhi (India)-15 926 000; Shanghai (China)-14 987 000; Kolkata (India)-14 787 000; Dhaka (Bangladesh)-13 458 000; Buenos Aires (Argentina)-12 795 000 (2007).
- The world's population drives 600 million cars, while more than 1 billion bicycles are in use.
- Forests cover 30 % of the planet's total land area, the ten most forest rich countries are Russia, Brazil, Canada, the US, China, Australia, Congo, Indonesia, Peru and India.
- There are at least 15 million other species on the planet. Nearly 30 % of all medicines found in pharmacies were developed from wild plants and animals.

