

# The Sustainable Enterprise Learning Guide

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Instructor Materials

Chapter 3:

Developing a sustainability strategy:

Introduction to the strategic management  
process

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### Editors' Notes:

These materials are intended for use by academics and practitioners. In order to simplify the language, editors have determined to use the terms instructors, learners or participants rather than facilitators, professors or students.

## ACTIVITY INTRODUCTION AND OVERVIEW

### Objectives:

#### Upon completion of this activity, the learner will/will be able to:

1. Describe how to apply the Universal sustainability strategic formulation model
2. Recognize how far-reaching and detailed the elements of sustainability strategy formulation can be
3. Integrate understanding of the Model and be able to discuss and adapt it individually and within a team situation, thereby also supporting learning how to negotiate and reach consensus
4. Practice research, communications, and teamwork skills
5. Learn to review your individual contribution in a group setting as well as listen and add to other's point of view

### Activity Length


50 minutes

### Audience Description

These activities are designed for the undergraduate, or graduate/practitioner level learners.


**ACTIVITY PREPARATION**

<p><b>Activity</b></p>	<p><b>Applying the Universal Sustainability Strategic Formulation Model to a Global Business Enterprise</b></p>	
<p><b>Preparation Checklist</b></p>	<p>At least one week in advance:</p> <p><b>Instructor preparation, media, and materials:</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Assign pre-reading at least a week before the session; The Sustainable Enterprise Fieldbook, <i>Developing a sustainability strategy</i> (pp 89-116)</li> <li><input type="checkbox"/> Review the Universal Strategy Formulation Model template on page 106 and included as a handout at end</li> <li><input type="checkbox"/> Review the separate handouts for “social, environmental and economic” (“S.E.E.”) sustainability variables and their components; Handouts at the end of this document</li> <li><input type="checkbox"/> As you go through the handouts and review the Model, be prepared to answer any questions that may come up</li> <li><input type="checkbox"/> Suggest the instructor assign and select one company from among those on the Dow Jones Sustainability Index and 1-2 of its S.E.E. activities, perhaps 1-2 each for demonstration in the Handout: Social sustainability variables, 1-2 for demonstration in the Handout: Environmental sustainability variables, and 1-2 for demonstration in the Handout: Economic sustainability variables</li> <li><input type="checkbox"/> Present list of companies on the Dow Jones Sustainability Index to learners. (Options: Have them vote on the ONE company that they will have for their homework activity or you could assign one company as you prefer). Be sure the students know to use the one and same company no matter which mini group they are assigned when it comes to their homework and in-class exercise activity</li> <li><input type="checkbox"/> Arrange learners into 3 groups representing “social, environmental, and economic sustainability variables”</li> <li><input type="checkbox"/> Tell the learners that they are expected to individually research their assigned area (either the social, environmental, and/or economic sustainability variables) and bring their findings back to the group at the next class session. Be sure they know they will hand in to the instructor their individual findings page with an attachment of the sources used</li> </ul> <p>Check supplies and equipment needing including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Overhead projector and screen</li> <li><input type="checkbox"/> Printed copies of the 4 handout handouts (see pages 12 – 15)</li> <li><input type="checkbox"/> One flipchart for each group (3) and a fourth flip chart for the instructor</li> <li><input type="checkbox"/> Magic markers for the three mini groups and for the instructor</li> <li><input type="checkbox"/> Masking tape (in case the flip chart pages need to be taped to the walls)</li> <li><input type="checkbox"/> Set up the room so the three groups can move chairs to discuss in mini group and again as a large singular group</li> <li><input type="checkbox"/> Watch/timer</li> </ul>	
<p><b>Timing Flow</b></p>	<p><b>Pre-assignment</b> (at least a week before)</p> <p>Step 1. Activity set-up and discussion</p> <p>Step 2: Student homework and research</p>	<p>5 minutes estimated.</p> <p>2 – 5 hours estimated. NOTE: Students are expected to research their homework outside of class and to hand in the homework with a listing of source materials at the end of the following session and</p>

	<p><b>Post assignment</b> (in-class)</p> <p>Step 3: Warm-up Discussion and Room Set Up</p> <p>Step 4: Mini-Group Activity and Discussion</p> <p>Step 5: Activity Summary, Presentations, and Wrap up</p>	<p>activity. They are also expected to use the homework in the following session and for the in-class exercise.</p> <p>20 minutes estimated</p> <p>15 minutes, 5 minutes per each of three mini groups</p> <p>10 minutes estimated</p>
<b>Total Time</b>	<p>The pre-activity set up is estimated for 10 minutes at least a week before. The in-class activity itself is estimated for 50 minutes. NOTE: Homework is assigned and included with this activity. Completion of the pre-activity pre-work is estimated to take 2-5 hours per learner.</p>	
<b>Pre-reading</b>	<div style="display: flex; align-items: center;">  <p>The Sustainable Enterprise Fieldbook, Chapter 3, <i>Developing a Sustainability Strategy</i> and note specific emphasis and review of the Universal strategy formulation model presented on page 106</p> </div>	
<b>Pre-work</b>	<p>Research on social, environmental and economic sustainability variables</p>	

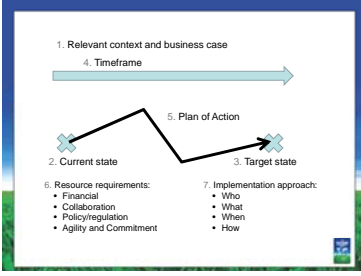


**ACTIVITY: ASSIGNMENT**


This activity is structured as individual research pre-session assignment followed by in-session work. It could also be altered and structured as individual homework.

Instructor's Notes	Activity Description
<p>Step 1. Pre-assignment</p> <p>NOTE: Conduct the pre-assignment and activity review and set up, at least one week before the activity session (estimated 10 minutes).</p> <p>NOTE: For more junior groups, assign a particular company from the Dow Jones Sustainability Index that you know has a relatively robust set of information about it available. For more senior groups send them to the index to select a company for themselves.</p>	 <p><b>Say:</b> Open <i>The Sustainable Enterprise Fieldbook</i>, and please turn to the Universal strategy formulation model on page 106.</p> <p>Our activity today will review and apply the “Universal strategy formulation model.” The purpose of the activity is to provide you with the opportunity to apply this model to a global company actually listed on the Dow Jones Sustainability Index.</p> <p>Please review the Model and notice there are 3 broad sustainability variable categories: Social, Environmental, and Economic. Within each of these there are sub-elements. It may look very basic to you as it looks on the page right now. During this activity you will have opportunities to do individual research and assessment followed by group discussion. Throughout, we will begin to gain an understanding of how to identify and align company activities, and perhaps gaps within these broad to specific areas across the sustainability spectrum.</p> <p><b>Ask:</b> Do you have any questions about the Model?</p> <p><b>Expected response:</b> This looks pretty easy, or maybe I would put a sub-activity elsewhere, or maybe one is missing. A sustainability strategy interlinks social, environmental as well as economic elements in the operations. These three areas will apply to any business let alone a government and/or nonprofit entity. Using it helps assure that all the areas and impacts of a company are considered in its operations.</p> <p><b>Do:</b> Distribute the economic, environmental, and social sustainability variables handouts (pages 12 – 15).</p> <p><b>Say:</b> Here are individual pages for each of the elements of a Universal strategic sustainability formulation model. Next, we will need a company to apply this too.</p> <p><b>Do (see Instructor's note):</b> Either present the group with a company you have chosen from the Dow Jones Sustainability Index, and/or present a list of companies from the Dow Jones Sustainability Index and let the class vote on which one the class chooses for them all to work with.</p>

Instructor's Notes	Activity Description
<p>NOTE: You can provide an example such as the following: <i>A restaurant chain has on their website that they compost; we have to take their word for it because there is no documentation anywhere else that this is the case.</i></p> <p><i>Or, the proof we found is that they report year over year cost reductions in their annual reports to show the savings realized by composting.</i></p> <p>Give as robust an example if you want/expect more research or if the learners are more senior/experienced.</p>	<p>Next, divide the learners into three mini-groups to represent one of each of these three elements: social, environmental, and economic sustainability variables.</p> <p><b>Say:</b>          While you're in 3 mini-groups and now know who your mini-group cohorts are, please work over the following week to individually research the company and map its activities, or gaps to the sub-sections. You only will be responsible for one of the three areas, social, environmental, or economic. I anticipate this to be from 2-5 hours of research. Do not use Wikipedia, but the company web site, and of course if you choose you might find information about the company on Hoovers, in SRI analyst reports, CSR reports, awards, watchdog issuances, etc. and any and all research of your choice.</p> <p><b>Do:</b>          Take time to provide an example to the learners and of company activity examples within the social, environmental, and economic handouts on the flipchart or projector for everyone to view.</p> <p><b>Say (See Instructor notes):</b>          I am providing you with an example of how I expect the handouts to be completed. Each person is expected to turn in, bring a completed hand out to class with sources also listed, and be ready to discuss, assess, and map their findings in our next class discussion.</p> <p><b>Ask:</b>          What questions do you have?</p> <p><b>Expected response:</b>          How much information and how detailed do you need?</p> <p><b>Say:</b>          I am looking for 1-2 sentences per activity with documentation of the source on a separate back page. You will likely have at least one response per sub-section area, but could have many, many more.</p>
<p>Step 2. Research between sessions</p>	<p><b>Do:</b>          Be prepared to possibly receive questions during the week between sessions of confusion about where to find information, how much information to find, and/or if information found is "correctly" fitting into the Model.</p>

**ACTIVITY: ELEMENTS OF A STRATEGIC MANAGEMENT PROCESS**

Instructor's Notes	Activity Description
<p>Step 3. Warm-up Discussion and Room Set Up: (Estimated 5 minutes)</p>  <p>Slide 1</p>	<p><b>Say:</b> Welcome.</p>  <p><b>Do:</b> Show slide 1.</p>  <p><b>Do:</b> Initiate a warm up discussion with an open-ended question about whether the learners believe the company assigned in the homework is at the beginning, middle, or advanced stages of a sustainability journey and application of the Universal Strategic Sustainability Formulation Model? Why? Why Not? Insights? Comments?</p> <p><b>Do:</b> Ask students to arrange themselves into their pre-assigned mini-groups and to form circles with these chairs.</p> <p><b>Do:</b> Bring a flipchart to the three separate mini-group circles.</p> <p><b>Say:</b> You will be expected to turn in your individual research with sources to me at the end of the session. In the meantime, please keep them with you so that you can refer to them in order to discuss within your mini-group. You will have no more than 15-20 minutes to review, listen, assess, and dialogue on your findings together. I want you to be sure to leave 5 minutes at the end to elect a mini-group spokesperson who will take the flipchart and your individual section consensus findings and present a summary of your results to the entire class. I will be walking around to answer questions and to remind you of the time.</p> <p><b>Do:</b> Present blank handouts of each of the mini-groups, the social handout to the social mini-group, the environmental handout to the environmental mini-group, and the economic handout to the economic mini-group.</p> <p><b>Say:</b> The purpose of this discussion is to review your individual work within a team and to reach consensus about your findings. You will then present the consensus of your findings to the class.</p>

Instructor's Notes	Activity Description
	<p>Be prepared that in the course of discussion you may discover gaps in the company as well as what they may be talking up about the company's activities from the viewpoint of their progress. Things you may want to be asking and answering among yourselves could be:</p> <ul style="list-style-type: none"> <li>• What is the company doing, for example, for waste management?</li> <li>• Does the company fully address all it can do in the area of for example "waste management"?</li> <li>• If the company is addressing an activity area such as "waste management" how effective is it, could more be done that we could mark in for the future?"</li> </ul> <p>You have blank sheets of paper and the flipchart so you can mark down questions of findings from your discussion. Listen, comment, and build on what you each have to say as you would within a company setting. Remember to allow yourself time to address each section, review it, and to write it on a presentation flipchart to present to the class as well as elect your group speaker. I will tell you when 5 minutes remains.</p>
<p>Step 4. Mini-Group Break Out Discussion (20 minutes)</p>	 <p><b>Ask:</b>        Are there any questions?        (Note: If there are questions, answer them.)</p> <p><b>Say:</b>        You may begin.</p> <p><b>Do:</b>        Walk around the room and be prepared to answer questions or make remarks, but generally create an atmosphere so the learners can discuss, assess, review, and come to consensus within their group. You want to set an atmosphere for self-guided group work.</p> <p>Five to six minutes before the mini-group discussion is to conclude remind learners to wrap up their findings, charts, and be ready to present a summary of their findings to the class. As the instructor be sure to reserve 1-2 minutes from this module to return the mini-groups back to the large group.</p> <p><b>Say:</b>        We're all done now and hopefully you've paced yourselves accordingly.</p> <p><b>Do:</b>        Return the learners to a large group formation.</p> <p><b>Say:</b>        We're all meeting back together as one group now. I know this has been a lot to do in a short period. This activity was to help you start to apply the model and get into the process of doing research and analysis.</p>
<p>Step 5. Activity Summary, Presentations, and Wrap up</p>	<p><b>Ask:</b> (questions to help check and internalize learning for practicability of the Model):        While you each had different topics, you shared the process of researching a company's sustainability activities and discussing a section of them in a mini-group. What did you</p>



Instructor's Notes	Activity Description
	<p>learn overall from the research and then the discussion?</p> <p><b>Expected responses:</b></p> <ul style="list-style-type: none"> <li>• I was surprised how little (or how much) x company was doing about sustainability</li> <li>• Did you know that ___ [company] was not doing _____?</li> <li>• The research was pretty easy if you knew what to look for – the handouts were helpful as a guide to gather information, but we found that it was a lot to do in order for us to complete the assigned homework, since it ended up being a lot of different areas to research</li> </ul> <p>(NOTE: One insight for the learners is to understand how much work integrating sustainability can become and that if that is a learner insight, to be sure to guide them about the benefits and utility of setting up a Model and measurement tracking system.)</p> <p><b>Say:</b>        Next we are going to briefly present our findings to the entire class. Could the speaker for the social, environmental, and economic mini-groups step forward? You will each have no more than 5 minutes to present a summary of the company's activities. I am looking for brevity, not detail in this presentation.</p> <p><b>Do:</b>        Start with the learner presentation of the social mini-group, followed by the learner presentation of the environmental mini-group and concluded with economic mini-group.</p> <p>NOTE: Be sure these presentations stay to 5 minutes and no more per presenter. When done...</p> <p><b>Say:</b>        I know that we could use more time to discuss and integrate one another's findings concerning the social, environmental, and economic sustainability about the company &lt;name&gt;.</p> <p>To help us bring this all together, I'd like for us to discuss a few more questions overall as a group.</p> <p>(Note: The following questions are for you to use in order to check learning, ensure learning goals are integrated, and for the learners to be able to integrate their individual homework findings with the group work discussion and agreements.)</p> <p><b>Ask:</b></p> <ul style="list-style-type: none"> <li>• What did you learn?</li> <li>• How long do you think it would take to do take the activity if it were your job as a manager in the company?</li> </ul> <p><b>Expected responses:</b></p> <ul style="list-style-type: none"> <li>• I was surprised how little (or how much) x company was doing about sustainability</li> <li>• Did you know that ___ [company] was not doing _____?</li> <li>• The research was pretty easy if you knew what to look for – the handouts were helpful to gather information</li> </ul>

Instructor's Notes	Activity Description
	<p><b>Ask:</b>            What do these economic, social, and environmental issues mean for strategic planning and operating a business so it's sustainable today and into the future?</p> <p><b>Expected responses:</b></p> <ul style="list-style-type: none"> <li>• Gosh, companies have a lot to change in order to include the social and environmental issues; we still have separate CSR and annual reporting.</li> <li>• In the future, we anticipate seeing more regulation as it's hard to really know in terms of the social and environmental areas what's really correct.</li> </ul> <p>NOTE: If you do not hear answer like demonstrated above, then in a directed and guiding type of approach, ask questions such as:</p> <p><b>Ask:</b></p> <ul style="list-style-type: none"> <li>• What, if anything, is the company mandated or volunteering to do in the area of carbon management (environmental)?</li> <li>• Do you believe that a company should be required to contribute a set amount of net profit, say 1% to charitable concerns and note whether or not the company in the example does so (social)?</li> <li>• How long do you think it may take for a company to show economic impact for being more sustainable either through cost savings or innovation?</li> </ul> <p><b>Do:</b>            Encourage discussion on these ideas.</p> <p><b>Say:</b>            This exercise is designed to help you to better understand just how many areas of business operations intersect with sustainability management. Also this introduces a Model by which an organization can map and align its activities so it can make decisions inclusive of sustainability impacts and outcomes.</p> <p><b>Ask:</b>            What did you learn about identifying and applying sustainability into a strategy formulation process?</p>

## ACTIVITY MEASUREMENT

### Measurement

Attendance: 100%

Rank accordingly to grading if at university and/or rank according to participation if at workshop:

Participation:

- Participation in assignment
- Participation in session discussion
- Participation and collaboration in mini-group discussion
- Quality of the discussion

Homework:

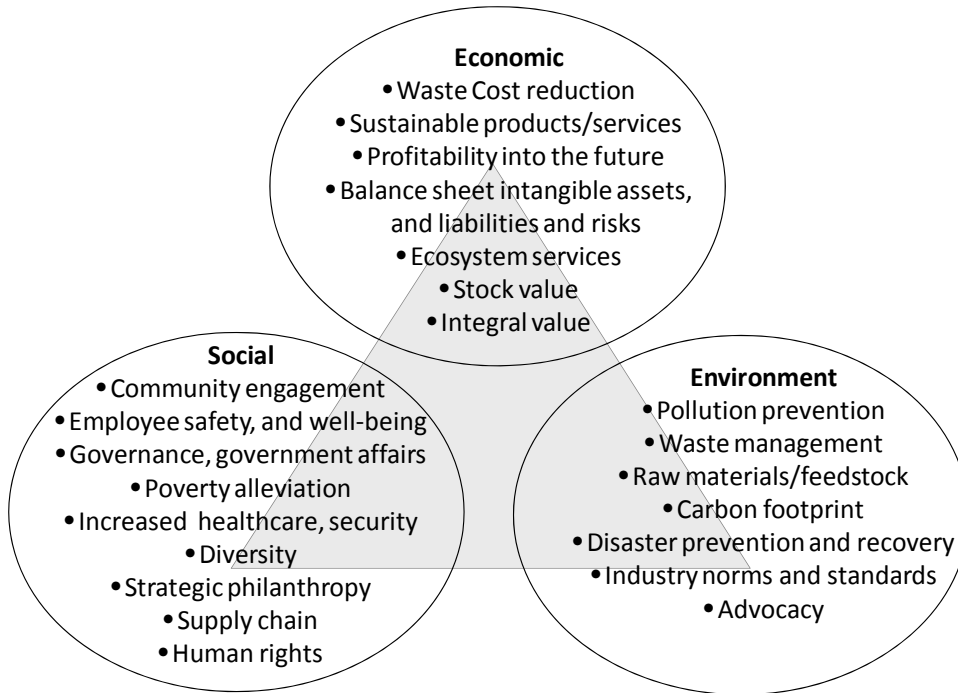
- Completion of work and successful group collaboration.

## FOLLOW-UP: RESOURCES/ACTIONS

### Follow-up Reading:

1. *The Sustainable Enterprise Fieldbook* (all chapters).
2. American Management Association (AMA) (2007). *Creating a sustainable future: A global study of current trends and possibilities 2007-2017*. New York: American Management Association.
3. Anderson, Ray (1998). *Mid-course correction*. White River Junction, VT: Chelsea Green.
4. Porter, M. & Kramer, M. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, Vol. 84, No. 12, 78-92.

## HANDOUT 1: TOTAL SUSTAINABILITY MANAGEMENT MODEL



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**HANDOUT 2: SOCIAL SUSTAINABILITY VARIABLES**

Name of company:

Date (month xx, day xx, year xxxx):

*NOTE: Each horizontal line may take an individual page (not a single sentence), e.g. for employee safety it could include procedures for worker safety during the production process of a product through security clearances to gain entry to a facility or to access a database.*

<b>Social-Sustainability variable</b>	<b>What is/is not being managed</b>	<b>Describe how it is quantified/reported in terms of goal setting (or not)</b>	<b>Make any general comment and input source</b>
Community engagement			
Employee safety-well being			
Governance, government affairs			
Poverty alleviation			
Increased healthcare, security			
Diversity			
Strategic philanthropy			
Supply chain			
Human rights			
Other (specify)			

**HANDOUT 3: ENVIRONMENTAL SUSTAINABILITY VARIABLES**

Name of company:

Date: (month xx, day xx, year xxxx):

*NOTE: Each horizontal line may take an individual page (not a single sentence), e.g. for pollution prevention that could include air, land, water in the production process and in the procurement process for office buildings something different.*

<b>Environment-Sustainability variable</b>	<b>What is/is not being managed</b>	<b>Describe how it is quantified/reported in terms of goal setting (or not)</b>	<b>Make any general comment and identify input source</b>
Pollution prevention/reduction			
Waste management			
Raw materials/feedstock			
Carbon footprint/reduction and offset			
Disaster prevention and recovery			
Industry norms and standards			
Advocacy			
Other (specify)			

**HANDOUT 4: ECONOMIC SUSTAINABILITY VARIABLES**

Name of company:

Date (month xx, day xx, year xxxx):

*NOTE: Each horizontal line may take an individual page (not a single sentence), e.g. waste cost reduction could include the product manufacturing process through recycling of paper.*

<b>Economic-Sustainability variable</b>	<b>What is/is not being managed</b>	<b>Describe how it is quantified/reported in terms of goal setting (or not)</b>	<b>Make any general comments and identify input source</b>
Waste cost reduction			
Sustainable products			
Sustainable services			
Profitability into the future			
Balance sheet tangible assets. Liabilities, and risks			
Ecosystem services			
Strategic philanthropy			
Stock value			
Integral value			
Other (specify) _____			