



Responsibility Strategies – Engaging a Vision for the Future



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A hot topic, corporate responsibility embraces the most dynamic set of business issues facing leadership today. Living daily under heightened scrutiny from consumers, investors and communities that question business practices, global companies are now seeking to manage the social, human and natural capital of their business to build authentic shareholder value.

This article frames the corporate responsibility issues, introduces a tool called Standing in the Future, and briefly notes one company's experience for getting started.

Who Is Taking Action?

Ask corporate executives and they will likely respond that corporate responsibility performance has become more important to business success over the past decade. A recent Conference Board survey of over 700 companies found 68 percent of corporate managers think the link between corporate responsibility and performance appraisal is increasingly important. At the June 2002 Global Environmental Management Initiative (GEMI) conference, another survey revealed that 50 percent of attendees had or would soon be adding “corporate responsibility” to their environmental and/or health and safety position title within their organization. However, business tools—measures, incentives, training programs—are still emerging.

What Do Strategies Include?

While “hot button” corporate responsibility issues will differ by business and be influenced by a spotlight of current events (from accounting practices to oil spill disasters), all businesses possess a framework of assets and capabilities to manage these issues. Multi-national corporations recruit and retain some of the best business talent in the world, and the knowledge, skills and motivation of this workforce are considerable. An inventory of corporate assets—people, relationships, natural resources and production materials—can be examined and proactively managed to add business value, and avoid being the next crisis reported in the headlines. So the business framework includes:



- Human capital—includes labor, health and education. Also corporate governance—the system by which companies are directed and controlled (such as business ethics and standards, board of directors).
- Social capital—value added by external relationships, use of business wealth to stimulate economic development; includes disaster relief.
- Natural capital—energy and matter that yields valuable goods and services; natural resources, minerals, land, oil.
- Manufactured capital—material, tools, machines, buildings, other forms of infrastructure contributing to production, but not embodied in output.

It is important for any corporate responsibility strategy to maximize the utilization of these resources in a way that not only adds value, but clearly provides a vision for the path forward.

Getting Started

As baseball legend Yogi Berra once said, “If you don’t know where you’re going, you will wind up somewhere else.”

Standing in the Future is a visioning tool that may be used to plan a practical corporate responsibility strategy and budget based on human, social and natural resource availability. This tool employs a visioning exercise and “backcasting” to clearly describe what a successful enterprise would look like at a defined point in the future (i.e., five, 10 or 15 years). Our experience is that the Standing in the Future tool provides enhanced results over traditional planning techniques, such as trend extrapolation, because it does not place limits or bind an organization to current technology or practice to design a preferred future state. Participants in the exercise collaboratively plan responses to potential business challenges after they have clearly described what successful corporate responsibility would look like for their company.

Here’s a company example based on our experience at Blue Circle Industries, a U.K.-based heavy building materials company that was recently acquired by Lafarge, making Lafarge the world’s largest cement manufacturer. Blue Circle formed a cross-functional team that represented the Blue Circle business process to conduct the visioning exercise. This team consisted of 10 members: Blue Circle Industries: chief executive (1), corporate governmental affairs, environment and safety managers and an environmental scientist (4); regional operations, communications and environment managers (3); and external facilitators (2). The team was responsible for defining what sustainability might mean to the heavy building materials industry by:

- Clearly establishing what it meant to think in the future;
- Brainstorming possible outcomes, performance improvement expectations and achievements;
- Ensuring balance and outcome between people, planet and profit; and
- Concluding the process with a priority on investment and strategy.

Creating the Vision

The team came up with many suggestions and ideas. A matrix was developed to grow the Blue Circle vision in terms of the triple bottom line: economic growth, environmental performance and social responsibility. New concepts had to offer improvements to each dimension of the bottom line to go

forward in planning.

The result of this process was a vision—a preferred future state—that provided clear direction and possibilities that otherwise would never have been developed. Blue Circle’s vision of cement works in the future was much different than the existing vision. For the cement plant to be sustainable, the team saw a need to move away from a dependence on natural resources . . . thus reducing the environmental footprint . . . and maybe having no footprint at all.

The vision of a cement plant in the future became:

- No stack, which means no emissions.
- No quarry, which means reuse of alternate materials.
- No shovels, no brooms, no masks, which means a plant with no spillage.
- The employer of choice.
- The neighbor of choice.
- A social responsibility index score that attracted new investors.

The team approach, including management and operations perspectives, produced a degree of ownership that ensures meaningful outcomes. Implementing this vision will produce significant improvements in labor and material waste, manufacturing efficiencies and health risk, while providing visual improvement, better morale, improved image and reputation. Blue Circle could now establish targets for measuring performance improvement from a baseline. These targets also supported institutional investor analyst scoring.

How to Implement the Vision

We have moved away from a society where a corporation could say, “Trust me.” We now must show what corporate responsibility means, moving away from the abstract to clearly outlined actions that engage the vision of the future.

How do you go about testing the vision, to see if its viable, sustainable? Demonstration projects are an ideal way to test the vision and see if it, indeed works. The vision and demonstration can then be shared with internal and external stakeholders, calibrated to meet societal needs and ensure a balanced triple bottom line.

Distinctly different from a policy statement, the Standing in the Future vision communicates concrete direction internally for business investment and annual operating plans. Now that's good business.

For more information:

- The Conference Board, Inc., Corporate Citizenship in the New Century, Executive Summary 2002 (www.conference-board.org)
- Good Business by Steve Hilton and Giles Gibbons, © 2002
- Business for Social Responsibility (www.bsr.org)
- The Global Environmental Management Initiative (www.gemi.org)

- The Corporate Social Responsibility Forum (www.pwblf.org)
- Natural Capitalism by Paul Hawken, Amory Lovins, and L. Hunter Lovins, © 1999

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