

## Addressing Tipping Points for a Precarious Future

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### Commentary 6.4

#### Leadership by Business for Coping with Transformational Tipping Thresholds

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#### **[–]** Abstract and Keywords

This is the time for businesses to become truly sustainable. This can be achieved by awareness, cooperation, coordination, and communication, backed by appropriate action in fields, streets, and homes. Businesses are searching for a more secure long term, for going large in their sense of perspective and assessments of their values, and in helping customers to adopt their own versions of appropriate behaviour.

*Keywords:* sustainable business, sustainable behaviour, corporate responsibility, World Business Council, sustainable development

We know that, in order to survive and thrive, we will all have to live and work in ways that are very different from those we have experienced in the past. As Sara Parkin introduced in Chapter 6.3, this presents a real leadership opportunity for transformational approaches to sustainable business.

Marcel Proust said: 'The real magic of discovery lies not in seeing new landscapes, but in having new eyes.' In providing leadership for coping with transformational tipping thresholds, I believe that it is essential to look with new eyes at our business models and our approaches to our customers, and to discover how can we catalyse and drive active partnerships for social good.

Business needs to embrace the reality of sustainable business. That it is not just an extension of corporate responsibility. It is about fundamental understanding of the interconnectedness of our world and the central role all business should play. Business needs to understand where and how it can make a positive difference and drive that change. Clarity and consensus in the boardroom are keys to success in developing a sustainable business.

Business needs to be open to innovative, creative, cross-societal forms of collaboration that engage public-private-civil connections in new ways and develop regulatory frameworks and incentives to support them. Indeed it is business which is taking the lead in seeking more reliable and appropriate regulations from governments (as commented by Keith Clarke (6.5)). This is a trend which will benefit from cooperation with the dynamic nature of third-sector organizations. So I see more formative alliance **(p.214)** between these two surprisingly compatible sectors so long as their shared beliefs are synchronized.

In today's world, broadly speaking, our related shared beliefs are:

- The third sector are stewards of the community and people in need, but have to be enabled to fulfil their roles in today's difficult economic circumstances.
- The private sector's prime drive is making short-term money, at least for their shareholders, but its linked drive is for reliable continuity.
- The Big Society is an idea associated with David Cameron, UK Prime Minister and local volunteering, but has yet to catch on with community organizations because government has yet to offer the appropriate supporting regulations, cooperative funding, and effective communications.
- The main way that companies can help charities is by giving cash.
- Philanthropy is primarily about selfless giving to charity, though the benefits of doing so are also reputational and may be economically advantageous to the donor.
- Philanthropy helps fund charities who create interventions to support people in need.

We need to replace our old beliefs with new beliefs:

- We are all stewards of the future, so we cannot avoid a sense of virtue and responsibility as outlined in Chapter 6.1.
- Our shared focus should be on real social betterment and especially on ensuring that the circumstances for succeeding generations are not knowingly jeopardized.
- The only way to achieve that is through collaborative action, not just one-way giving.
- Sustainable business needs to be placed in a long-term context and is about nurturing society in a resilient nature.
- Our shared prime objective is to do whatever we can to help each of us help ourselves and help others.
- The public, private, and civil sectors should be working together to help companies achieve long-term success across the board for local communities and the economy.
- This is an age of continuous transformation; staying the same is not an option.
- Transformation requires game-changing thinking, so where we are currently at is not where we can continue to be.

**(p.215)** New models for collaborative engagement will centre on co-ownership, new products and services, transformational philanthropy, community outreach, collaborative social marketing campaigns, and social action. Figure 6.6 sets out this transformational vision.

New approaches must also recognize the power of the market and how the necessary collaboration between business and customer behavioural change will play an important role in delivering positive outcomes for the future of the planet. We need to create new business norms – such as engaging social marketing or customer behavioural-change programmes in place of more traditional approaches to marketing and cause-related marketing. This will require collaborative engagement across business and with civil organizations, schools, and colleges, and working charitably with community organizations.

**(p.216) Setting the tone**

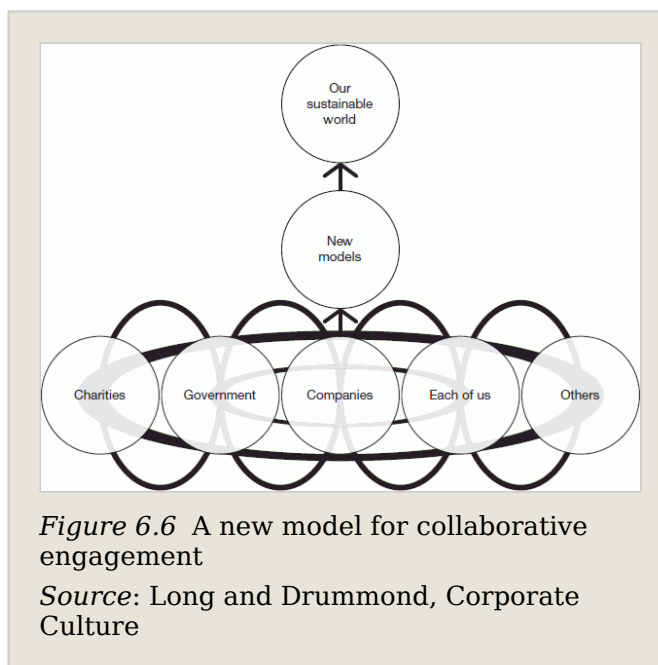
Some businesses are already engaging – coming out of the economic crisis and reinventing the way they think. Unilever’s work (see Thomas Lingard (6.8)) on developing their Sustainable Living Programme and pioneering ‘brand imprinting’ sets the tone for a new approach from multinationals – still recognizing the commercial imperative but bringing the moral imperative into play too.

Post ‘peak oil’, post the 2008 economic crash, there is no uncertainty about the fact that the age of abundance is behind us. Wherever we look, tougher climate change regulation, stricter policies on forestry, and growing water shortages constitute a situation where food companies, for example, face a reduction in earnings – so even if a company’s moral compass doesn’t trigger action, economic interest highlights the necessity to act.

**Defining a preferred future**

The big question for business in this new world is – What is our preferred future operating environment and what do we need to do to bring it to life? I worked with Anglian Water to create the ambitious and holistic ‘Love Every Drop’ sustainable business programme. Its approach is designed to help to open eyes to the possibilities of a new definition of responsibility for business, where the real value of water as a gift from nature is recognized and water is no longer seen as a disposable commodity. Anglian Water wants to put water at the heart of a whole new way of living. This is not just about the company becoming sustainable, it is about the interconnectedness of the future of the business and the future of the region – Anglian Water is championing a sustainable region and encouraging sustainable living. To achieve this will demand a whole new engagement with customers. The company is investing in ground-breaking behaviour-change programmes which include some of the plethora of necessary interventions to drive sustained behaviour change.

Here is where collaboration with third-sector charities and social enterprises comes in, as one way forward is to develop sustainable water ambassadors who can work with households and neighbourhoods on new ways of conserving piped water and better ways of deploying the rain that falls on roofs and hard surfaces. Anglian Water is testing out the provision of home water



*Figure 6.6 A new model for collaborative engagement*

*Source: Long and Drummond, Corporate Culture*

butts to be linked to overall care for in-home water **(p.217)** use, with community-based water ambassadors trained through funding partnerships.

Many of us do not get the opportunity to consider the true value of water as an intrinsic element of ecosystems functioning. We only realize how much we rely on it when our supply is disrupted in some way. Yet water is at the heart of everything we do. Every cup of coffee in the morning; shower after the gym; or clean shirt before a day's work. Water is such an inspiring, engaging product - ideal for the task at hand - to reach out across society and start to engage people to think differently about the resources we all consume.

### Going large

There is a pressing need to push the development of new sustainable business models right up the agenda across the private sector. A decade ago, Business in The Community (BiTC) established 'Workplace, Marketplace, Community and Environment' as core to its Corporate Responsibility Index. Along with other organizations promoting sustainability in responsible business, this played an important role in engaging business to drive the agenda forward. To push for progress now, new approaches are needed to shape and facilitate new economic sustainable growth. It is important that 'corporate responsibility' reporting doesn't become a 'tick box' activity and in doing so act as a drag-anchor on innovation.

Embracing long-term timeframes and context greatly helps to improve business resilience and identify new business opportunities. Leadership by business in coping with transformational tipping thresholds can come when businesses engage in 'Big Picture' thinking. By taking the approach of highlighting business opportunities and new business models, businesses can consider the opportunities and issues they face and how they might overcome them.

We are now seeing a growing body of work which outlines visions and roadmaps out to 2050 (for example, the World Business Council for Sustainable Development Vision 2050). At its Responsible Business Convention in 2011, BiTC rolled out the first phase of its '2050 Vision for a Sustainable Future Project'. Through the provision of a series of visioning tools and cross-business collaboration, BiTC are seeking to stimulate businesses to develop shared positive visions of 2050 and a routemap to get there.

### **(p.218)** Going beyond 'shared value'

If we are going to accelerate progress and encourage leadership in business on the sustainability agenda there is a real need to open up the debate around going beyond 'shared value'. The concept of 'shared value', as set out by Porter and Kramer (2011), is a strong starting point for building the business case for sustainability: that long-term sustainability relates to business creating economic value in a way that also adds value for society by addressing its needs and challenges. The list of high or worthwhile achievers in this area is growing annually, which is good news. However, context is critical in this discussion. As austerity bites even deeper into society and resources become scarcer, the reality of the need to change fundamentally our approach to business in this age of transformation is ever more urgent. The focus for business needs increasingly to be on how business can help create more sustainable communities by making it easy for customers to live more sustainable lives, thereby helping to build stronger, more sustainable markets, with no separation between what is termed as 'business value' and 'social value'.

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When Unilever CEO Paul Polman held the one-year review for its Sustainable Living Plan in April 2012, he talked of going beyond 'shared value' and responding more directly to the needs of a frugal resource-challenged society first. Some of the big players now understand that a real business model shift is required, although delivering on this in mainstream business is still 'work in progress'. GlaxoSmithKline, Centrica, General Electric, Kingfisher, and a handful of others, are all part of the picture of progress.

Sustainability must increasingly mean businesses focusing on what they can do to help customers live more sustainably and thereby contribute to creating stronger markets - a clear sense of long-term sustainable business success. Driving the creation of sustainable communities and sustainable living is core to creating sustainable markets within which to prosper. Businesses can no longer operate outside the context of a society with limited resources and hope for long-term sustainability. But when they work within that society, they can take advantage of the opportunities to become the life support of nations for the long term: for example, by moving from simply supplying food to helping people eat better and reduce waste.

There is a tangible sense of change within the private sector these days, as John Elkington (6.6) reinforces. However business needs to be much **(p.219)** more proactive in stepping up to the challenges humankind faces with bold, mainstream 'at scale' solutions. To deliver on this in the long term will require the courage of leadership, the willingness to take some flak from shareholders, communicating more effectively the real value of sustainability to investors, and the need to seek collaboration with third-sector and social enterprises. It will require new approaches to how we all do business and an honest reassessment of the values that underpin why we do business and what business means to society. To make progress faster we need to face these big questions and respond with new business models and new approaches to sustainable economic activity. We need to be increasingly open to trialling creative and cooperative experiments and new approaches to sustainable economic growth.

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