Moving Sustainable Development

into the Mainstream

Young Managers Team 2005
The business leaders of tomorrow will need new skills and competencies to cope with increasingly urgent social and environmental challenges. The World Business Council for Sustainable Development (WBCSD) Young Managers Team is designed to engage high-potential young professionals in a long-term campaign to move sustainable development (SD) to the center of business thinking. Young managers have an enormous stake in the future and are necessary in building a long-term business perspective.

With the energy of youth and inquiring minds of successful businessmen and women, these future business leaders are natural ambassadors for sustainable development within their companies and across the business world.
Foreword

Sustainable development is of vital concern to the business community, and should be a mainstream business concern. Companies are being asked to play an ever-greater role in addressing societal challenges, and business leaders are being held to account for their action or inaction. Consequently, building managerial capacity to meet this new set of challenges is of the highest importance.

Through the WBCSD Young Managers Team (YMT), forward-looking senior decision-makers are helping to build and foster this capacity among their successors. The 26 managers who make up YMT 2005 have made a strong personal commitment to sustainability, as well as a substantial contribution to their companies, WBCSD and society. The managers represent 17 countries and range from an environmental specialist in Japan to a process coordinator from Costa Rica, from a mergers and acquisitions specialist in Germany to a sales manager from Malaysia.

Their chosen theme – moving sustainable development from its specialist box to the mainstream – is clearly at the heart of the challenge. The progress made by the YMT 2005, in only 20 days spread throughout the year, has been impressive. Through its three sub-groups, the YMT has developed an interactive media tool to enhance the appeal of sustainability to new audiences, reached out to business and engineering schools to engage future employees, and initiated a dialog with one of the most critical constituents within any company, investor relations professionals.

We, the WBCSD, hope that these future leaders will continue to press for SD to be accepted as a mainstream business issue within their networks and companies, locally and internationally. As their influence increases, their global networks and holistic thinking will help broaden the vision – and ultimately shape the future – of their companies.

Anthony Simon
Former President Marketing, Unilever Bestfoods
Sustainable development means meeting the needs of people today without compromising the ability of future generations to meet their own needs. In addition to this long-term aspect, sustainable development is holistic in its concern with social, environmental, ethical and economic outcomes, and inclusive in its recognition of the need for people to be involved in the decisions that affect their lives.

Most business people, if asked, would support this essentially uncontroversial goal. Many would also express their concerns around specific sustainability issues, such as protecting human rights, reducing poverty, or slowing climate change. If such a discussion continued, it would soon turn to the sustainability-related challenges and opportunities facing companies, such as learning to operate within a carbon-constrained world or figuring out how to profitably engage with the world's poor.

For most people, however, that is as far as it will go – any sense of urgency will typically fade once the conversation ends and daily responsibilities call.

The contrast between what is needed to accelerate progress toward sustainable development and what is being done is often surprising. Despite nearly two decades of global attention, sustainability struggles to break out of the periphery of personal and professional life. Outside of a pioneering few companies, sustainable development has shown little evidence of penetrating mainstream business thinking. Difficulties remain in incorporating the principles of sustainability into business systems and processes. Individually, business people are often left short of empowerment to incorporate sustainability into their daily work lives.

The reasons for this lack of progress are many and complex, but a common thread is its treatment within companies as a specialist subject, rather than an integrated and core business concern. As long as sustainable development is seen in this way, the vast majority of people within companies will continue to believe that it has nothing to do with them in any practical sense.

In recognition of this, the WBCSD 2005 YMT chose as its theme “moving sustainable development from its specialist box into the mainstream”. The YMT group found that current corporate communications in their companies on SD issues are often not as effective as they could be in reaching mainstream business audiences. The messages tend to be too conceptual, without explaining what SD means for people in practical terms. Messages are often more qualitative versus quantitative. The business case is often unclear, or not communicated in the right way to the right audiences. In addition, communication from head offices can suffer from language barriers and differences in local perspectives.

1. "Our common future" (Brundtland Report), 1987, World Commission on Environment and Development (WCED).
The YMT concluded that it is vital to tailor sustainability communications to the intended audience, using language already used and understood by the target group.

Over the course of the year, the YMT 2005 divided into three workstreams focusing on:

- **Education**: The education sub-group targeted future employees, by reaching out to engineering and business schools.
- **Media**: the media sub-group sought to enhance corporate communications on sustainability issues, by developing an interactive media tool designed to raise the appeal of SD to new audiences.
- **Finance**: the finance sub-group chose Investor Relations professionals as its main focus, and explored strategies to assist them to better communicate the business value of sustainability to investors.

Perspectives from young managers

“I am not an SD specialist, and this year was a wonderful way to learn about SD concepts and ideas. Working on a project outside of my own technical field of experience, alongside professionals from such a wide range of companies, gave me the opportunity to experiment with new ideas on project management.”

“We learned to listen to each other carefully. Often, due to our different languages and cultures, we found that we were unable to understand each other, even when we were essentially saying the same things. We also learned to make compromises.”

“The YMT program is a great professional experience that everybody should go through. During one year, you are an ambassador of your company in a very international and competitive environment. You work with young professionals from top companies with different cultures, ambitions and expectations.”

“This year has been challenging and exciting. Working with such a diverse group in term of cultures, languages, and working methods was quite hard sometime, but definitely interesting. Every month, I found that my understanding of SD concepts had changed and evolved.”

“I saw the YMT program as a unique chance to meet young managers from other international companies. The YMT is given freedom to select the goals of our project, set the basis of our yearly work, and organize the workforce as a group of co-workers. As a work stream we had the feeling that our project could have a real impact among the WBCSD professionals.”
The education sub-group set out to engage with universities around the world to explore ways to better integrate SD content into mainstream curriculum in engineering and business schools. The group soon found that universities were keen to get hold of tangible examples and tools from the YMT WBCSD-member companies.

Thus, after initial discussions with key stakeholders, the group set the following goals:

- To engage with professors and lecturers to understand and assess existing gaps in SD education.
- To develop an educational toolkit to support the business case for SD using tangible examples from member companies.
- To raise awareness about the project and to seek out an opportunity to pilot the toolkit.

Over the year the group engaged with professors and students through interviews, formal presentations and pilots. The group connected with approximately 680 external stakeholders from Canada, France, Germany, Greece, Malaysia, Netherlands, Norway, South Africa, and the UK during the following events:

- European Academy for Business in Society (EABIS) at London School of Business – July 7, 2005
- European Academy for Business in Society (EABIS) Warsaw – December 5-6, 2005
- Ecole Centrale Paris “SD Week” – February 6 to 9, 2005
The pinnacle was “SD Week” at Ecole Centrale Paris, an annual event which brings together engineering students from four universities in France to learn about and understand the business case for sustainable development. This three-day event provided an excellent opportunity to present the toolkit and discuss the business case with 100 future engineering professionals. The education sub-group helped the students to explore real SD dilemmas challenging their own WBCSD-member companies using a case study approach.

The education subgroup concluded that engaging with universities is potentially a high-impact route to moving sustainability further into the mainstream. Universities are eager for the business world to actively engage with their students, bringing fresh issues and perspectives to the lecture hall. Students are hungry for real-world examples, and interested in learning from young managers already out in the business world.

Equally important, WBCSD member companies stand to gain not only from the perspective of a greater understanding of sustainability development across potential future recruits, but also through enhancing their reputation amongst students as responsible corporate citizens.

Obtain the toolkit through our website at www.wbcsd.org/web/sustainableworldandyou

**About the toolkit**

This toolkit is designed to provide relevant materials and resources to be used by instructors to assist in the development of sessions, workshops, and/or multi-session modules on sustainable development.

“What I liked most about these case studies is that they are based on real and concrete situations that we could encounter as engineers.”

ENGINEERING STUDENT, ECOLE CENTRALE PARIS “SD WEEK”

“I learnt that some big firms really try to reach sustainable development. Before this week, I thought that it was only about marketing and for the media.”

ENGINEERING STUDENT, ECOLE CENTRALE PARIS “SD WEEK”
The media group explored why sustainable development is not more widely embraced by business people despite growing concern over specific issues such as climate change, the loss of species, human rights and poverty.

The group concluded that a major obstacle is how SD is communicated. For many people, sustainable development remains an intangible and inaccessible concept, confused by definitions, filled with contradictory messages, and complex phrases and jargon. Only a small proportion of employees intuitively grasp sustainable development, and actively seek to educate themselves and apply their knowledge.

Most companies use fairly traditional methods such as newsletters and seminars to inform employees about sustainability programmes. When employees are operating within highly pressured work environments, additional paperwork and time-consuming events are often not appreciated or valued. As such, it became clear that the way in which companies try to communicate sustainable development messages can in itself act as a barrier to the successful uptake of key messages.

“Some organisations seem to have forgotten that often people, not processes, lie at the heart of the change towards more sustainable development.” **BLAKE BOWER, INTERFACE INC**
Finding ways to inspire and motivate people to learn and act on sustainable development – both professionally and personally – will therefore require the use of communication channels that have not yet been fully exploited by companies when communicating internally. In some cases, technological and web-based options present a major advantage in that consistent messages can be delivered and easily replicated across organizations.

To harness the power of these currently under-utilized channels the media workstream of the YMT, worked with simplethinking, a UK-based on-line design company, to develop “SD challenge”. This unique tool and complementary micro-site encourages professionals to learn more about sustainability issues and to motivate people to get involved in some way to help find the solutions that are so desperately needed.

SD challenge invites players to step into the shoes of a business manager from an international holding company. With a limited budget, players must build a new business, deciding between alternative power sources, raw materials and other key resources necessary to run a business. The goal is to develop a facility that can run effectively both now and into the future.

A key element of the tool is that it provides both graphical and text-based feedback so that players can understand how their choices have affected the social and environmental performance of the business over time.

The supporting micro-site offers a user-friendly portal to further information on some of the key issues surrounding sustainable development.

“We wanted to turn the notion of sustainable development as something that is conventional, boring and out-of-touch on its head. I think anyone who logs on will see that instantly.” ELISE VAN DRIEL, RABOBANK GROUP

The tool is available at www.sdchallenge.org.
The Finance sub-group identified investor relations professionals as its main focus, and explored strategies to assist them to better communicate the business value of sustainability to investors. This project ties into WBCSD’s wider efforts to integrate SD thinking into the financial sector, and builds upon the work of the 2004 Young Managers Team, which focused on young financial analysts.

The sub-group selected Investor Relations after a brief assessment of various financial functions. The functions considered included the chief financial officer, tax, accounting, risk management, financial analysis and planning, performance management, treasury, information technology, investor relations and communication. For each function, the YMT team reviewed the role played within the company, paying particular attention to the range of potential interactions with internal and external customers.

Based on this analysis, the group selected the investor relations function, due to its potential to integrate sustainability into the company’s investment value proposition in language understood by the finance sector.

The next step was to assess the extent to which investor relations professionals currently consider sustainability issues in their work. The YMT group designed and distributed a questionnaire to gather some baseline data and hosted a dialogue in Montreux for sustainability and finance professionals. The YMT found that although
understanding of sustainable development varied, by and large investor relations professionals lack a clear idea of how sustainability fits into the investment proposition at their companies and are unsure how to integrate sustainability into their daily work.

The dialogue also highlighted how different interpretations of time hamper communication between companies and investors. When companies assess the expected value created by sustainable development investment, they typically view the short term as 1 to 3 years and the long term as 10 years or more. By contrast, financial analysts and mainstream investors typically define the short term as less than 3 months, with long-term returns viewed as those realized over 18 months – 3 years.

In view of the dialogue findings, the YMT then began to explore strategies to more effectively engage IR professionals. The group defined the following ‘target condition’: investor relations professionals recognize how sustainability fits into the investment proposition; and investor relations professionals understand the importance of communicating with investors about how the company manages sustainability issues.

To help bring about this target condition, the YMT agreed that a major priority is to help IR professionals to make explicit links between SD and value creation.

Looking ahead
The YMT recommends developing and hosting a half-day workshop as a valuable first step in building a productive relationship with the investor relations team. A workshop provides an opportunity to jointly explore the ways in which SD affects the company’s investment proposition and the implications of communicating this to investors. At the workshop conclusion, participants are better prepared to begin developing strategies for moving forward.

Find relevant work at www.wbcsd.org/web/beyondreporting

“The YMT is an exciting opportunity to work with the next generation of SD practitioners and future business leaders sharing a common passion to drive the SD agenda forward and achieve real change.”

ERIKA KOROSI, BHP BILLITON LIMITED
About the WBCSD

The World Business Council for Sustainable Development (WBCSD) is a coalition of 180 international companies united by a shared commitment to sustainable development via the three pillars of economic growth, ecological balance and social progress. Our members are drawn from more than 30 countries and 20 major industrial sectors. We also benefit from a Global Network of 55+ national and regional business councils and partner organizations. Our mission is to provide business leadership as a catalyst for change toward sustainable development, and to support the business license to operate, innovate and grow in a world increasingly shaped by sustainable development issues.

Our objectives include:

Business Leadership – to be a leading business advocate on sustainable development.

Policy Development – to participate in policy development to create the right framework conditions for business to make an effective contribution towards sustainable development.

The Business Case – to develop and promote the business case for sustainable development.

Best Practice – to demonstrate the business contribution to sustainable development solutions and share leading edge practices among members.

Global Outreach – contribute to a sustainable future for developing nations and nations in transition.

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