Beyond Green:  
Going Green and Sustainable Environments

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Our Purpose for Today

• Explore context and definitions for sustainability

• Highlight key sustainability trends, concepts and tools

• Learn about the new Green Economy

• Explore what you can do in your career and as an individual to contribute to the transition to a more sustainable/green economy?

• Distinguish three scenarios for the future which you can help shape
Green Careers
Address the Human Side of Sustainability

From

Hopeless
Helpless
Immobilized

To

Inspired
Engaged
In Action
Context

Global sustainability issues impacting all organizations and people in the world

• Environmental Sustainability

• Social Justice

• Economic/Financial Sustainability
Global sustainability issues impacting all organizations and people in the world

Environmental Sustainability

• Global warming and climate change
  - Rising sea levels

• “The Death of Birth”

• Fresh water shortages

• Ecological Footprint

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Social Justice and Crises

• Poverty widespread, 3 billion under $2 per day: 9.1 billion by 2050, biggest increase in developing countries
• Almost 1 bil people chronically undernourished
• Wealth of 3 rich = 600 mil poor
• No schooling for 1 in 5 children
• Most population growth in poorest regions
• 80 countries poorer than 20 years ago
• U.S. incarceration rate highest in developed world
This is Serious Business

• “You can’t ignore the impact your company has on the community and the environment. CEO’s used to frame thoughts like these in the context of moral responsibility, but now, it’s also about growth and innovation. In the future, it will be the only way we do business.”

  Paul Cescau, CEO, Unilever

• “Sustainability has moved from the fringes of the business world to the top of the agenda for shareholders, employees, regulators, and customers...Any miscalculation of issues related to sustainability can have serious repercussions on how the world judges a company and values its shares.”

  Sunny Misser, PricewaterhouseCoopers global leader of Sustainable Business Solutions
Sustainability Definitions

A whole-systems, cross-sector issue

“How can the present generation meet its needs in ways that are not only economically viable, environmentally sound and socially equitable but that also allow future generations to do the same?”


“Company’s ability to achieve its business goals and increase long-term shareholder value by integrating economic, environmental and social opportunities into its business strategies.”

What Is Sustainability?

Multi-focus of the Triple Bottom Line

- Social
- Environmental
- Economic
Making Progress Toward Sustainability: Four Key Trends

1. Multi-Stakeholder Partnerships proliferating
2. Voluntary Reporting increasing
3. Private Regulation accelerating
4. Financial Sector acceptance

“The major challenge—and opportunity—of our time is to create a form of commerce that uplifts the entire human community of 6.5 billion and does so in a way that respects both natural and cultural diversity. Indeed, that is the only realistic and viable pathway to a sustainable world, And business can—and must—lead the way.”

Stuart L. Hart (2007)
Looking Through a New Economic and Financial Lens

• Rethinking and redefining GDP
  – The need to include the 5 capitals:
    • Human
    • Social
    • Natural
    • Manufactured
    • Financial

• Environmental, Social, and Governance (ESG) = new reference point for financial analysis and decision-making
  – UN Principles of Responsible Investment
    • To “better align investors with the broader objectives of society”

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Looking Through a New Economic and Financial Lens

• New market creation
  – Base of the Pyramid protocol (Hart, 2008)
    • Opening Up
    • Building the Ecosystem
    • Enterprise Creation
  – Indigenous business development
    • Engagement of communities in sustainable development and growth of enterprise
    • Innovation of existing processes
    • Development of micro-enterprise
    • Authentic indigenous solutions
Sustainability Strategy Concepts and Tools

What are some of the key Sustainability Strategy concepts and tools that can accelerate the success of sustainability?

- Sustainability Pyramid Framework
- Strategic alignment map
- Customizing sustainability strategies for performance
- Sustainability SWOT analysis
- Making the sustainability-performance business case
- Stages of sustainability-strategy evolution
Sustainability Pyramid Framework

The Triple Bottom Line

SUSTAINABLE ENTERPRISE

OD/HR’s Contribution to
Managing Sustainability

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Customizing Sustainability Strategy for Performance

Not one size fits all formulaic approach

“Each organization should adopt particular sustainable development strategies that fit its unique context of challenges, opportunities, and stakeholders.”

(Porter & Kramer, HBR 2006)

The Sustainability Strategy “Sweet Spot” — Finding the unique set of value-chain investments in sustainability practices that simultaneously strengthens business effectiveness and benefits society
Making the Business Case

Automotive Sector Correlation to Share Price Performance (Innovest EcoValue Index)

50% outperformance - 7 years (12-96 to 06-05)

Total Return

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Qualities of a State-of-the-Art Sustainable Enterprise

• Long-term, collaborative, “holistic” or systems-oriented mindset
• Pursues a “triple bottom line”
• Generates or regenerates planet’s five capital stocks
• Ethics-based business principles & sound corporate governance
Qualities of a State-of-the-Art Sustainable Enterprise (cont’d)

• Committed to transparency and accountability.
• Gives stakeholders opportunities to participate in decisions that affect them.
• Uses its influence to promote meaningful systemic change among its peers, within its neighboring communities, and throughout its supply chain.
Corporate Threats and Opportunities

• Sustainability “right at the top of corporate executive agendas” (McKinsey, 2008)

• Some key risks
  – Impact of climate change
  – Tighter regulation
  – Expense of post-hoc remediation
  – Embarrassment of public relations exposure
  – Competitors having greater appeal
Threats and Opportunities (cont.)

• Some key opportunities (Esty & Winston, 2006; Savitz & Weber, 2006; Hitchcock & Willard, 2006)
  – Better recruitment & retention of talent
  – Greater employee engagement
  – Increased employee productivity
  – Reduced operating expenses
  – Increased innovation
  – More sustainability-related product design
  – Enhanced reputational capital
  – Expanded markets (especially emerging -- Prahalad & Hart, e.g. Unilever)
Stages of Sustainability Strategies

• Early, compliance-driven — focuses on reputable business practices (e.g., laws, regulations, contracts)

• Midpoint, responsiveness-driven — moves beyond mere compliance to concerns for customer expectations (e.g., quality) and employee needs (e.g., health, safety, quality of work life)

• Advanced, integrative — takes strategic approach infused with purpose and passion and marked by environmental stewardship and deep concerns for community needs
Middle-Stage Case Example: General Electric

- Criticized in past for community/environmental insensitivity
- Through *Ecomagination* initiatives, taken lead to provide solutions to world’s environmental ills
  - brings together products from GE’s different businesses that are intrinsically green—such as wind turbines—or certified as producing fewer emissions than competitive products
- Plans to significantly reduce greenhouse gas emissions (GGE) while stepping up sales of equipment in renewable energy, efficient power generation, water purification, and so forth
- Doubled its investment in R&D for environmental technologies
- Doubled its expected sales of environmental products
- Introduced credit card allowing cardholders to earmark rebate amount for GGE reduction projects; will use total collected to buy GHG offsets each Earth Day
- Believes its Ecomagination initiatives have increased revenues
Advanced Stage Case Example: Philips Electronics

• Social and environmental responsibility in the firm’s “DNA” since its founding over a hundred years ago
• Building a strong corporate strategy around global megatrends
  – predicting that by 2050, 85% of people will live in developing nations with acute shortages of health care
• Developing special medical vans allowing urban doctors to reach remote villages, diagnose/treat patients via satellite
• Developed low-cost water-purification technology and smokeless wood-burning stove to reduce the 1.6 million yearly deaths from smoke-induced pulmonary diseases
• Will abandon its leading incandescent lighting business in favor of more energy-efficient compact fluorescent, and eventually LED, lighting
What is the Green Economy?

“...economic activity by companies and customers in the form of products, services, and business models that promote economic growth, reduced environmental impacts, and improved social well being”

State of Green Business by Joel Makower
GreenBiz.Com February 2009

“A rapidly growing billion-dollar sector that includes renewable energy sources, organic produce and products, green buildings, alternative fuel vehicles, and more”

DAS Summit
Making the Shift to the Green Economy

• The Green Economy holds a wealth of untapped opportunities waiting to be discovered and seized.

• How can you navigate this seismic shift to position and market yourself for sustainable success?
Objectives

• What you can do in your career and as an individual to contribute to the transition to a more sustainable economy?

• Highlights include:
  – Making the shift to a green/sustainable economy
  – The many challenges and opportunities in making this transition
  – Emerging career paths in sustainability
Green Elements of the American Recovery and Reinvestment Act of 2009

- $32.80 billion in clean energy
- $26.86 billion in energy efficiency
- $18.95 billion in green transportation

Caution: Watch out for quick fix, "greenwashed" and or misportrayed market claims.
Green Jobs

*From Environment America* ([www.environmentamerica.org](http://www.environmentamerica.org))

- Green Jobs Act at $500 million over 2 years which will train 70,000 workers in **renewable energy and energy efficiency** jobs;

- Providing $5 billion for the **Weatherization Assistance Program**, enough to prevent 9.7 million tons of global warming pollution and create 375,000 jobs;

- Investing $4.5 billion to **upgrade our electricity transmission system** to better take advantage of renewable energy and improve efficiency;

- Providing $4.5 billion in **green building funding to improve energy efficiency** of the federal government, the nation’s biggest energy user;

- $3.2 billion in **local government energy efficiency** and renewable energy projects;

- $8.4 billion in **public transit**, which will save 10.3 million barrels of oil and create or preserve 252,000 jobs, with $1.5 billion set aside for expanding capacity and upgrades to existing transit systems;

Emerging Careers and Career Paths in Green Economy

- Microfinance in US and Developing Countries, especially for women owned businesses
- Carbon Trading, Reporting and transparency
- Socially Responsible Investing, Clean-tech investing and patents
- Corporate Social Responsibility, Corporate Citizenship
- Chief Sustainability Officers, Chief Responsibility Officers
- Environmental, Health & Safety (EH&S)
- Green Buildings (LEED)
- Greening Supply Chains
- Green Marketing - Sustainability Communications, Branding, and PR
- Human Resources, Organization Development & Change
- Greening every industry at all stages of life cycle:
  - Extraction
  - Production
  - Distribution
  - Consumption
  - Disposal
Green Outlook

• The number of employees for LEED buildings will grow to 10 times the current number by 2015 Green Building Impact Report 2008

• What kinds of opportunities might this offer you?

Thinking out of the box……..

• Not eating meat has more of an effect on climate change than switching to a hybrid car.
  – Industrial farm animals around the world generate 18% of global emissions
  – Producing 1 pound of beef creates 11 times as much greenhouse gas emissions as 1 pound of chicken and 100 times more than a pound of carrots
Sustainable Companies Outperform Peers During Financial Crisis

- Companies with a “true” commitment to sustainability outperform their industry peers in the financial markets, during economic slowdown.

- In 16 of 18 industries, across 99 companies, companies recognized as sustainability-focused* outperformed their industry peers over a three-month and six-month period, and were well protected from value erosion.
  - Over three months, performance differential was 10%
  - Over six months, performance differential was 15%, equating to $650 million in market capitalization per company.

*Sustainability companies were defined by inclusion in either the DJSI or Goldman Sachs SUSTAIN focus list.

Source: A.T. Kearney, 2009
How Can Managing Sustainably Enhance Competitive Strategy & Returns?

Environmental, Social, and Governance Performance

Superior Earnings Growth and Share Price Performance

Firm’s Differentiation and Competitive Advantage

Stakeholder Relations
Cost / Liability Reduction
Human Capital – Recruitment and Retention

Market Share Growth
Brand Value
Innovation Capacity
Time to Market Reduction

Environmental, Social, and Governance Performance
Sustainability Research Indices

• Innovest Strategic Value Advisors.

• BWC Quality of Work-life Portfolio

• Sustainable Asset Management (SAM) and the Dow Jones Sustainability Index.

• IC Value: Science Based Conservation Investment.
Top 12 Most Commonly Used Sustainability-Related Practices

1. Ensure the health and safety of employees
2. Ensure accountability for ethics at all levels
3. Engage collaboratively with community and nongovernmental groups
4. Support employees in balancing work and life activities
5. Encourage employee volunteerism
6. Involve employees in decisions that affect them
7. Provide employee training and development related to sustainability
8. Reduce waste materials
9. Highlight our commitment to sustainability in our brand
10. Improve energy efficiency
11. Work with suppliers to strengthen sustainability practices
12. Get groups across organization that are working on sustainability-related initiatives to work more closely together

AMA/HRI Sustainability Survey 2007
Model of Sustainability Management

Sustainability Decision Drivers

Implementation Enablers

Sustainability Practices

Performance Improvement

Sustainability Inhibitors

Copyright © Kent Fairfield, Joel Harmon, and Scott Behson, 2009
Top Sustainability-Related Drivers of Business Decisions Today – Worldwide Survey 2007

- Ensuring our workers’ health and safety wherever we operate
- Improving our reputation/brand image with shareholders and the public
- Effectively addressing regulatory restrictions wherever we operate
- Enhancing innovation for competitive advantage
- Meeting expectations of investors and lenders
- Attracting and retaining diverse top talent
- Improving employee morale engagement and commitment
- Providing products and services that are good for the world
- Enhancing current customer satisfaction and loyalty through sustainability initiatives
- Increasing security for our employees, customers, and the communities in which we operate
- Attracting new customers and developing new markets through sustainability initiatives
- Improving relations with community stakeholders including nongovernmental organizations (NGOs) and community activists
- Enhancing operational efficiency through energy and waste reduction

AMA/HRI Worldwide Sustainability Survey 2007
“Sustainability Inhibitors” Reported

• 12 inhibitors, 3 clusters
• Internal deficiencies, e.g.,
  – Lack of awareness, metrics, support from Sr. Mgt.
  – Weak business case
• Lack of stakeholder demand, e.g.,
  – From customers, managers & emps, community
• Fear of Competitive Disadvantage, e.g.,
  – Competitors taking advantage of us
• Weak barriers (all means < 3.1 on 5pt scale), amenable to mgt. influence
The IC Value “Iceberg” balance sheet

Financial Capital 30%

Intangible Capital 70%

**Sustainable Governance**
- Strategy
- Capability/Adaptability
- Traditional governance practices

**Eco-Value**
- Quality of environmental management
- Environmental risks & Eco-efficiency
- Strategic profit opportunities

**Human Capital**
- Recruitment retention strategies
- Employee motivation
- Labor relations
- Innovation capacity
- Knowledge Development & Dissemination
- Health & Safety
- Progressive workplace practices

**Stakeholder Capital**
- Regulators & Policymakers
- Local communities
- NGOs
- Customer relationships
- Alliance partners
- Supply chain
- Social benefits of products & services
FIGURE 1.2


SOURCE: Social Investment Forum Foundation
NOTE: Social screening includes mutual funds and separate accounts.
What is a Sustainable Career?

- Reflect on what is a sustainable career for you, one that would bring your best self to an opportunity that makes a meaningful difference in the world?
Finding Your Green Career
“Sweet Spot”

Interests, Capabilities, & Needs

Opportunities in Industries & Functions

Green Value
• What are your interests, capabilities and life needs for your green career search?

• Map to Green Career Paths
Industry and functional shifts I need to consider:

- Traditional Industries Green Opportunities?
- New Opportunities (Green Ventures)?
- Entrepreneurial Opportunities (Green franchises)?
- Businesses shifting to green products & services?

What other opportunities do you see?
Green Next Practices

How can you position yourself to take advantage of the next wave of green practices?

Regarding:
• Environment
• People
• Profit

Thought example: regarding the coming Government Carbon Cap and Trade System, I might...
• Ask not what the green economy can do for you, ask what you can do for the green economy...
  – Social?
  – Environmental?
  – Economic?
Jumpstarting the Green Economy Conference
May 19-21, 2009

www.greenventuresconference.org
Jumpstarting the Green Economy Conference

- Making the Transition:
- Moving People, Places, and Institutions into the New Green Economy
- A Starting Point
- Changing Our Priorities
- Changing Our Economy
- Changing Our Communities
- Changing Ourselves
- Changing the World
Transitioning To Green

Facilitating the transition to a green economy

• for individuals, by introducing them to the opportunities and helping them choose and be successful
• for existing businesses, by helping them green themselves and their processes
• for green businesses, by helping them grow and replicate
Transitioning to Green (TTG)

Introductory Sessions
- Professional Associations
- Public Sessions

Forum
- Transitioning to Green Overview
- Learning Maps
- Industry Tables
- Greening of Professions
- IT/Fin/MBA/Pharma

Follow-on Offerings
- Green Career Workshop
- Green Career Counseling
- Entrepreneurial Opportunities
- Organization Consulting & Assessments
- Transformational Training
- Certificate

Career Opportunities
- Headhunters
- Green Jobs Banks
- Alliances
- Green Franchises
- Startups (SBI)
- NTL
- ISE Post-Graduate Program
Transitioning To Green
Career Opportunities Web Resources

• Existing web resources
• TTG Knowledgebase
• TTG Online Community
Transitioning To Green Careers

This knowledge repository supports the Transitioning To Green, green and sustainability aligned career coaching and support services.

- **Green Economy and Green Jobs References** - by William G. Russell - last modified Feb 17, 2009 06:55 AM
  
  This folder contains reference articles pertaining to the Green Economy and Green and Sustainable Jobs generally. Visit the SKN Training tab to learn more about Sustainability and the Sustainable Enterprise Living Fieldbook to learn more about how to act and operating enterprises sustainably.

- **Green Career Events** - by William G. Russell - last modified Feb 17, 2009 06:26 AM
  
  Job fairs and career workshops specifically targeted towards green and sustainable career opportunities.

- **Green and Sustainable Job Search Website Links** - by William G. Russell - last modified Feb 17, 2009 09:26 AM
  
  The following website links have been identified as having excellent job postings for job opportunities within social entrepreneur and green industry sectors and or green and sustainable skilled positions within any enterprise. Selected sites listed as folders include an introductory overview of the site and some preliminary search statistics for selected common job types. Please submit new job sites you may be aware of that are not listed and which you would recommend.

- **Sustainability and Green Career Recruiters** - by William G. Russell - last modified Feb 17, 2009 09:26 AM
  
  The following recruiters have been identified for their commitment to support green industries, sustainability officer placements and the opportunities of the emerging Green Economy. Please submit recruiters that you are aware of and are or would like to endorse.

- **Green Business Entrepreneurial Opportunities** - by William G. Russell - last modified Feb 17, 2009 08:47 AM
  
  This folder contains links with green companies that are looking for entrepreneurs to expand their businesses and green business concepts that have been identified as opportunities to do good and do well. TTG has not yet evaluated these referral sites or the franchise companies themselves. Prudent due diligence is essential!

- **Transitioning To Green Website Link** - by William G. Russell - last modified Feb 17, 2009 08:26 AM
  
  TTG Website Link: TTG offers a full suite of products and services for: People who are thinking about or ready to make the transition to green careers, or running their own green business: Businesses who are thinking about or ready to transform themselves into green businesses for the new Green Economy and green businesses who are looking to expand and scale up in new areas and find new talent to support their expansion.
Three Scenarios for the Future of Sustainability

• Scenario One: Things fall apart
  Organizations give up on trying to be sustainable. Businesses just want to survive in an increasingly anarchic world, plagued by global war for natural resources, especially oil and water.

• Scenario Two: Muddling toward sustainability
  At best a mixed bag and, at worst, an utter mess. Countries try to make global agreements on everything: fisheries, global warming gases, water conservation, pandemics, global poverty. While these have symbolic value, they have no real teeth and are ultimately ineffective.

• Scenario Three: A Global Sustainability Culture
  A global sustainability culture has taken root. A cultural “tipping point” has been reached. Factors shaping it were alarming scientific findings, changes in climate patterns, geopolitical conflicts, global media networks, innovations in the marketplace, success of “green” business. The confluence of these factors creates a “preservation mindset” or “global sustainability culture.”
Conclusion

• Today, the future remains uncertain...

• Much depends on whether
  – Business and government leaders and managers in general,
  and
  – High-performing companies, government, and industry leaders in particular,
  continue to gain greater awareness of sustainability and choose to adopt sustainability-related values, strategies, principles, and practices.
Your Feedback

Reflection At Tables

1. What new insights do you have about **Sustainability** in the business context?

2. What new insights do you have about the **Green Economy**?

3. What does sustainability and the transition to the Green Economy mean to **you and your professional life**?

4. How can you make this a financially, environmentally and socially sound investment **for your organization** starting now?

5. How can this movement benefit **you, your organization, and the earth**?
Call to action –

• What’s your commitment?
• What are you willing to do to make an impact personally and in your organizations?
Thank You!

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Sustainable Enterprise NING Network
www.SustainableEnterprise.NING.Com

The Sustainable Enterprise Fieldbook and “Living Fieldbook”
www.thesustainableEnterpriseFieldbook.net