

*- Succeed today and build platforms for tomorrow.*

To engage the enterprise in sustainability requires a long-term perspective and the capacity to deliver value in the short term. As has been demonstrated, tapping the various roles, skills and cultures of different functions presents significant opportunities to increase synergies, collaboration and innovation, which help achieve or exceed sustainability or other business goals. Where can the company focus its effort to uncover the greatest opportunity?

## CRUCIAL QUESTIONS

Through engagement of Global Compact Advisors and LEAD members, this project recommends exploring two questions:

1. *What functions are necessary to drive progress toward current sustainability goals?*
2. *What functions are perceived to be particularly influential in the company's value creation?*

In business's ever-present drive for productivity and growth, existing teams and functions in businesses have usually demonstrated their important contribution—otherwise they would have been outsourced or abandoned. To achieve its potential, sustainability must permeate the breadth and depth of a company; however, some functions are more important than others in achieving the sustainability-related goals, reflecting its current stage and integrating it further into the business.

As described earlier, maturing sustainability initiatives shift substantially from early stage technical, problem solving exercises of small teams of various functional experts to strategic, change management exercises across the enterprise that incorporate new behaviours, priorities, relationships and criteria for success.

For example, given the scale of risk to shareholder interests in crisis management and compliance challenges, Legal and Finance functions can be intensely, though reactively, engaged to reduce liability or the recurring cost of negative environmental and social footprints. While Public Relations may be highly engaged in crisis management teams, the broader Marketing, Human Resources, R&D, and Supply Chain functions tend not to engage until more mature stages. Legal may have less of an active role in middle stages until sufficiently new products, claims or business models redefine relationships with stakeholders or the fundamental mission or charter of the enterprise. Marketing, Sales and R&D teams may not be deeply or proactively engaged until later stages shift the attention externally toward markets and growth. The Sustainability function or office can evolve through its own progression—from reactive problem solving to a focus on managing projects and resources to a catalyst and facilitator of enterprise strategy, stakeholder engagement and change management.

## 1 NECESSARY FUNCTIONS TO DRIVE PROGRESS?

Compliance-related goals require the direct involvement of technical experts, documentation of performance and legal counsel often to reduce negative social or environmental footprints below the objective criteria. Productivity goals require involvement of those directly controlling the use or waste of resources—for example, Operations functions, Organizational Effectiveness and engineering support. But in each case, consider those functions indirectly involved that have a significant influence on the requirements that constrain more direct activities. Functions like Product Development, Sales, Finance or Legal may place constraints on the direct and visible priority functions that can be as or more valuable to consider.

## 2 PERCEIVED FUNCTIONS OF PARTICULAR INFLUENCE?

Where is the "Beating Heart" of your business? Many businesses, often as a result of founding heritage, past leaders or surviving a crisis have functions that are particularly dominant in the core strategy and value creation of the company. For example, many large chemical or pharmaceutical corporations are driven by science discovery and therefore the R&D function is particularly influential when it comes to allocating resources, career tracks and even office space. Large consumer products companies can be driven by their mass marketing and branding functions. Commodity-oriented and resource-intensive businesses can live or die based on their material productivity or forecasting capabilities, therefore operating or trading functions may hold priority. The sales function may hold dominance with companies focused on a strategy of customer intimacy or logistics, and supply chain may reign in large retail businesses. While value creating, other functions exist in support of a company's more influential functions.

# PRIORITY FUNCTIONS FOR SUSTAINABILITY

## ROADMAP FOR INTEGRATED SUSTAINABILITY

Without engaging the functions most dominant in company strategy and value creation, sustainability—or any other “initiative”—will remain on the periphery struggling for attention and resources. Therefore, these functions should also be considered priorities for integration strategies.

The Self Assessment Guide developed in conjunction with this project contains a framework to rate the influence of major business functions in current sustainability goals and in core business strategy and value creation from 0 (no importance) to 3 (High Importance).

## LOCATING PRIORITY FUNCTIONS

By mapping or adding these two dimensions, the integration priority of functions can be explored. It is recommended that any function that ranks high in both dimensions is an important target for engaging all three lenses of Sustainability Integration: Strategic, Operational and Cultural. While it is likely that support functions (medium or low Core Strategy) clearly important to current sustainability goals are well engaged, reviewing each of the three integration lenses can uncover new opportunities. For functions highly influential in business value creation, though not yet important to near-term sustainability goals, develop relevance and relationships by focusing on Strategic and Cultural Integration. For support functions not directly influential, educate and invite employees to participate through enterprise-wide employee engagement programs.

