

OPERATIONAL INTEGRATION

ROADMAP FOR INTEGRATED SUSTAINABILITY

Executing and reviewing the performance of sustainability related strategies in the regular processes and routine of an organization or function. This lens describes the processes, policies and practices put into place to improve the execution of strategy, sometimes called operational effectiveness. It's about "Doing things right".

"Execution is a specific set of behaviors and techniques that companies need to master in order to have competitive advantage. It's a discipline of its own."

— Ram Charan and Larry Bossidy, Execution



POLICIES, PROCESSES AND ORGANIZATIONAL EFFECTIVENESS

Over the last two decades, countless books, seminars, training programmes and videos have been produced on the subject of business execution or Operational Effectiveness. Its importance has been elevated to equal that of business strategy. Ultimately, both are necessary to create competitive advantage and sustained value creation.

"Vision without action is a daydream.

Action without vision is a nightmare."

—Japanese proverb

It is only through successful implementation that a good strategy realizes competitive advantage to create superior value. In so doing, execution generates its own momentum, learning and accelerated innovation, multiplying strategic opportunities as it evolves. Implementation does not happen automatically but requires establishing clear priorities (including what not to do) to achieve a purpose, policies, procedures, persistence, repetition, feedback and a commitment to continuous learning and improvement.

Operational Integration is no less important to achieving sustainability related goals and aspirations. In fact, given the emergence of the importance of a range of sustainability themes and how they are already impacting different parts of the organization, it is increasingly difficult to distinguish sustainability execution, itself a sign of natural integration.

Most companies have well-established processes or management systems to improve operational effectiveness and drive continuous improvement. Many companies also have processes tailored specifically to the activities and responsibilities of individual functions like Innovation Pipelines for R&D, CRM systems for Sales functions and ERP systems or other enterprise-wide processes such as LEAN and Six Sigma for overall resource management.

At the same time, the growing number of "purpose-built" tools, processes and management systems are improving the execution and monitoring of sustainability initiatives, such as ISO14000, SA8000, ISO26000, eco foot printing (water, carbon, etc.) and sustainable accounting standards and reporting guidelines like that from GRI.

IMPLICATIONS FOR OPERATIONS

To improve the Operational Integration of Sustainability in any function, it is important to:

- Consistently communicate a clear description of functional sustainability priorities and goals articulated in the function's strategy. Ideally, link functional priorities to business priority sustainability themes and goals and highlight the distinct and vital role the function plays in achieving these goals.
- Adapt or create metric and feedback systems to measure progress toward company and function-specific sustainability goals.
- Assess and modify existing management systems, operating procedures, job descriptions and policies to align with sustainability goals. Uncover conflicts with sustainability goals in existing management systems and goals.
- Include sustainability goals and indicators in performance management systems and incentives.

Three Lenses on Sustainability Integration

Purpose, Priorities, Goals
Competitive Advantage
"Doing the right things"

Policies, Practices, Routine
Operational Effectiveness
"Doing things right"



Identity, Strengths,
Values, Relationships
"Who we are"