

Voices on Sustainability

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NIST

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Voices of Executives: c. 2008

Economist Intelligence Unit

The Economist

Doing good

Business and the sustainability challenge



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From the Editor | Why Green Is Growing (When Not Much Else Is)

SUSTAINABILITY+
INNOVATION



by Ram Nidumolu, C.K. Prahalad,
and M.R. Rangaswami

WHY **SUSTAINABILITY** IS NOW THE KEY DRIVER OF **INNOVATION**

THERE'S NO ALTERNATIVE TO SUSTAINABLE DEVELOPMENT.

Even so, many companies are convinced that the more environment-friendly they become, the more the effort will erode their competitiveness. They believe it will add to costs and will not deliver immediate financial benefits.

Talk long enough to CEOs, particularly in the United States or Europe, and their concerns will pour out: Making our operations sustainable and developing "green" products places us at a disadvantage vis-à-vis rivals in developing countries that don't face the same pressures. Suppliers can't provide green inputs or transparency; sustainable manufacturing will demand new equipment and processes; and customers will not pay more for eco-friendly products during a recession. That's why most executives treat the need to become sustainable as a corporate social responsibility, divorced from business objectives.

Not surprisingly, the fight to save the planet has turned into a pitched battle between governments and companies, between companies and consumer activists,

and sometimes between consumer activists and governments. It resembles a three-legged race, in which you move forward with the two untied legs but the tied third leg holds you back. One solution, mooted by policy experts and environmental activists, is more and increasingly tougher regulation. They argue that voluntary action is unlikely to be enough. Another group suggests educating and organizing consumers so that they will force businesses to become sustainable. Although both legislation and education are necessary, they may not be able to solve the problem quickly or completely.

Executives behave as though they have to choose between the largely social benefits of developing sustainable products or processes and the financial costs of doing so. But that's simply not true. We've been studying the sustainability initiatives of 30 large corporations for some time. Our research shows that sustainability is a mother lode of organizational and technological innovations

nbr.org | September 2009 | Harvard Business Review 57

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SPECIAL REPORT

MIT Sloan
Management Review

The Business of Sustainability

*Findings and Insights from the
First Annual Business of Sustainability Survey
and the Global Thought Leaders' Research Project*

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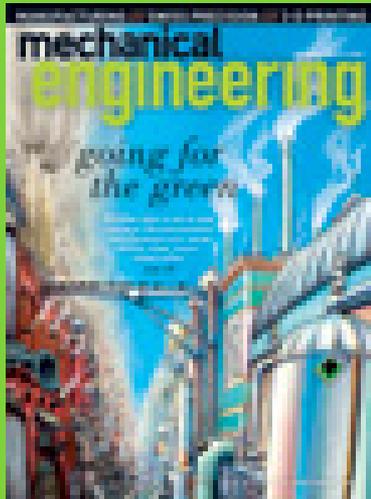
Voices of Executives

- Financial performance
 - ❖ Cut waste and improve bottom line

- Regulations

- “You are only as green as your supply chain”.

Voices of Engineers



January 2009: Going for the Green



**March 2009: Conflict on the Green
(ASME/Autodesk)**

Engineers Speak ... (1/2)

- “An independent assessment entity with a ranking and award system similar to the Malcolm Baldrige Quality Awards.”
- “Cutting back waste is the best contribution industry can make.”
- “Case studies that link sustainable projects and financial return...”

Engineers Speak ... (2/2)

- “Studies of successes and failures in adopting sustainable practices to be conducted by credible and impartial entities and disseminated widely ... Failures need to be understood and discussed, not hidden. Maintaining credibility is crucial. Disseminate the facts, not propaganda.”