



Sustainability Guidance for Contestants

Sustainability is unlike a business function such as finance, operations, or marketing that can be parsed out and studied on its own. Rather, it is a philosophy which recognizes that all actions have a range of consequences from positive to negative. Any organization (especially a business) that desires a legacy impact will want to insure that the consequences of its actions are overwhelmingly positive.

The only way to evaluate the consequences of your actions is by monitoring feedback. Businesses say that they are doing this, and they are. But the feedback they are tracking emanates only (or primarily) from investors, customers, and colleagues who are directly concerned in the overall business activity. Shareholders have in recent decades drawn the most attention from management.

On the surface, this seems reasonable. After all, the company is there to make money, right? Wrong! The purpose of a business is not to make money any more than the purpose of a human being is to breathe or the purpose of a shark is to swim.

The purpose of a company (and of a human being, for that matter) is to serve others. If the service or product offered improves the lives of those selecting it, then the company is rewarded with profit, an essential spin-off of successful business.

Profiting from satisfying the needs of your market is positive feedback. However, sales margins don't necessarily represent the full panorama of feedback. If you are poisoning the nearby water supply through your mining operation, your sales might be high while your impact on your neighbors is overwhelmingly negative. In the end, neighbors like these have shown repeatedly that they have the power to shut down businesses.

It is undoubtedly possible to have a negative impact and yet be unconscious of it... But not if you have correctly identified your stakeholders and are firmly committed to involving them in your work. More than communicating what you are doing, but also soliciting insights concerning the direction of your effort and incorporating these voices into the strategy of the company. These insights should not be limited to your shareholders, but should include also your employees, your suppliers, your neighbors, and numerous groups tangentially affected by what your company does and how it does it.

If a company is to be successful over time, it must make a priority of establishing protocols for identifying stakeholders and incorporating their contributions into corporate planning. Otherwise, the operation risks being but another rapacious resource-mulching machine that is here today and gone tomorrow.

The purpose of assessing your proposal against sustainability criteria is to help estimate how well your operation is geared to respond to the challenge of a world re-seeking its balance.



Introductory Considerations

20% of the score is at stake.

Like a continuum, beginning with no mention or understanding of stakeholders, to full engagement with – and participation of – diverse stakeholders, on the right. Engagement with NGOs and the gov’t, for instance, gives feedback on environment and the community; engagement with suppliers and competitors gives a fuller picture of the economic situation; and so on. Quite simply, recognizing that you have stakeholders other than the obvious ones (shareholders; customers; employees), and engaging them in more than just one-way discussion is the sine qua non of sustainability strategy. Not what you do with your profit, but how you earn it

Level	Entry level	Early awareness	Trying hard	Almost there
	The venture meets the needs of the present but clearly compromises the ability of future generations to meet their own needs and has no clear sustainability strategy.	The venture meets the needs of the present minimally compromising the ability of future generations to meet their own needs through a sustainability strategy that encompasses some of the venture’s business operations.	The venture attempts to meet the needs of the present without compromising the ability of future generations to meet their own needs through a comprehensive sustainability strategy that encompasses many of the venture’s business functions.	The venture meets the needs of the present with due regard for the ability of future generations to meet their own needs by following a cutting-edge/innovative, comprehensive, and measurable sustainability strategy that encompasses all or most of the venture’s business operations.
Descriptions	Total inward focus on product/service performance only. No mention of stakeholders – in fact, the concept isn’t in their vocabulary. Staff treated like factors of production, with top-down communication; customers tolerated, so long as they don’t complain too much; the community is background noise, only; and the environment is a resource to be exploited, and – since it’s free – the more exploited, the better. Dog-eat-dog and win-lose mentality, with the focus on today only.	Emphasis on inward focus on product/service performance, across the board, with legal compliance being the main concern. The leadership may say, “stakeholders,” but they really mean investors – or at most, staff and customers. Staff are treated per legal minimum requirements; customers are responded to in systematic, by-the-book fashion; there is awareness that the community can be a factor in planning; and the environment, while a resource, has recognized limitations. The attitude is “Me First,” with a win-lose or at best a “No Deal” outlook. The performance focus on this quarter only.	The venture displays a sensitivity to the overall impact of the project’s activity – more than required by mere regulatory compliance. Stakeholders frequently referenced and occasionally or regularly consulted during planning, marketing, and production. Employee participation in decision-making encouraged; customer input often recorded and followed; the venture is responsive to community-originated recommendations; environmental impacts are measured, and any negatives candidly reported. Seeks partners and win-win solutions; focuses on the intermediate term (3-5 years).	The company displays an outward-looking bias regarding its product/service performance, with almost all impacts measured. Stakeholders are central to planning, marketing, and production. Open-book management is the standard to the degree practicable, with two-way staff communication. Innovative staff and customer input encouraged and solicited; community input pursued on a persistent, methodical basis; all environmental impacts measured and any negatives turned around to a net positive. Aggressively seeks partnerships; win-win and “third alternative” mindset; focus is on the long term (20 years or more).
Examples	Most extractive industry companies such as mining, cement, petroleum. Many parts-makers.	Some in manufacturing; all companies newly aware of the sustainability challenge.	Most companies that have begun to target sustainability, with reporting and sustainability divisions/officers. Innovative (organic) agriculture; some food processors.	Not yet such a thing as a completely sustainable operation, with only a handful of companies even close. The highest rating would be for a venture that meets the needs of the present while enhancing the ability of future generations to meet their own needs.