

Sustainability, Shared Value, and Social Entrepreneurship

AGENDA:

- Social and environmental issues
- Sustainability and the Triple Bottom Line
- Creating Shared Value
- Social entrepreneurship

Social and Environmental Issues

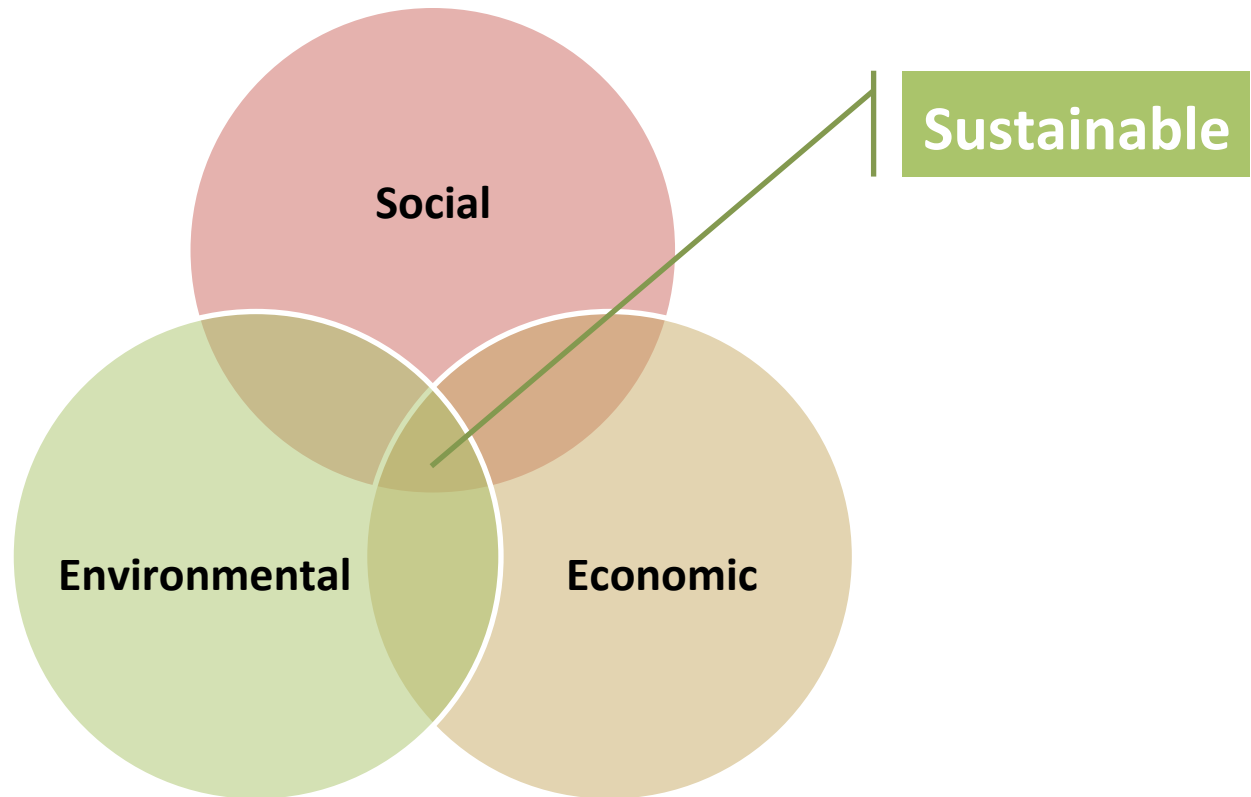
- What are the **top 3** social and environmental issues today?
- How do they affect business and management (positively or negatively)?

Discuss and post in PulsePress

What is Sustainability?

Sustainability is about more than just
the environment...

Sustainability as the Triple Bottom Line*



“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” UNEP, 1987

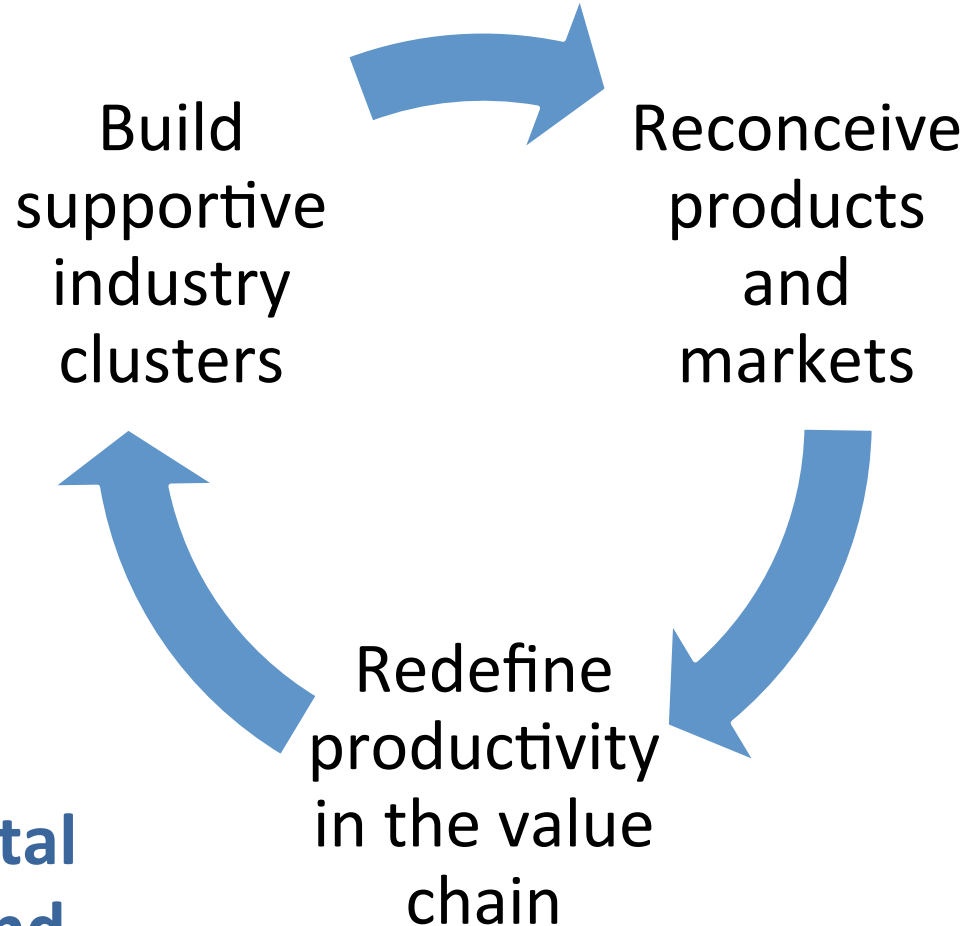
*ca. 1994

CSR → CSV

- › Value: doing good
 - › Citizenship, philanthropy, sustainability
 - › Discretionary or in response to external pressure
 - › Separate from profit maximization
 - › Agenda is determined by external reporting and personal preferences
 - › Impact limited by corporate footprint and CSR budget
 - Example:** Fair trade purchasing
- › Value: economic and societal benefits relative to cost
 - › Joint company and community value creation
 - › Integral to competing
 - › Integral to profit maximization
 - › Agenda is company specific and internally generated
 - › Realigns the entire company budget
 - Example:** Transforming procurement to increase quality and yield

In both cases, compliance with laws and ethical standards and reducing harm from corporate activities are assumed.

Creating Shared Value



**Goal: expand the total
pool of economic and
social value**

Exercise: CSV at Tesla

- Apply Kramer & Porter's recommendations for creating shared value to Tesla's business
 1. Reconceive products and markets
 2. Redefine productivity in the value chain
 3. Build supportive industry clusters
- What are the challenges in implementing your suggested activities synergistically?

Social Entrepreneurship

“Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry.”

- Bill Drayton, Ashoka

What is the difference between social enterprise and traditional charity?

- For-profit, but **driven primarily by a social objective** (profit is the means to sustain)
- Entrepreneurial approach produces results

Social Enterprises



ELVIS & KRESSE



Course Linkages

- Obvious:
 - Class 3 – Ethics
 - Class 8 – Value propositions and brand positioning
 - Class 14 – Innovation and entrepreneurship
 - Class 20 – Social enterprise applied
- Also think about connections with B-model canvas, accounting, operations, finance, marketing, information technology, human resources, performance management...

Reflections: What did I learn today?

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Next Steps

- Class 16: Finance prep
- Group Assignment 2 due Nov 4
- Keep blogging – total of 10 posts due in just 2.5 weeks (Nov 11)