



SUSTAINABLE
BRANDS

The Bridge to
Better Brands

TOP 15

Tools and Trends
to Reimagining
Business Models,
Strategy and ROI

Introduction

Many experts have been observing over the last couple of years that innovating for sustainability seems to be approaching mainstream attention, particularly at Fortune 500 companies and among forward-looking social entrepreneurs. As many stakeholders — including, but not limited to, customers, employees, and investors — begin to re-evaluate their perception of value, it is becoming imperative in the eyes of executives of all industries to credibly measure, analyze and innovate along the entire range of benefits and costs for which they are responsible. That being said, however, not all mainstream attention necessarily translates to mainstream action. The leaps from intelligence, to intention, to making the business case, to action, on any level, are often non-trivial or even downright daunting.

In line with our mission to inspire, engage and – very importantly – equip all brands to succeed by leading a shift to a sustainable global economy, the Sustainable Brands community continues to aggregate, digest and share leading-edge approaches to making tangible progress on reimagining business models, strategies and ROI projections for sustainability. The present collection is based on some of the cream-of-the-crop thought leadership our platform hosted in 2013, and we can barely wait for even more advanced examples at Sustainable Brands '14 San Diego in June.

Happy and productive listening, watching and reading!

Study a Map of Proven Leading Frameworks for Business Model Innovation



Model Behavior

20 Business Model Innovations for Sustainability

Model Behavior explores the role and practice of business model innovation in the context of sustainability.

- Over 100 companies reviewed
- More than 80 examples of business model innovation
- 5 areas of innovation
- 20 distinct business models

The report offers a closer look at what's occurring in each of these models to produce more sustainable outcomes.

www.sustainability.com/model-behavior

MARK LEE, Executive Director, **SustainAbility**
LINDSAY CLINTON, Business Strategist, **SustainAbility**

What is business model innovation? How does it impact sustainability? Which models are disrupting industries, beyond car sharing and distributed energy?

A new research report, Model Behavior: 20 Business Model Innovations for Sustainability, released by SustainAbility earlier this year, brings clarity to this oft-hyped space and identifies and analyzes 20 emerging business model innovations that are having a positive social or environmental impact.

“Every exchange in a value chain provides opportunities for innovation and impact.”

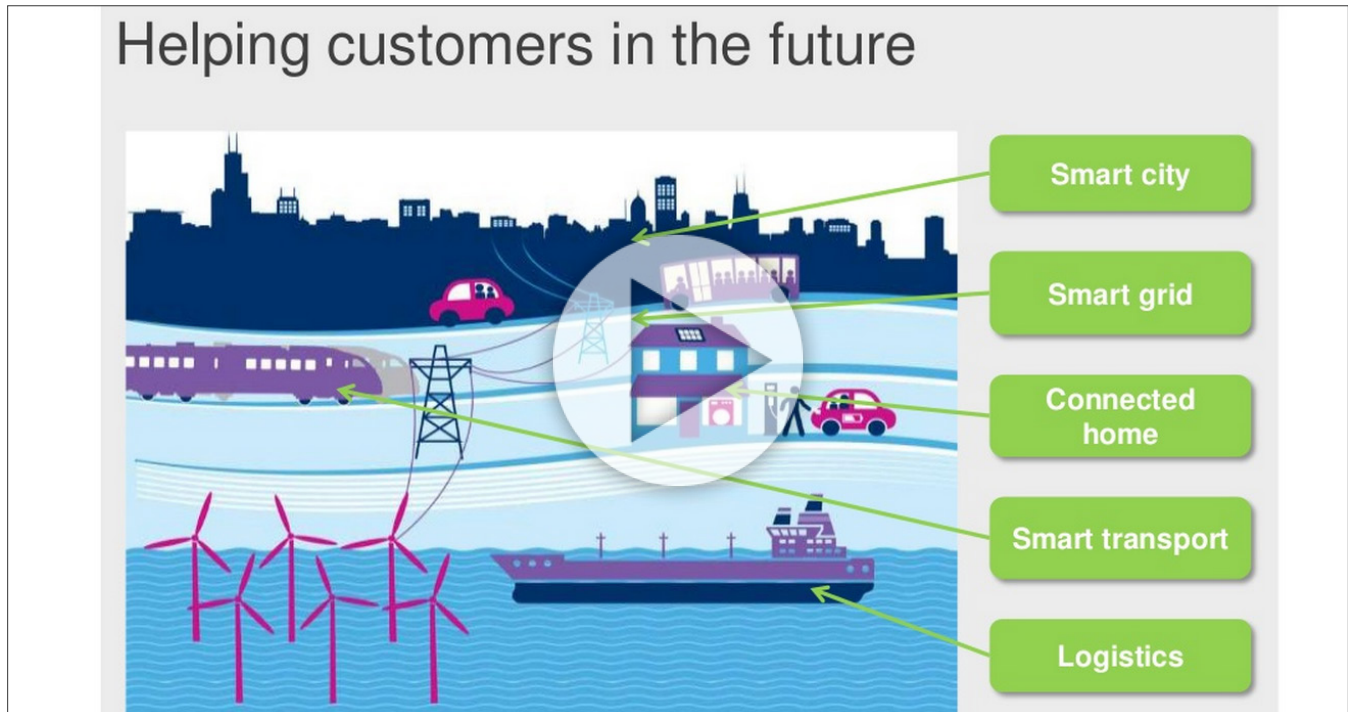
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Twitter: [#businessmodel](#) [#valuechain](#)

The full report with all 20 frameworks:
<http://www.sustainablebrands.com/digital-learning/business-models/model-behavior-20-business-model-innovations-sustainability>

Deep dive into sharing economy principles:
<http://www.sustainablebrands.com/news-and-views/next-economy/jennifer-elks/new-report-maps-size-scope-disruptive-potential-sharing-ec>

Apply LCA with Ambitious Goals in Mind on the Path to Becoming Net Positive



KEVIN MOSS, **BT**, et al.

Kevin Moss describes the novelty involved in BT's Net Good program. The main idea of that effort is to leverage LCA analysis, both on a product and company level, to enable BT customers to reduce carbon emissions by multiple times the end-to-end carbon impact of the company's entire business.

The magic happens through strategic data analyses and subsequent investments in product upgrades that result in significantly lower associated emissions in the use phase. A fascinating proposition and one of the first of its kind!

"We will help customers reduce carbon emissions by at least three times the end-to-end carbon impact of our business."

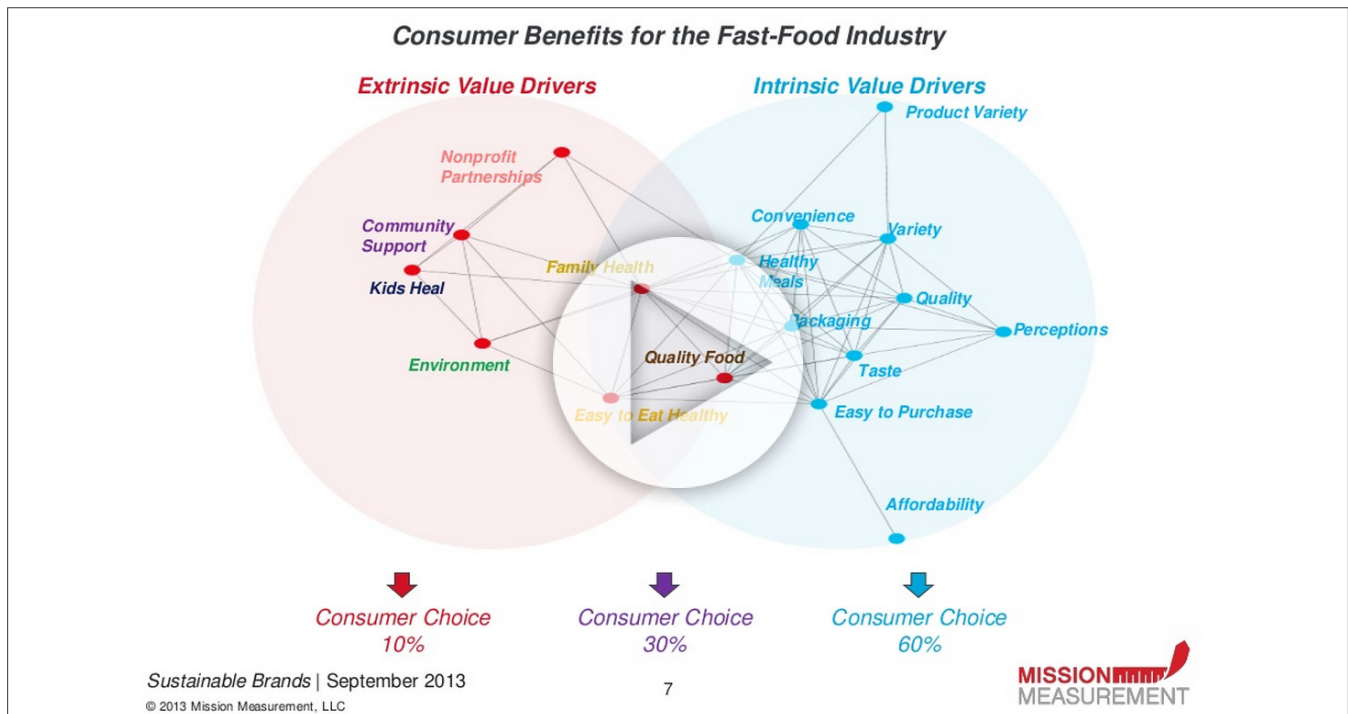
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Twitter: [#netpositive](#) [#sustygoals](#)

More discussion: http://www.sustainable-brands.com/digital_learning/behavior_change/way-futuristic-restorative-net-positive-business

Another case study: http://www.sustainable-brands.com/digital_learning/waste_not/kingfisher_business_opportunity_closed_loop_innovation

Meet Customer Needs Fully by Embedding Sustainable Attributes in Core Products and Services



JASON SAUL, Founder & CEO, **Mission Measurement**

Jason Saul sheds light on the concept of the 'social value proposition,' the kinds of value it can deliver and how to measure them. In the process, he underlines the distinction between socially conscious consumers and mainstream consumers who respond to 'social value drivers.'

Saul argues that the business logic of CSR/sustainability is fundamentally changing, as CSR is now asking for help to drive the bottom line and businesses are increasingly realizing the value of focusing on the social benefits desired by their core consumers. He asserts that companies have been erring too much on the side of extrinsic non-product-related benefits such as charity, neglecting intrinsic product value that drives both consumption and well-being.

"A social value proposition is a promise to deliver benefits that a customer values from the social impact of a product, service or brand."

// RELATED CONTENT

Twitter: [#sharedvalue](#) [#socialenterprise](#)

Research Report: http://missionmeasurement.com/uploads/documents/Why_Companies_Should_Stop_Doing_Good.pdf

More case studies: https://www.sharedvalue.org/resources?field_resource_type_tid=96&-field_industries_tid=All&field_geography_tid=All&field_resource_social_issue_tid=All

Build Compelling Future Scenarios and Work Backwards from a Clear Vision



#familyofthefuture

DOROTHY MACKENZIE, Chairman, **Dragon Rouge**

[relevant part starts at 11:50]

From a creative point of view, brands can deliver their promise in a number of different ways. Choosing a particular path towards customer delight is no trivial task; in fact, it is often not receptive to rational solutions but calls for substantial amounts of intuition instead.

To get a framework for innovation that is both grounded and radical enough to tackle sustainability challenges of the day, brands can start spelling out clear future scenarios reflecting macro trends currently at work. Strong, specific visualization of said scenarios makes possible futures credible and helps pick a winning strategy.

“Families of the future give us a sneak preview of the way we will live in 2030 and offer brands the opportunity to respond to upcoming needs and challenges.”

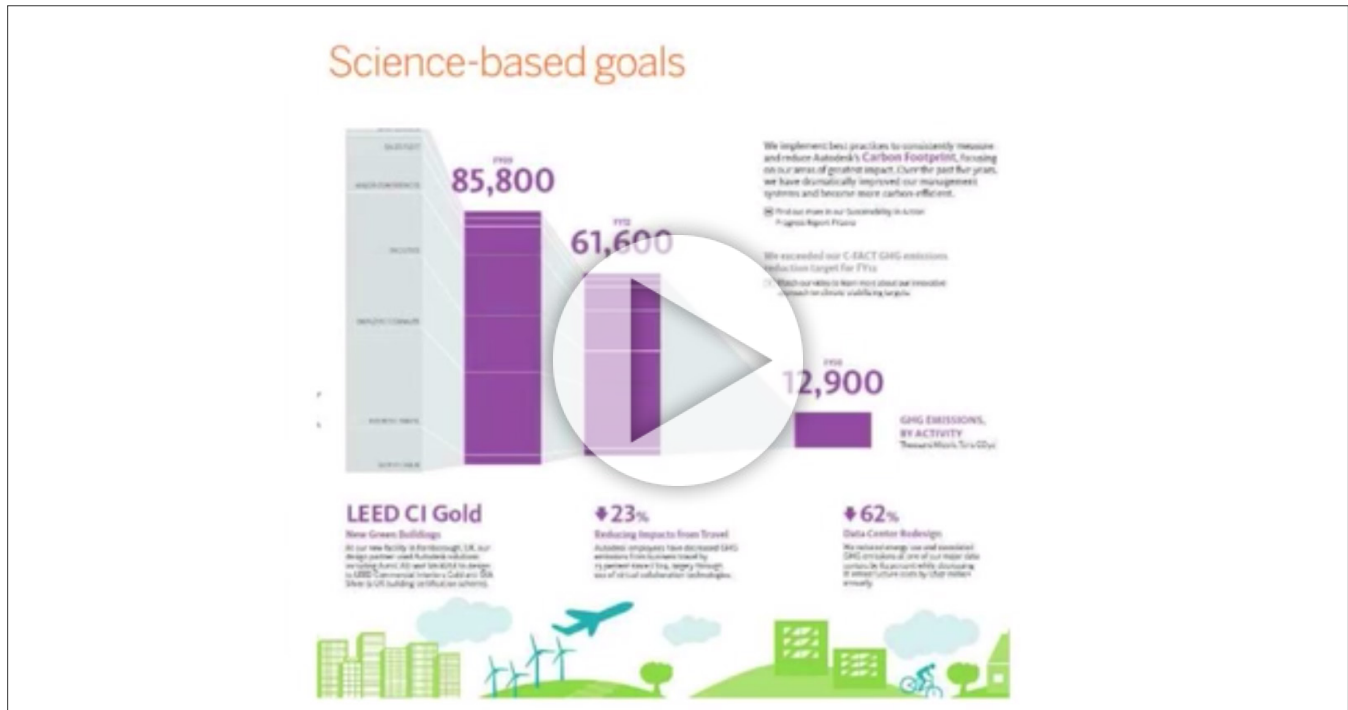
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Twitter: [#familyofthefuture](#) [#macrotrends](#) [#futurevision](#)

Looking into the Future with Ford: <http://www.sustainablebrands.com/digital-learning/stakeholder-trends-insights/looking-further-ford-2014-trends-report>

The case of Fairphone: <http://www.sustainablebrands.com/digital-learning/brand-innovation/disruptive-innovation-rise-values-based-economy>

Put Performance Data and Goals in the Scientific Context of Planetary Boundaries and Social Conditions



JUDY SANFORD, Senior Strategist, Sustainability Communications, **Addison**
EMMA STEWART, Head of Sustainability Solutions, **Autodesk**
BILL BAUE, Co-founder, **Sustainability Context Group**

These items serve as an introduction to the practice of context-based sustainability, a cutting-edge approach to measurement, management and reporting that interprets performance relative to social and ecological thresholds.

Find out why the path toward achieving true sustainability must feature goal-setting against real-world, science-based thresholds, such as the 9 Planetary Boundaries on the ecological front, as well as social foundations such as those articulated by Oxfam in its idea of “Doughnut Economics.”

“Impacts are measured against norms, standards, or thresholds (science-based) for what they would have to be in order to be sustainable.”

// RELATED CONTENT

Twitter: [#sustycontext](#) [#sustygoals](#)

Pilot context-based ranking by Climate

Counts: http://www.sustainablebrands.com/digital_learning/slideshow/getting-grip-context-initial-findings-worlds-first-science-based-approach

A gold-standard benchmark: http://www.sustainablebrands.com/digital_learning/slideshow/sneak-peek-gold-standard-benchmark-esg-performance

Upgrade Familiar Analytical Frameworks with a Sustainability Layer



ELIOT METZGER, Senior Associate, **World Resources Institute**

SALLY UREN, Chief Executive, **Forum for the Future**

KATIE DILLON, Sustainability Manager, **Target**

Do you have colleagues who roll their eyes when they hear the words “environment” or “sustainability?” The sad truth is that environmental issues are not always a passion for everyone at every organization. That is why WRI released a guide to address this question and many more related to corporate sustainability.

Road-tested by a dozen major companies, including Target, Method and Staples, the guide adds a sustainability component to the traditional Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis that corporations and business schools have relied on for more than 50 years. In this presentation, sSWOT is complemented by Forum for the Future’s ‘step-change’ approach, which is all about make large, fast contributions to the trajectory business needs towards a sustainable future.

“There is this tendency within companies to be very familiar with their industry [...] and that deep knowledge is a burden because you can’t see outside your own field of vision.”

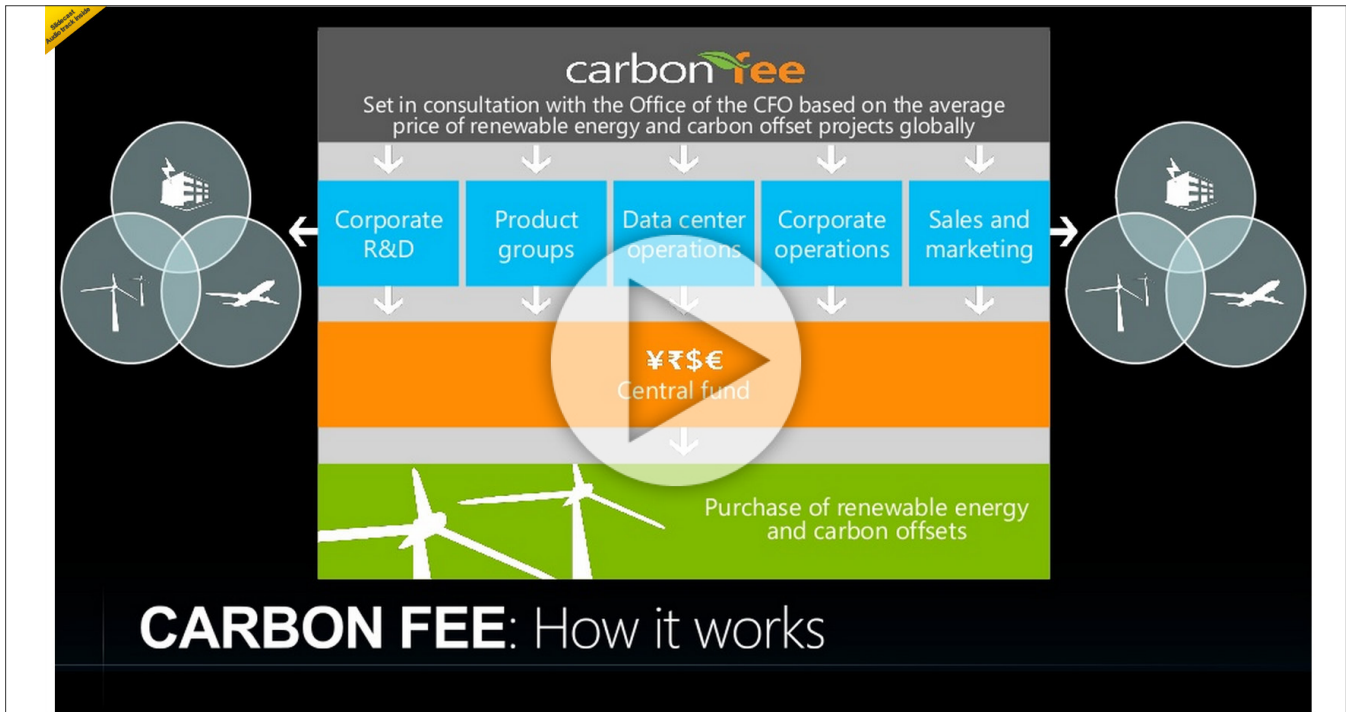
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Twitter: [#sSWOT](#) [#systemsthinking](#)

More resources on sSWOT: <http://www.wri.org/publication/sswot>

More resources on Step-Change: <http://www.forumforthefuture.org/project/making-business-case-step-change/overview>

Set Up Internal Carbon Fees, Budgets and Other Management Incentives



ROB BERNARD, Head of Sustainability, **Microsoft**

BRUCE RAUHE, R&D Imagineer, **The Walt Disney Company**

Rob Bernard, Head of Sustainability at Microsoft, describes a successful completion of the first year of his company's internal carbon fee program, intended to help internalize the external impacts of the company's operations. Conducted under the motto "Be lean, be green, be accountable," the program assigns a dollar price on carbon and then incentivizes all business units to make more environmentally responsible choices by charging them for emissions from data centers, offices, labs and air travel.

A similar scenario is unfolding at Disney, where Bruce Rauhe and the rest of the Walt Disney Imagineering team are working to make up for emissions associated with large-scale operations featuring four theme parks, four cruise ships and more than 300 buses. Not only is Disney investing in technological upgrades to "burn less, burn different, scrub exhaust" but the company is also committed — much like Microsoft — to pooling money collected from charging for carbon company-wide into a Climate Solutions Fund, which then invests in offsets.

"The carbon fee is set in consultation with the office of the CFO based on the average price of renewable energy and carbon offset projects globally."

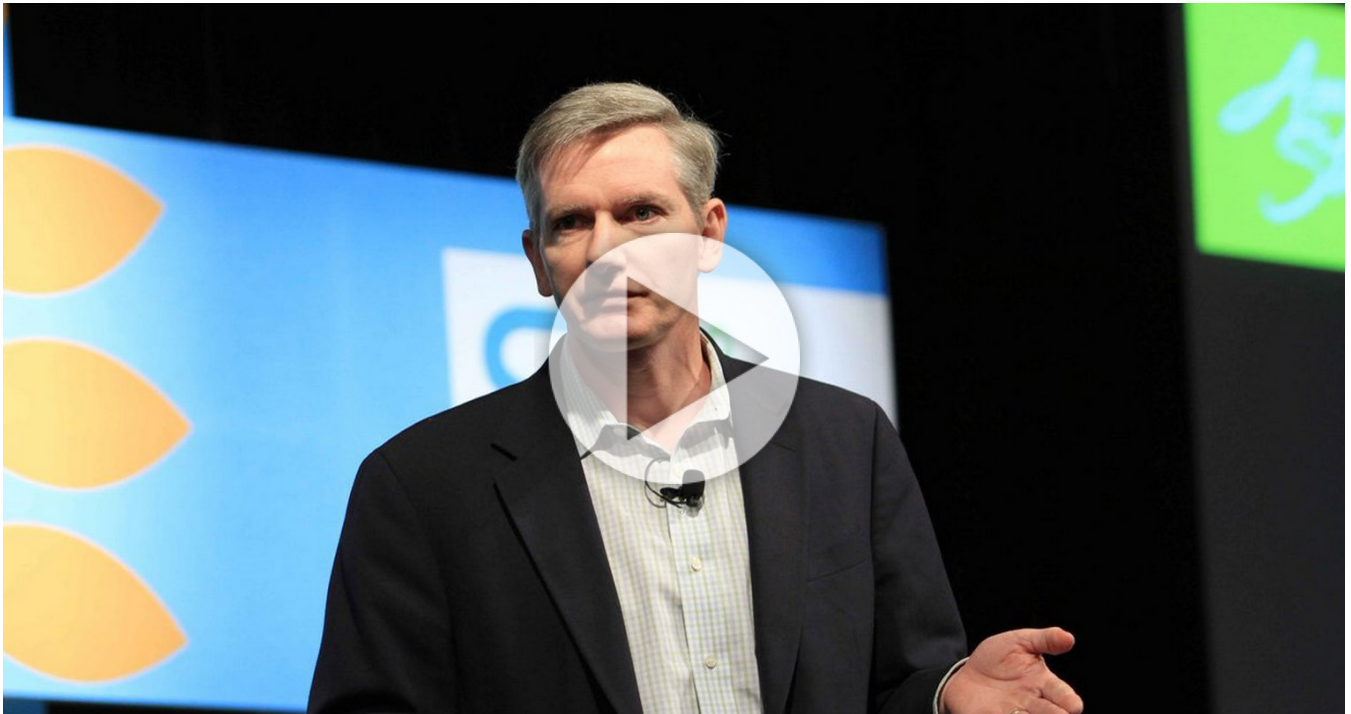
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Twitter: [#carbonfee](#) [#newmetrics](#)

Microsoft's carbon fee playbook: http://www.sustainablebrands.com/digital_learning/new_metrics/microsoft_carbon_fee_playbook

Internal carbon pricing in the news: http://www.sustainablebrands.com/news_and_views/communications/sustainable-brands/disney-wells-fargo-google-among-us-companies-proact

Customize Solutions Based on Local Conditions



JIM MCHALE, Vice President, Research Development & Engineering, **American Standard**

As American Standard's Jim McHale explains, more than 2,000 children in developing economies die every day from poor sanitation problems.

In a joint project with the Gates Foundation and IDE, American Standard examined why people were using unsealed latrines and designed a new product that worked with current user behavior while keeping the product cost to about a dollar. To do so, the team had to "Product development works when the people involved are treated and listened to as customers, not beneficiaries," McHale says.

"Think and develop locally, then leverage global scale."

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Twitter: [#designthinking](#) [#localinnovation](#)

Another case study: http://www.sustainable-brands.com/digital_learning/event-video/new-world-shared-value-mapping-benefits-project-phoenix

More case studies: http://www.sustainable-brands.com/digital_learning/audio/working-constraints-putting-new-models-work

Define Technical and Biological Nutrients for a Cradle to Cradle Outcome



accoya
the strength within
Visit CAC Certified Product Registry

BIOMIMICRY ANSWERS HARDWOOD SCARCITY

Accoya is a result of years of visionary work that we at Accoya Technologies were fortunate enough to acquire and to bring to fruition. Our Accoya brand high-technology wood is sustainably sourced and matches or exceeds the beauty, stability and durability of tropical hardwood species.

Many wood manufacturers in the Netherlands have long relied upon to hold up to the harsh Dutch weather are becoming endangered and increasingly scarce. This group has leveraged decades of research and forward-thinking work to improve the quality of more common, but lower performance wood species. One technique of wood modification—called acetylation—is known to provide the performance needed but after decades of work, no one could figure out how to successfully do it on a commercial scale. This was Accoya Technologies' breakthrough. By assembling a unique team of wood and chemistry experts, the vision of these Dutch wood manufacturers and several other groups was realized.

Although acetylation is perceived as the 'gold standard' for high technology wood modification, the Accoya process is a remarkably simple concept. Acetylation merely takes the part of wood that readily wants to bond with water, free hydroxyls, and transforms them into naturally occurring stable molecules called acetyl groups. Wood that is naturally high in acetyl groups, like the best performing tropical hardwoods, does not decay nearly as fast because rot and damaging insects do not have the food and water sources required at the molecular level for damage to begin. The acetylation process merely mimics nature and, without adding any toxic substances, ensures performance and material health. In addition, Accoya products are produced in a low-energy, low-water use process using only certified sustainable wood.

Besides durability, Accoya also has many other benefits that are indirectly linked to sustainability. For example, Accoya is far more dimensionally stable than any other wood, enabling less replacement and maintenance and improved longevity. Accoya also has retained strength, increased hardness, increased thermal insulation properties and enhanced carbon sequestration, allowing wood to be used in exciting new ways on a scale for profound global impact.

Material utilization, in several senses of its meaning, is one of the best features of Accoya. Firstly, the process mimics nature and the products contains only natural, compostable elements. Second, Accoya is typically made from rapidly renewable softwood species such as Radiata pine, with high yields even better than typical rapidly renewable crops (bamboo, flax, etc.). Third, the wood certification schemes we utilize, such as FSC and PEFC, guarantee that the wood is sourced from sustainably managed forests, ensuring that new trees are planted after harvest and biodiversity is maintained. Reutilization also comes into play during production and end of application life. Acetylated wood that does not meet our quality requirements, or that our customers can no longer use, can be ground up and used as input for 'Ticoya', our exterior grade wood composite panel product. Ultimately Accoya can be used as wood mulch or a fuel source for utilities. But what makes Accoya a perfect fit with Cradle to Cradle is the fact that even if just discarded, it is 100% biodegradable. However, we actively promote the reuse of Accoya over its typical 50 year life, with biodegradation as a last resort.

In summary, Accoya enables abundantly available wood species to substitute tropical hardwood, and even high performance manmade materials in many demanding applications.

A global level is huge. Accoya can help further reduce greenhouse gas emissions directly through lengthening of carbon sequestration periods in products, but more importantly by replacing carbon intensive materials.

Cradle to Cradle Products Innovation Institute

The companies and products profiled in this collection are redefining traditional notions of quality in ways that aspire to follow the core tenets of a Cradle to Cradle Certified Product Standard: considering all of the impacts that result in a product's creation, use, and disposal; keeping people and nature safe from hazardous substances; making sure it is possible to fully return a product to industry or nature after its useful life; making products using renewable energy and in ways that protect and replenish the world's supply of fresh water; and manufacturing and assembling products with fair treatment of all people involved in the process. Each company, product, and innovation in this study shares kinship with the evolutions prompted by Michael Braungart and William McDonough's challenges to the world: 1990, The Intelligent Product System; 1992, The Hannover Principles; 2002, Cradle to Cradle; 2013, The Upcycle.

"Imagine profitable business, like flourishing trees, being good for everyone and every thing."

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Inspiration from Bill McDonough:

<http://www.sustainablebrands.com/digital-learning/event-video/conversation-william-mcdonough>

Cradle to Cradle in the news: http://www.sustainablebrands.com/news_and_views/products_design/mike_hower/cradle_cradle_institute_launches_product_registry

Initiate Responsible Corporate Engagement on Climate Change Policy



PAUL DICKENSON, Co-founder & Executive Chairman, **CDP**

Paul Dickenson, Co-founder and Executive Chairman of the Carbon Disclosure Project (CDP), discusses a comprehensive guide for companies to manage their direct and indirect influence on climate policy.

Conceived with the goal of helping the corporate world engage in climate policy in a transparent and accountable way that is consistent with sustainability commitments, the guide outlines concrete steps companies can take to provide proactive, constructive input for policy makers. It also serves as a practical tool for connecting the dots between sustainability commitments and positions on climate and other issues internally.

“Compared with companies’ efforts to green their operations, corporate political actions such as lobbying can have more influence on environmental protection and arguably represent the greatest impact a company can have on the environment.

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Twitter: [#climatepolicy](#) [#climatepolitics](#)

The full report: http://www.sustainable-brands.com/digital_learning/leadership/guide_responsible_corporate_engagement_climate_policy

Further discussion: http://www.sustainable-brands.com/digital_learning/audio/changing-game-aligning-corporate-policy-influence-support-sustainable-economy

Engage in Hands-on Conventional ROI Modeling to Make a Compelling Business Case



BOB WILLARD, Author, *The New Sustainability Advantage*

Business leaders are paid to focus on the bottom-line, and they should. They acknowledge that environmental and social concerns deserve attention, but not at the expense of company profit. Surprisingly, many companies are discovering that they can enhance their competitive positioning by behaving more responsibly. Based on Bob's latest book, *The New Sustainability Advantage*, this presentation repositions smart, innovative sustainability strategies as a means to achieving existing company goals, rather than a separate imperative to worry about.

Bob applies business and leadership development experience from his 34-year career at IBM Canada to show how sustainability strategies can increase revenue, save expenses, avoid impending risks, and enhance brand value, resulting in profit improvements of 51% to 81% within three to five years for a typical company.

"Increase revenue, save expenses, avoid impending risks, and enhance brand value, resulting in profit improvements of 51% to 81% within three to five years for a typical company."

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More case studies: <http://sustainabilityadvantage.com/products/worksheets.html>

Book: <http://www.amazon.com/The-New-Sustainability-Advantage-Business/dp/0865717125>

Expand the Concept of ROI to SROI or Triple-bottom-line ROI

Why include societal costs and benefits in an ROI?



- Reduce risk!
- Improve employee and community relations=higher productivity and license to operate
- Improve return to investors
- The process improves buy-in
- Optimize the decision



BEA BOCCALANDRO, President, **VeraWorks**

WITOLD HENISZ, Deloitte & Touche Professor of Management in Honor, **The Wharton School**

LISE LAURIN, Director & Founder, **EarthShift**

What is SROI or Triple-bottom-line ROI, you ask? Well, SROI can stand for either “Social Return on Investment” or “Sustainable Return on Investment,” depending on who you ask, with the latter basically serving as an equivalent to Triple-bottom-line ROI. No matter the particular flavor, all these extensions to conventional ROI modeling point to ways to express environmental and social costs and benefits in dollars, thus making various scenario analyses easier to present to the CFO, other executives, and the investor community.

“We live in a hyper-monetized world. There are many places to find valuation data for societal impacts.”

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Twitter: [#SROI](#) [#newmetrics](#)

More case studies: http://www.sustainablebrands.com/digital_learning/event-video/conquering-uncharted-territory-roi-sustainability

Another hands-on approach: http://www.sustainablebrands.com/digital_learning/slideshow/new-horizons-measuring-roi-sustainability-panel

Estimate the Potential Upside of Paradigm-shifting Opportunities such as a Transition to a Circular Economy



JAMIE BUTTERWORTH, CEO, **Ellen MacArthur Foundation**

With commodity prices almost tripling in the last 10 years, businesses and governments are now recognizing there is an opportunity to manage input cost volatility by innovating in the direction of a circular economy, seeing as that approach decouples economic growth from finite supplies of primary resources.

In this talk, Jamie Butterworth, CEO of the Ellen MacArthur Foundation, discusses the potential economic benefits of circular business models that are restorative by design, and gives specific examples of companies already acting to turn this concept into reality. The Foundation's heavy-data-powered research, in partnership with McKinsey & Co, has been making the business case for circular models for a few years now, most recently launching Project Mainstream at Davos to leverage the convening power of the World Economic Forum as a group of business leaders capable of triggering widespread innovation and employment.

"This is a trillion dollar opportunity, with huge potential for innovation, job creation and economic growth."

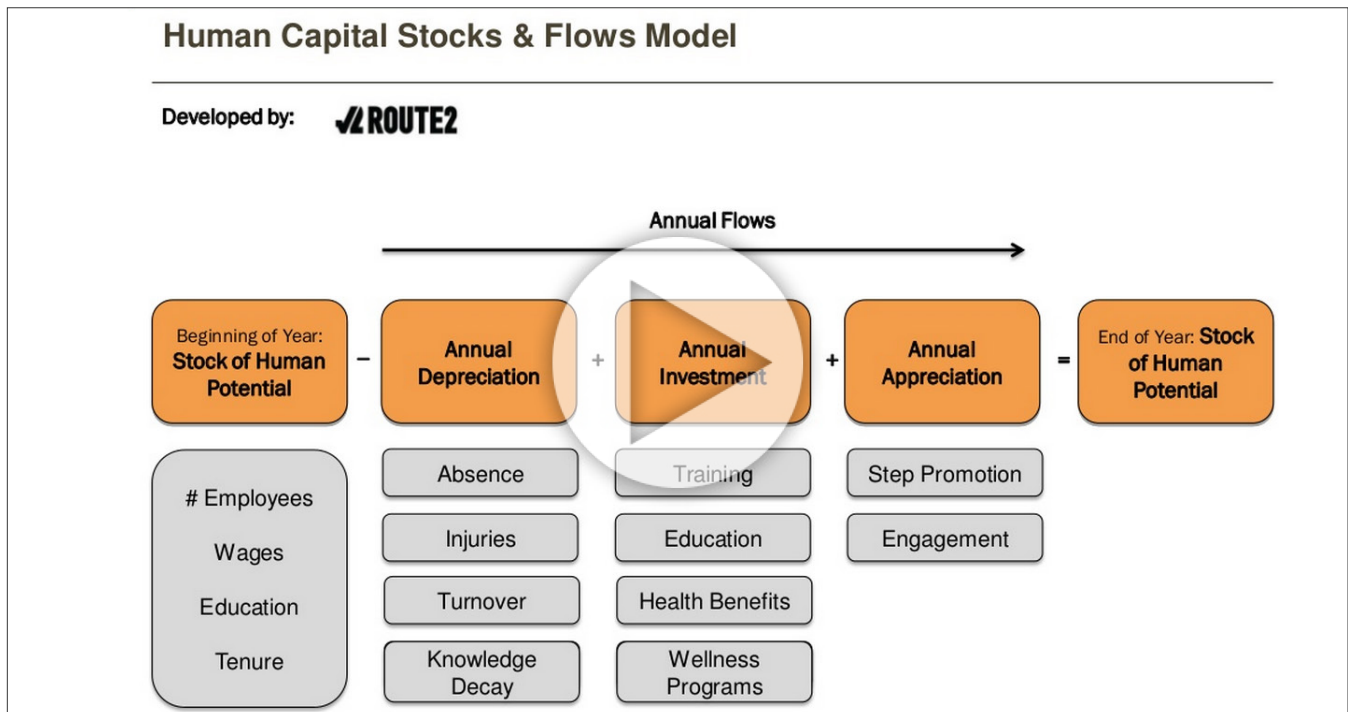
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Twitter: [#circulareconomy](#) [#marketsizing](#)

The full report: <http://www.sustainablebrands.com/digital-learning/supply-chain/towards-circular-economy-accelerating-scale-across-global-supply-chain>

Circular economy in the news: <http://www.sustainablebrands.com/news-and-views/next-economy/mike-hower/asu-partners-dutch-city-develop-first-circular-economy-regi>

Calculate the Monetary Value of Employee Engagement and Human Capital to Inform Internal Policies



LINDSAY STODA, Senior Business Analyst, Sustainable Strategies Group, **Interface**

If human capital is a company's greatest asset, then why does business-as-usual reflect it only as a liability? A great question, and not one that many executives can answer confidently (or at all). Interface announced an ambitious project in holistic human capital valuation a couple of years ago, and is currently turning what started as an abstract modeling exercise into a series of tools allowing its HR department to make more informed, data-backed decisions and budget allocations.

By putting dollar values on human potential quantities previously invisible on corporate financial statements — reflecting the benefits or costs of things such as education, tenure, absenteeism and knowledge decay, to name a few — the company is now in a position to make data-backed smartly informed decisions around, say, interventions on employee turnover, training and engagement.

"It gives us the opportunity to look at our employees as a real financial asset."

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Twitter: [#humancapital](https://twitter.com/humancapital)
[#employeeengagement](https://twitter.com/employeeengagement)

More case studies: http://www.sustainablebrands.com/digital_learning/slideshow/beyond-employee-engagement-using-new-metrics-embed-sustainability-through

More discussion: http://www.sustainablebrands.com/digital_learning/audio/more-talk-case-studies-hr-incentives-facilitating-corporate-sustainability-ag

Explore the Latest Advances in Valuing Natural Capital



Corporate Ecosystem Valuation

As with the rest of this list, the number of tools available at the disposal of companies willing to estimate business risks associated with dependence on critical ecosystem services and biodiversity is growing by the day.

This report acts as a guide for Corporate Ecosystem Valuation (CEV), which can be defined as a process aimed at making better-informed business decisions by explicitly valuing both ecosystem degradation and the value provided by ecosystem services, thus tangibly improving corporate performance in relation to all three bottom lines. Such valuation can make decision-making around ecosystems both more compelling and more practical, and there is no shortage of avenues for real action as evidenced by the summary of resources presented on this page.

“So ask yourself: What does nature provide for your business, and shouldn’t it be on your balance sheet?”

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Twitter: [#naturalcapital](#) [#newmetrics](#)
More case studies: <http://www.naturalcapitalhub.org/>

Top 100 externalities of business: <http://www.sustainablebrands.com/digital-learning/new-metrics/natural-capital-risk-top-100-externalities-business>

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