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Why your company should NOT have a Sustainability Strategy

The scariest thing I can hear from a company is: “We want to develop a Sustainability Strategy.”

Why is that scary? Because often that means that the company is embarking on an exercise to create a stand-alone strategy focused on sustainability. And that means a “strategy” that stands outside the business strategy of the company.

Why do companies develop such a stand-alone Sustainability Strategy? Often, they do so because it is not really a strategy to for the company. Rather, it is the proposed strategy for a function within the company. In those cases, the real goal is to achieve a level of buy-in (really acquiescence and budget) for activities in which that function believes, and on which its bureaucratic survival may depend.

In other cases, a Sustainability Strategy is indeed for the whole company – but a strategy safely and intentionally separate from the real strategy of the business. In these cases, a Sustainability

Strategy is not intended to guide the business. Rather, it is intended to deflect questions posed by some group – ranging from investors to customers to the Board of Directors – who want assurance that the company is facing the future, or in some cases simply want a box ticked.

Even so, what's so bad about a stand-alone Sustainability Strategy? Who does it harm? And mightn't it have at least a little bit of value, in raising some useful questions?

- First, it's hard enough for companies to execute one strategy. More than that? Forget it.
- Second, the question is already an admission of failure: failure of the company' business strategy to take sustainability into account, and failure by the company's sustainability leaders to get access to and influence in the company's real business strategy process.
- Third, this can jeopardize the business by creating a false sense of security that "we've looked at these issues." There may be real sustainability issues for the company – in supply chain, market access, competitive advantage, operating resiliency, etc. Doing a Sustainability Strategy at safe distance from the company provides the illusion of having asked these tough questions – not the business value of truly asking and answering them.

Certainly, some companies drive a far more productive strategic approach to sustainability. They are not building a stand-alone Sustainability Strategy. Instead, they are working to drive input around sustainability concerns into the future business opportunities and risks – input which may be essential for the sustainability of the business itself. In these cases, "sustainability

strategy” means thinking strategically about sustainability in preparation for engaging with the real strategy of the business.

In this kind of effort, sustainability issues begin to show up in the real strategy of the business. In a company that uses the “balanced scorecard (BSC)” strategically, sustainability (or key components around carbon or water or bottom-of-pyramid markets) may become a strategic theme in itself. Sustainability issues may also turn up in customer outcomes or internal processes.

Regardless of which strategy flavor a company prefers, a strategic approach to sustainability means that sustainability risks and opportunities show up in the real strategy of the business. The “sustainability” label may be highlighted or invisible. But the sustainability issues show up in the company’s strategic language, thinking, components and metrics.

That may be a scary thing to do inside your company. But it’s a lot scarier to build your business’ strategy with sustainability issues on the outside looking in.