

Addressing Tipping Points for a Precarious Future

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Creating a Roadmap for Sustainable, Transformational Change

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Abstract and Keywords

We are entering a period of breakthrough capitalism. Firms of all sizes, but especially small and medium, flexible and entrepreneurial firms, are beginning to experiment and lead with new forms of product, service, and cooperation. There are many reasons why this leaderless revolution may fail. But there are more reasons why this should succeed, not least the enthusiasm and staying power of young entrepreneurs. The contagion effect of successful breakthrough can be an important trigger for positive change.

Keywords: breakthrough capitalism, leaderless revolution, generation Y, cognitive surplus, entrepreneurship

One of my favourite quotations comes from the late Kurt Vonnegut, born some 90 years ago. 'We have to continually be jumping off cliffs', he said, 'and developing our wings on the way down.' I used it when kicking off our first Breakthrough Capitalism workshop, co-hosted by the Value Web, in April 2012. The idea was to challenge the growing consensus among business leaders that they had already understood the sustainability agenda – and embedded the necessary responses in their organizations. My perspective on the nature of the challenge can be found in a *New York Times* op-ed published around the time of the UN Rio+20 Summit.² The content of the Breakthrough Capitalism initiative to date can be found on the dedicated website.³ The richness of the discussion at the Breakthrough Capitalism Forum, which followed in May, is indicated by the sample of the Knowledge Wall (Figure 6.7).

Participants in that first workshop included some fifty people from companies (including Actis, Atkins, BP, Fenton, HP, SolarCentury), finance groups (Friends Provident, Goldman Sachs, Zouk Ventures), impact investment organizations (Big Issue Invest, Investors' Circle, Investing for Good, Social Finance, Tellus Mater), government (the Cabinet Office), social enterprises (More Associates, Polecat, the Social Stock Exchange), NGOs and think-tanks (Carbon Tracker, the

Climate Group, Forum for the Future, the Foundation for Democracy and Sustainable Development, (p.224)

(p.225) SustainAbility, WWF), and networks like Green Mondays and the UK Youth Climate Coalition. The Breakthrough Capitalism Forum the following month attracted almost five times as many people, to hear nearly thirty speakers, with videos of the presentations available on the website.

The idea behind all of this is that even as competition helps drive change, it also gets in the way. So the time has come for the giant sustainability mash-up – to create a basic roadmap and toolkit for everyone investing in transformational change. Clearly, we don't expect to achieve the mash-up in one or two workshops, or even during the course of our Forum. Instead, our ambition is to catalyse a process many



Figure 6.7 A sample of the KnowledgeWall at the Breakthrough Capitalism Forum, London, May 2012

Source: Breakthrough Capitalism Forum/ValueWeb 2012

of us now know needs to happen - and help provide a sense of direction.

The workshop process, designed by Value Web/Innovation Arts and Volans, took participants through various stages, including a backcasting exercise from 2022. Then it dug into personal (and group) perceptions of the need for system change, the trajectories of breakthrough innovation – and the key barriers that stand in the way of progress. What was clear to participants was that we are at a key *inflection point*, that political leadership is often lacking, and new constellations of change agents are emerging. So we concluded that some form of leaderless revolution would be part of the way forward, offering better direction and support than is the case right now. But there was also a feeling that we need to get a better sense of what these constellations are doing, to avoid making them so big that they slow progress down, and to audit progress in key areas, as a means to better direct effort and resources.

A couple of breakout groups (out of eight) generated fairly dystopian scenarios for the future. There was a sense here that some form of meltdown (for example, a global pandemic that isn't put back in the bottle like SARS) would be needed to catalyse change of the nature and scale now needed. Among the identified brakes on breakthrough change, here are ten:

- 1. Many key people still do not feel the present system is broken or 'broken enough'.
- 2. There is pervasive short-termism, fuelled by short electoral timescales and amplified by the economic crisis that began in 2007–08.
- 3. Intergenerational frictions cloud the picture.
- 4. Still-powerful incumbents are failing to adapt and lobby fiercely to block change.
- 5. The culture of ownership suppresses collaborative consumption. (p.226)
- 6. There is competition between solution-providers (for example, we compete to develop our own language and are often unwilling to share that developed by others).
- 7. Transparency, accountability, and reporting mechanisms remain weak.
- 8. There are too many perverse incentives, including misdirected taxes and subsidies.

- 9. Our global governance mechanisms and institutions are precariously weak.
- 10. There is growing nationalism, protectionism, and xenophobia in some quarters.

Among the potential accelerators of breakthrough innovation and change we identified scores, but here are ten:

- 1. There is a collective sense that change is in the air and that breakdown triggers breakthrough.
- 2. Some major companies and super brands are taking courageous leadership roles and organizations like the World Business Council for Sustainable Development (WBCSD) are publishing interesting roadmaps identifying future risks and opportunities, in their case in the form of $Vision\ 2050.^4$
- 3. New business models are emerging (e.g. B Corporations⁵), alongside the revival of coops and similar.
- 4. The right sort of corporate rating and ranking schemes can drive change.
- 5. There are encouraging emerging trends in design, including cradle-tocradle and biomimicry, though they aren't yet viral.
- 6. We see a coming standardization of global sustainability-related standards.
- 7. There will be new forms of valuation, pricing and accounting.
- 8. There is energetic discussion of 'stranded assets', for example in CarbonTracker's $work^6$ and Generation Investment Management's white paper on 'Sustainable Capitalism'.⁷
- 9. The system is under creative pressure from new social movements (e.g. Arab Spring at its best, and Occupy). **(p.227)**
- 10. There is interesting innovation taking place in such areas as behaviour change (take the example of Recyclebank's⁸ relationship with Transport for London).

The workshop concluded with a brainstorm of some of the weak signals that are currently being overlooked or actively ignored. Here are ten of those:

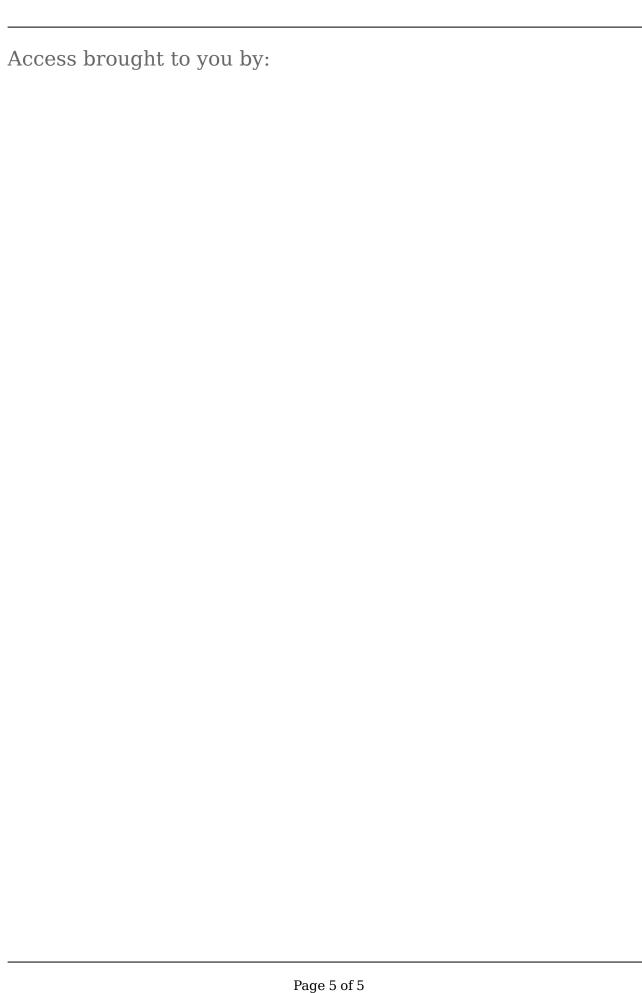
- 1. A new paradigm is surfacing with many of the apparently weak signals linking back to its emergence.
- 2. Technologies exist (or are in development) that can help solve many of our problems, if properly deployed, but are dismissed as unworkable or uneconomic.
- 3. There is new potential to tap into what Clay Shirky calls 'cognitive surplus' 9 offering new ways of developing our 'Future Quotient'. 10
- 4. New forms of communication, transparency, accountability, and reporting are evolving that promise to be crucial in driving and informing breakthrough change, but are adopted on a voluntary basis rather than regulated by governments.
- 5. Many governments are abdicating their responsibility to use the data and information that are already being produced to steer transformative change.
- 6. Under the radar, unusual partnerships are beginning to emerge (for example, sportswear and retail brands convening around a Zero Discharge of Hazardous Chemicals agenda, aiming to detoxify supply chains into China by 2020).¹¹
- 7. There is often an obsessive focus on problems, when a more optimistic focus on solutions a 'glass half-full' approach could help switch on the unconverted. For example, Daniel Goleman encourages us to analyse not just the negative footprint of a business, but also its 'mindprint' and, at the potentially strongly positive end of the spectrum, its 'handprint'. ¹²

- 8. The ageing trend is being investigated in terms of the implications for health care and pension provision, but not in terms of the potential for **(p.228)** growing political conservatism among baby boomers how do we counter that?
- 9. Young people (e.g. Generation Y) are often keen to be involved in transformative change, but could become deeply frustrated and/or angry where high levels of unemployment persist. So we need to discover from them how to engage with them before they disengage from us.
- 10. While we tend to avert our eyes from some of the areas of greatest current failure (e.g. Detroit or developing countries), their resilience may also turn out to become the sources and incubators of breakthrough solutions that could have a profound impact on the rest of the world, through what is now called 'reverse innovation'. ¹³

Our aim is to use the insights we have captured so far, but also to create more, to generate an open-source Prospectus for Breakthrough Capitalism. Our latest book, *The Zeronauts: Breaking the Sustainability Barrier*, identifies fifty breakthrough innovators working in such areas as population growth, pandemics, poverty, pollution, and the proliferation of weapons of mass destruction. We are not just sitting back and waiting for a 'leaderless revolution' on this front: a key aim is to identify, convene, and network leaders working in very different areas. And at a time when the mainstreaming of the sustainability agenda risks the dilution of ambition, we aim to triple distil the agenda, map the areas where 'the future is already here', and help jump innovation to the point where it drives truly transformative change.

Notes:

- (1) http://www.thevalueweb.org.
- (2) http://www.nytimes.com/2012/06/22/opinion/global-agenda-magazine-going-green.html? pagewanted=all.
- (3) http://www.breakthroughcapitalism.com.
- (4) http://www.wbcsd.org/vision2050.aspx.
- (5) http://www.bcorporation.net.
- (6) http://www.carbontracker.org/news/environmental-stranded-assets.
- (7) http://www.generationim.com/media/pdf-generation-sustainable-capitalism-v1.pdf.
- (8) https://www.recyclebank.com.
- (9) http://en.wikipedia.org/wiki/Cognitive surplus.
- (10) http://futurequotient.tumblr.com/report/.
- (11) http://nikeinc.com/news/nike-roadmap-toward-zero-discharge-of-hazardous-chemicals.
- (12) http://www.time.com/time/magazine/article/0,9171,2108015,00.html.
- (13) http://en.wikipedia.org/wiki/Reverse innovation.
- (14) http://www.zeronauts.com.



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