

Business Environmental Strategies



Suzanne Tillemann
April 2, 2020

Mission Driven Strategy

- Differentiate – Social/Environmental
 - Authenticity
 - Philanthropy
 - Innovation
- Hire for the mission
- Confront uncomfortable questions
- Focus on triple bottom line
- Not all activities driven by economics
- To maintain must be difficult to imitate

Russo, M.V. 2010. *Companies on a Mission*

Eco-Advantage Strategies

- Improve resource productivity
- Cut environmental costs and regulatory burden
- Lower costs upstream and downstream in value chain
- Manage environmentally driven business risk
- Meet customer environmental needs
- Build position and customer loyalty
- Promote value innovation and develop breakthrough products
- Build corporate reputation and trusted brands

Regulation & Stakeholders

- License to operate
- Gaps in regulatory regimes
- Best is a combination of mandatory environmental regulation along with voluntary programs Aragon-Correa, Marcus, & Vogel. 2020. *Academy of Management Annals*
 - If regulations allow for innovation, drops in financial performance are often linked to other internal weaknesses
- Strategic advantage in utilizing upcoming regulations or lobbying for regulation
 - Both brown and green involved in lobbying Magali Delmas, HBR, 204, updated 2016

Stakeholders & Collaborations



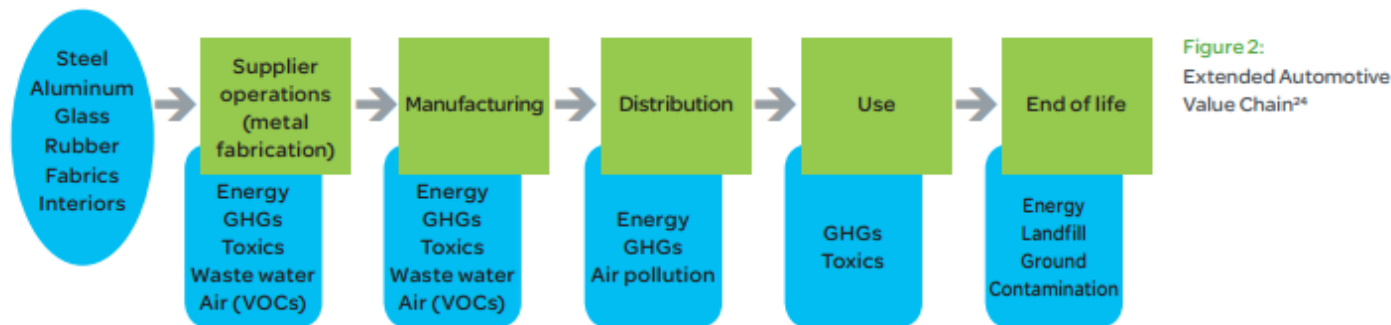
- Stakeholders
 - Consumers & community
 - Investors
 - Watchdogs
 - Government
 - Business partners & competitors
 - Idea generators and Opinion leaders

McDonald's and Environmental Defense Fund



Operations impacted by product design

- Life Cycle Analysis
- Cradle to Cradle Design McDonough & Braungart
- Industrial Symbiosis – Waste is Food
 - *Potential 2\$ trillion USD in benefit for global economy* (Ellen MacArthur Foundation, 2012)

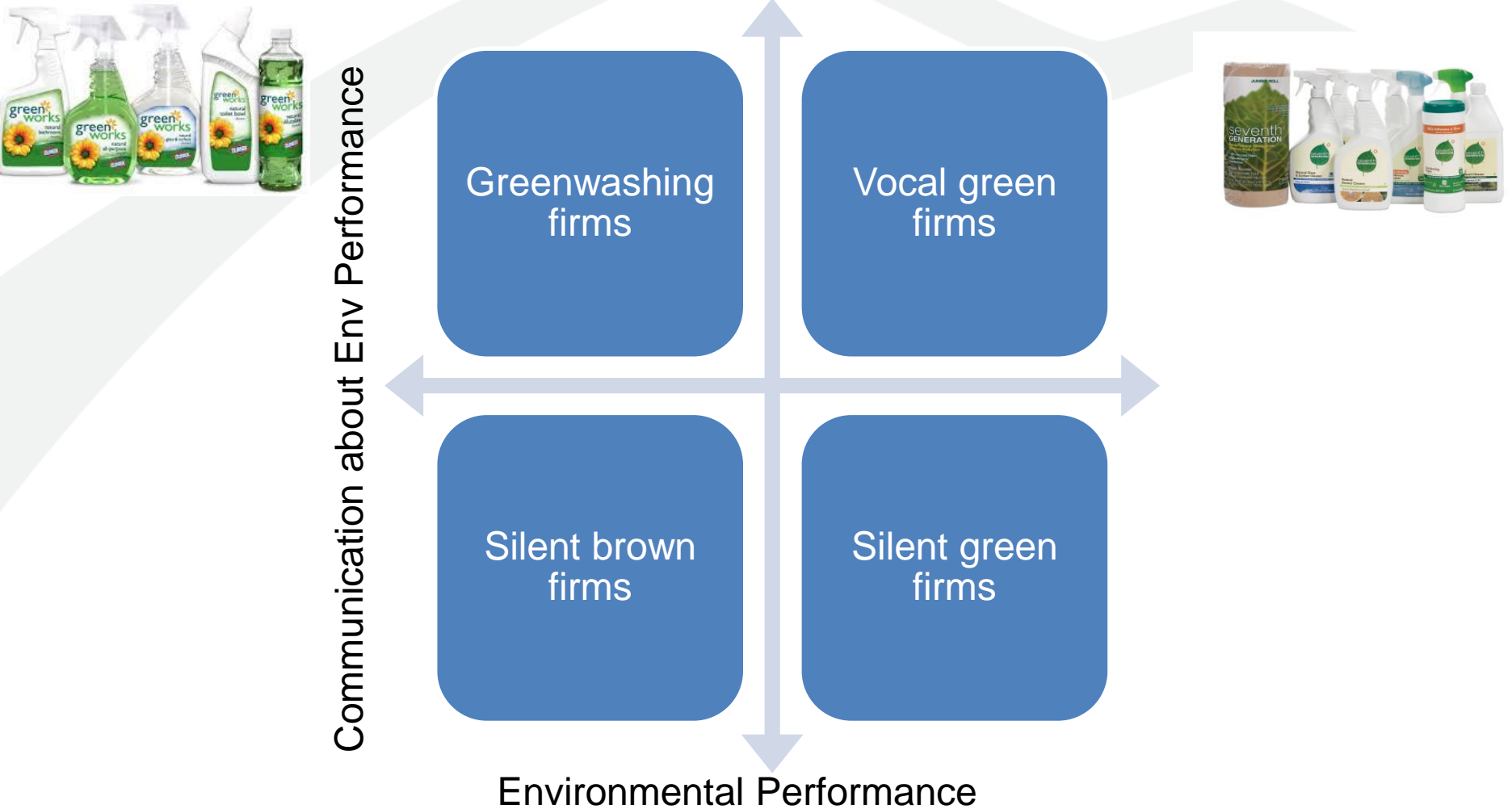


“Green to Gold” Esty & Winston, 2009

Upstream Supply Chain, Energy needs & the Marines

- Critically dependent on fuel and batteries.
 - Losses in delivering of fuel
 - Strategy of Marines is as an expeditionary force. Requires mobility.
- Investment in energy efficiency and renewable energy improves capability
 - “resource efficiency is a force multiplier that increases combat effectiveness”
- The Marine Corps established the Expeditionary Energy Office to increase combat effectiveness by reducing the need for liquid fossil fuel by 50 percent by 2025, using liquid fuel for mobility only. The Defense Department plans to invest \$9 billion to improve energy use in military operations through 2017

Marketing V. Greenwashing



7 Sins

- Sin of the hidden trade off
- Sin of no proof
- Sin of vagueness
- Sin of worshiping a false label
- Sin of irrelevance
- Sin of lesser of two evils
- Sin of fibbing



Consumer Bell Curve



Excuse makers

Dark
green

Brown

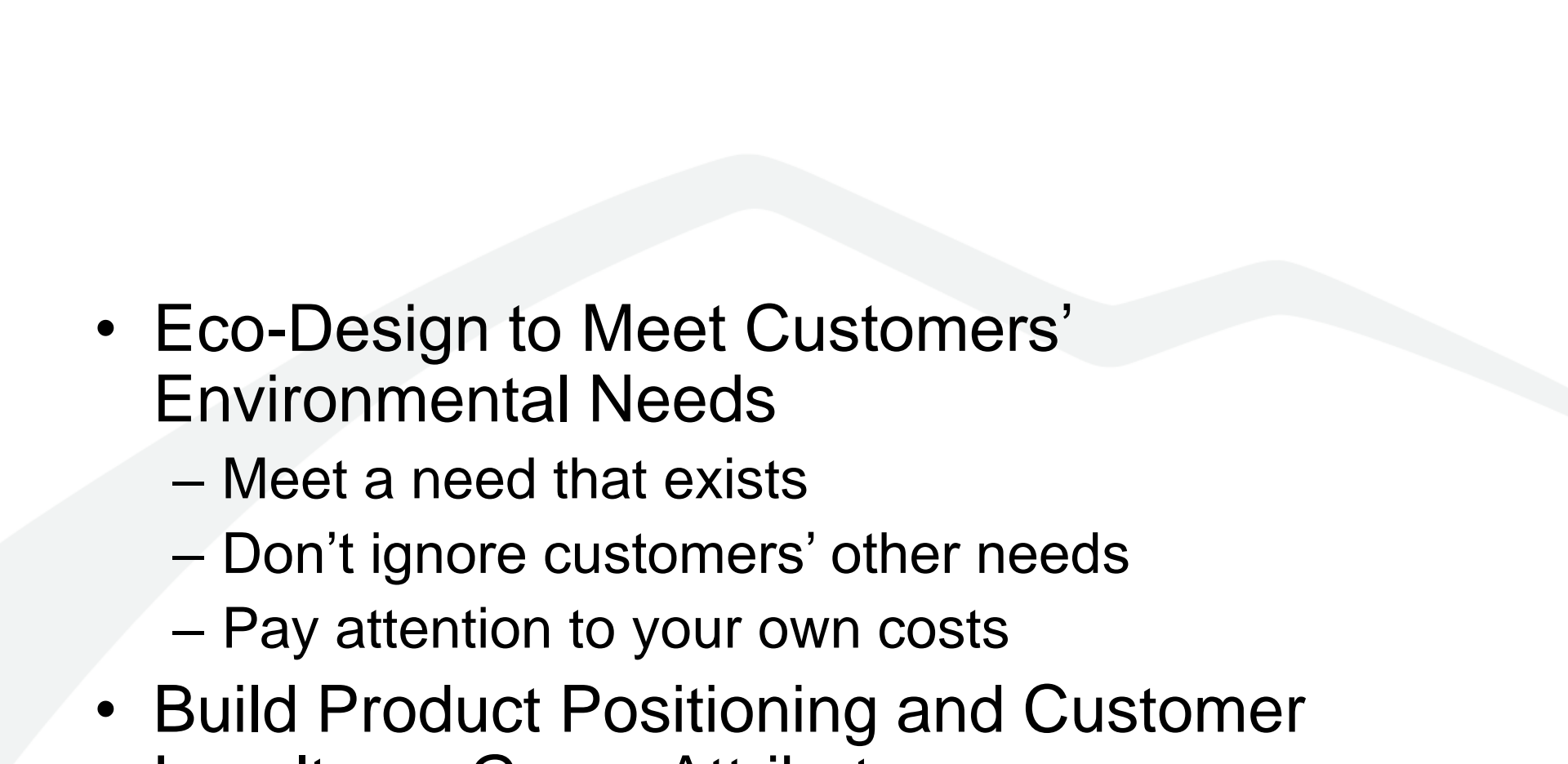
Dark Green Consumers

- Most likely to be female, with at least one child living at home.
- Value security and warm relationships with others.
- Resource conservers, health fanatics, animal lovers, and outdoor enthusiasts.
- Might be younger.

Benefit Corporation

- Benefit Corporation is a form of incorporation at the state level
- Certified B Corporation is externally certified by B Lab, can be applied to different forms of incorporation. Easier with private companies.
- Benefits
 - Protect mission
 - Reduce liability
 - Increase accountability
 - Attract talent
 - Access capital



- 
- Eco-Design to Meet Customers' Environmental Needs
 - Meet a need that exists
 - Don't ignore customers' other needs
 - Pay attention to your own costs
 - Build Product Positioning and Customer Loyalty on Green Attributes
 - Green attributes cannot stand alone
 - Talk to different niches differently
 - Don't expect a price premium

Benefit Corporations

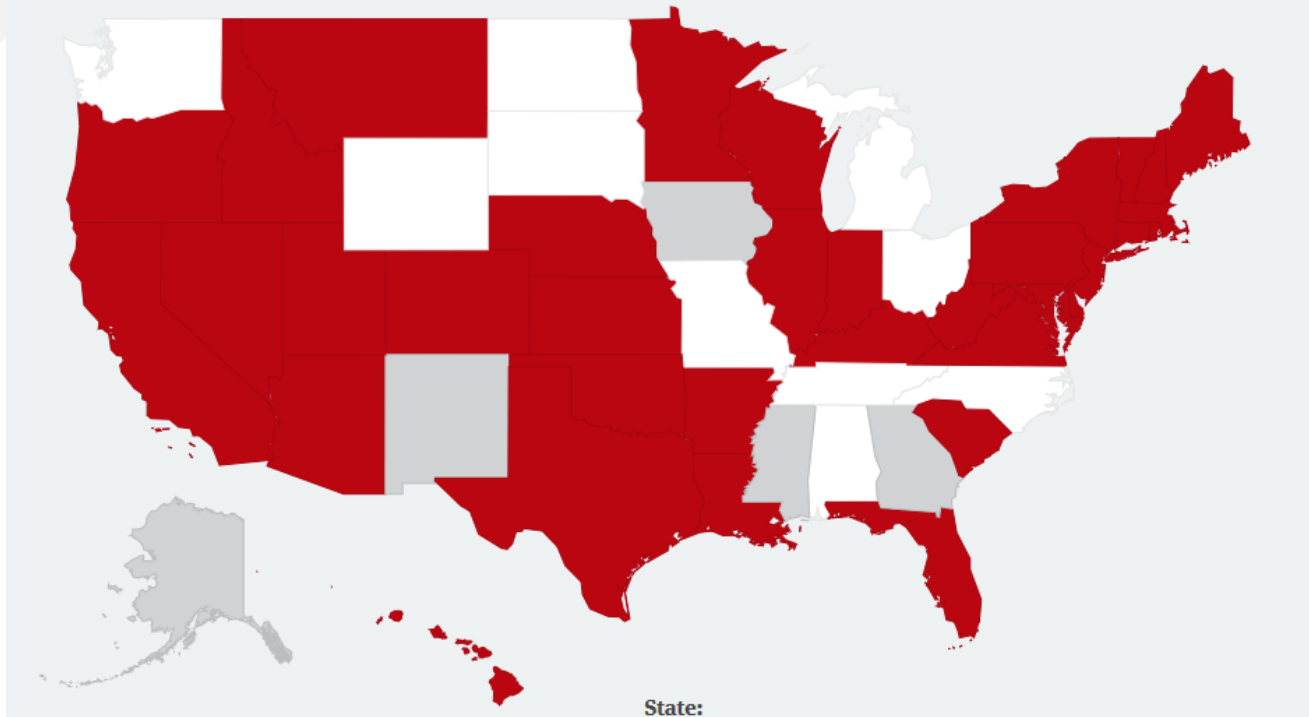
State by State Status of Legislation

36

Laws Passed

5

Working on it



West Paw



- Certified B Corporation
- Switched to sewing masks in response to COVID-19.

Stein, P. 3/30/2020 Bozeman Chronicle



Positive Actions

Maersk pledges to net zero by 2050



Financial Times. Dec. 4, 2018

<https://www.ft.com/content/44b8ba50-f7cf-11e8-af46-2022a0b02a6c>

Shell ties executive pay to cuts in carbon emissions

