PROMISE: A systems approach to sustainability strategy

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PROMISE: Sustainability at all levels

- Environmental
- Social
- Institutional
- Market
- Organizational
- Personal / Relational

Assess your strategic context

Envision and enact your strategy
Assessing Sustainability Strategy with PROMISE

Environmental
Social
Market / Institutional
Organizational
Personal / Relational

How well do we understand the natural systems that are necessary for our business to thrive?

Natural Systems

Ecosystem Services

Renewable Resource
Harvest

Regeneration

Recycling, Decay

Pollution, Wastes

Waste Generation

Nonrenewable Resource

Extraction

Human Activity

Where are we harvesting renewable resources faster than they regenerate?
- How can we be more efficient in our use of these resources?
- How can we help restore or accelerate the regeneration rate?

Where are we polluting faster than the environment can safely absorb?
- How can we reduce our pollution?
- How can we increase the capacity of natural systems to absorb it?

Where are we dependent on non-renewable resources?
- How can we get more efficient in our use of these resources to buy us time?
Understanding drivers and pathways

Assessing Sustainability Strategy with PROMISE

How well do we understand the social and human capital systems necessary for our business to thrive?

How well do we understand the natural systems that are necessary for our business to thrive?
Human/social well-being

Social Contract: 1940s-70s: 1980s +
Rana Plaza, Bangladesh

The Good Jobs Strategy

[Diagram showing Retailing's Vicious Cycle and Virtuous Cycle]
Institutional design
Assessing Sustainability Strategy with PROMISE

- Personal / Relational
- Organizational
- Market / Institutional
- Social
- Environmental

How well do we account for the economic cost, benefit, and risks of sustainability? How well do we create value and innovate with our stakeholders?

How well do we understand market and institutional barriers to sustainability, and work with others to remove them?

How well do we understand the social and human capital systems necessary for our business to thrive?

How well do we understand the natural systems that are necessary for our business to thrive?

Cases we have explored

- Mercadona
- Nike
- MIT Sloan Management
- Walmart
- IKEA
- Patagonia
Valuing sustainability for the organization

Corporate governance

Cost reduction
- Resource Efficiency
- Waste as Input
- Labor Productivity

Risk management
- Legal/Regulatory
- Social Reputational
- Economic/Operational

Revenue growth
- Market access
- Differentiation
- Providing Solutions

Assessing Sustainability Strategy with PROMISE

- Personal / Relational
- Organizational
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- Environmental

- How well do I walk the talk in sustainability? How well do my health and relationships thrive in the process?
- How well do we account for the economic cost, benefit, and risks of sustainability? How well do we create value and innovate with our stakeholders?
- How well do we understand market and institutional barriers to sustainability, and work with others to remove them?
- How well do we understand the social and human capital systems necessary for our business to thrive?
- How well do we understand the natural systems that are necessary for our business to thrive?
Relational Pitfall - Holier than thou

I'm more virtuous than you because I recycle.

I see more than you because I know the science. I see things from a systems perspective.

I know what you want better than you do because I read philosophy, positive psychology, and take time for self-reflection and seminars about self-actualization.

I am not even going to have this conversation with you because you either don't care to get it or you get it and distort the truth for your own malevolent purposes.

Relational Pitfall – I know what sustainability is...

That's not sustainable! Allow me to explain.

That's merely incremental change and what we truly need is transformative change.

How dare you make ecologists get in the way of my wind farm!

How dare you disturb our marine ecologists!
Leading with PROMISE

1. Personal / Relational: How can I contribute to the flourishing of people around me as we pursue a flourishing world?

2. Organizational: How can my organization and its stakeholders flourish by reaping the value of sustainability?

3. Market / Institutional: How can we work with other organizations to remove barriers and tradeoffs between individual and collective flourishing?

4. Social: How can our work contribute to the regeneration of people’s health, capability, and trust in society at large?

5. Environmental: How can our work contribute to the regeneration and flourishing of the natural systems on which we depend?

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Improvement Half-Life

- Increasing Half Lives
- Low Technical Complexity
- High Technical Complexity

- Individual
- Cross-Functional
- Multiple Organizations
- Society-Wide
- Global

- Increasing Half Lives

Sterman, Repenning, Kolman (1997), Schwinderman (1985)
Strategies for Sustainable Business

- Information and registration at [http://executive.mit.edu](http://executive.mit.edu)
- **Certificate Track:** [Strategy and Innovation](http://executive.mit.edu)
- **Location:** Cambridge, Massachusetts
- **Tuition:** $4,300 (excluding accommodations)
- **Program Days (for certificate credit):** 3
- **Available dates:**
  - March 11-13, 2015
  - October 26-28, 2015
- For more information, contact:
  Tommy Long, Program Manager, tlong@mit.edu