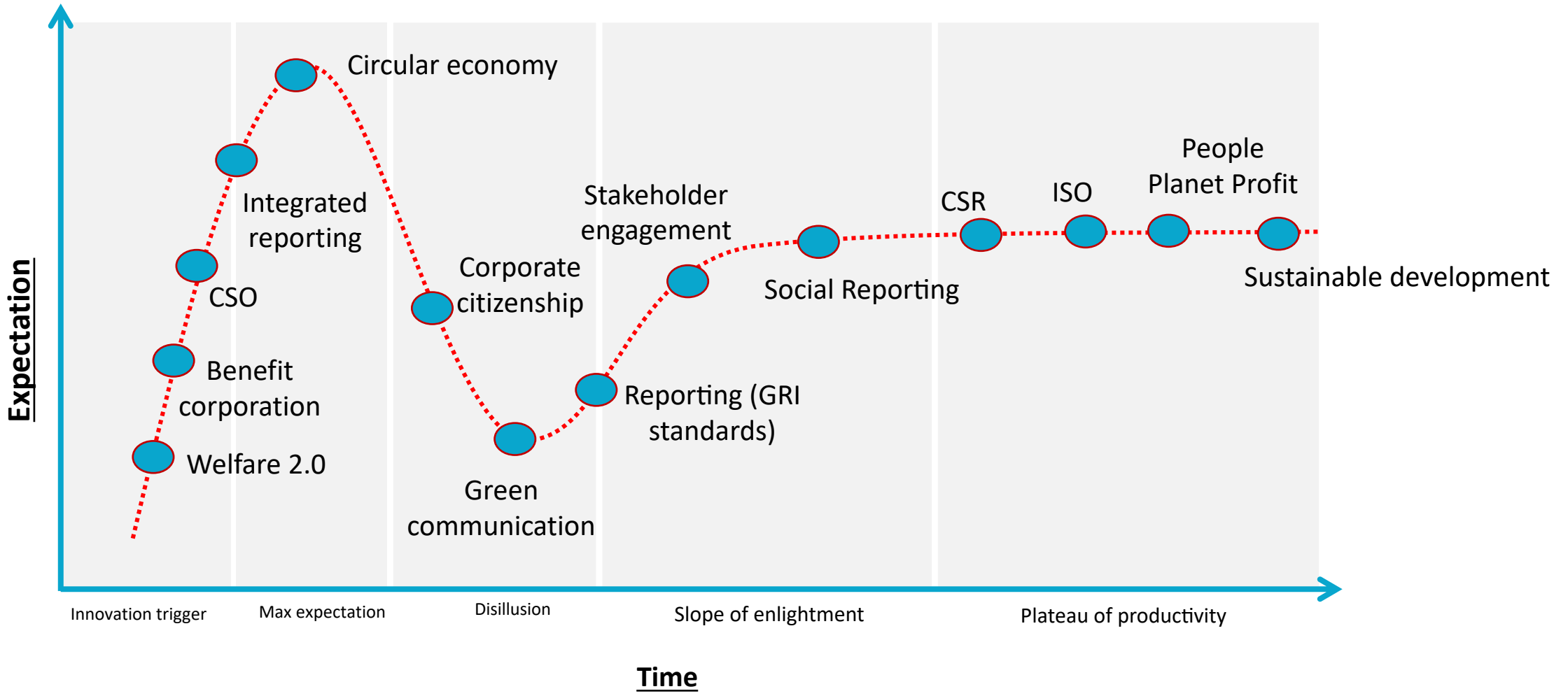


# Sustainable Business Management

15.10.2019

THE LEXICON

# HYPE CYCLE OF SUSTAINABILITY



*«there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud» (Friedman, 1970)*

**CORPORATE CITIZENSHIP:** responsibilities of a company towards society ('50/'60)

**SUSTAINABLE DEVELOPMENT:** sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Commission, '80)

**PEOPLE, PLANET, PROFIT:** business responsibilities are referred to social, environmental, economic dimension (Elkington, '90)

**CORPORATE SOCIAL RESPONSIBILITY:** Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large." ('90)

**GREEN ECONOMY:** “One that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. It is low carbon, resource efficient, and socially inclusive” (2000).

**SOCIAL BUSINESS:** A social business operates for the benefit of addressing social needs that enable societies to function more efficiently. Social business provides a necessary framework for tackling social issues by combining business know-how with the desire to improve quality of life. (M. Yunus).

**BUSINESS ETHICS:** ethical dimensions of productive organizations and commercial activities. This includes ethical analyses of the production, distribution, marketing, sale, and consumption of goods and services (Stanford, 2015)

**SHARED VALUE:**

“...generating economic value in a way that also produces value for society by addressing its challenges. A shared value approach reconnects company success with social progress”. (Porter & Kramer, 2011)

([Case studies](#))

**LEVELS OF SHARED VALUE****BUSINESS RESULTS****SOCIAL RESULTS****Reconceiving product and markets:**

How targeting unmet needs drives incremental revenue and profits

- Increased revenue
- Increased market share
- Increased market growth
- Improved profitability

- Improved patient care
- Reduced carbon footprint
- Improved nutrition
- Improved education

**Redefining productivity in the value chain:**

How better management of internal operations increases productivity and reduces risks

- Improved productivity
- Reduced logistical and operating costs
- Secured supply
- Improved quality
- Improved profitability

- Reduced energy use
- Reduced water use
- Reduced raw materials
- Improved job skills
- Improved employee incomes

**Enabling cluster development:**

How changing societal conditions outside the company unleashes new growth and productivity gains

- Reduced costs
- Secured supply
- Improved distribution infrastructure
- Improved workforce access
- Improved profitability

- Improved education
- Increased job creation
- Improved health
- Improved incomes

**BENEFIT CORPORATION:**

Corporation that creates general public benefits, with positive impact on society and environment.

Shareholders care about economic performance as well as impact on society and environment

[\(examples\)](#)

**3,067**

Companies

**150**

Industries

**64**

Countries

**1**

Unifying Goal



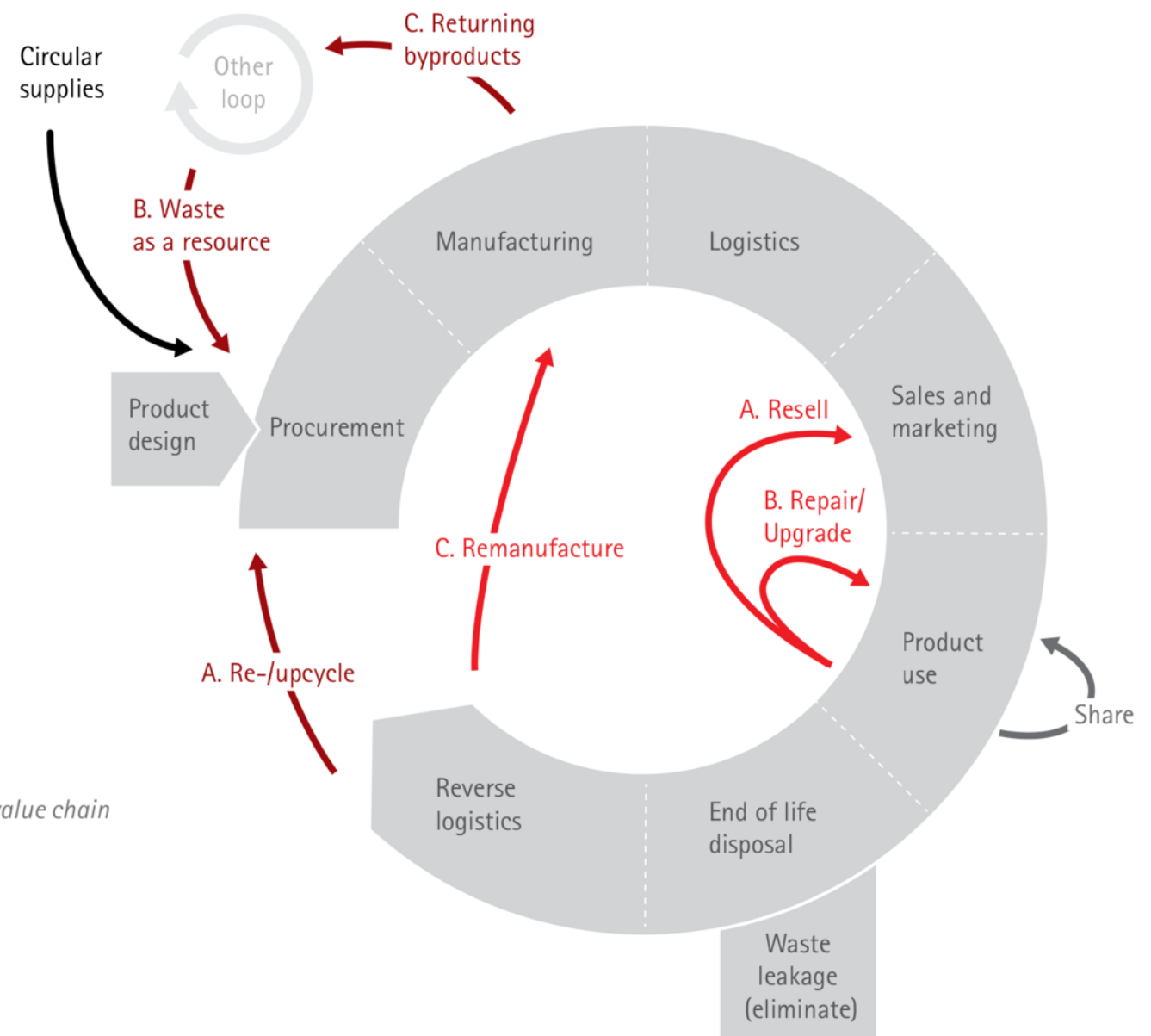
**CIRCULAR ECONOMY:**  
Aims to eradicate waste—not just from manufacturing processes, as lean management aspires to do, but systematically, throughout the life cycles and uses of products and their components.

[\(examples\)](#)

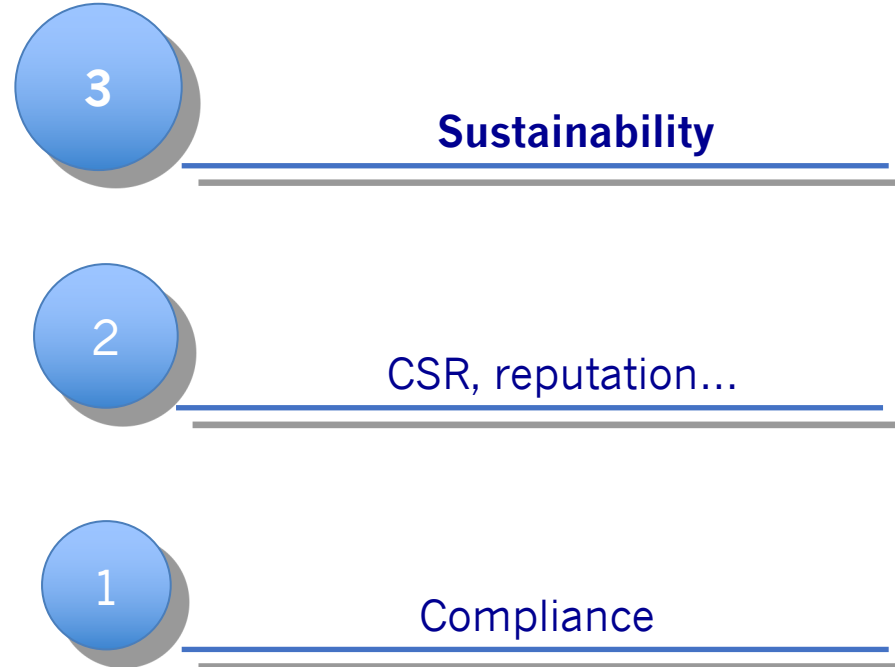
## Business Models

- **Circular Supplies:** Provide renewable energy, bio based- or fully recyclable input material to replace single-lifecycle inputs
- **Resource Recovery:** Recover useful resources/energy out of disposed products or by-products
- **Product Life Extension:** Extend working lifecycle of products and components by repairing, upgrading and reselling
- **Sharing Platforms:** Enable increased utilization rate of products by making possible shared use/access/ownership
- **Product as a Service\*:** Offer product access and retain ownership to internalise benefits of circular resource productivity

\* Can be applied to product flows in any part of the value chain



## SUSTAINABILITY:



## Implication

Risk management: policies and actions to manage the sources fo discontinuity (governance, economic, environmental, social...)

Opportunity management: policies and actions to create value from trends, push factors, innovation...