

What is Sustainable Enterprise?



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Capitalism at the Crossroads

“Industrial society gave man new powers and new scope while at the same time building up new pressures in prosperity and poverty, in growth of population and crowding of cities, in antagonisms of classes and groups, in separation from nature and from satisfaction in individual work...

By the time he left the **Nineteenth Century**, he had as much new unease as ease.”

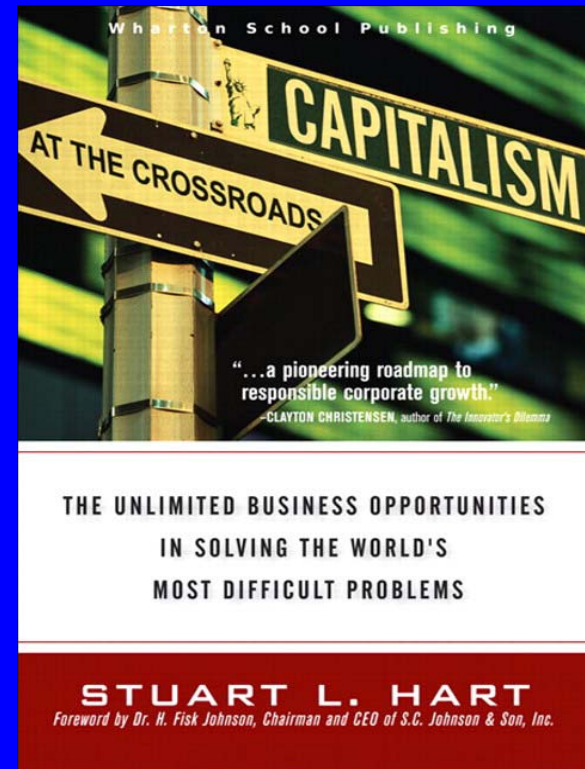
Barbara Tuchman
The Proud Tower

“Sustainability is as foreign a concept to managers in capitalist societies as profits are to managers in the former Soviet Union.”

*William Ruckelshaus
CEO, Browning Ferris*

Capitalism at the Crossroads

“...global capitalism stands at a juncture similar to the one faced in 1914. Between 1914 and 1945, world war, depression, fascism, and communism almost succeeded in eliminating capitalism from the face of the Earth. The problems global capitalism now faces (international terrorism, the backlash against globalization, global-scale environmental change) are no less daunting. Constructively engaging these challenges will be the key to ensuring that capitalism continues to thrive in the coming century—to everyone’s benefit.”



The Road to Sustainable Enterprise

1945-1960s
Pollution
Denial
“Smell of money”
(oblivious)



Obligation

1970-80s
End-of-pipe
regulation
“Pay to reduce
negative impact”
(trade-off)



Opportunity

2000's- Present
Beyond Greening
•clean technology
•base of the pyramid
“Eco-effectiveness”
(positive force)



Reorientation

Mid 1980s-1990s
Greening
•pollution prevention
•product stewardship
“Eco-efficiency”
(win-win)

Buzzwords

- Environmental Management
- Corporate Social Responsibility
- Greening
- Industrial Ecology
- Stakeholder Management
- Life-Cycle Management
- Pollution Prevention (P²)
- Sustainable Development
- Design for Environment (DfE)
- Green Design
- Urban Reinvestment
- Brownfield Redevelopment
- ISO 14001
- Waste Reduction
- Closed Loops
- Resource Productivity
- Sustainable Technology
- Radical Transactiveness
- Systems Thinking
- Corporate Governance
- Clean Technology
- Eco-Efficiency
- Eco-Effectiveness
- Biomimicry
- Triple Bottom Line
- Inclusive Capitalism
- Base of the Pyramid
- Community Capitalism
- Corporate Citizenship
- Voluntary Regulation
- Civic Entrepreneurship
- Full Cost Accounting
- EMS
- Risk Management
- Leapfrog Technology
- Cradle to Cradle
- Restorative Technology
- B24B
- Take-Back
- Transparency

The Many Faces of Shareholder Value



The Buzzword Sort

- Clean Technology
- Eco-Effectiveness
- Biomimicry
- Leapfrog Technology
- Sustainable Technology
- Knowledge & Service Intensity
- Cradle to Cradle
- Closed Loops
- Restorative Technology
- Systems Thinking

Internal

- EMS
- Greening
- Pollution Prevention (P2)
- Eco-Efficiency
- Risk Management
- Environmental Management
- ISO 14001
- Waste Reduction
- Resource Productivity

Tomorrow

Innovation & Repositioning

Growth Path & Trajectory

Cost & Risk Reduction

Reputation & Legitimacy

Today

- Sustainable Development
- Base of the Pyramid
- Urban Reinvestment
- Brownfield Redevelopment
- Inclusive Capitalism
- Community Capitalism
- Civic Entrepreneurship
- Radical Transactiveness
- B24B

External

- Corporate Social Responsibility
- Industrial Ecology
- Stakeholder Management
- Life-Cycle Management
- Design for Environment (DfE)
- Green Design
- Corporate Citizenship
- Full Cost Accounting
- Take-back
- Transparency
- Corporate Governance

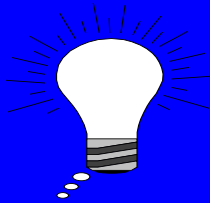
The Sustainability Portfolio

(S. Hart, "Beyond greening: Strategies for a sustainable world")

Tomorrow

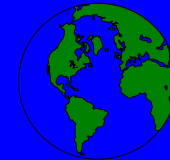
Clean Technology

- develop new competencies
- pursue disruptive innovation



Base of the Pyramid

- meet unmet needs
- raise the base of the pyramid

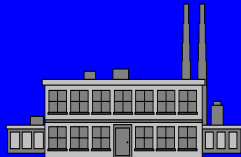


Internal

External

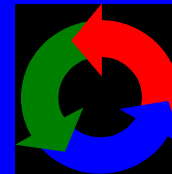
Pollution Prevention

- minimize process waste
- enhance resource productivity



Product Stewardship

- lower product life cycle impact
- increase transparency/accountability



Today

Charting the Sustainable Value Portfolio

tomorrow

Clean technology

Is the sustainability of our products limited by our existing competency base?

Is there potential to realize major improvements through new disruptive technology?

Base of the Pyramid

Does our corporate vision direct us toward the solution of the most pressing social and environmental problems?

Does our vision focus us on serving the unmet needs at the base of the economic pyramid?

today

Pollution prevention

Where are the most significant waste and emission streams from our current operations?

Can we lower costs and risks by eliminating waste at the source or by using it as useful input?

Product stewardship

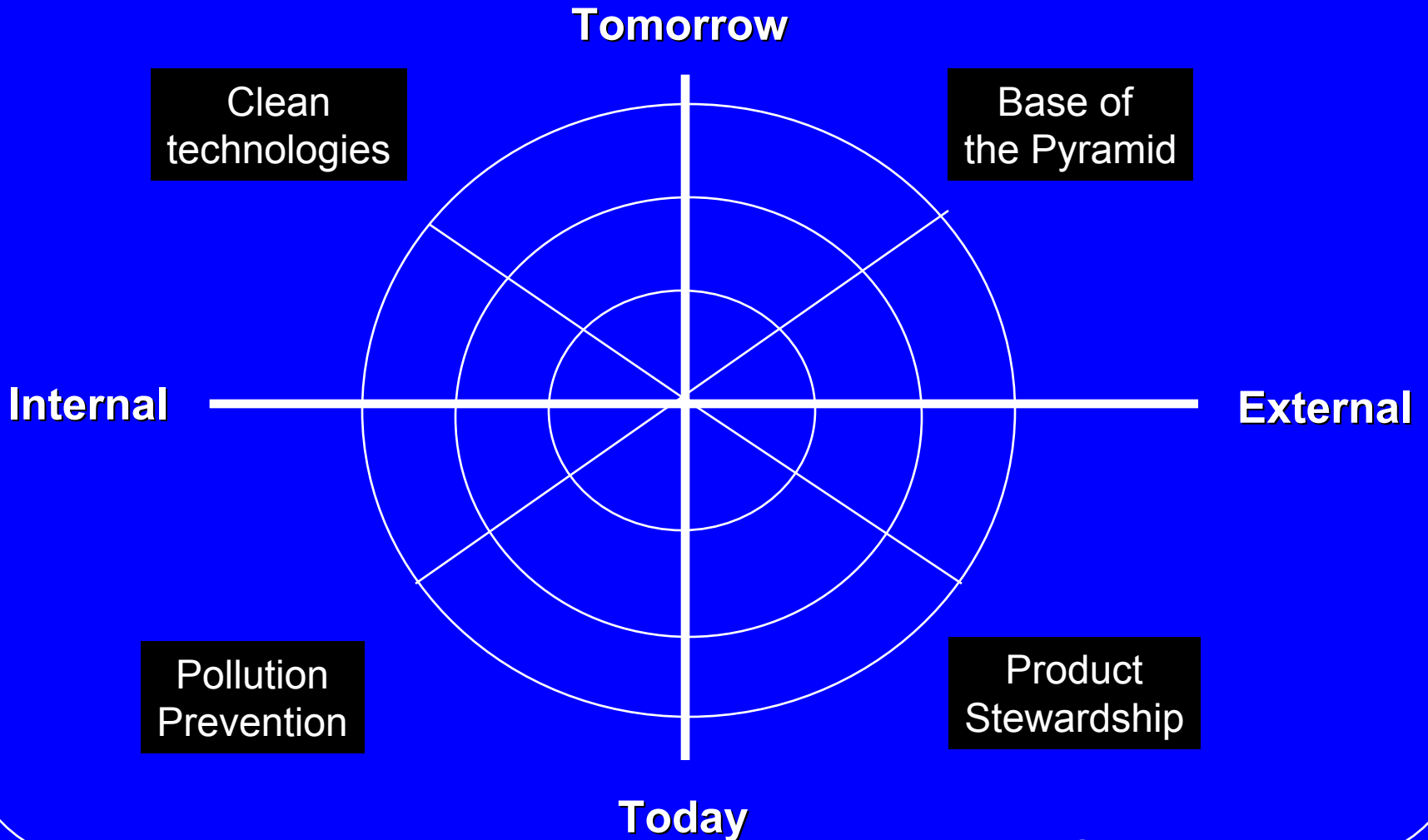
What are the implications for product design and development if we assume responsibility for a product's entire life cycle?

Can we build reputation and legitimacy by engaging a broader range of stakeholders?

internal

external

What is OSRAM's Portfolio?



Portfolios: Current Reality and Future Vision

