The Wisdom of the Crowd:
Systems Revolutionaries

An expert crowd's view on systems change

August 2014

THE CROWD

FISHBURN™

forum for the future

Contents

About series

Most of the social and environmental innovations needed for 9bn people to live peacefully already exist. They lie in the fringes of the economy, in different sectors, organisation types and geographies.

It follows that if we pool these innovations into one place where all organisations can learn from each other, we can accelerate the development of a sustainable economy. The Changemaker series has been designed by The Crowd, and our crowdsourcing partner Fishburn, to achieve this.

For each Changemaker, we identify a theme that is ripe for transformation, and an individual or organisation that is capable of catalysing change. We crowdsource the latest innovations through blogs, a survey, a panel discussion and roundtables, culminating in a report that is circulated to our expert community.

Systems Change is an emerging concept with profound implications for how organisations might influence the systems within which they operate. Jonathon Porritt and Forum for the Future have been at the forefront of this thinking, so it was an obvious choice to partner up on this report.

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Brilliant solo corporate stories, however inspiring and encouraging to other companies, are not enough. One or two companies committing to 100% renewable energy, getting rid of toxics in their supply change and increasing transparency, are welcome. But only whole system change can achieve the bigger scale, further reach and long-term durability we need for sustainable transformation.

Jonathon Porritt

How this report is structured
This report is organised around three big themes:

1. Understanding systems

What is systems thinking? Why is it important and what do companies make of it?

2. Tools to change the system

To change a system, we need to understand it. What practical tools and techniques can we use?

3. Putting systems change in action

What practical actions can we take to change the system?

Introduction

Business leaders and sustainability experts are becoming increasingly alive to the interconnectedness of societal challenges. With this, it follows that truly sustainable change – at the scale needed – can only come from transforming the systems of which organisations are part. In this report we explore the power of business to positively influence systems change, and how a small group of committed individuals can go about changing the world around them.

Jonathon Porritt

"The problem with sustainability is that it's all about systems thinking And the modern world just doesn't do systems thinking."

I recently came across this little observation during a particularly lively discussion – and unfortunately for all of us, it's spot-on.

There's no getting away from it, systems thinking is hard to do, especially for politicians. They like things dished up simple (not inextricably interconnected) and short term (not over generations). And the tendency among 'systems geeks' to over-intellectualise doesn't help: systems are made up of real people coping with real dilemmas.

But however hard it may be, we urgently need systems thinking to make more sense of the massively complex, interconnected world we live in. And the Systems Revolutionaries programme helped highlight just who's getting it and who's not right now.

I was pleased to be joined on the platform by colleagues with inspiring first-hand experience of actually changing their system for the better. But until government pulls its weight, corporate muscle and pluralistic partnership will never be enough to achieve the big shift towards sustainability.

**Jim Woods, CEO,
The Crowd**

For years, those engaged in connecting business with society have been asking themselves when the leadership we've seen from Unilever, M&S, Nike, Patagonia and others would mainstream. The thinking was that the followers would ultimately be motivated by the commercial advantages demonstrated by the leaders. But what if we have been asking the wrong question?

A fresh school of thought instead suggests that the mainstream will only move when there is a change in the motivations that underpin the system. Their question is "How can these same leaders now start to influence the system?" That's an odd concept for many businesses, but they can draw some encouragement from Margaret Mead's words above.

The tools available to the Systems Revolutionary are only just emerging, and we felt this was a good moment to partner up with Jonathon Porritt and Forum for the Future to pool the emerging thinking. What we hope you'll find is a menu of ideas that any organisation can use to identify ways they can engage in systems change.

Understanding systems

From silos to systems thinking

Progressive companies are already raising their game in the face of growing sustainability challenges, but is it their responsibility and within their ability to change the systems of which they're part?

The crowd's view

In an online survey ahead of the event, the crowd felt overwhelmingly (89%) that we have reached the point where businesses need to look beyond their own boundaries and find a way to influence the systems within which they operate. Indeed, the business response already appears to be under way. Over half of the respondents say their organisations have initiatives that are aimed at changing the systems relevant to their business – a claim that did not go unchallenged by Jonathon Porritt.

When given a list of 13 different failures of our current macro system, the crowd identified climate and environmental degradation as being most in need of attention. Income inequality, equality of opportunity and youth unemployment emerged as the social issues that are of greatest concern. If this crowd is representative of the views of society, businesses can expect the greatest rewards for becoming part of the solution in these areas.

And where does responsibility for fixing our broken systems reside? The crowd's verdict was clear: it believes government, big business and investors share the greatest responsibility for delivering more sustainable systems. However, when the responsibilities of various actors are compared against their respective progress, the biggest performance gaps lie with government and investors. Interestingly, the third biggest gap is attributed to the media – begging the question of how conscious is the media industry of its role in the system?
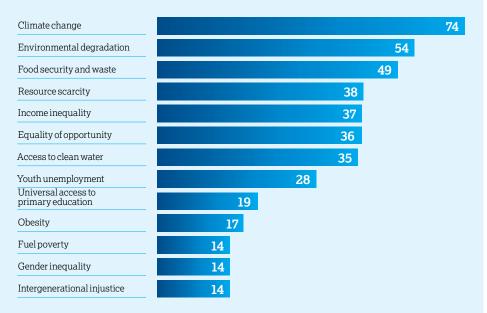
Why are companies thinking more systemically?

The scale, complexity and interconnectedness of sustainability challenges is leading companies to look beyond their own walls and consider their place in wider systems. Three reasons stand out from the panel discussion, blogs and roundtables as to why businesses are engaging with systems thinking;

1. **Shared imperatives.** The need to deal with significant disruption. As one participant put it in the 'Business case for system revolution' roundtable, "crises are normally the best starting points for systems change". Forum for the Future echoes this, identifying "experiencing the need for change" as the first in its six step systems innovation process.

2. **Limitations of flying solo.** Even companies like Unilever – who are widely recognised for their positive impact on sustainability challenges – are refocusing their strategies to place greater emphasis on systems-wide change. "The opportunities to release more innovation and successful change multiply when we begin to address the full system," writes Unilever's Gail Klintworth. "This is why in our refreshed USLP launched in April, we have significantly increased our focus on transformational change in the areas where we believe we can make the greatest impact."

3. **Enlightened self interest.** Everyone loses in failing systems – while improving systems can bring about win-win scenarios for business and society. With 24% of young people unemployed in the UK, the crowd saw a clear opportunity for companies to work together to close skills gaps and to address shortages in new talent while mitigating the consequences of growing youth disenfranchisement, as Accenture's Camilla Drejer also details in her blog on the theme.

> " It is becoming increasingly clear that deep down billions of people in the world know that the 'old model' is exhausted, that the global ecosystem is out of balance and that it will correct itself somehow… we just need to make sure that our businesses, our families and even our species does not become a casualty of the great correction.

Gail Klintworth, Unilever

Which systems do companies believe are in most urgent need of attention?

Where the system needs changing
Which of the following failings of our current system are most in
need of attention? *Respondents were asked to choose up to five options*

Climate change	74
Environmental degradation	54
Food security and waste	49
Resource scarcity	38
Income inequality	37
Equality of opportunity	36
Access to clean water	35
Youth unemployment	28
Universal access to primary education	19
Obesity	17
Fuel poverty	14
Gender inequality	14
Intergenerational injustice	14

Options getting 10 or fewer selections: intergenerational injustice, unfair tax, immigration and racial inequality

How are the different agents performing?

How do you rate the responsibility of the various agents to delivering sustainable systems? (A)

How effective are the same agents being in delivering sustainable systems? (B)

The performance gap (B-A)

Tools to change the system

Systems diagnostics: toolkits and techniques – an actionable guide

The first step in driving meaningful change is getting to grips with the entire system – developing a real understanding of the framework and its levers. Our Changemaker partner, Forum for the Future, has outlined a series of practical steps for getting started.
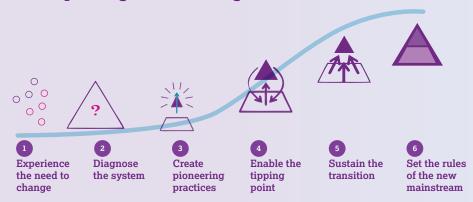
forum for the **future**

System innovation for The Big Shift

From food to energy, many of the vital systems that we rely on are not working. We need to change these systems to make them more resilient, more equitable and able to continue into the future. At Forum for the Future we offer practical ways to do what we call system innovation.

We define system innovation as a set of actions that shift a system – a city, a sector, an economy – on to a more sustainable path. The Forest Stewardship Council and LAUNCH, an open innovation platform supported by Nike, NASA and others to foster breakthrough innovations for a more sustainable world, are just two of many examples that show this approach to big innovation for sustainability is both doable and necessary.

Our 'six steps to significant change' highlight that the major moments for system innovation are: diagnosing the system, creating pioneering practices and enabling the tipping point.

Six steps to significant change

1	2	3	4	5	6
Experience the need to change	Diagnose the system	Create pioneering practices	Enable the tipping point	Sustain the transition	Set the rules of the new mainstream

Diagnosing the system

The first practical step is getting to grips with the system you're dealing with: who holds the power, where is innovation needed and where are the key leverage points? Futures thinking, such as systems mapping, visions and scenarios and people-centric research, helps answer these questions. For example, the Carbon Disclosure Project identified transparency and access to information as a key leverage point to drive better corporate and investor performance on carbon risk.

Creating pioneering practice

The system diagnosis generates unexpected insights which can inspire new technologies, products and services, business models, and changed relationships, markets or mindsets. This happened in our FutureScapes project with Sony Europe, some of which concepts are now in development. Working with four very different scenarios of life in 2025 moved R+D experts from an incremental product tweaking mindset to a much more radical one, and unlocked unexpected responses to different challenges within the system, from product waste and obsolescence to the bigger questions about how well technology really enables better lives.

Enabling the tipping point

To have the biggest possible impact, such pioneering approaches need to move from niche to mainstream. Scaling up new ideas needs the right people in the right place in the system – whether acting as influential individuals or combined in unusual networks and collaborations. Other pathways include incubating and accelerating entrepreneurs and technologies, new financial models, measures and standards and supportive policy mechanisms, all wrapped up in a strong and compelling narrative supporting positive behaviour change. In the Community Energy Coalition we used a selection of different pathways to scale to to promote community energy to the coalition's combined 17 million members and wider stakeholders and played a key role in the UK's first Community Energy Strategy in 2014.

To find out more about how we can help you create the big shift through system innovation, please email:
Stephanie Draper on s.draper@forumforthefuture.org
www.forumforthefuture.org
#theBIGshift
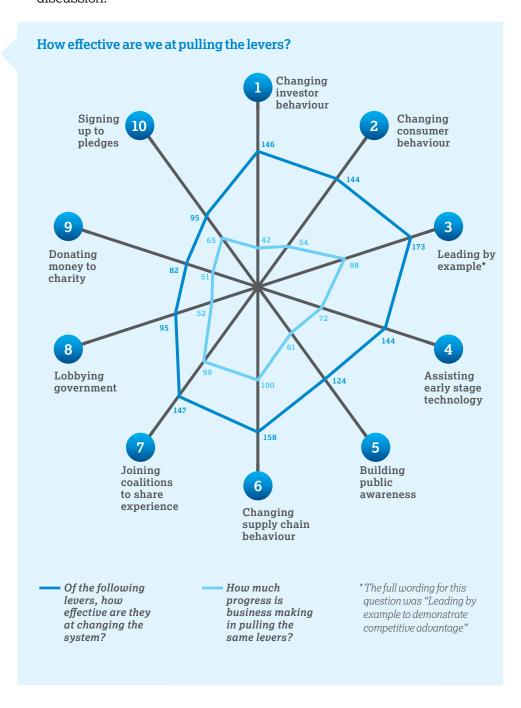
Putting systems change in action

What are the most effective levers for change?

The blogs, survey, panel discussions and roundtables point to a number of different levers that business is starting to pull to change the system. We listed out a number of options in the pre-event survey, which the crowd ranked in order of effectiveness and the progress being made. Putting the two together, we were then able to produce a performance gap analysis.

'Leading by example to demonstrate competitive advantage' emerges as the most effective lever of change, but the biggest performance gap was identified as 'changing investor behaviour'. This suggests that of the options presented below, the business community can effect the greatest systemic influence by engaging the investor community.

The nature of this crowdsourcing process is such that other levers emerged during the process that were not included in the survey. In the following 10 pages we explore the levers that generated the most discussion.

How effective are we at pulling the levers?

1. Changing investor behaviour — 146 / 42
2. Changing consumer behaviour — 144 / 54
3. Leading by example* — 173 / 98
4. Assisting early stage technology — 144 / 72
5. Building public awareness — 124 / 61
6. Changing supply chain behaviour — 158 / 100
7. Joining coalitions to share experience — 147 / 99
8. Lobbying government — 95 / 52
9. Donating money to charity — 82 / 51
10. Signing up to pledges — 95 / 65

—— Of the following levers, how effective are they at changing the system?

—— How much progress is business making in pulling the same levers?

* The full wording for this question was "Leading by example to demonstrate competitive advantage"

Positively changing systems through practical action

In all, the crowdsourcing process generated 10 different ways that an organisation can change a system, which are summarised in the adjacent box. In this section, we focus on the five levers which had most engagement from the crowd via the open answers in the blogs, the panel debate and roundtable discussions. They are:

1. Leading by example – a recognition that pushing the boundaries of sustainability within an organisation can influence the system

2. Building coalitions – collaborations and partnerships can harness influence and diffuse sustainable innovation

3. Lobbying for good – government remains a vital player in shaping the system, and business can find new ways of improving the policy framework through lobbying

4. Embracing transparency – many of the systemic failings are products of decisions being made with incomplete information. Transparency can correct this

5. Changing mindsets – how can we change the system unless we change the mindsets of the actors within the system?

Interestingly, while the crowd remained consistent in its view about the power of 'leading by example', the relative importance of other topics became clear during the event. 'Lobbying government' (or 'lobbying for good' as Jonathon Porritt put it in his blog) is one such example, having been ranked as the eighth most effective lever during the pre-event survey. New additions to the list included 'embracing transparency'; based on the principle that 'what gets measured, gets valued', the crowd regarded widening the scope of information gathering, including natural capital accounting and building transparent supply chains, as crucial foundations for system change.

The remainder of the report deals with each of these themes in turn, and provides concrete examples shared by the crowd of systems change in action.

66 99

Too often we see change is needed out there in the system. We identify stakeholders needed to be changed and develop the best strategies to get 'buy-in'. Yet, the harder we push, the harder the system pushes back. The harder we change people, the more resistance we get despite our best intentions. As a result, we get frustrated, either push harder, blame the enemies, or give up all together… Change is hard.

Joe Hsueh, Partner at SecondMuse and Academy for Systemic Change

Putting systems change in action

Lever 1: Leading by example

While the crowd was quick to highlight the limitations of companies 'going it alone', broken systems are likely to remain the status quo without clear corporate leadership.

View from the crowd

'Leading by example to demonstrate competitive advantage' emerged as the most effective lever that companies can pull to change the system. While individual corporate leadership is insufficient on its own to change systems, if many companies identify the environmental and social issues that are material to their stakeholders and set stretching targets to address these impacts, this will trigger innovations in technologies and business models that enable a better system.

The conversation focused on three particular areas of leading by example that are relevant to systems change:
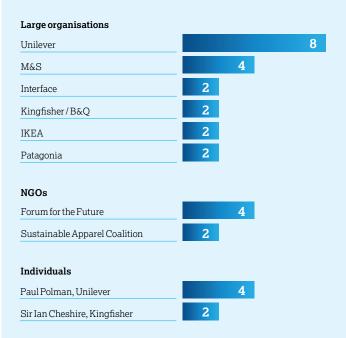
a. Demonstrate the commercial benefit of sustainability

b. Go Net Positive on material issues

c. Encourage longer-term thinking within the organisation
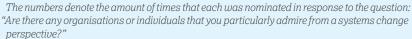
Who does the crowd admire for leading systems change?

The crowd was asked to name which large organisations, NGOs and individuals they most admired for initiating and influencing systems innovation.

Who is leading?

Who does the crowd admire from a systems change perspective?

Large organisations

Unilever	8
M&S	4
Interface	2
Kingfisher / B&Q	2
IKEA	2
Patagonia	2

NGOs

Forum for the Future	4
Sustainable Apparel Coalition	2

Individuals

Paul Polman, Unilever	4
Sir Ian Cheshire, Kingfisher	2

The numbers denote the amount of times that each was nominated in response to the question: "Are there any organisations or individuals that you particularly admire from a systems change perspective?"

@traceyherald
"Solo stories of corporate endeavour will not deliver radical, scalable systems change."
J Porritt #crowdforum

Three steps to leadership

The crowd identified a number of areas where leading by example can help to change systems. These are all areas where organisations can make progress largely on their own, but can do so in the knowledge that their leadership will help lay the foundations of a better system.

a. Demonstrate the commercial benefit of sustainability

In order for mainstream companies to accept thoroughgoing change, they need to believe that they can be commercially valuable in a new system. The crowd therefore agreed that demonstrating the value of sustainability programmes is crucial. M&S attributing £145m profit to Plan A in 2013 was cited as an example, as were Unilever's reported savings of €350m.

"The Unilever Sustainable Living Plan (USLP), three years in… is a differentiating element in our business growth strategy… that drives excellent growth, delivers strong cost savings, and engenders deep commitment from both our own people and others who wish to work with us". Gail Klintworth, blog

b. Go Net Positive on material issues

While most CSR programmes tend to fall into the 'being a little less bad' camp, the growing ambition to make a positive impact is welcome. If many leading organisations identify as social or environmental issue that is material to their stakeholders, and set an ambition to make a positive contribution, this would start to address some of the biggest failings.

"For me, the key is to make a positive impact in key material areas… where the organization can have the greatest impact within and beyond its direct boundaries." Sally Uren, blog

c. Encourage longer-term thinking within the organisation

The problems of short-term decision-making recurred time and again in the crowd's conversations. The crowd was therefore keen to celebrate structural innovations that can shift an organisation's focus on to the longer term, identifying four key ways to do so:

i. Link the remuneration of key decision-makers to sustainability targets

ii. End quarterly earnings guidance to the stock market, drawing inspiration from Unilever

iii. Expand the equity ownership beyond the traditional shareholder groups

iv. Find new sources of capital with longer-term horizons, such as Unilever's green bonds

Case studies
- Cafédirect – involving its coffee growers as shareholders created an appetite for longer-term investments

- John Lewis Partnership – employee ownership seen to lend itself to longer investment horizons

- TSB – recently issued 8,600 members of staff £100 in free shares and an annual 'partnership' bonus.

Putting systems change in action

Lever 2: Building coalitions

With many elements of systems being too big for individual organisations to overcome, the crowd sees coalitions as a way of pooling experience and creating a collective ambition to address inadequate areas of the system. These coalitions may be the hallmarks of a new era of more collaborative capitalism.

View from the crowd

Unilever CSO Gail Klintworth used Machiavelli's The Prince to make the point: "it ought to be remembered that there is nothing more difficult to take in hand… than to take the lead in the introduction of a new order of things".

And yet "when we do what is right and involves others, there is no lack of appetite and many superb partners… and a new order begins to be formed. It is now time for enlightened businesses to make sure that tipping point actually tips".

John Steel agreed: "in my world it is clear that there is more to be gained by bringing people together, to collaborate and deliver a community of power – and to create a sustainable, balanced world".

Effective coalitions

The Crowd identified the following examples of best practice:

Better Building Partnership	Working with the property sector to allow potential tenants to judge a building's energy intensity
Climate Disclosure Standards Board (CDSB)	Set up at the 2007 World Economic Forum to create a common framework on climate risks
Consumer Goods Forum	The Sustainability Steering Group within a network of 400 retailers and manufacturers with revenues of €2.5tn
Corporate Sustainability Reporting Coalition	Convened by Aviva investors to encourage companies to be more transparent on sustainability performance
Finance Innovation Lab	An incubator for positive change in the financial system from WWF UK and the Institute of Chartered Accountants
Launch2020	Created by Nike with USAid and Nasa to accelerate a revolution in sustainable materials
Net Positive Principles	Principles published by Climate Group, WWF UK, Forum for the Future, and a host of large companies
Roundtable on Sustainable Palm Oil	A standard-setting group that brings together producers, processors, traders, brands, retailers and NGOs
Sustainable Apparel Coalition	Pan-industry collaboration to reduce the environmental and social impacts of apparel and footwear
Sustainable Food Lab	Engaged in activities across the food system such as cocoa farms, cooperatives, and eco-tourism initiatives
ZDHC (Zero Discharge of Hazardous Chemicals)	Major apparel brands and retailers leading the industry towards zero discharge of hazardous chemicals by 2020

Establishing meaningful partnerships

'Collaboration' has become something of a buzzword – so who is genuinely breaking down barriers to change? This section identifies two key lessons from the most successful cross-sector and inter-competitor partnerships.

1. 'Create incentives to share responsibility across the value chain'

Case study: Sustainable Shipping Initiative

The sector faced a classic split incentive problem, with a lease model on ships similar to 'tenants' and 'landlords'. As fuel prices rose and the duration of trade charters declined, all parties saw vital retrofits as someone else's responsibility.

By working across the entire shipping value chain, bringing in partners including Maersk, ABN AMRO, and Unilever, the initiative has established a model that incentivises and shares the burden of improving existing shipping stock.

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The Sustainable Shipping Initiative, a Forum project, couldn't have succeeded without the support of Maersk Line

Jonathon Porritt

2. 'Widen the circle beyond interest groups'

Case study: The 30% Club

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We launched in the UK in 2010 with an initial goal of FTSE100 boards having female representation of 30% or more by the end of 2015. A key breakthrough has been the acceptance that better gender balance at senior levels is a business issue, not just a women's issue – taking it beyond a specialist diversity effort and into mainstream talent management.

There is increasing agreement that diversity at board and top executive level in terms of skills, gender and nationality is a key factor in the quality and performance of boards. As a result, we have seen a radical shift in the way business leaders are approaching the challenge – including by institutional shareholders, who simply want the opportunity to invest in more successful companies.

Emma Howard Boyd, Jupiter Asset Management

Putting systems change in action

Lever 3: Lobbying for good

Although companies can do a great deal to influence systems under the current regulatory regime, The Crowd's panellists were in agreement that governments need to take a lead – and that business needs to support them.

View from the crowd

While lobbying only emerged as the eighth most effective lever as ranked by survey respondents (see page 6), Jonathon Porritt argued that "we hear far too much about what companies can do to influence consumers through their brands, and nothing like enough about what companies can do to influence governments through their advocacy".

Climate change emerged time and again as a test case, with Christina Figueres concluding that "business needs a Paris 2015 agreement, but a Paris 2015 agreement needs business – and it is not too late for business to do more now to make clear exactly what it needs from a new, international climate regime."

The crowd noted that businesses can create an enabling environment, rather than trying to replicate Greenpeace, citing innovative approaches such as community investment in energy systems in Denmark.

Who is leading the way?

Unilever and Ikea – "right out there on many different fronts"

The Co-operative – "in its support for community energy"

Aviva – "through the Corporate Sustainability Reporting Coalition"

Maersk Line – "through the Sustainable Shipping Initiative, a Forum project which couldn't have succeeded without them"

Alliance Boots – "by working to improve health in local communities"

@traceyherald
"We ain't gonna do it until we get Governments to shift."
@GailKlintworth #crowdforum

" "
I was so pleased to get early sight of the new DōShorts book from Paul Monaghan and Philip Monaghan, Lobbying for Good. It's the first analysis I've seen of the growing readiness of companies to engage strategically with public policy – and lobby hard for positive change.

Emma Howard Boyd, Jupiter Asset Management

Working with government to drive change

The Crowd identified a range of considerations to take into account when lobbying for good, from which issues to highlight through to how to influence policymakers. Given its global significance, the 2015 UN Climate Change Conference in Paris was discussed as the primary case study – though it's recognised that the recommendations apply across the board.

1. 'Get your own house in order'

Business is currently considering how it can help policymakers to deliver the first legally binding, global climate agreement. Credibility is key, and to ensure the best possible chances for success Christina Figueres calls on the community to "Look at your own backyard first."

For example, "Have your emissions peaked? Are you using the most efficient technologies? Are you managing long-term climate risks? What is your investment strategy toward carbon neutrality? To enter negotiations in a position of strength, it's necessary to be 'a champion for clean energy and sustainable business'.

2. 'Make clear asks that are anchored in commercial realities'

As 2015 approaches, the economic case for policy change must be framed in actionable and straightforward terms. For instance, governments should clarify that 'carbon has a price – and that price is increasing, will continue to climb and will not likely decrease'.

"It should also enforce a full accounting of the cost of holding high-carbon assets and revenue sources on the books. Investment funds must see the true cost of high-carbon business and in turn be held to fiduciary account if they ignore this risk", Christina Figueres

3. 'Develop a positive case for change'

If the progressive elements of the business community do not speak with one clear voice, the 'bad guys' will always step in to frame the argument. The Crowd noted that the fossil fuel industry has painted a negative picture of the future system without them.

The other side of the debate must now paint a negative picture of a future if nothing changes, as well as offering a positive picture of a low carbon future. The Crowd cited Nike's decision join the 'Trillion Ton Communiqué' and an example of what business can do to achieve this.

Putting systems change in action

Lever 4: Embracing transparency

The Crowd identified the potential for transparency to drive systemic change, with many linking today's system failures to decision-makers not having the necessary information to make better decisions.

View from the crowd

There is a prevailing view that organisations that embrace transparency help decision-makers to more rigorously evaluate the social and environmental outcomes of their decisions.

Two key areas are seen to be in particular need of great transparency and openness – supply chains and dependencies on natural capital.

There was also consensus that sharing failures as well as successes is important in driving innovation in business and crowdsourcing solutions. The crowd felt that although some businesses may fear they risk exposing secrets to competitors, the benefits outweigh any possible negative consequences.

Referencing a brand trust index, a tangible link was identified between companies that are transparent in the way they do business and the greater trust they gain from their customers and publics, with many businesses seeing a huge leap in trust over a two-year period from when they 'go open'.

However, the crowd caveated this with the point that information must be used wisely. Most people will unlikely engage with mass data and information, so effective communications are needed to help the right messages reach the right audience in order to promote systems change.

@SantiagoGowland
common language/common standards create the conditions for market pull. Therefore open IP and data crucial.
#crowdforum

" "

Consumers want to believe that the brands they choose make life better... I believe that transparency in the value chain is the key to consumer engagement and business success.

Diana Verde Nieto, Founder and CEO, Positive Luxury

Supply chains and natural capital

The crowd identified two principal ways that companies can reduce the current opaqueness in our systems:

1. 'Build transparent supply chains'

In an age where people want – and expect – to know more about the origin of the product and business they're purchasing from, it's befitting that an increasing amount of work is taking place to enable allowing customers to 'see into' supply chains. Opening up the supply chain builds trust with consumers and other suppliers and demonstrates the honesty of the business in question.

The Open Supply Chain Platform was noted by the crowd as a leading example. It is being developed by the World Bank Institute and Sedex, to allow enterprises of all sizes to monitor labour standards, ethics and environmental activities of their suppliers online. Companies can choose to support these kinds of initiatives, and win credibility and endorsement from third-party stakeholders.

"

Positive Luxury was founded to enable brands to communicate these social and environmental actions to their consumers in a jargon-free language.

Diana Verde Nieto, Founder and CEO, Positive Luxury

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The British water utilities industry is developing water smart meters for homes – it's estimated that this savvy use of data may see water use drop as much as one third as people 'see' their usage and the problem.

Crowd member

2. 'Account for natural capital'

Paul Dickinson argued that the growing expectation that companies must account for their natural capital could rewrite the relationship between businesses and the environment. "There are some industry leaders paving the way, for example by implementing water stewardship strategies that take into account wider business impacts on the long-term availability of water resources, as Nestlé are doing in North America."

This view was reflected in the crowd's discussion, with one member commenting that "we are at the 'teething' stage of standardisation… what is now required is that stakeholders start to work together to deliver a standardised methodology".

Measuring natural capital must make sound commercial sense. Yorkshire Water, which recently introduced Environment Profit & Loss accounting, was highlighted as an example. It demonstrated the business case for a water treatment plant based on an anticipation of future cost.

Putting systems change in action

Lever 5: Changing mindsets

Many in the crowd believed changing the mindsets of the main actors in the system is key to changing the system itself. This thinking is in its early stages, and has yet to crystallise into a specific set of recommendations as to how businesses ought to apply this to their own practices – but the panel and roundtable discussions were clear that new theoretical approaches are crucial in generating innovative ways of engaging with the system.

There were two primary strands to the conversation – learning how to engage with 'citizens'; and being mindful of 'the human touch'.

Connecting with citizens

Jon Alexander, the Founder of The New Citizen Project, argues in his blog that the systems thinking revolution has to date focused on material flows, not mindsets. "We may be looking to close the loop, but we are not yet looking to open the conversation. This is the next frontier of systems innovation for business: to find our role in opening up involvement from people as Citizen participants, not just Consumer buying machines.

"The fact is that for leading businesses, the kind who aspire to qualify as systems revolutionaries, thinking of people as Consumers is limiting business success, creating an unconscious image of people only capable of interacting through purchase. Our proposition is that for businesses who have a purpose beyond naive pursuit of short-term profit (as every business should), thinking of people as Citizens capable of active participation is both a moral imperative and a powerful way forward."

Human touch

Joe Hsueh of US-based Academy for Systemic Change is convinced that the human touch holds the key to change. "Too often we see change is needed out there in the system. We identify stakeholders needed to be changed and develop the best strategies to get 'buy-in'. Yet, the harder we push, the harder the system pushes back. The harder we change people, the more resistance we get despite our best intentions. As a result, we get frustrated, either push harder, blame the enemies, or give up all together.

"Change is hard. Systems change with multi-stakeholder groups in a complex system is very hard. People get stuck in their respective positions and entrenched interests, refusing to be told they are the ones need to change.

"So no matter how sophisticated the tools are, they are only as effective as the human touch it enables. Seeing one another authentically is the fundamental human touch. It is at that point that self-catalysing systemic change becomes a shared possibility."

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> One simple phenomenon about change – we like to change others, but none of us like to be changed.
>
> Joe Hsueh, Academy for Systemic Change

About us

About the Changemaker process

The Changemaker process was developed by The Crowd as a way of extracting the collective wisdom on a breaking topic. The speakers, bloggers, survey and audience were drawn up in partnership with Forum for the Future, and this report was co-authored by The Crowd and Fishburn.

About The Crowd

Our mission is to help businesses succeed through solving the big challenges of our time, from climate change to youth unemployment.

All of our activities are underpinned by a belief that the major solutions are already in late stages of development, and that our most valuable role lies in helping organisations to learn from each other. The less each organisation reinvents the wheel, the faster we all move.

Our events programme, has engaged over 15,000 participants through 100+ events, including our monthly debates, day summits and breakfast briefings. Our digital formats include 'Going Naked' and 'The Energy Investment Curve'.

About Forum for the Future

Forum for the Future is an independent non-profit working globally with business, government and other organisations to solve complex sustainability challenges.

We aim to transform the critical systems that we all depend on, such as food and energy, to make them fit for the challenges of the 21st century. We have 19 years' experience inspiring new thinking, building creative partnerships and developing practical innovations to change our world. We share what we learn from our work so that others can become more sustainable.

System innovation is at the heart of our strategy. One of our key approaches is creating innovation coalitions, bringing together groups to solve bigger sustainability challenges – including those that work across whole value chains. Another of our approaches is helping pioneering businesses go further, faster.

Our track record spans nearly two decades. We have worked in partnership with pioneering companies such as Unilever, Pepsico, Telefonica O2, Skanska and Akzo Nobel, collaborating with businesses, both large and small.

Discover our stories and what we've learned about building a sustainable world at www.forumforthefuture.org<http://www.forumforthefuture.org>, or follow us on Twitter<https://twitter.com/forum4thefuture> and LinkedIn<http://www.linkedin.com/company/forum-for-the-future_2>.

About Fishburn

Fishburn is a dynamic communications agency specialising in corporate and consumer communications, branding and design.

We are part of the worldwide BBDO network and Omnicom Group. We work with some of the world's biggest brands and are considered experts in Corporate Communications, Consumer, Employee and Stakeholder Engagement, Social Media, Public Affairs, and Corporate Reporting.

We work across issues, across channels and across disciplines. This means we're uniquely placed when it comes to bringing together the best people to solve complex communications challenges that demand integrated answers.

Our approach also means we have the advantage when it comes to communicating sustainability and corporate responsibility. Whether engaging specialist stakeholders or general consumers, promoting leadership or protecting reputations, devising strategy or reporting progress, we help clients to create and shape tomorrow's conversations, globally and in the UK.

Thank you

The quality of the crowd's wisdom comes down to their collective knowledge, and their willingness to share that knowledge. We applaud the crowd on both counts.

The Crowd would like to thank the following companies for sponsoring the Crowdsourced Systems Revolutionaries event:

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    Sustainability Leadership
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Blogs:

Less of the Brands. More of the Public Policy
Jonathon Porritt, Forum for the Future

Creating a New Order of Things
Gail Klintworth, Unilever

The Power of Community
John Steel, Cafédirect

System Revolutionaries – Go Forth and Diversify!
Emma Howard Boyd, Jupiter Asset Management

Using Economic Systems as Environmental Guardians
Paul Dickinson, CDP

The role of business: the need to push for an ambitious climate agreement in Paris
Christiana Figueres, UNFCCC

Why Human Touch is Key to Unlocking Systems
Change, Joe Hsueh, Academy for Systemic Change

How Product Transparency Can Change The System
Diana Verde Nieto, Positive Luxury

Tackling Youth Unemployment Through Cross Sector Collaboration
Camilla Drejer, Accenture

Net Positive – one concept, three frequently asked questions
Sally Uren, Forum for the Future

An Economy That Works
Oliver Dudock van Heel, Aldersgate Group

Citizens not Consumers: The Next Frontier For Systems Innovation
Jon Alexander, New Citizen Project