

The Sustainable MBA

*A Business Guide to
Sustainability*

SECOND EDITION

Giselle Weybrecht

WILEY

Contents

Preface	xv
Acknowledgments	xix
PART I: SETTING THE SCENE	1
Chapter 1: About this Book	3
Who is <i>The Sustainable MBA</i> for and why should I read it?	5
What you will find in <i>The Sustainable MBA</i>	7
How <i>The Sustainable MBA</i> is organized	9
Ideas on how to use this book	9
Planet Earth fact sheet	10
Chapter 2: What is Sustainability?	13
The basics	14
Other definitions	16
Sustainable development: A global effort	19
Working together: Stakeholders in sustainability	21
Chapter 3: What does this Mean for Business?	23
The business case	24
The sustainability sales pitch	30
Chapter 4: The Sustainability Journey	33
The journey	34
What does a leading company look like?	37
Chapter 5: Getting Started	41
Step by step	42
Getting past internal excuses	48

PART II: THE CORE TOPICS	51
Chapter 6: Accounting	55
Why is it important?	56
The key concepts	58
Full or true cost accounting	58
Materiality	61
Key performance indicators	64
Measuring social impact	67
Sustainability in financial statements	68
Integrated reporting	70
Assurance	72
Challenges?	75
Trends and new ideas	76
Bringing it all together	76
Increased disclosure	77
Recognizing unrecognized assets	78
Different forms of reporting	78
Shadow reporting	79
Sustainability reporting	81
Chapter 7: Economics	85
Why is it important?	86
The key concepts	87
Sustainable consumption	88
The commons	90
Externalities	92
Market-based incentives	93
Re-evaluating GDP	97
Emerging markets	99
Challenges?	103
Trends and new ideas	104
Alternative trading systems	104
A new economic model	105
Estimating the cost of inaction	107
From free to fee	108
Valuing future generations	108
Regulatory instruments	109
Environmental valuation	111
Business and the world's poor	117
Chapter 8: Entrepreneurship	123
Why is it important?	124
The key concepts	125

Social/environmental entrepreneurs	126
Exploring new business models	129
Making changes from within	130
Generating ideas	133
Funding	136
Challenges?	139
Trends and new ideas	140
Merging and selling	140
Microbusinesses	140
Social stock exchange	141
Working with big business	142
Marketing on a shoestring	143
Some advice for entrepreneurs	146
Cooperatives	148
Chapter 9: Ethics and Corporate Governance	153
Why is it important?	154
The key concepts	155
Business and human rights	156
Labor and working conditions	159
Ethics and the individual manager	162
Corporate governance	165
Corruption	167
Bribery	169
The power of media	171
Challenges?	173
Trends and new ideas	174
Transparency and honesty	174
The company of the future	175
Fair trade	176
Crowdsourcing the truth	176
Whistleblowing	177
The role of the CEO	180
Chapter 10: Finance	183
Why is it important?	184
The key concepts	186
Sustainable investment	186
Integrating ESG	189
Fiduciary responsibilities	193
Shareholder engagement	195
Ratings and indexes	198
Project finance	201
Challenges?	203

Trends and new ideas	205
Cross-disciplinary collaboration	205
New landscape for corporate ownership	206
Long-term value	207
The role of the CFO	208
Insurance sector	209
A new kind of bank	209
Microfinance	212
Chapter 11: Marketing	217
Why is it important?	218
The key concepts	219
People	220
Products	224
Price	226
Place	229
Packaging	232
Eco-labels	236
Social marketing	239
Cause-related marketing	242
Challenges?	244
Trends and new ideas	245
Green = inexpensive	246
Eco-iconic to eco-embedded	246
Understanding how people think	247
Communicating with the customer virtually	248
Popups	248
Boycotts	249
The barcode reinvented	249
Advertising dos and don'ts	250
Chapter 12: Operations	255
Why is it important?	256
The key concepts	258
Eco-design	259
'Green' chemistry	261
Doing more with less	264
Sustainable technology	265
Suppliers and contractors	268
Transportation	271
Waste management	274
Challenges?	280
Trends and new ideas	280

Inspiration from nature	281
Products that do more	281
Traceability	282
Manufacturing differently	283
Instant feedback	283
Exploring new materials	284
Co-creation	284
Lifecycle assessment	286
Information technology/information systems	290
Chapter 13: HR and Organizational Behavior	295
Why is it important?	296
The key concepts	297
Creating a culture of sustainability	298
Communication	300
Recruiting	302
Employee engagement	304
Motivation and rewards	307
Talent development and training	308
Challenges?	311
Trends and new ideas	312
Linking pay and sustainability	312
Diversity	313
Skills for sustainability	314
Creating great workplaces	315
Changing the way we talk	316
Rise of the CSO	317
Managing change	319
Chapter 14: Strategy	323
Why is it important?	324
The key concepts	325
The wider business environment	326
Understanding where you stand	328
Understanding risks	331
Sustainability strategies	334
Goals and targets	337
Working with others	339
Influencing change	343
Challenges?	346
Trends and new ideas	347
Zero and 100%	347
Getting your customers involved	347

Instant information	348
Strategic philanthropy	349
Transformation of partners	349
"Why do initiatives fail?"	350
Stakeholder engagement	352
PART III: TOOLS	361
Chapter 15: Tools for Monitoring, Managing, and Improving Performance	363
Assessments	364
Audits	368
Environmental and social management systems	370
Standards	373
Chapter 16: Tools for Greening Offices and Buildings	377
Steps for setting up office greening programs	379
Buildings	380
Energy	382
Water	383
Waste and recycling	385
Paper	386
Electronics	387
All those other little things	389
Commuting to work	390
Organizing green events and meetings	392
Putting together a green team	394
Performance contracting	397
PART IV: WRAPPING IT ALL UP	399
Chapter 17: What Can I Do?	401
As an employee – leading by example	402
How to turn any job into a green job	404
As a consumer – putting your money where your mouth is	405
A simple guide to making choices as a consumer	407
As a citizen – be active in your community	407
Chapter 18: What will the Future Bring?	409
Twenty-one wise words of advice	412

Contents

xiii

Additional resources: Who, what, where, and how	415
Who: Different groups involved in sustainability	415
What: Sustainability issues	419
Where: Sustainability around the world	425
How: Keeping up to date	430
Endnotes	435
Index	439