

# Sustainability , Innovation and Environment:

## Redefining the Value Proposition of Companies

Amman, Jordan, September 17, 2019

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# Global Trends

## Global Sustainability Trends 2019\*

- Climate Crisis
- Empowerment of Society
- Security Threats
- Ecosystem Rescue
- New Leaders
- Food and Agriculture
- Technology
- Health
- Energy
- Finance

\* Source:  
<https://trends.sustainability.com/#trend-1>



## Trends = Risks + Opportunities

- Sustainability is linked to global, regional and local trends, which represent risks and opportunities.



# Empowered Consumers and Businesses

Technologies, and in particular, total traceability are empowering companies and customers:

- Where is it manufactured and distributed?
- Does it contain ingredients to which I am allergic?
- When does it expire?
- Is the product genuine?
- Is the company that manufactures this product on any red list (consumer advocacy, customer service, fraud, etc.)?
- Does the company harm its employees?



Food



Shoes



Automotive



Computing / IT



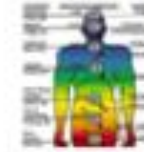
Chemistry



Nutrition



Health



Green Mobility



Smarter Cities



IBM

Enabling Life



BASF

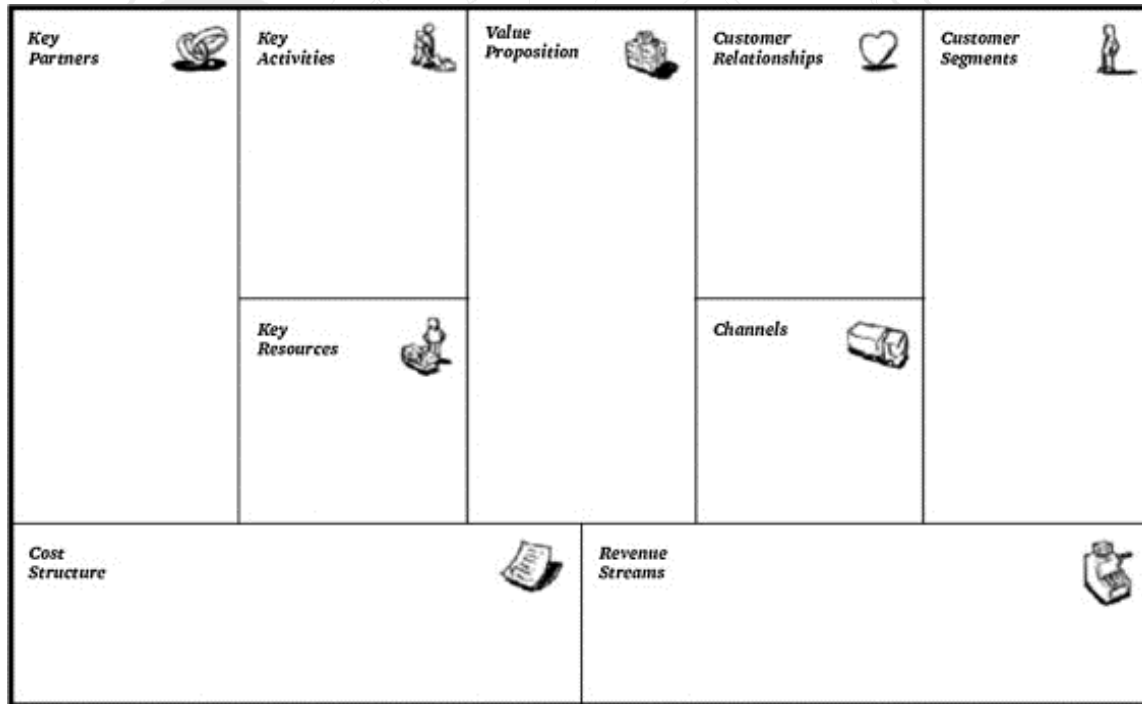
## Trends & Sustainable Value Proposition

Social needs and empowered consumers are redefining the competitiveness of enterprises.

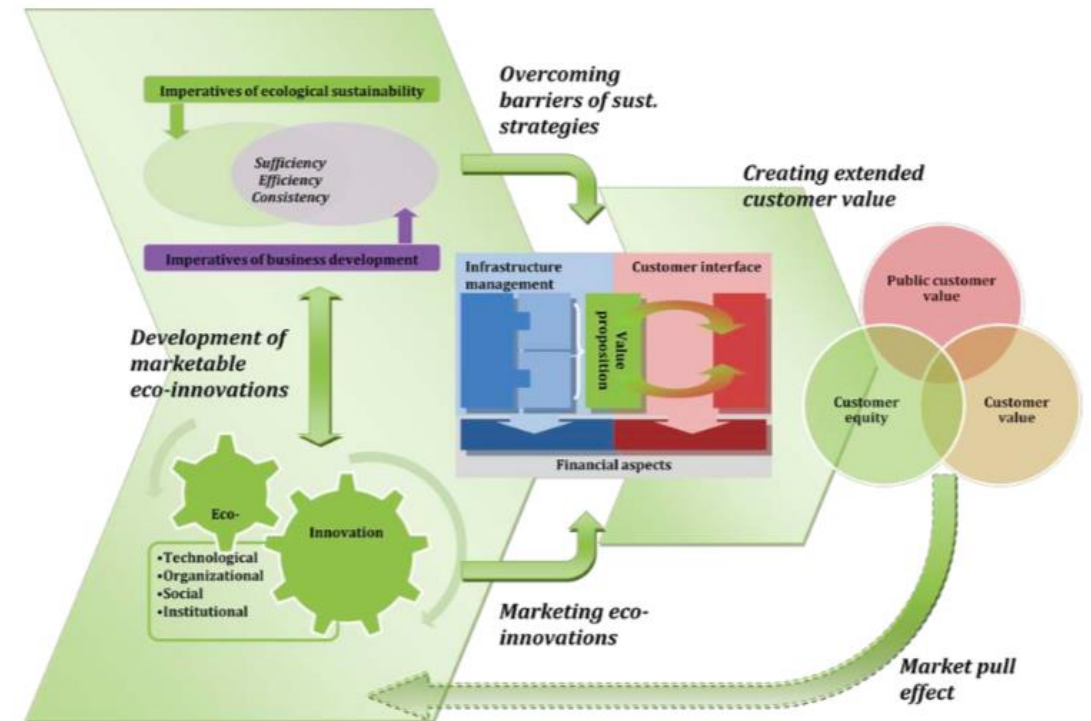


# Evolution of the Sustainable Value Proposition for Companies

Traditional Framework: Osterwalder Business Model Canvas (1998 and earlier)



Sustainability Framework: Eco-Innovation Business Model by Florian Lüdeke-Freund (2010)



# Premise

- Companies exist for economic purposes and play a social role, for which they consume and generate resources/goods/residues and therefore have an environmental impact.
- It is important to recognize that Companies need to be managed in order to develop their social and environmental commitments related to their economic objectives.



# Management / Business Model

- Corporative Administration

- **Corporate visions and strategies** that guide the sustainable development agenda of the company but also successfully guide the company through the requirements of sustainability (social, economic and environmental) under the market conditions in which it competes.



# Vision and Corporate Strategies for Sustainability

- They are challenged to recognize that economic sustainability is as important as social and environmental sustainability. Among others:
  - Eco-efficiency
  - Cleaner Production
  - Eco-Innovation
  - Eco-Intelligence
  - Corporate Social Responsibility
  - Shared Value





# Considerations/premises of Corporate Strategies for Sustainability

- The company must carry **out at least one voluntary activity** (ideally it should be part of its daily activities - social or green enterprises) with the intention of contributing to the solution of social or environmental problems **beyond what the legal framework implies.**
- The activity must create a positive effect on the business or a positive economic contribution to managerial/corporate success that is **measurable** or argued in a convincing manner.
- A clear and convincing argument that the activity **has carried out (or will carry out) the expected environmental and social effects.**



# Barriers to Corporate Strategies for Sustainability

- Traditional business model
- Skepticism of top management
- **Difficulty in linking economic benefits to environmental/social benefits**
- **Difficulty in linking the influence of environmental/social actions to the existing impact trend pattern (indirect effects)**
- Insistence on wanting to create Business Cases from an experience to influence the business model of the company. An experience is generally not enough. There should be a system (i.e. EMS) that guarantees the generation of constant experiences.



# Business Case Model

Business Sustainability Strategies	Degree of Innovation of the Business Model	Effect on Business Case Factors
Defensive	Adjustments to the business model / Adoption of the business model	Search for easy cost and efficiency measures ( <b>pollution control or end of tube</b> ) Sustainability is perceived as risk. Reputation activities are cosmetic ( <b>comply with legal framework</b> ).
Comfortable	Improvement of the business model	Cost and efficiency measures are actively pursued and partially linked to sustainability ( <b>Pollution Prevention, CP, Eco-efficiency</b> ). This leads to changes in the process, changes in the supplier network and approximation to new market segments. <b>An approach oriented to reputation, brand and attraction of employees to social and environmental issues.</b>
Pro-active	Redesign of the business model (in a focused way)	Radical changes in the logic and main activities of the business. Sales and profits are improved by environmentally and socially surprising products ( <b>Circular economy</b> ). <b>Profit is sought through sustainability which pays in terms of risk management, reputation and brand value.</b> The company becomes attractive to employees with high competencies and skills.



# Value Proposition

- It is the differential expression of the product or service perceived by customers. It refers to the factor that determines that a client is inclined in his decision of purchase or acquisition by a mark or another one, since it responds from the best way to the problem or need that this one has.



# Value Proposition based on Sustainability

## Synonym for:

- Quality and responsibility.
- Sustainability is considered a key element in business strategy, performance and growth.

## Advantages:

- Cost and cost reduction
- Quality
- Improved efficiency
- Risk and risk reduction
- Sales and profit margin
- Brand value and reputation
- Attraction as an employer
- Capacity for innovation and growth



# Success Factors

## Factors

- A different product or service inspired by sustainable principles.
- A more complete offer that takes the environment into account.
- A sustainable and at the same time, cheaper manufacturing process, reducing the final cost of the products.
- Benefits for the planet and society.
- A reinforcement of your ecological awareness.
- Personal growth.



## What to take into account?

- Is the product comfortable to use and obtain?
- Does it imply a higher cost?
- What are the benefits for the consumer willing to pay more for a sustainable product? What do you get in return?
- Is the difference really being made in terms of the environment?
- Is there really a social benefit? How do I measure it?
- Can the organisation make this commitment over time?



# Some examples

- **McDonald's:** committed to decoupling its entire supply chain from deforestation, as well as eliminating the use of palm oil.
- **Apple:** In a constant search for new solutions to help to increase the energy efficiency of their products.
- **Marriott:** using recycled materials for both room opening cards and some of the amenities customers find there, such as pens.
- **Starbucks:** has evolved into a responsible purchasing approach with, among other novelties, supplier social responsibility and agricultural product development programs.



# Case Study: CompiteMAS Peru - Fundo Chumpe

The image shows a screenshot of a Facebook profile for 'Fundo Chumpe Autosostenible' (@fundochumpe). The profile picture is a circular logo with stylized green, blue, and yellow elements. The cover photo is a video showing a person in a blue shirt working in a field. The profile information includes a phone number (992932872, 980721623), a category of 'Campamento · Deportes y recreación · Cooperativa agraria', and a 5-star rating with 581 likes. The navigation menu includes 'Inicio', 'Publicaciones', and 'Opiniones'. An orange arrow points from the profile picture to the video cover photo.

<https://youtu.be/IfQ93OYK0eA>





# Case Study: Guatemala - Vista Volcanes



INICIO

PRODUCTOS

CULTIVOS

CAPACITACIONES

CENTRO DE INVESTIGACIÓN

CONTACTO



Finca de Investigación Integral Orgánica  
Transferencia de Paquetes Tecnológicos

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Captura de pantalla

# Bibliographic references

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