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Corporate Environmental Strategy

Making business
sustainable?

Outline

- Business Strategy
- Environmental Strategy
- What do we mean by strategy?
- **Developing your strategy!**
- **(Activity driven)**





Activity

**Recap of last week's CSR statements
for selected companies (15 mins)**

What sorts of elements did you focus on?

Fig. 1.5 CSR Strategy



Business Strategy

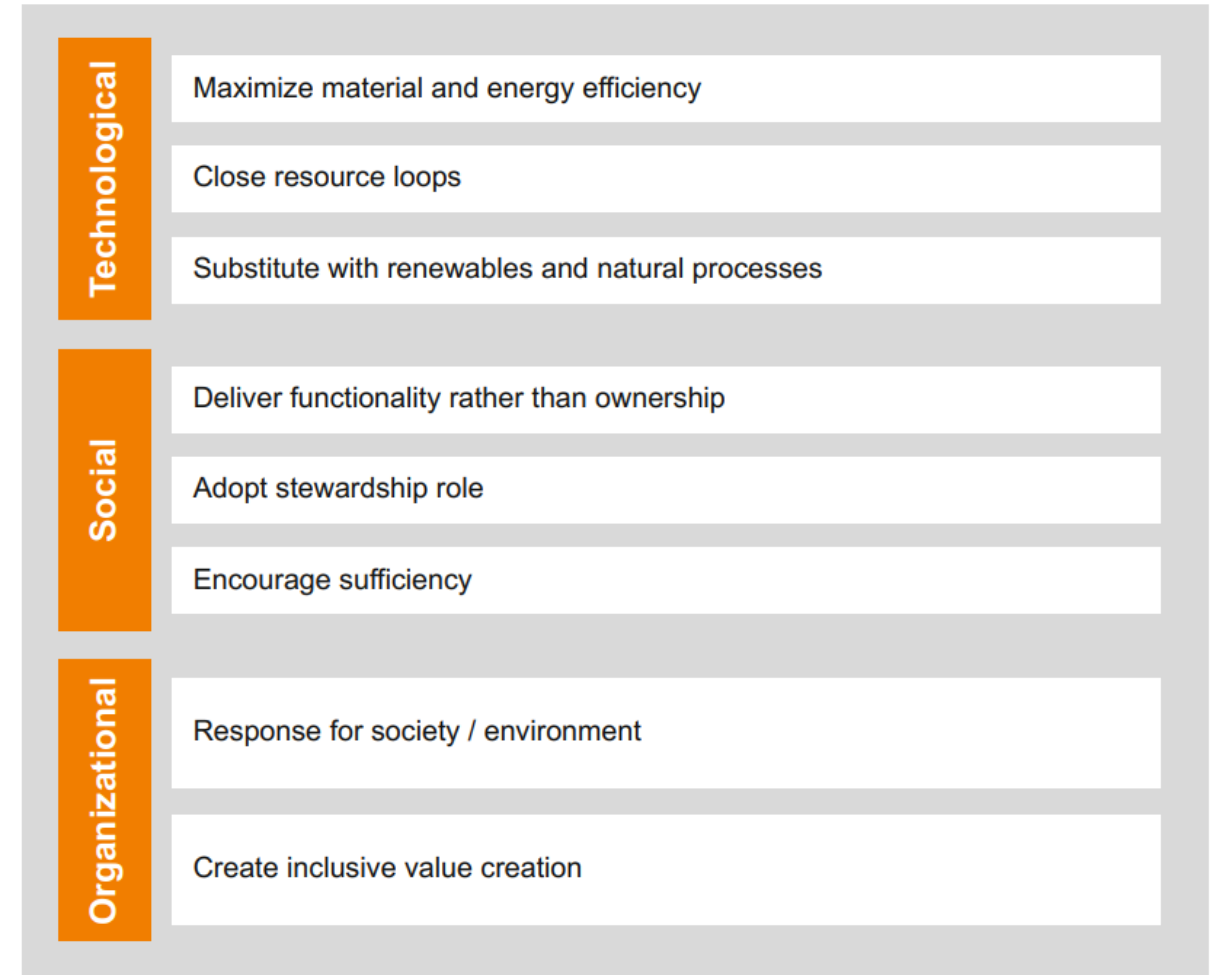
- *There is no single strategy that leads to a 'greener' business, but there is usually a combination of strategic approaches that help businesses become more environmentally responsible—and not stray into 'green-washing.'*

[j.ctt7zwbx7.7.pdf \(uwtsd.ac.uk\)](#)

[j.ctt7zwbx7.14.pdf \(uwtsd.ac.uk\)](#)

Sustainable Business Model Archetypes

- A business model defines the way a company operates.
- Sustainable business model innovation can be an important change for a company to be considered sustainable (and for coping with emerging challenges in this context).
- Bocken et al (2014) developed a set of sustainable business model archetypes (shown here).





Activity

Form pairs....

You have been tasked by your employer (from the last task) to develop a more sustainable 'umbrella/sister company'.

Select a business model archetype from the presented business model archetypes.

You have ten mins to come up with a business concept.

Strategy Development

Process of strategy development

Description of
starting
position

Analysis of
products and
markets

Assessment of
strategic
options

Commit on
strategic
focus

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A collection of colorful wooden Tetris blocks, including I, L, O, and T shapes, scattered on a dark wooden surface. The blocks are in various colors: purple, blue, orange, green, red, pink, yellow, teal, brown, and grey. The text "Environmental Strategy" is overlaid in the center in a white, bold, sans-serif font.

Environmental Strategy



No shortage of advice

A search on Amazon.com for books with the word combination 'green business strategy' results in over 550 matches (in November 2012). There is no shortage of advice for businesses on how to reinvent themselves with the 'green' mantra.

(Now there are 1000's!)

Environmental Strategy

- [j.ctt7zwbx7.14.pdf \(uwtsd.ac.uk\)](#)

Importance of Environmental Strategy?

- *In order to successfully achieve sustainable corporate development, enterprises have to define and implement a pragmatic strategy*
- [421472 1 En 12 Chapter 175..200 \(springer.com\)](#)

- ***Go Green or Go HOME!***

[The Importance of Sustainability Strategy in Business: Driving Environmental Change | ELVTR](#)

Importance of Environmental Strategy?

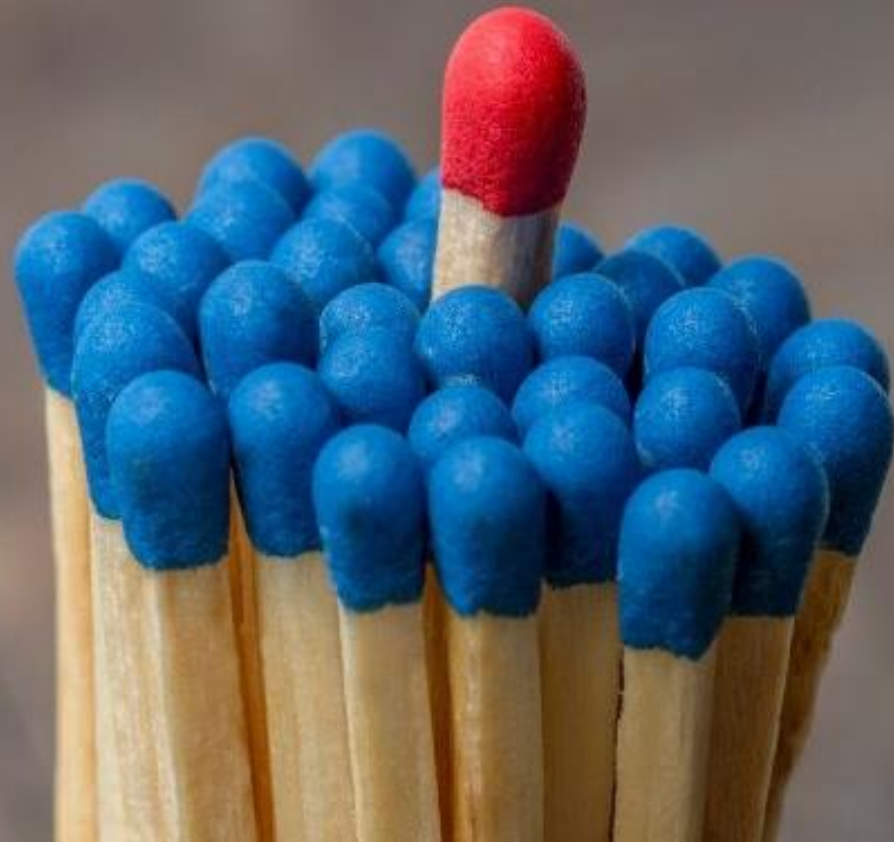
- The bigger the business, the more power it has to impact the environment and become a trendsetter in the corporate world. We've seen a lot of small eco-friendly local businesses, but are the big players really into this game?
- All businesses, no matter at what scale they operate, leave carbon footprints. Eco-friendly initiatives became very popular in recent years, but you need to differentiate between driving actual change and simply creating an image.
- While [90% of executives admit that sustainability is important](#), only 60% of the companies they work for actually have a sustainability strategy. Only [22.8% of Fortune 500 corporations](#) work with the UN's [Sustainable Development Goals framework](#).

• [The Importance of Sustainability Strategy in Business: Driving Environmental Change | ELVTR](#)

What do we mean by strategy?

- While the term strategy stems from a military context (Clausewitz 1935; Giles 1910), the conceptual integration into the context of corporate management in terms of strategic planning and later strategic management, was undertaken over half a century by scholars from varying fields (Will 2012).
- Originating from conceptions of efficiency as the main driver of productivity (Taylor 1911) and the relation of experience to cost-efficiency (Henderson 1973), competitiveness then took over the corporate strategy discussion, later expounded upon with differentiated business strategies (Porter 1985).

FROM BLAND TO BRAND
**5 Ways to Make Your
Business Stand Out in
a Crowd**





Integration of sustainability into corporate strategy

[421472_1_En_12_Chapter_175..200 \(springer.com\)](#)

Organizational Influences

Internal: Business model, organizational structure and strategy

External: Industry type, structure and position within the industry

External drivers

- Legal compliance

Connecting drivers

- Corporate reputation
- Social and environmental responsibility

Internal drivers

- Quality management
- Cost reduction and economic performance
- Competitive advantage
- Innovation
- Risk management

Supporting and hindering factors

- Management control and endorsement
- Stakeholder engagement
- Organizational learning and knowledge
- Transparency and communication
- Management attitude and behavior
- Organizational culture
- Complexity
- Investment

ISO 2009 & ISO 2018

- The path of sustainable corporate development needs to be outlined for any business with specific deliberation on its internal and external environment.
- **To achieve sustained success, the organisation must pinpoint its concrete objectives and values. These should be, furthermore, clearly understood, accepted and supported by the employees of the organisation (ISO 2009).**

The screenshot shows the ISO 9004:2018 product page. The header includes the ISO logo and navigation links: Standards, Sectors, About us, News, Taking part, and Store. A search bar and a shopping cart icon are also present. The main content area displays the title 'ISO 9004:2018' and its subtitle 'Quality management Quality of an organization Guidance to achieve sustained success'. Below this, the status is marked as 'Published' with a green checkmark. A note states: 'This standard was last reviewed and confirmed in 2023. Therefore this version remains current.' On the right side, there is a sidebar for selecting format and language. The 'Format' section shows 'PDF + ePub' as the selected option, with other options being 'PDF + ePub + Redline', 'Paper', and 'PDF'. The 'Language' section shows 'English' as the selected option, with 'Spanish' also available. At the bottom of the sidebar, the price is listed as 'CHF 194' with an 'Add to cart' button. A small note at the bottom of the sidebar says 'Convert Swiss francs (CHF) to your currency'.

- **Replaced by:**
[ISO 9004:2018 - Quality management — Quality of an organization — Guidance to achieve sustained success](#)

Examples of recognisable green mantra?

- Can you think of any recognisable green corporate environmental strategy?



Ecolabelling

• ...



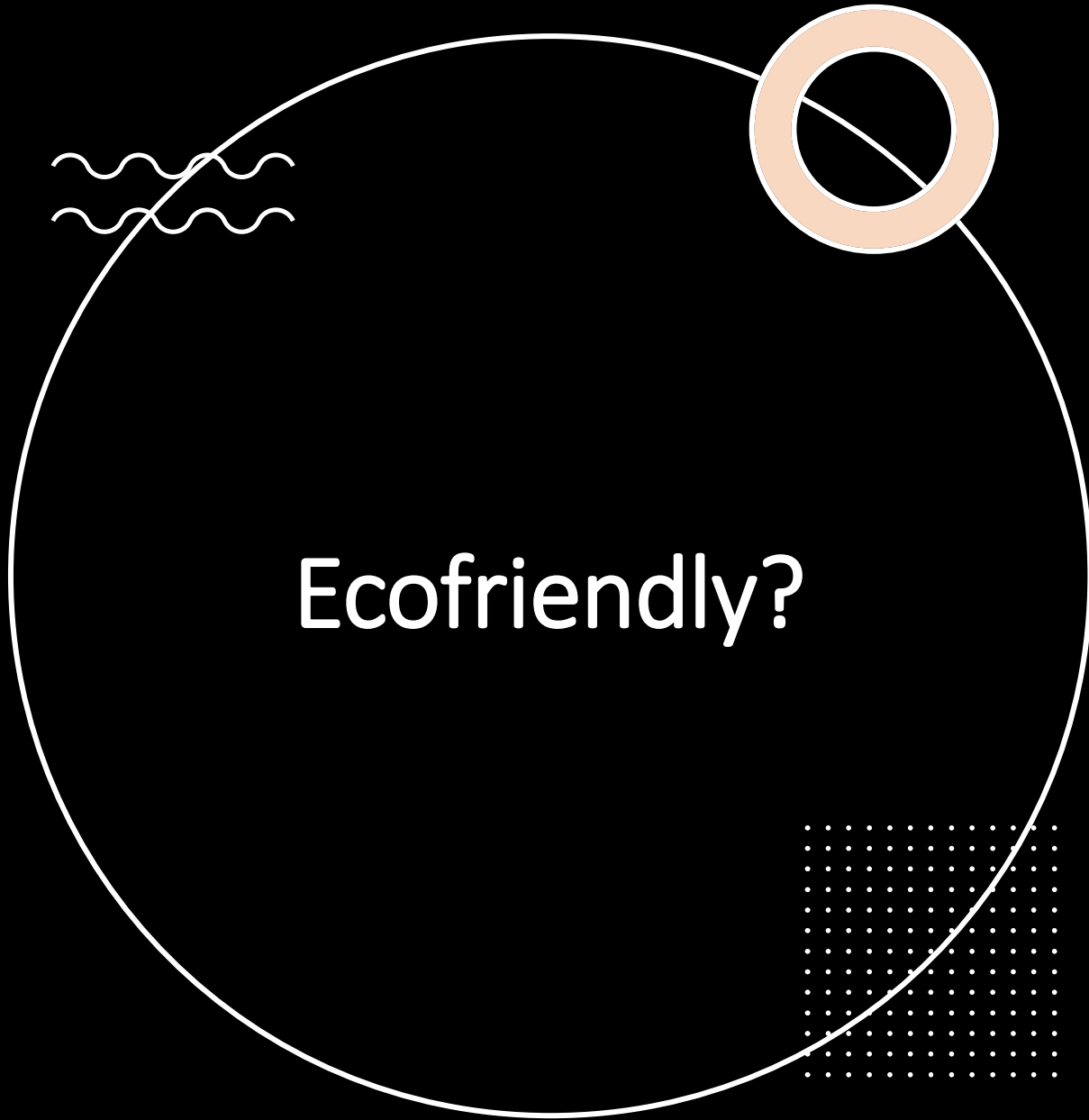
Spotting Fake Eco-Friendly Labels



Greenwashing?

Pick Ethical

[The Dirty Truth About Eco-Friendly Labels | Pick Ethical \(pick-ethical.com\)](#)



- Ethical Badges & Eco Labels You Can Trust | Pick Ethical (pick-ethical.com)

Strategy Development

Process of strategy development

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Commit on
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focus



Activity

Click on the following link: [Ethical Badges & Eco Labels You Can Trust | Pick Ethical \(pick-ethical.com\)](#)

Choose a label and find some examples of businesses using it.

Remind us what the labelling scheme is.

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Strategy Development

- Today, enterprises are forced to align their own objectives with the needs of all their stakeholders.
 - Particularly at a time characterised by shorter product life cycles, decreasing prices, new technologies, global markets and increasing sustainability demands, enterprises require an efficient process for their strategy development activities.
- [421472 1 En 12 Chapter 175..200 \(springer.com\)](#)

Strategy Profiles

[421472_1_En_12_Chapter_175..200
\(springer.com\)](#)

Table 1 Strategy profiles for sustainability based on Baumgartner and Ebner (2010)

Strategy profile	Explanation
Introverted	• Low standard of sustainability • Concentrates mainly on conformity and compliance with sustainability rules and guidelines
Conventional extroverted	• Aims to communicate sustainability commitment to society for increasing competitiveness • Responsibility often located in public relation department • Focused on external presentation of sustainability
Transformative extroverted	• General orientation conventionally extroverted • Company is a driver for corporate sustainability in society • Most important are facts, which prompt sensitive reaction from society without proving fulfilment
Conservative	• Oriented towards internal measures • Focusing cost efficiency and well defined processes • Commitment to investment in appropriate technology, sophisticated health and safety, ecological sustainability • Process-based analysis and assessment of corporate sustainability • Society-related issues less important
Systemic visionary	• Highly developed sustainability commitment • Combines outside-in and inside-out perspective, based on internalisation and continuous improvement of sustainability issues • Aims in all sustainability aspects at good results • Stakeholders and market are equally addressed by sustainability commitment
Conventional visionary	• Oriented towards market impact • High level of maturity • Minimal lower maturity in processes, purchasing, no controversial activities or corporate citizenship due to lower impact to market situation as sustainability leader

Strategy Profiles

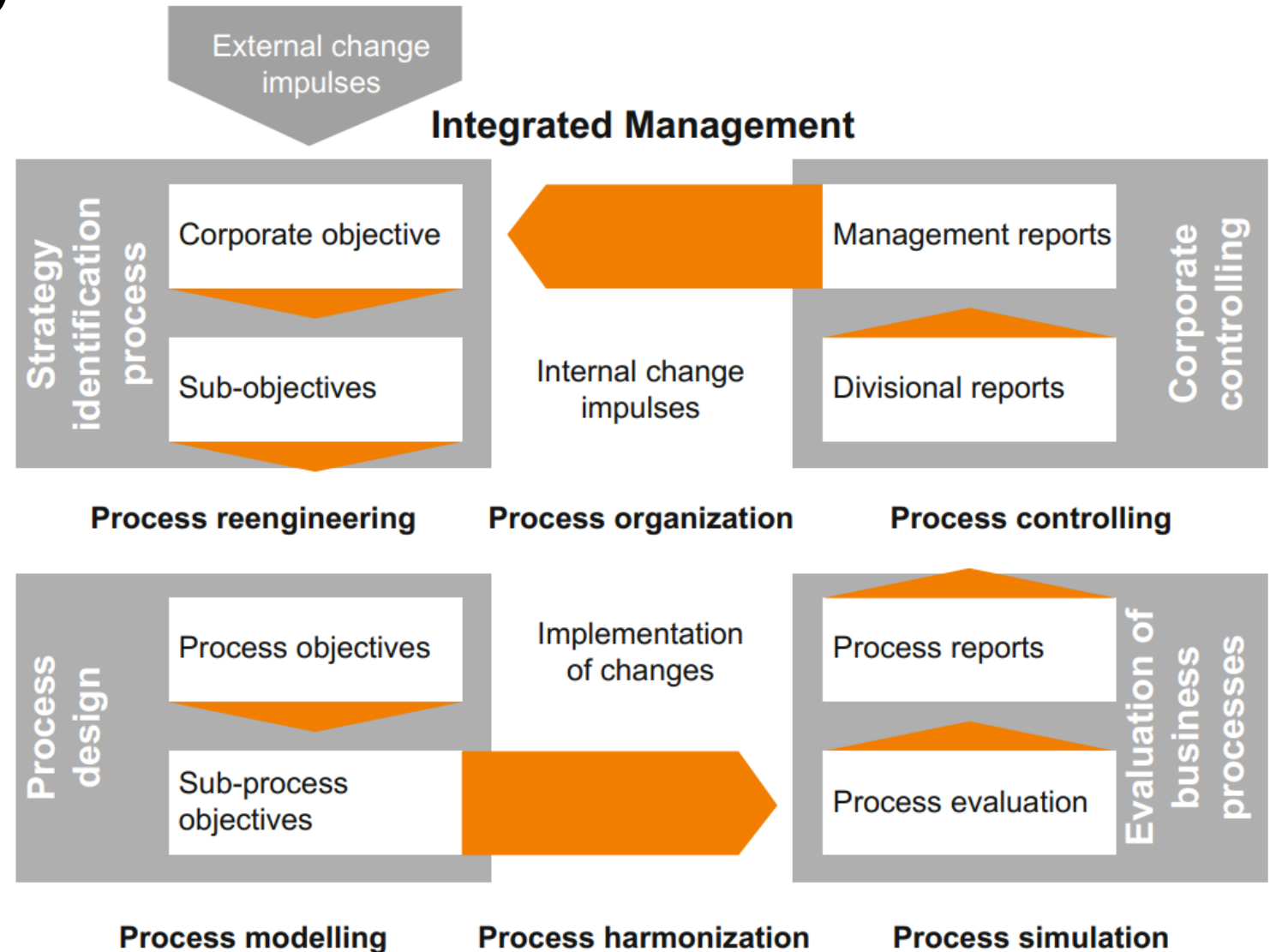
Can you find examples of corporate environmental (e.g. companies) for each of the following profiles:

- Introverted
 - Conventional Extroverted
 - Conservative
 - Systemic visionary
 - Conventional visionary
-
- **For your new company, decide on a strategy profile**
 - **Discuss in pairs which would be most relevant for your company / strategic focus?**

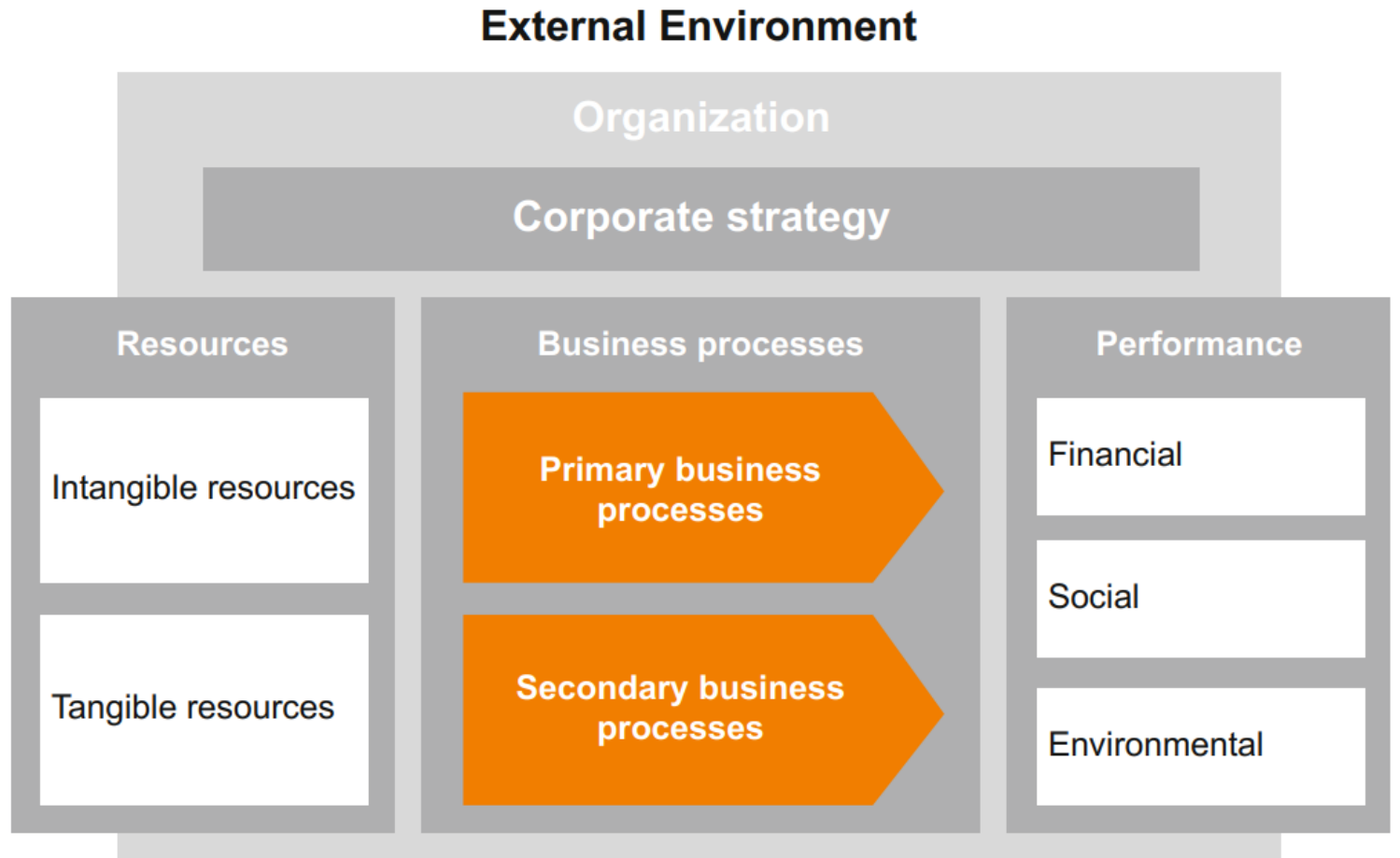
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Connection of corporate strategy and process management

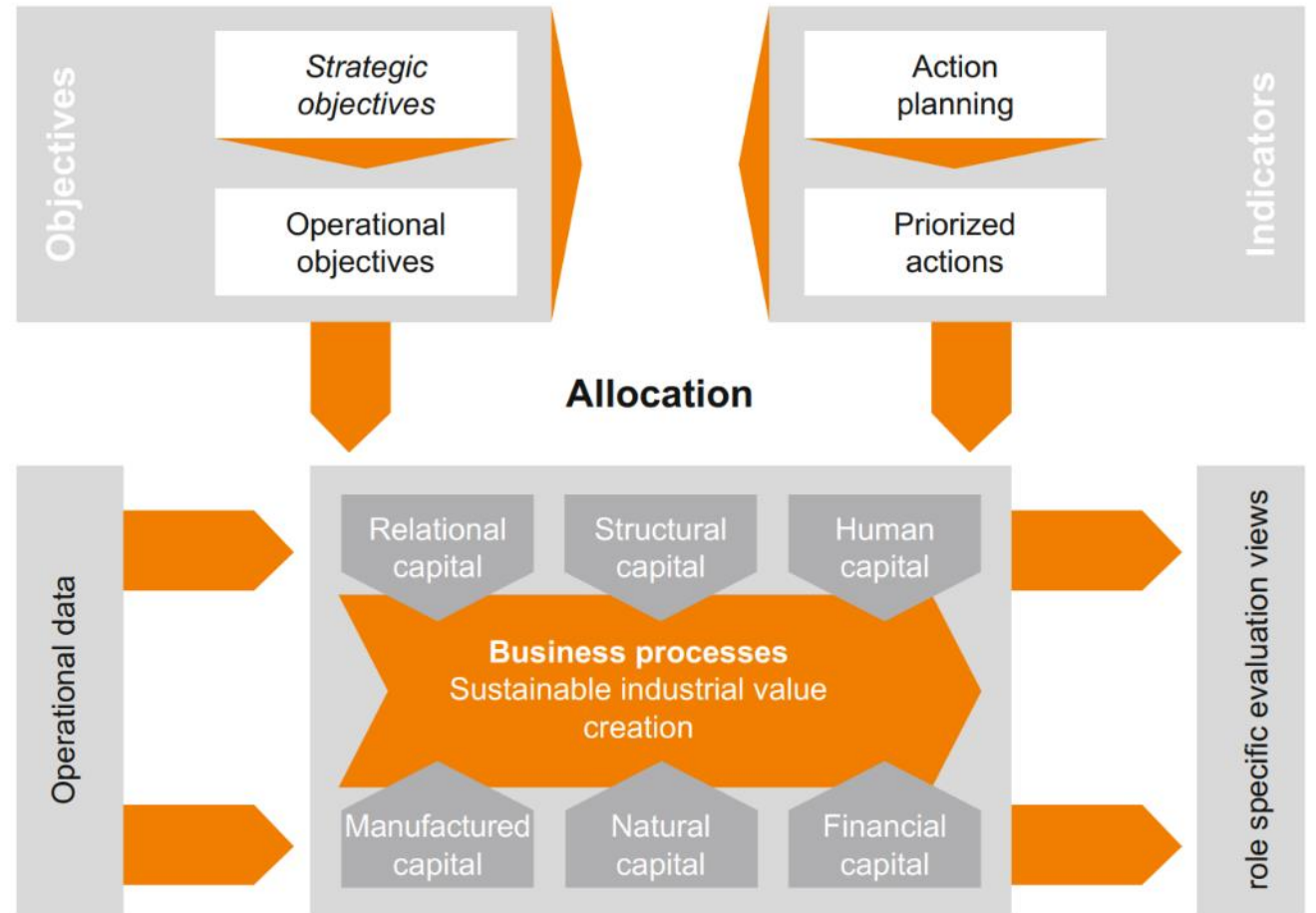


Reference model for corporate sustainability



Model-based framework for the management of corporate sustainability performance

- Prioritisation matrix



[\(PDF\) The Influences of CSR's Multi-Dimensional Characteristics on Firm Value Determination by a Fusion Approach \(researchgate.net\)](#)

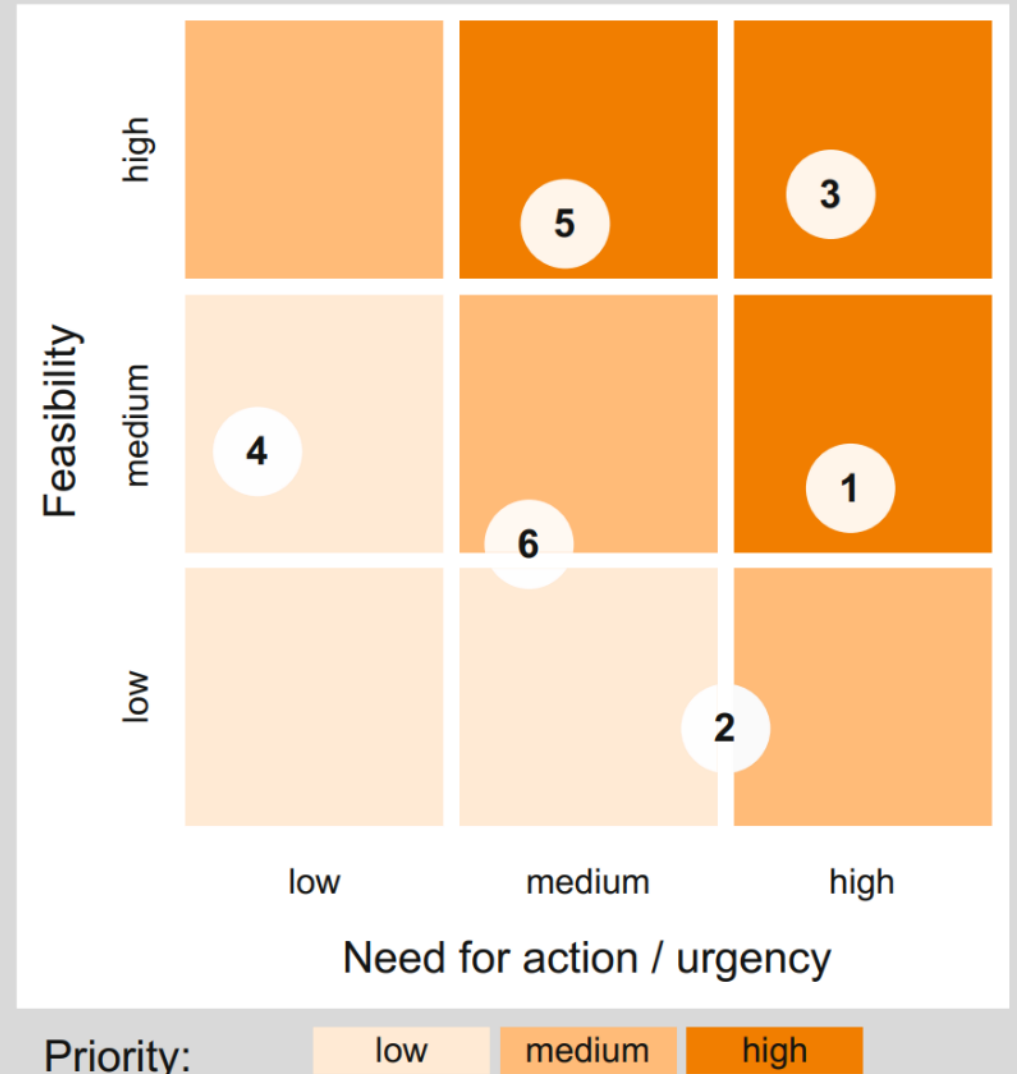
[ISO Social Responsibility Standardization \(iisd.org\)](https://www.iisd.org/)

Prioritisation-matrix (Orth et al. 2011)

- Based on the focus of your new company, highlight some key strategic priorities by placing them in this matrix.

Practical examples:

1. Optimization of energy use
2. Enhancement of material efficiency
3. Reduction of waste
4. Enhancement of family-friendliness
5. Communication of sustainability achievements
6. Regional engagement in social welfare



[\(PDF\) The Influences of CSR's Multi-Dimensional Characteristics on Firm Value Determination by a Fusion Approach \(researchgate.net\)](#)

[ISO Social Responsibility Standardization \(iisd.org\)](#)

Green Management Theories

Green Management Theories:

- Ecocentrism
- Adjusted Stakeholder
- Resource Based Theory.

CSR Relevant theories:

- Stakeholder
- Normative
- Social Construct

Green Management Theories

- Additional readings related to business strategy for the environment
- Porter and van der Linde
- [Green and Competitive: Ending the Stalemate \(hbr.org\)](#)
- Walley and Whitehead
- [It's Not Easy Being Green \(hbr.org\)](#)
- Stuart Hart
- [Stuart L. Hart: Strategies for Sustainable Value \(stuartlhart.com\)](#)

Next Week: Strategic Management of the Coast

