

# The Ten Pillars of Sustainable Business

The way business is done in the 21<sup>st</sup> century will be markedly different than the way business was done throughout the 20<sup>th</sup> century – because the foundations of the economy will change in the 21<sup>st</sup> century. Optimistic glimpses of this have already appeared with greening strategies from giants like Wal-Mart and economically driven social practices to food companies like Whole Foods or Starbucks. The future of business belongs to a new engine - the engine is the need to develop in a manner we can sustain for the next 100 years. This new paradigm is driven by the implementation of strategic, creative and integrated approaches to economic, social, and environmental goals. It is the integration of these three elements in a mutually reinforcing system that leads to true sustainability and true success of the human enterprise.

While these issues were introduced decades ago and have been discussed ever since, it is the scenario in which their ideals now reside that makes them so powerful.

Fortunately, sustainability isn't about higher costs, cutting jobs, and forgetting about those industries that have brought so much prosperity to nations over the years, although each of these will continue to appear in public debate. Sustainability is nothing short of the redesign of our economy and its parts – each business within it. It will be a new and more strategic approach to all business activity and it proposes and will deliver significant benefits to nations, cities, businesses, individuals, and much more.

Most people don't fully understand what sustainability is, let alone what to do about it. While the “moral issues” of sustainability such as the implications of climate change have risen to high profile, for a business leader, sustainable development is not a ‘religion’ – rather it's a short list of critical issues we need to grapple with if we want to prosper as companies and as a society in the 21<sup>st</sup> century.

Sustainable development is development that will permit us to prosper throughout the 21<sup>st</sup> century in the face of the many changes that are coming at us – many of our creation. We didn't realize we had these challenges until just recently – but they are upon us and if we don't respond, we will be out of business!

These issues include:

- Reducing and then eliminating climate change and air emissions;
- Reducing our dependence on a non-renewable, dirty and rapidly dwindling, increasingly expensive source of fossil fuels;
- Rethinking a system addicted to using and then wasting large amounts of water;

- Changing an economic system that deposits many toxins into ecosystems and reduces biodiversity;
- Rethinking a system that uses enormous amounts of materials once and then deposits it all in landfills;
- Reconsidering a planet's food supply that is in jeopardy from mis-use of soils and the incoming shifts in fossil fuels;
- Changing our relationship in business to the communities in which we work to become respectable, long standing corporate citizens and stewards of our communities; and
- Building more stable and resilient economies in the face of the shifts that will hit our current economic model in the 21<sup>st</sup> century.

Any business worth investing in for any length of time (yours or someone else's) needs to be grappling with all of the above issues – this list is a non-negotiable for the 21<sup>st</sup> century. If your investments are not with companies that have the above list of issues well in hand, your money is simply put – at significant risk!

Sustainable communities have been seen as the responsibility of government. However as in all aspects of society, one of the most important players is business. The decisions made in the way they are run are both a major cause of and solution to many of the problems we have come to face. And so it is with great care and a creatively open team of minds that organizations must address these problems.

While not the only useful tool and far from the final solutions to all business issues, the Ten Pillars of a Sustainable Business is a useful tool to use to understand what sustainable development means to a business.

The Ten Pillars connects the full scope of sustainable development objectives to the full scope of business issues.

### **Pillar 1 – Business strategy – Leadership and risk management for a sustainable future**

A sustainable business will embed sustainable development perspectives in the foundation of its business strategy – considering the risks and opportunities of the 21<sup>st</sup> century and taking action to deal with them with a goal of prospering. They will plan to differentiate themselves from others in their field through this leadership and demonstrate visibly that they care for what their stakeholders care about – a secure, prosperous, clean and safe future. They will then ensure that this new “self-image” of a responsible leader is spread throughout the company and becomes its new identity – felt at every level of the company.

## **Pillar 2 – Marketing – Demonstrating responsible corporate citizenship**

A sustainable business will develop a marketing strategy that not only ties its messages to self promotion, but to clearly responding to the larger challenges their customers feel every day about the world in which they live. The business will talk about its innovative work on sustainability in a low-key and gracious way – and not sound its horn too loud where it is doing well. It will be careful about “greenwash” and saying it is doing more than it is – knowing they will be scrutinized and the backlash about greenwash is “deadly” in the new paradigm. Finally and most importantly, the business will take a position on sustainability – it will brand itself appropriately in that constellation, because if it doesn’t, someone else will, likely by a competitor or an interest group opposed to business activity.

## **Pillar 3 – Green and healthy work-places**

A sustainable business will have healthy, green workplaces – in buildings that are energy efficient, water efficient, produce less waste, use recycled and recyclable materials, are in the right location and are filled with healthy, non-toxic materials so workers are not ingesting toxins simply by coming to work. There are green building rating and design systems available to guide any business through all aspects of greening their buildings and interiors – the most popular being the Canadian Green Building Council’s LEED system ([www.cagbc.org](http://www.cagbc.org)). The secret to green buildings for businesses is that worker productivity goes up and absenteeism goes down – and that can pay back green building cost premiums in a matter of months in some cases. A green building is also a significant signal to customers and employees that we are serious about prospering for the next century – we are looking ahead.

## **Pillar 4 – Transportation – Low impact mobility and shipping**

A sustainable business will pay close attention to reducing emissions in both how its employees get around, including commuting, and in how it ships its supplies and products. Many progressive businesses now offer bicycle facilities, transit passes, shared car system memberships and others. A business can find out everything they need to know about “Greening their vehicle fleet” through the E3 Fleets program ([www.E3Fleet.com](http://www.E3Fleet.com)) - made in BC program that is the first of its kind in North America.

## **Pillar 5 – Operations - Lean green operations**

A sustainable business examines all aspects of its operations not just for cost reductions, but also for reductions in energy use, emissions, material use, water use and others. This evaluation and the monitoring of performance in these areas typically leads to a better managed business. A green business will include these issues in the management “metrics” because we always manage to what we measure. Looking at these issues has an added benefit of driving a culture of innovation and attention to detail throughout the entire organization.

#### **Pillar 6 – Product and service design – Delivering benefits not just things**

A sustainable business will re-evaluate what it actually delivers to its customers. Customers typically want the “services” the products supply – they may not necessarily need to “own” that product. Innovative businesses are exploring a lease-like ownership model where the products are technically sold but the company sees them as being “leased” and actively works to take back old products for recycling. Interface Carpets attitude toward its products is one of the best examples of this rethinking of the product into a service.

#### **Pillar 7 – Materials management – There is no such thing as waste**

Sustainable business believes that “waste” is a verb not a noun. Sustainable businesses pursue the emerging philosophy of “cradle to cradle” responsibility as outlined in recent work by McDonough and Braungart – and takes responsibility for their products, materials and packaging throughout their entire. Because of this philosophy, businesses will pursue goals of reducing waste, not using toxic materials, and looking to embed a culture of “recycling” in every aspect of the business. There is no such thing as waste in a natural ecosystem and the practices of industrial ecology are developing ways for businesses to create business parks that eliminate waste altogether.

#### **Pillar 8 – Human resources and corporate culture – Corporate social responsibility and a meaningful workplace**

A sustainable business will have a corporate social responsibility policy and program. They will have staff with knowledge and responsibility for addressing and managing the company’s sustainability performance. They will often partner with non-profit organizations for benefits for the community as well as for 3<sup>rd</sup> party objective watchdog and support services to their teams in doing the right thing. Most importantly, they will foster a strong culture of innovation and progress on sustainability – a process which moves our businesses from focusing on the lowest level of Maslow’s hierarchy (food, shelter, clothing, money) to the highest level – that of

meaning in our lives. The best and the brightest expect to be well paid, but the patterns are clear that they do not want just money – they also, as with all of us, want to believe they are making a difference in their community – that they are doing something good that will last. A company culture with that experience will bring out the best in your workforce.

### **Pillar 9 – Procurement and the supply chain – Purchasing with your values**

A sustainable business will use its purchasing power to influence its supply chain and will often establish ethical and sustainable procurement requirements for suppliers. The easiest way to do this is to require eco-certification for any project for which certifications are available – such as Energy Star efficiency appliances. This process can be slow and should be undertaken with patience and in incremental steps but it can be a very powerful process that can change an entire supply chain over time.

### **Pillar 10 – Reporting – Being accountable.**

The final and one of the most important aspects of a sustainable business is a commitment to reporting – to management for decisions and to shareholders and the public to demonstrate transparency and build credibility and confidence. A “triple bottom line” reporting protocol (economic, environmental, social) is becoming quite common in the Fortune 500 and the methods for such reporting is available. The cost of this approach depends on the protocols for reporting and if these are embedded in the daily business of each team in a company, the benefits can be significant and the costs low.

The 10 Pillars of a Sustainable Business is just one way to organize and strategize for action in a company. It will assist any company in developing a robust and creative posture for building competitive advantage and reduced risk as we enter the 21<sup>st</sup> century context for doing business. Ultimately the goal of a sustainable business is to create abundance – for its shareholders, its employees and for the communities in which it does business – and in the 21<sup>st</sup> century, the only secure business strategy therefore must be one built around sustainable development principles.

Mark Holland

Max Sykes

Holland Barrs Planning Group Inc

[www.hollandbarrs.com](http://www.hollandbarrs.com)