

THREE LENSES TO INTEGRATION

ROADMAP FOR INTEGRATED SUSTAINABILITY



To achieve its potential to reduce risk, improve productivity, drive growth, and create shared value, sustainability must be integrated across the business. This is not only to “get everyone in line” but more importantly to stimulate coordination, learning, collaboration, and greater innovation, all leading indicators of healthy, thriving businesses in the 21st century.

While many approaches to organizational integration include the familiar and distinct disciplines of *strategy* and *execution*, growing research and experience in change management—and sustainability in particular—point to the important, less structured and concrete third lens of *culture*. These three “lenses” apply both at the company-wide level and for each subgroup, whether a business unit or function such as R&D, Sales, Marketing, etc.

Shared Value
Growth
Productivity
Risk

STRATEGIC INTEGRATION

Successful businesses have to make tough choices regarding their domain of activities, priorities for the investment of scarce resources, and overall goals of the organization. This is the world of business strategy. Though sustainability expands the traditional set of issues and stakeholders, it is no different. As with any other major initiative of the company, if left unconnected to the core strategy for creating value, sustainability will continue to struggle to attract attention and the talent and resources to reach its potential to create value. To reach this potential, sustainability must be woven into core business strategy rather than tacked on as a discretionary activity. Similarly, each function has its explicit or implicit strategy to deliver on its responsibilities. This project seeks to help sustainability teams work with functional leaders to integrate sustainability into the function’s purpose, priorities and goals.

Strategic Integration

Incorporating sustainability into the core strategy of an organization (enterprise, business unit or function). In this context, “strategy” is used to describe the deliberate or emergent choices (*purpose, priorities and goals*) that are made to distinctively position the enterprise, brand or product for “sustainable” (enduring) competitive advantage and value creation. It’s about “Doing the right things”.

OPERATIONAL INTEGRATION

All strategies require successful implementation to achieve their intended purpose. Sustainability plans are no different. While many companies receive value from the emerging “purpose built” management tools of sustainability (environmental and social management and reporting systems, analytical tools like Life Cycle Analysis, and foot printing), others are seeing additional benefit from integrating sustainability into their existing business processes at the business and functional level (R&D Pipeline processes, ERP systems for overall resource management and operations, HR Management Systems, CRM sales support systems, etc.).

Operational Integration

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

Integrating sustainability into the existing operational routine can reinforce the purpose, priorities and goals expressed in strategy as well as the repetition of desired new behaviours creating new norms and habits. This project seeks to help sustainability teams work with functional leaders to integrate sustainability into the function’s processes, policies and practices.

CULTURAL INTEGRATION

Business guru, Peter Drucker’s famous quote, “Culture eats strategy for breakfast”, is often used to highlight the power of culture to block the execution of well-intentioned and reasoned strategy. In this project, as reflected through the experience of its participants and advisors, culture is viewed as an important and slow changing context in which to ground strategy and execution. Some characteristics of culture can create barriers to change, but once tapped, the distinctive strengths of a business or function’s existing culture and capabilities can also be leveraged as potentially game changing accelerants.

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In its simplest form, this project defines culture as the self-sustaining, often unchallenged patterns of beliefs, values and behaviours of a group—for example, "How things get done around here". While some distinctive characteristics can pervade an entire company often directly related to its founding, other characteristics of the culture of large organizations can change significantly by location, level and function. The roles and cultures of R&D labs, marketing studios, accounting teams and sales forces can be very different as can sales offices in Latin America, Asia and Northern Europe. See the section on Cultural Integration for more information and examples.

As functional examples, Finance and R&D can be similarly grounded in objective data, comprehensive analysis, and performance criteria.

However, R&D is driven by learning, exploration, discovery and interacting with peers in science, marketing and academia. Finance focuses more on consistency, accuracy and compliance with standards interacting with analysts, auditors and capital markets. The educational backgrounds, roles and professional relationships create distinctive attitudes, perspectives and values that can either stand as barriers or offer distinctive strengths to contribute to sustainability. In comparison, functions like HR, marketing and sales are highly relational and driven by more subjective impressions, preferences, motivations of behaviour and clarity of messages to activate desired responses.

This project seeks to help sustainability teams work with functional leaders to leverage the existing strengths, perspectives, relationships and values of its unique culture to better engage the people of the function to improve collaboration, synergies and innovation.

Cultural Integration

Leveraging the unique identity, culture, purpose and strengths of an organization to advance sustainability and corporate success. To achieve a business's potential, strategic and operational integration must consider the unique *culture*, *identity* and *strengths* of the organization and their components. Culture can be a significant barrier or powerful amplifier of executing strategy.

THE THREE LENSES IN THE ENTERPRISE

Coherent strategy and execution require strong alignment across the enterprise with each part playing its specific role utilizing its unique capabilities and strengths. This project focuses on the strategic, operational and cultural integration of the functions, assuming an overall strategy and plan have been created around priority sustainability themes. While few companies follow a strict hierarchical organizational structure, the figure below represents this project's focus on functional strategy, operations and culture.

