

“In the swelling sea of sustainability literature,
Chris Laszlo’s *Sustainable Value*
offers an island of clarity and focus.”

STUART HART, AUTHOR OF *CAPITALISM AT THE CROSSROADS*



Sustainable Value

How the World's
Leading Companies Are
Doing Well by Doing Good

Chris Laszlo

with a Foreword by Patrick J. Cescau, Group Chief Executive Officer, Unilever

Sustainable Value



About the author

Chris Laszlo is the author of *The Sustainable Company: How to Create Lasting Value through Social and Environmental Performance* published by Island Press in October 2003 (paperback July 2005). A co-founder and partner of Sustainable Value Partners, he has trained thousands of *Fortune* 500 executives in “sustainability for business advantage” inside companies and at leading business schools around the world. He is a partner of Blu Skye Sustainability, the leading strategy consulting firm.

For nearly ten years, he was an executive at Lafarge SA, a world leader in materials, holding positions as head of strategy, general manager of a manufacturing subsidiary, and vice president of business development. Prior to Lafarge, he spent five years with Deloitte Touche consulting. Educated at Swarthmore College, Columbia University, and the University of Paris, Chris earned his PhD in Economics and Management Science.

He is currently Visiting Professor at the Case Weatherhead School of Management in Cleveland, Ohio, where he is also Associate Director for Corporate Strategy and Design at the Center for Business as an Agent of World Benefit. Since 2002, he has lectured at CEDEP, the executive education program in Fontainebleau, France, where he is a Visiting Scholar at INSEAD’s Center for Social Innovation.

He is married and lives with his wife and two daughters in Great Falls, Virginia.

www.SustainableValuePartners.com

Early praise for *Sustainable Value*

“At a time when more and more business people are waking up to their contribution to environmental degradation and talking about the importance of moving toward sustainability, there is precious little in the business literature about *how* to do sustainability. Chris Laszlo has written a valuable guide that begins to fill the gap between talk and action. Read ***Sustainable Value***, dispel the myth that environmental responsibility is expensive, and form a new vision of industry as part of the solution rather than a part of the problem; and more profitable at that, not less.”

Ray Anderson, Founder and Chairman, Interface, Inc.

“Integrating sustainability into business activities is increasingly driving innovation and entrepreneurship. Global industry leaders are leapfrogging traditional EH&S and CSR approaches in favor of new business models that create value for shareholders *and* for society. ***Sustainable Value*** is a bold and inspiring read for managers who want the ‘story’ of sustainability as well as compelling case studies accompanied by a structured guide to managing in the new business context.”

Luk Van Wassenhove, The Henry Ford Chaired Professor of Manufacturing, INSEAD

“Chris Laszlo’s ***Sustainable Value*** is not only a great read but also a comprehensive and practical way for current and future leaders to learn to, as the book says, ‘think differently’ about the whole issue of ecological sustainability and corporate responsibility in practice. The work is engaging and the details provide a coherent and comprehensive picture of what it means to operate a profitable and highly successful business based on nature’s principles with the future held clearly in mind.”

Sandra Waddock, Professor, Boston College Carroll School of Management and Visiting Scholar, Harvard University

“In the swelling sea of sustainability literature, Chris Laszlo’s ***Sustainable Value*** offers an island of clarity and focus. By combining compelling storytelling with actual cases and tools, he shows how mainstream companies can build competitively superior strategies by solving the world’s social

and environmental problems. Prepare to cast the ‘trade-off myth’ adrift once and for all.”

**Stuart Hart, S.C. Johnson Chair in Sustainable Global Enterprise,
Cornell University and author of *Capitalism at the Crossroads***

“Chris Laszlo’s message is huge and simple: we are on the eve of one of the greatest revolutions in management industry, an era of deep-seated transformation, where ‘sustainable value creation’ is emerging as the most powerful unifying thread for propelling industry-leading innovation in complete and simultaneous convergence with solutions to the call of our times. In ***Sustainable Value***, Laszlo makes the vital point not with abstractions but with the real thing—for example, inside stories from the largest corporation in the world, and with frameworks, tools, and methods that take sustainable value creation out of the theoretical to the concrete.”

**Professor David Cooperrider, Fairmount Mineral Professor of Social
Entrepreneurship, Weatherhead School of Management,
Case Western Reserve University**

“Chris Laszlo has done it again! He is challenging business and society to understand the ways in which businesses can use their core business strategies to act as agents of world benefit. The outcome? The economy thrives, businesses thrive, and society thrives. None of us knows enough about how business leaders could be contributing simultaneously to their own bottom line and to the common good. Using some of the very best case examples, ***Sustainable Value*** goes a long way in educating us to succeed in the 21st century.”

**Nancy J. Adler, Professor of International Management,
McGill University**

“Chris Laszlo recites numerous environmental and social challenges facing business, including those stemming from toxic chemicals in products. As a shareholder activist, I have witnessed many companies reaping benefits from stakeholder knowledge of such problems. But I’ve also seen companies ignoring stakeholder suggestions that could build enterprise value. My own involvement with the sustainable value network process outlined in ***Sustainable Value***—which has led to Wal-Mart’s adoption of a precautionary safer chemicals policy—convinces me that any business

with a sizeable social and environmental footprint will need to apply Laszlo's tools if it wishes to provide sustainable value for shareholders and stakeholders alike in the years ahead."

Richard A. Liroff, PhD, Executive Director, Investor Environmental Health Network

"An accessible fable of a hard-nosed executive's awakening to the power of sustainability strategies to enable business success. The story, case studies, and toolkit convincingly reinforce each other to make the point that sustainability and business goals are a 'both-and' proposition not an 'either-or' trade-off. Chris Laszlo's first book, *The Sustainable Company*, should be a mandatory text in MBA schools. It now has a companion—***Sustainable Value*** makes the theory come alive. I can't wait for the movie version, as a compelling response to the 'now what?!' question implied by *The Corporation*."

Bob Willard, author of *The Next Sustainability Wave* and *The Sustainability Advantage*

"Laszlo's latest book shows that the pursuit of shareholder value, corporate social responsibility, and sustainability are compatible and indeed complementary goals that make sense for the business mainstream. He includes valuable lessons for American business from the European experience, especially France, where CSR and sustainability are fully ingrained in the business culture. In a globalized world, American business must be ready to benefit from the lessons of others, or be doomed to incur the costs and repeat the mistakes of others by inventing its own solutions. ***Sustainable Value*** is squarely aimed at corporate America's bottom line and, in doing so, it offers business everywhere a roadmap to a better future."

Nicholas W.F.-R. Dungan, President, French-American Foundation

"Reinventing the role of business in society is the challenge addressed in this book. Companies now face a developing world with new stakeholders, organized without any real geographical boundaries and with added legal complexity due to new legislation. Companies can no longer afford to have a defensive and reactive role in which the pursuit of shareholder profit neglects the costs and injuries that business inflicts upon society. Society's trends generate new constraints but equally immense opportu-

nities. In this context, business will need to collaborate with governments and civil societies in order to co-innovate and to answer the pressing, growing demands of a global world.”

**Claude Michaud, Emeritus Professor of Economics, INSEAD;
Director General, CEDEP**

“No less than the late and prolific management guru Peter Drucker has opined that all of our world’s greatest challenges are business opportunities. Now comes **Sustainable Value** by Chris Laszlo, signaling a welcome shift from debate about Drucker’s assertion to a grounded study of *how* managers and leaders can enable their businesses to flourish economically and become agents of world benefit. While this may appear a lofty and audacious aspiration, Laszlo’s new work convincingly demonstrates the *knowledge and competencies* one needs to achieve it.”

Ronald Fry, PhD, Chairman, Department of Organizational Behavior, and Editor, *World Inquiry on Business as Agent of World Benefit*, Case Western Reserve University

“Time and again innovative managers have shown that sustainable business practices are not only compatible with, but supportive of, strategic competitive advantage, and in ways that fit very different kinds of business strategies. While we know there is social *and* economic value in strategy that takes sustainability seriously, it isn’t always easy to find. In **Sustainable Value**, Chris Laszlo shows us how, and in an eminently readable and compelling way.”

Jonathan Johnson, Executive Director, Applied Sustainability Center, Sam M. Walton College of Business, University of Arkansas

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with a Foreword by Patrick J. Cescau, Group Chief Executive Officer, Unilever

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To my wife Lakshmi

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Foreword

Patrick J. Cescau,
Group Chief Executive Officer, Unilever

There can be few people in business today who could doubt that social and environmental sustainability will be the defining business drivers for multinational corporations in the first part of the 21st century. This book serves as a timely reminder of the challenges and analysis of the opportunities this agenda presents to business, as well as a well-argued exposition of the need for companies to embed these issues into their business and turn them to their competitive advantage.

At Unilever we are fortunate in having a portfolio of brands that are intrinsically beneficial. Our foods brands provide basic levels of daily nutrition, while our home and personal care products not only help people clean themselves and their homes, they also play a vital role in delivering hygiene, sustaining good health and fending off disease.

We also benefit from being a company with a long history of social responsibility, so doing well by doing good, the subtitle of this book, has always been one of our guiding principles. Our 19th-century founders were socially minded business entrepreneurs who realized that margarine and soap, our first brands, had enormous potential to do good in terms of improving nutrition and raising levels of hygiene beyond the products' basic functional benefits. That potential is reflected in our culture and in our business mission today, which is to add vitality to life by helping people to feel good, look good, and get more out of life.

In the past it was sufficient for our managers around the world to use their individual judgment to decide on which societal and sustainability issues to tackle, based on local needs and, to a large extent, personal

choice. In recent years, though, the globalization of our business, the massive changes the world is undergoing, the escalation of consumer concern about these issues, and the changing regulatory and political environment, have all prompted us to introduce a more formal process to integrate these issues into our business.

We have learned a number of things from this journey. Firstly, this agenda is not just about doing well by doing good. It is about doing better by doing good. It is no longer just about doing business responsibly; it is about seeing social and sustainability challenges as opportunities for innovation and business development. Rosabeth Moss Kantor, Professor of Business Administration at Harvard Business School, put it well when she said: “Companies that are breaking the mold are moving beyond corporate social responsibility to . . . social innovation. They view community needs as opportunities to develop ideas and demonstrate technologies, to find and serve new markets, and to solve long-standing business problems.”

In other words, this is not only about product innovation or clever marketing. Sustainability enables you to think creatively and differently about every aspect of your business from raw materials to waste disposal. Take sales and distribution, for example. In 2002 we were confronted with the challenge of how to sell our products to the millions of people who live in small villages in rural India without any existing sales and distribution network. The solution our Indian business came up with was to create our own home-to-home retail operation from scratch by tapping into an existing social network of women’s self-help groups and training women to become business entrepreneurs.

Today our rural operation in India is a multi-million-dollar business; it has created skills, incomes, and livelihoods for 36,000 women who were previously unemployed and living below the poverty line; it has brought products with nutrition and hygiene benefits within the reach of over three million households in 100,000 villages, many of them first-time consumers; and it has given us a market advantage our competitors will find hard to replicate. That is what I call social innovation.

The good news is that, as the breadth of case studies in Part II of this book highlights, the opportunity to turn societal and environmental challenges into opportunities for innovation and development applies to every business, be it a construction materials firm, the world’s largest retailer, a chemicals corporation, or a packaging company.

A second important consideration has been the insights we have gained by looking at our business through external eyes. As a consumer goods company, it is our brands that drive our growth, so the process we intro-

duced to integrate social, economic, and environmental considerations into our business is brand-led. As with the Sustainable Value Toolkit described in Part III of this book, our process spends as much time looking at our brands from the outside in as it spends considering inside-out factors. It is crucial, in our experience, to consider all the external influences on a brand, from what issues consumers are concerned about, to the forces shaping this agenda from a regulatory, competitive, and trade perspective, to the views of external stakeholders. As this book recommends, it is particularly valuable to listen to the opinions of a broader set of stakeholders, be they celebrities, journalists, academics, or NGOs, because what they say, write, lecture, or campaign about today tends to be what consumers will be concerned about tomorrow.

Thirdly, this agenda allows no short cuts or half measures. As sustainability moves center-stage and the “conscience consumerism” movement gathers momentum, it can be tempting for companies and brands that have not got to grips with this agenda to go for a quick-fix solution or an advertising-led approach. They are then surprised to find that they are roundly attacked for “greenwashing” or for trying to obtain a disproportionate amount of kudos for their efforts than the benefits of their actions actually warrant.

That approach no longer works, if it ever did. Today, companies and brands can succeed only if they are *genuinely* values-led and take a holistic rather than silo approach to social, economic, and environmental issues. That is why, even if you don’t communicate everything you do, you have to have a sustainability point of view on every aspect of your value chain and every step in your business life-cycle.

Fourthly, working with others achieves better results. Businesses can often be extremely well placed to tackle social challenges, as Chris Laszlo rightly argues, but business cannot and should not attempt to take them on alone. In many parts of the world, for example, we fortify foods with micronutrients to help tackle iodine, iron, and vitamin deficiencies, a major cause of ill-health and arrested development. This has a significant impact on public health, but we cannot take on the wider health and social implications on our own, which is why we work with Unicef and local health services on the ground to achieve long-term sustainable progress.

Similarly, our Lifebuoy soap brand is working with others in India and Bangladesh to reduce death and disease caused by diarrheal infection by teaching families about the existence of germs and the importance of washing hands with soap at critical times of the day. Over three million people a year die from diarrheal disease, mostly children, and research

shows that handwashing with soap can cut that number by half. But, however successful we are with Lifebuoy's hygiene education program, which aims to reach 200 million people over five years, we cannot tackle this huge social challenge without the involvement of local government, NGOs, and international health and welfare agencies.

Fifthly, companies need to move quickly to gain competitive advantage. Unlike some aspects of product development, this is not an area that can be easily copied or fast-tracked, so the sooner companies apply the principles set out in this book the better placed they will be. Many of the business costs that are currently outside the immediate control or scope of a business, such as raw material and waste disposal costs, are likely to become much bigger factors than in the past as global shortages take hold and "polluter pays" legislation is introduced. Companies need to plan now to mitigate the effects of a future where resources are under threat and externalities have to be paid for.

So the message is clear. Companies that successfully embrace this agenda and integrate it into their businesses and brands will thrive. Those that fail to do so, or react too late to the dramatic social, economic, and environmental changes that are taking place in the world, risk becoming corporate casualties.

Finally, for most of us in business, sustainable development resonates with our personal values. A business that puts this agenda at the heart of its business mission and culture will recruit and retain people with the right mind-set to tackle these issues because, at the end of the day, we all want our lives to have a higher purpose and we all want to see a better world. Or, as John F. Kennedy once said, "In the final analysis, our most basic common link is we all inhabit this small planet, we all breathe the same air, we all cherish our children's future and we are all mortal."

Foreword

**Tyler J. Elm, Senior Director,
Corporate Strategy & Finance, Wal-Mart Stores, Inc.**

As you read this book, you will discover that many global businesses are on a journey towards business sustainability, not as an environmental initiative, but as a business strategy that derives economic value from the pursuit and achievement of enhanced social and environmental outcomes. Chris Laszlo illustrates how the competitive strategies of some of the world's largest mainstream businesses are changing as their leaders begin to take on a number of the world's most important social, environmental, and economic issues such as climate change and ecosystem health. In doing so, he asks us to consider the drivers of corporate and competitive strategy as well as what has changed to account for this broader scope for business in civil society. But when did this change happen, and why?

Each of us is likely to have different answers to these questions based on our own personal experience and journey. I recall a colleague presenting me with the following statistic a few years ago: "Of the world's 100 largest economies, 42 are now corporations, not countries." This statistic made us stop and think, and helped create the context for our journey towards business sustainability. For Wal-Mart Stores, ranked first on the *Fortune* 500 and approaching \$350 billion in annual sales by 2007, it contributed to the framing of the opportunity represented by sustainability and, for me, it served as a personal mile marker on that journey.

We incorporated the statistic into presentations on sustainability to peers, senior executives, and the Board. For comparative purposes, we included our estimated rank at the time—20th—coming in just after

Sweden's gross domestic product. Collectively, the organization began to ask itself two important questions:

- What will be the role of business in society during the 21st century?
- What will it take for our company, in every country where we are present, to continue growing at current rates for the next 20 years?

And then, Hurricane Katrina made landfall in the United States. My wife and I had just moved from the Florida coast—four days before Hurricane Rita, and after Hurricanes Frances and Jean. I remember being glued to the television, watching the aftermath unfold in Florida and across the Gulf as this latest storm passed. We watched in disbelief as traditional public institutions failed to meet the needs of their citizens while individuals, non-governmental organizations, foundations, and big business responded in their stead to provide food, water, and shelter. Wal-Mart was one of the many that responded to fill the void, and I was proud of “my” new company and colleagues.

After Katrina, those two questions came up again and again at our company, in meeting after meeting, in presentation after presentation, shaping our sustainability strategy. And our CEO, Lee Scott, presented us with another: “What if the very things that many people criticize us for—our size and reach—became a trusted friend and ally to all, just as it did in Katrina?” Soon after, on 24 October of that year, Lee took the company's business sustainability strategy public with his unprecedented speech: *21st Century Leadership*.

However, what was happening at Wal-Mart Stores was not unique. Indeed, we were “Johnny-come-lately” to sustainability and so we sought the insight and experience of others—thought leaders from academia, governmental and non-governmental organizations, think-tanks, suppliers, and our suppliers' suppliers.

Indeed, many large mainstream companies were already acting on the business opportunities created by a knowledge-based economy in which civil society plays a more active role with correspondingly higher socio-economic expectations and an unprecedented ability to organize enabled by the World Wide Web. In the wake of weak public institutions, these businesses were responding to emerging market mechanisms and legislation designed to target the growing divide among socioeconomic expectations and their (non-)fulfillment. However, what was different than even a few years previous was that some of these companies were con-

necting sustainability to their core business activities. Their managers were starting to incorporate sustainability into key decisions on which businesses to enter and how to compete.

These managers are now beginning to play a leading role in solving some of the world's toughest problems because they can do so while earning a fair profit. In the process, they are developing new relationships, knowledge, and competencies as they respond to value propositions defined by a broader set of stakeholders with pressing social, economic, and environmental needs. And many are finding that they can better serve their economic *and* societal stakeholders by re-examining the very business activities that define their organizations today. These business leaders are learning their way into a new mode of operation, tapping new sources of value, and, through the journey of business sustainability, developing new sources of inimitable competitive advantage.

In my case, I had not detected this change as a competitive force outside of the natural resource industries and industrial products companies until 2003. By 2004, it was an emerging strategy among a few mainstream consumer businesses. By 2005, I found myself in the middle of an effort with the world's largest company as it applied the principles of sustainability to its core business in its quest to become an even better company. But what was driving this change in competitive strategy? Was there more to it than risk management and process efficiency?

Less than two years after first coming across the statistic that would serve as a personal mile marker and while killing time by reading as I waited for a plane that should have come and gone three hours earlier, I again came across that statistic, only it had changed: "Of the world's 100 largest economies, 51 are now corporations, not countries." It was the last weekend in March 2007 and, as before, the statistic was already outdated. I remember thinking "business has reached the tipping point" as I considered the happenstance of having embarked on our sustainability strategy at that time—as the wealth of nations and the political economy that was birthed during the industrial revolution pivoted on a fulcrum. Would it redefine itself in the process? How soon after the tip would momentum follow? How will business redefine itself in the global socioeconomic network that is today's global economy?

While we may not be able to provide definitive answers to these questions, I challenge you with the following question: Do you really think the role, or even the expectations, of business in society will be the same in the next 25 years as in the last?

If you answer "no," then I urge you to consider the corporate culture within which you work and how it might best adapt to significant change

in the social expectations and economic opportunities that affect the very decisions of what businesses to enter and how to compete. Do you, or your organization, have the competencies, skill-sets, and networks that will enable you to take advantage of such change? At Wal-Mart Stores in early 2005, the answer was “no.” However, our sustainability strategy provides us with a gateway to becoming an even better company because it enables Wal-Mart to develop the managerial competencies, skill-sets and organizational networks that we will need to take advantage of the increasingly networked, global political economy.

In short, my learning was this: in addition to the economic value derived from the outcomes themselves, the process of “learning-by-doing” through collaborating with multiple and diverse stakeholders changes the way we work. The experiential learning that comes from examining value chains and developing strategy within a collaborative network of external thought leaders generates value for the business by further developing personal and organizational perspective, systems thinking, and an enhanced awareness and understanding of the external business environment. In doing so, managers and their organizations develop the means to incorporate this enhanced world-view into decision-making and business activities. Similarly, non-governmental stakeholders are better able to address the systemic challenges of society, and to replicate and scale desired outcomes. In the process, they often end up taking approaches and organizational models more typical of social entrepreneurs.

While we are still picking low-hanging fruit, if the early results of Wal-Mart’s business sustainability strategy are any indication, these organizational capabilities and processes—and the managerial and leadership skills—will prove to be a phenomenal source of inimitable competitive advantage. The value of sustainability as a business strategy is not what is written on a whiteboard or the scribbling on the back of a napkin. It is the value of developing prepared minds, and the ability of an organization to incorporate innovation into the corporate culture. Ideas are inert; people make the difference, and culture eats strategy for breakfast every day.

In summary, we are witnessing a metamorphosis in the role of business in society, with for-profit companies targeting many of the emerging social issues once reserved for the non-profit sector. Friedman’s edict (that the business of business is business, and the creation of shareholder profit its fundamental mandate) is just as true now as it ever was. Yet what *has* changed is the context within which business operates, and thus how one applies this edict. The sources of value available to business

and the competitive forces acting upon it continue to change; they are different today compared with 1982, and they will be different yet again in 2032. And so we should not be surprised by shifts in the sources of business value, or by changes in the business activities required to deliver a winning value proposition.

Perhaps it is merely the cumulative inertia of our institutions and the busy work of “heads-down” execution? Perhaps it is the discontinuity of such change with our own personal understanding of business models and our individual experience of what has worked in the past? Regardless, the notion of a static socioeconomic and environmental context for business—with unchanging sources of value and stagnant preconceptions of the very role of business in society—is absurd when viewed in the abstract and even more so when viewed in retrospect.

Peter Drucker may have said it best: “Every single pressing social and global issue of our time is a business opportunity.”

Introduction

Sustainable Value is divided into three parts. Part I is a management fable about Deena, a young CEO, and the challenges she faces to profitably address her company's impacts on society and the environment. Her story is one of personal empowerment, of finding balance and connection to what is important in life. It's also a tale of corporate profit and growth.

What makes Deena's story unique is that her eventual success—personal, financial, and corporate—is the result of “doing good.” She is a talented but ordinary human being who demonstrates leadership in a time of heightened global problems ranging from poverty to the energy crisis and climate change.

In telling her story, I've drawn a composite picture based on business leaders I've been fortunate to know and work with over the past 25 years. These corporate chieftains face many challenges in their personal and business lives related to a world deeply in crisis. A small but influential group, they are now reinventing the role of business in society. They are shifting the focus away from minimizing negative impacts (such as brutally downsizing employees or unintentionally contaminating soil and water) to offering new solutions to global problems that the public sector has been unable to tackle alone.

Part II outlines the new competitive environment in which societal challenges are becoming huge business opportunities. It showcases mainstream global industry leaders who are successfully integrating sustainability into their core activities, not only from a sense of moral correctness, but because it makes good business sense. In the new competitive environment, stakeholder value—based on the economic, ecological, and social impacts a company has on its diverse constituents—is becoming a way to achieve competitive advantage. Issues such as climate change and global poverty are introducing greater levels of complexity

into strategic decision-making and often have far-reaching implications for companies in today's competitive environment.

The real-life sustainability stories of DuPont, Wal-Mart, Lafarge, and Cargill's NatureWorks are guided by top management with profit and loss responsibility. Unlike smaller niche players in the 20th century, they do not rely solely on a visionary founder—nor do they depend on the director of sustainability—to “green” the company or to adopt greater social responsibility.

As industry leaders with tens of thousands of employees and businesses that span diverse supply chains across the world, these companies seem incapable of being paragons of virtue. Their blemishes and occasionally deliberate mis-steps, such as Toyota's push into large gas-guzzling SUVs¹ in the same time-frame as their roll-out of the hybrid drivetrain, are part of their quest for competitive advantage in markets that still reward short-term shareholder value even if it incurs a substantial cost to society. But, warts and all, these behemoths promise a renewed relevance for business in society: they represent the most powerful institution on Earth shaping a better future for everyone, everywhere.

Part III offers a toolkit and process for mainstream business managers who want to know how they can take advantage of the new competitive environment. It provides a guide to creating shareholder *and* stakeholder value in a broad range of sectors. Taking advantage of sustainability as a new source of competitive advantage requires a change in the mind-set of leadership and a disciplined approach to integrating stakeholder value throughout the business. This section of the book introduces “sustainable value” as a distinct approach to managing value creation. It provides a step-by-step approach—based on delivering consulting engagements and hundreds of executive working sessions in *Fortune* 1000 companies—to building sustainable value inside large complex organizations. It is designed to help managers identify how and where they can do well by doing good—providing the practitioner with the means to compete effectively in the 21st century.

Who should read this book and why

There are two target audiences for *Sustainable Value*. The first is young people everywhere who, in contemplating a career in business, want to succeed professionally while feeling that they can make a difference. *Sustain-*

able Value provides them with a positive image of the future in which business success and contributing to a better world can go hand in hand. It shows them how corporations can be an agent of world benefit. The second audience is mainstream business managers who may not know what environmental and social sustainability has to do with job performance, and are looking for a credible and realistic introduction to the topic.

There are a growing number of well-written books on sustainability in business. They include those on its theory and practice filled with insightful analysis supported by detailed case studies:

- *Walking the Talk: The Business Case for Sustainable Development* by Chad Holliday, Stephan Schmidheiny, and Philip Watts²
- *Capitalism at the Crossroads* by Stuart Hart³
- *The Next Sustainability Wave* by Bob Willard⁴

Many are scholarly, such as:

- *Green to Gold* by Daniel Esty and Andrew Wilson⁵
- *Competitive Environmental Strategy* by Andrew Hoffman⁶
- *Down to Earth* by Forest Reinhardt⁷

Others are practical field guides, such as:

- *The Sustainability Handbook* by William Blackburn⁸
- *Leading Change toward Sustainability* by Bob Doppelt⁹

In contrast to this book, all are academic works geared to readers who, at some level, already buy in to the concept of sustainability. None is accessible to an intelligent and skeptical general public, or to a busy line manager who knows little about sustainability and wants a quick yet incisive introduction without the MBA textbook experience. This book was conceived to be accessible to the general public, while being credible and compelling to the hard-nosed business executive.

Acknowledgments

I'd like to begin by thanking those who helped bring to light my previous book, *The Sustainable Company: How to Create Lasting Advantage through Environmental and Social Advantage* published originally by Island Press in 2003 with

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