

PROMISE: **A systems approach to sustainability strategy**

Feb, 2015

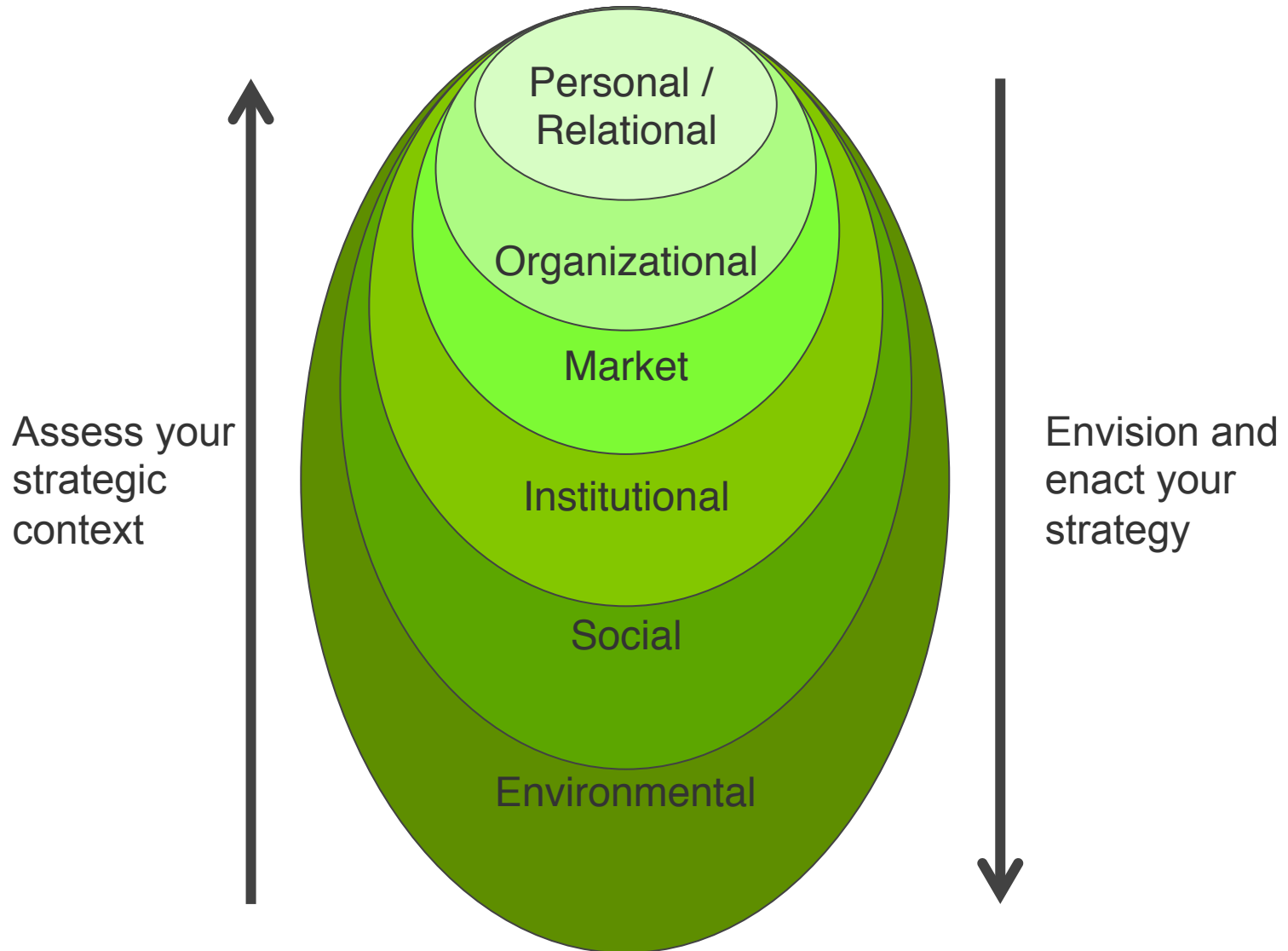
Jason Jay

Senior Lecturer, MIT Sloan School of Management

Sustainability Initiative



PROMISE: Sustainability at all levels

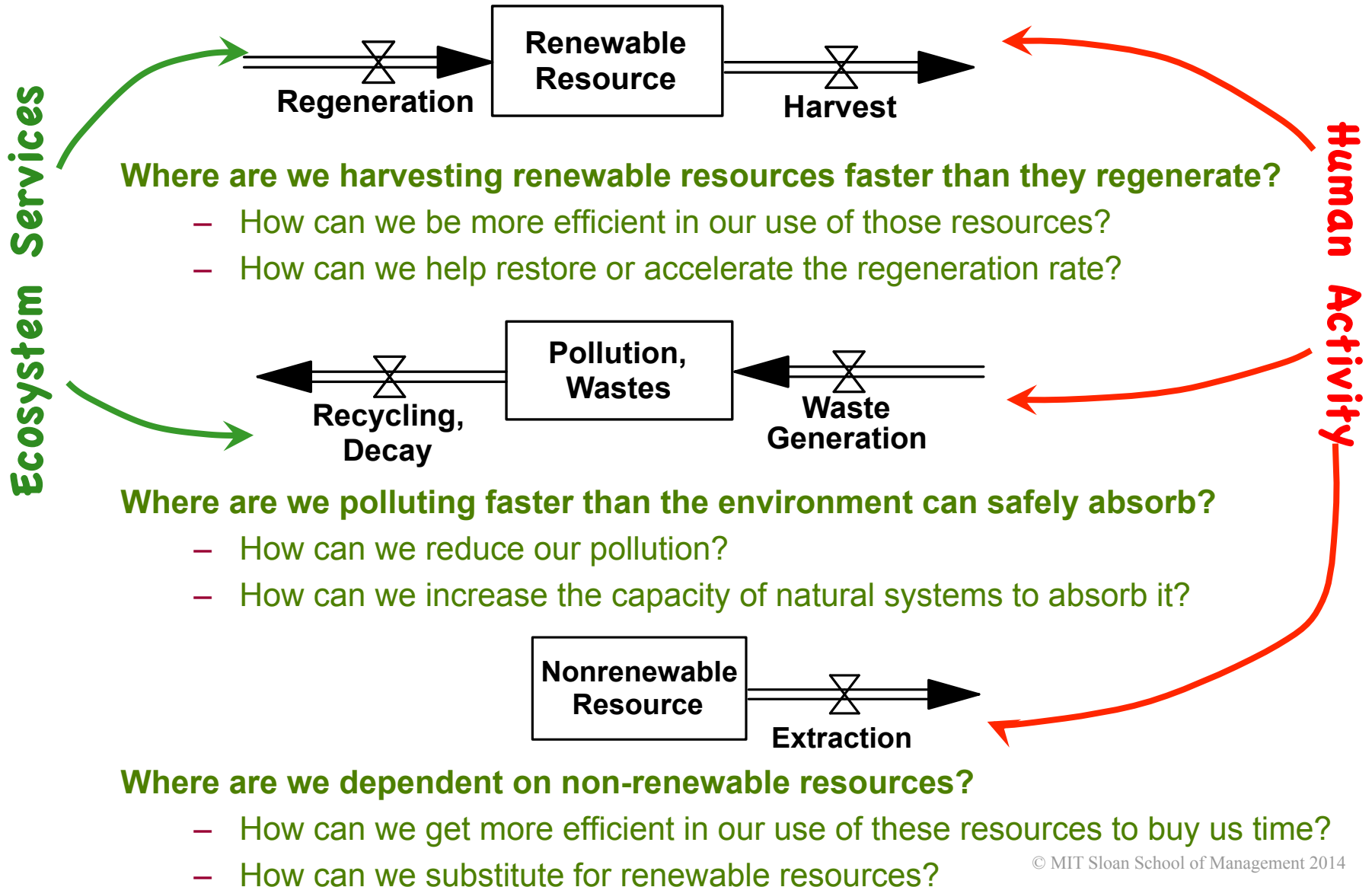


Assessing Sustainability Strategy with PROMISE

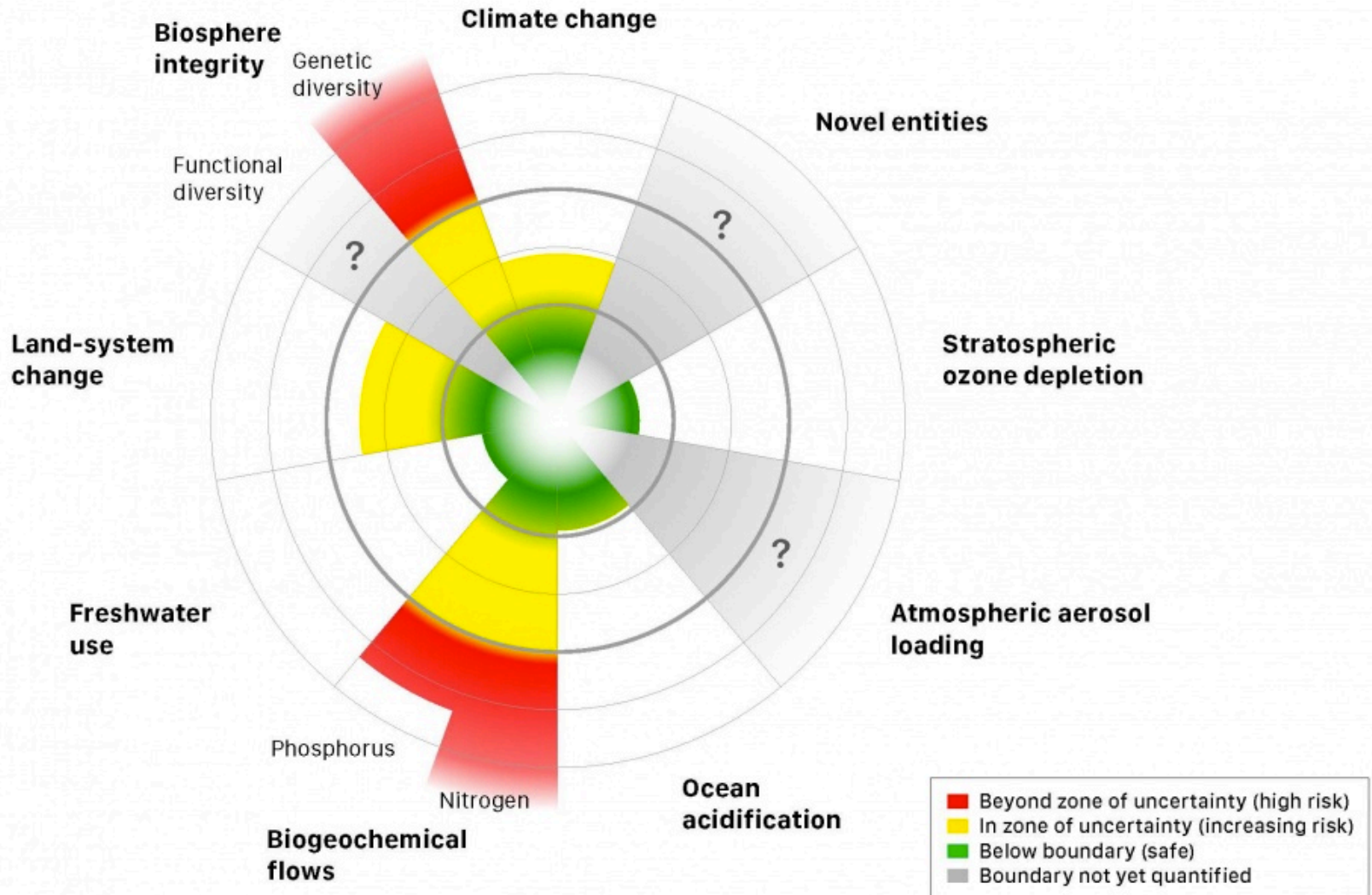


How well do we understand the natural systems that are necessary for our business to thrive?

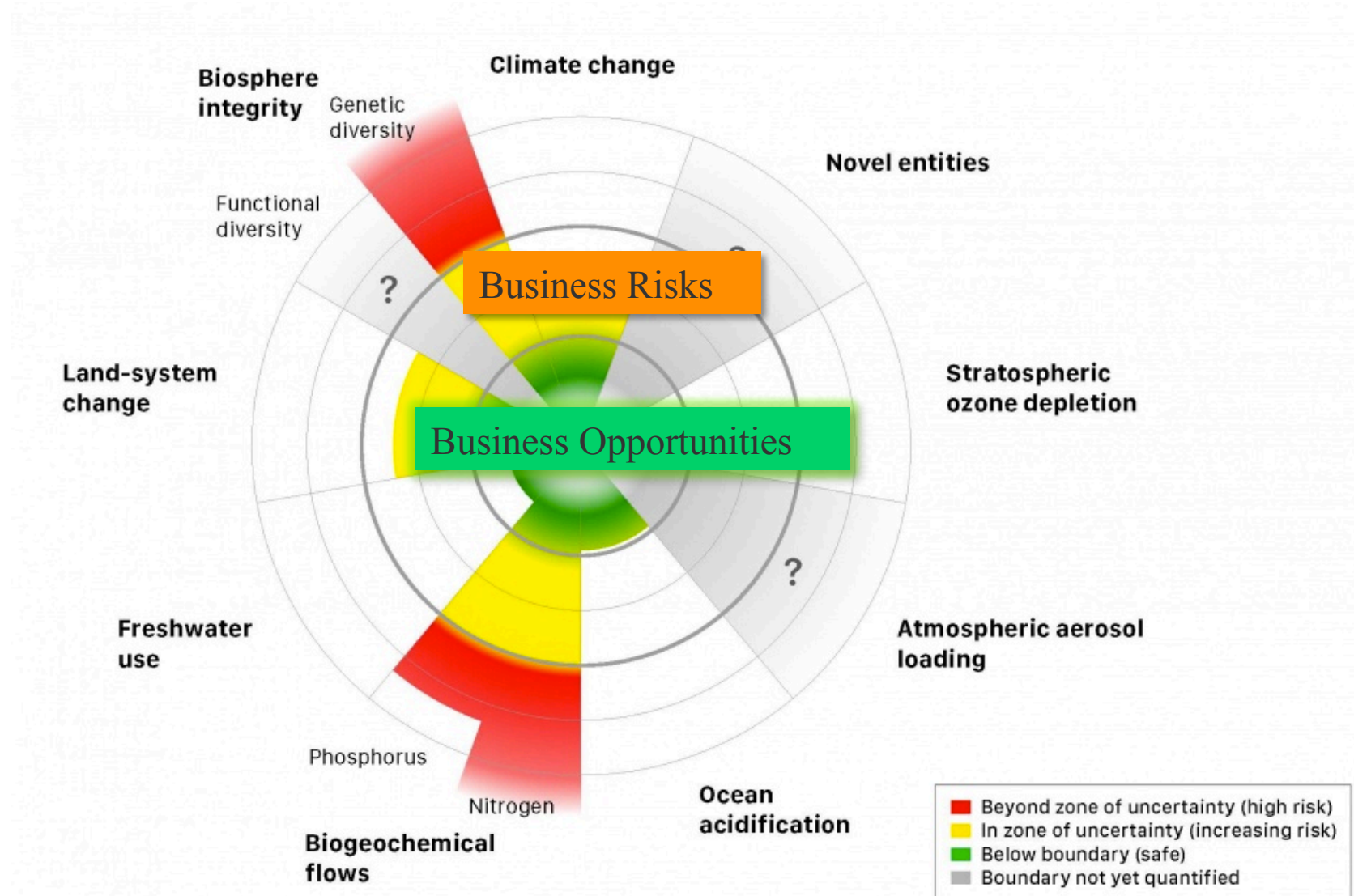
Natural Systems



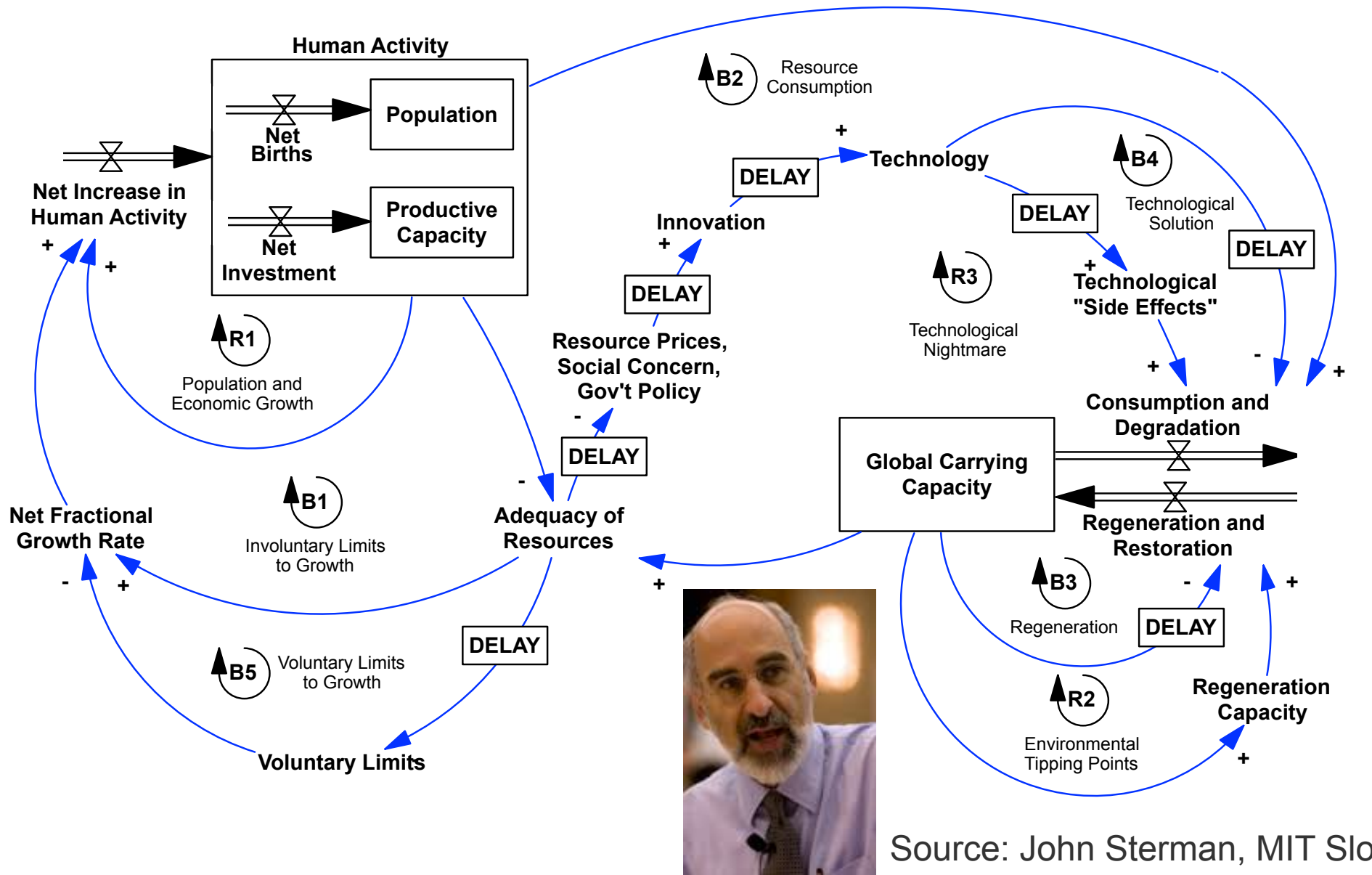
Planetary Boundaries



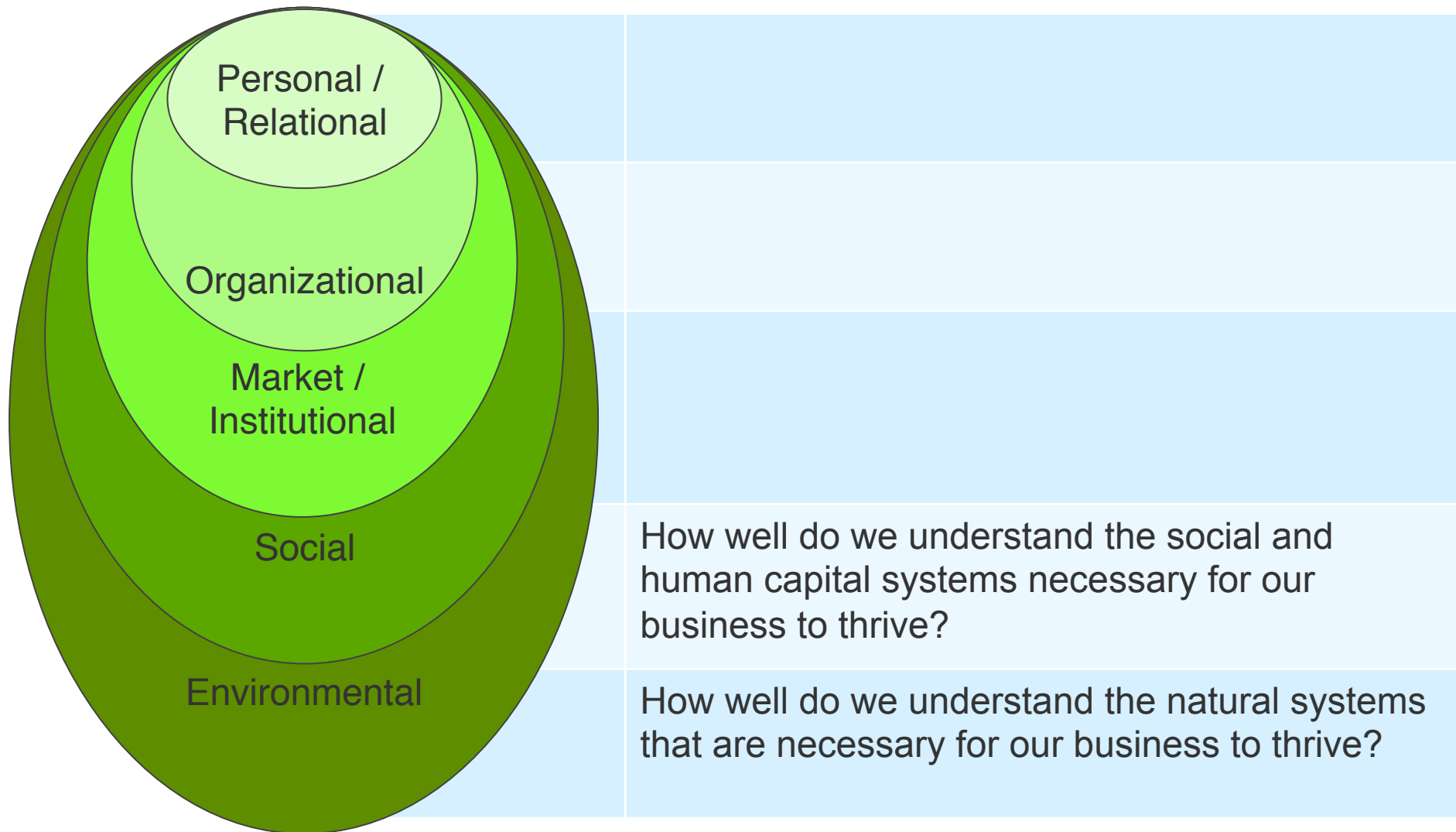
Planetary Boundaries



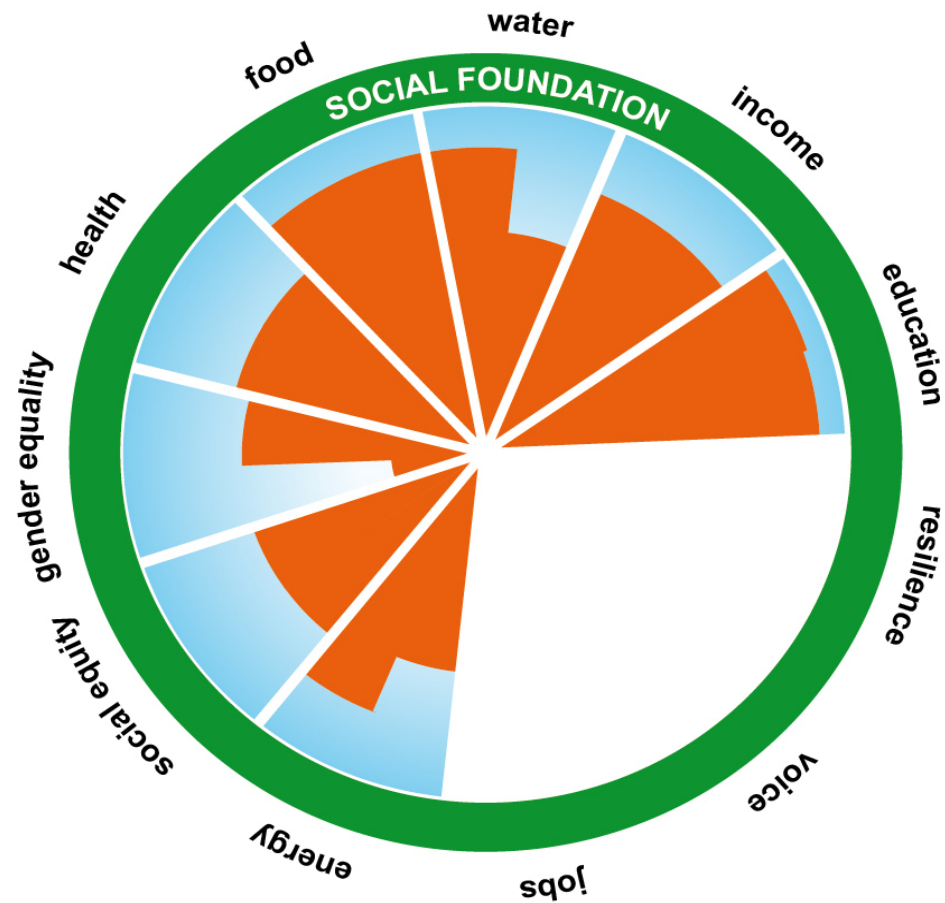
Understanding drivers and pathways



Assessing Sustainability Strategy with PROMISE

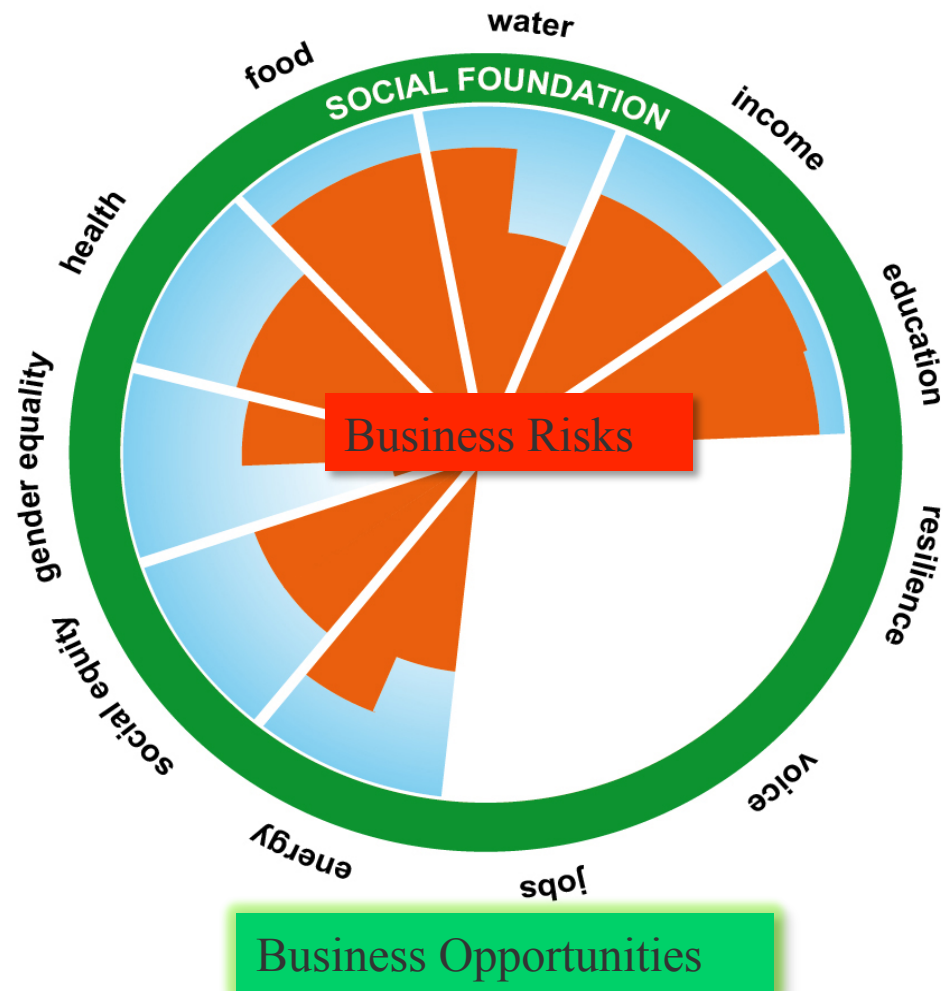


Human/social well-being



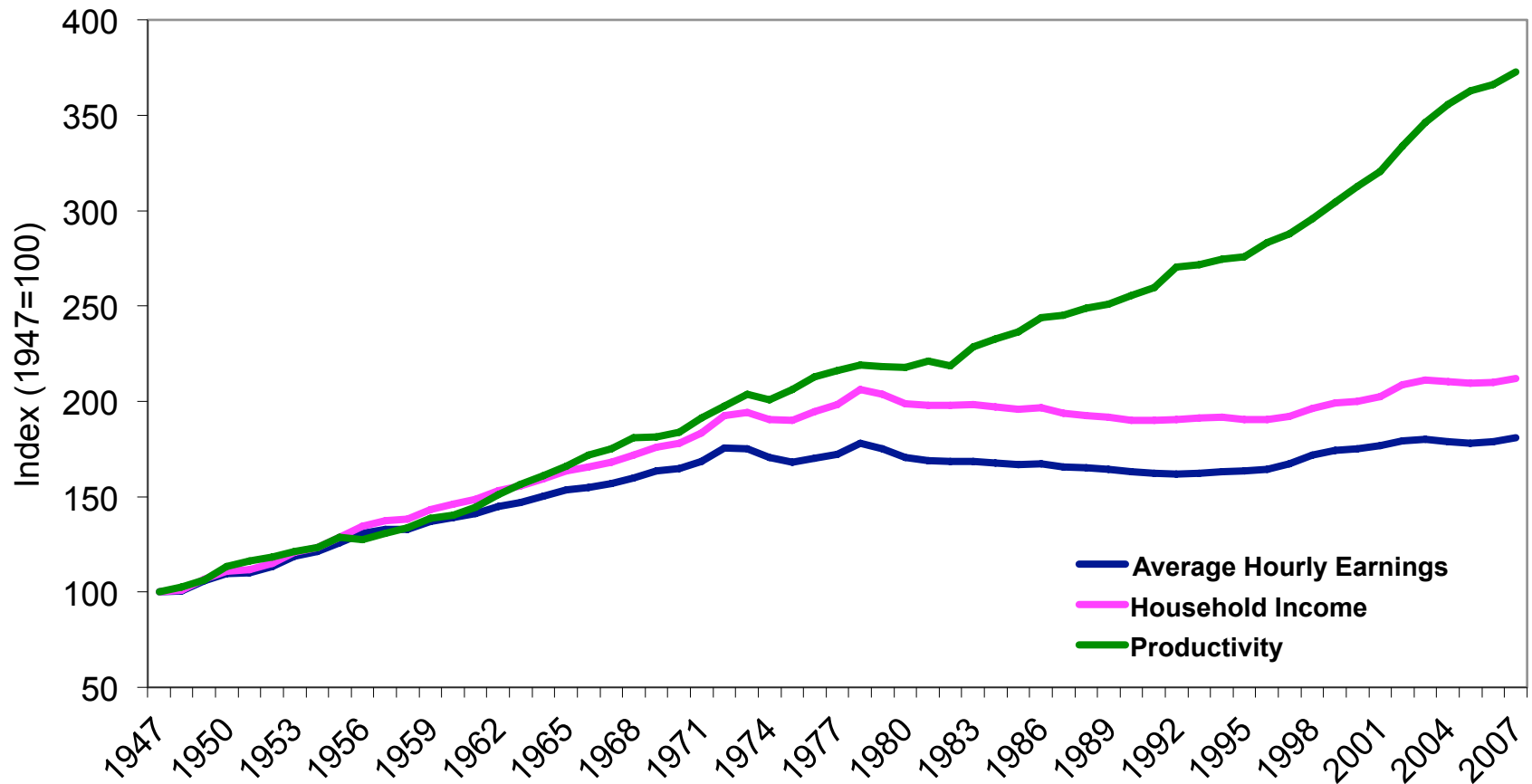
Source: Oxfam

Human/social well-being



Source: Oxfam

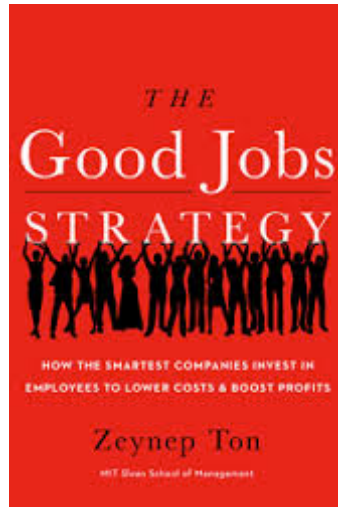
Social Contract: 1940s-70s: 1980s +



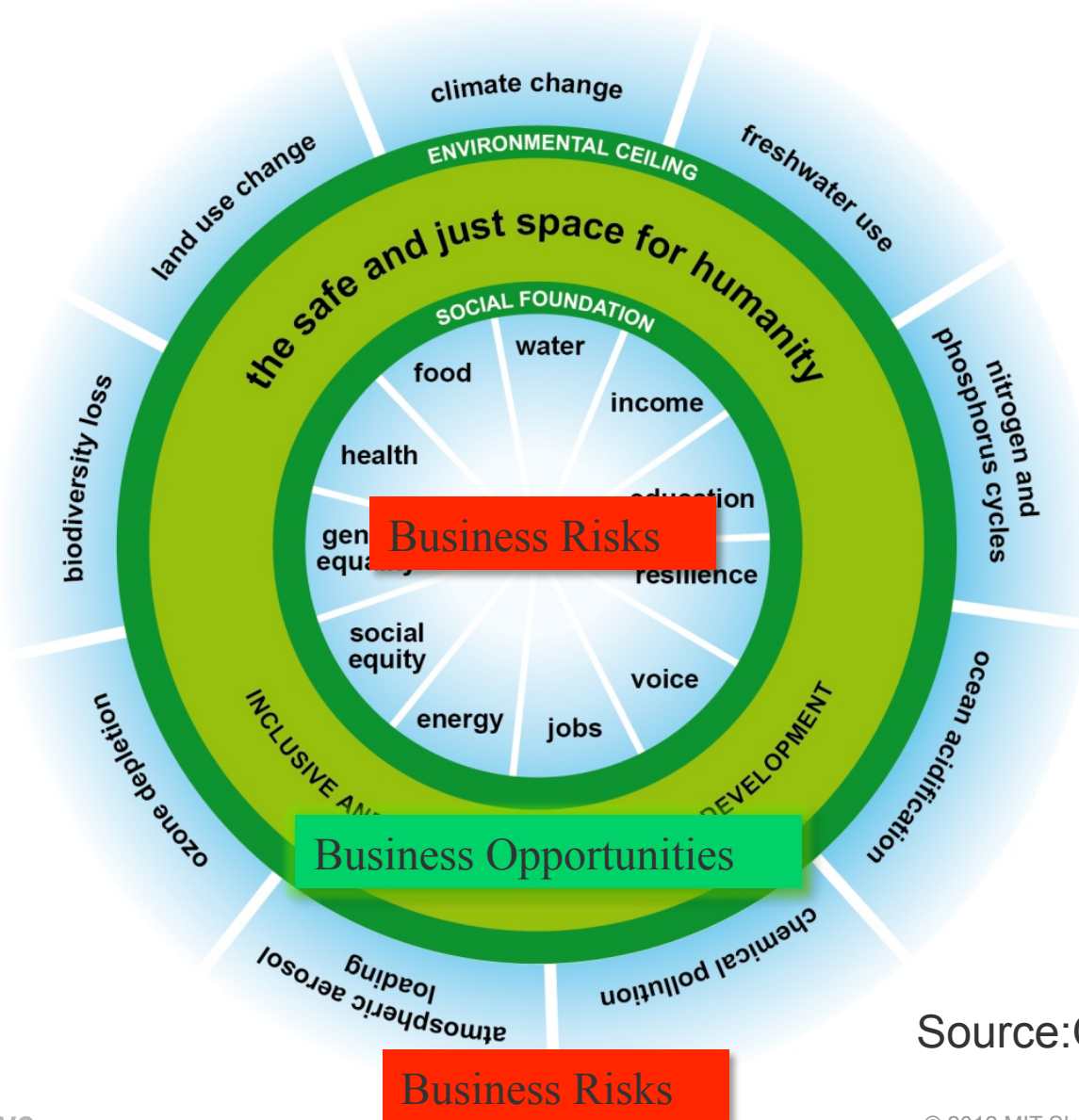
Rana Plaza, Bangladesh



The Good Jobs Strategy

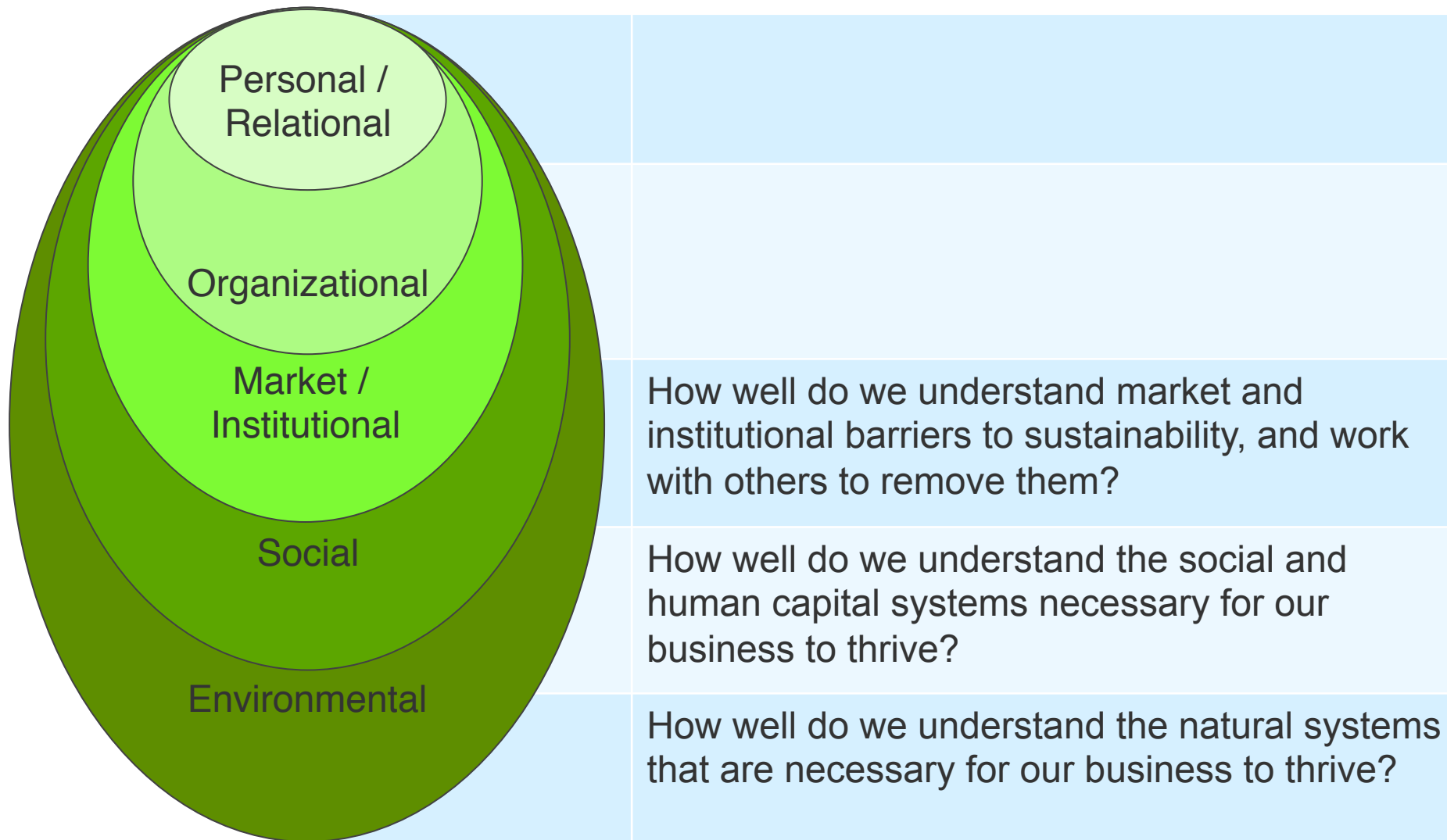


Sustainable human well-being



Source: Oxfam

Assessing Sustainability Strategy with PROMISE





FISHBANKS SIMULATION



Log out
Logged in as Atlantic 1

DASHBOARD

ANNUAL REPORT

FISHERY DATA

SHIP MARKET

AUCTION HISTORY

YEAR 1

Make decisions for current year



Buy

SELLER

NUMBER
OF SHIPS

RESERVE
PRICE (\$/SHIP)



Sell

No. of Ships:

0

Reserve Price:

Make offer

3

CURRENT
TOTAL FLEET

HARBOR

COAST

DEEP

| | |
|-------------------------------|-------|
| Ship Market Value (\$ / Ship) | 300 |
| Number of Ships (Ships) | 3 |
| Value of Ships (\$) | 900 |
| Bank Balance (\$) | 600 |
| Total Assets (\$) | 1,500 |

| | Harbor | Coast | Deep |
|--|--------|-------|------|
| Expected Catch per Ship (Fish / Year / Ship) | 0 | 15 | 25 |
| Price of Fish (\$ / Fish) | 20 | 20 | 20 |
| Expected Revenue per Ship (\$ / Year / Ship) | 0 | 300 | 500 |
| Operating Cost per Ship (\$ / Year / Ship) | 50 | 150 | 250 |
| Expected Profit per Ship (\$ / Year / Ship) | -50 | 150 | 250 |

SHIP
ALLOCATION

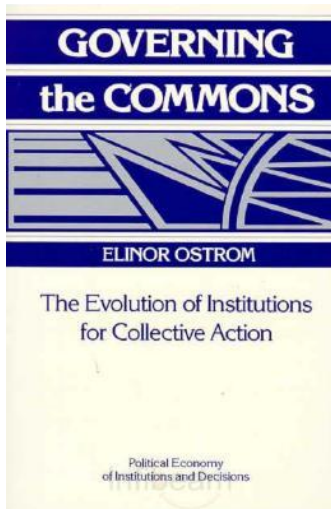
SHIP
ORDERS

Maximum Ship Orders: 2

No. of Ships: x 300 each

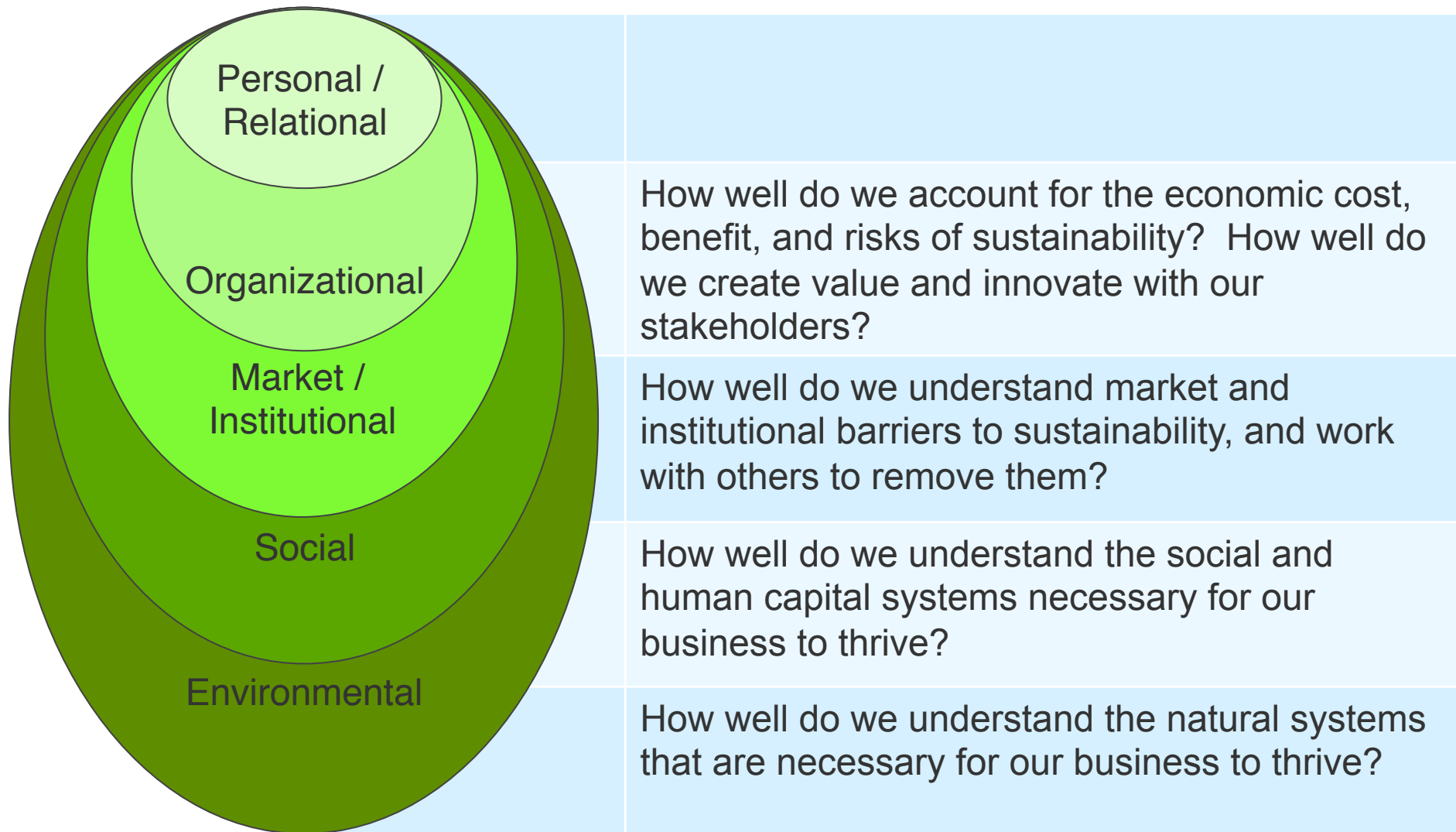
Total: \$0

Institutional design



Chicago Climate Exchange

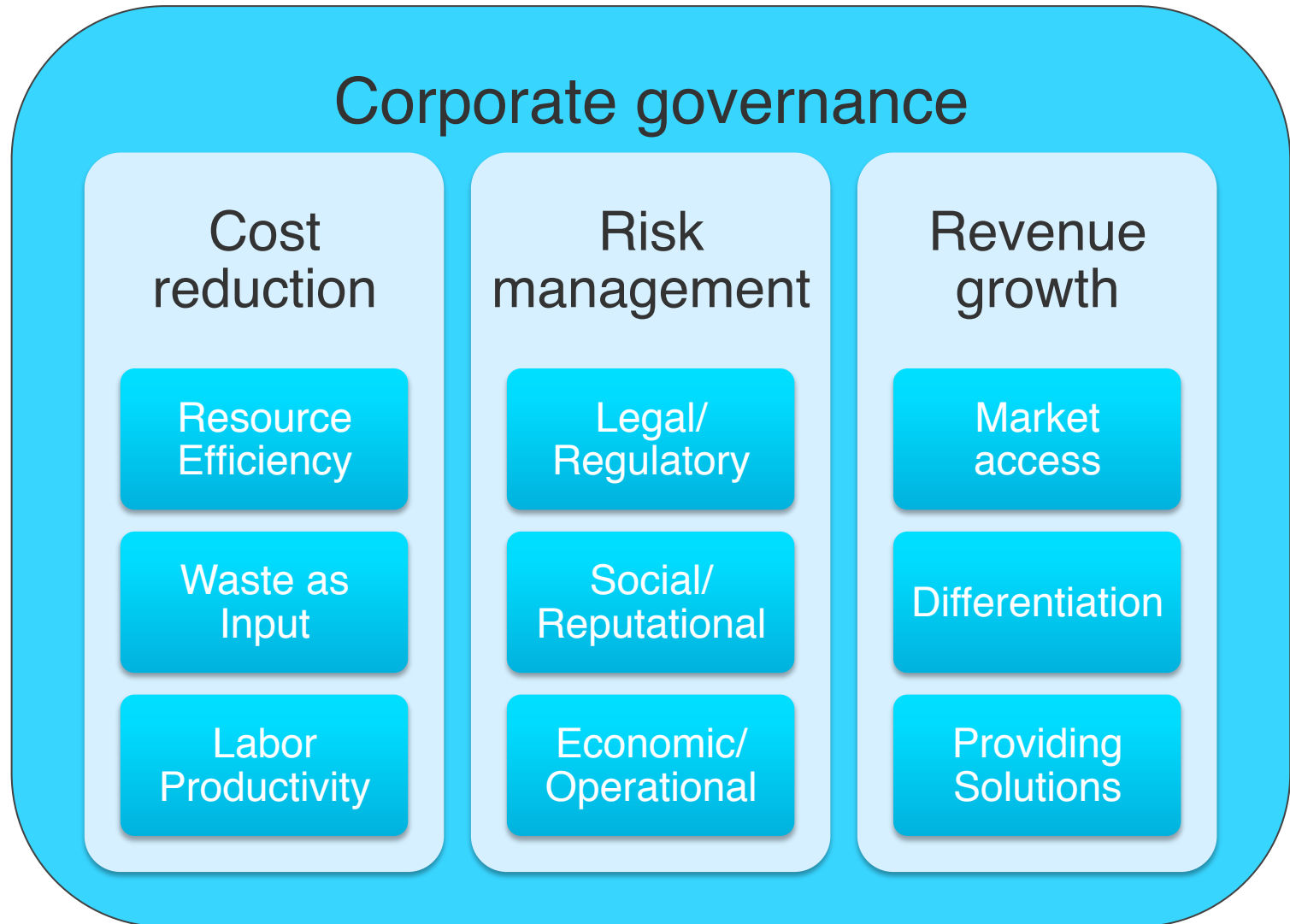
Assessing Sustainability Strategy with PROMISE



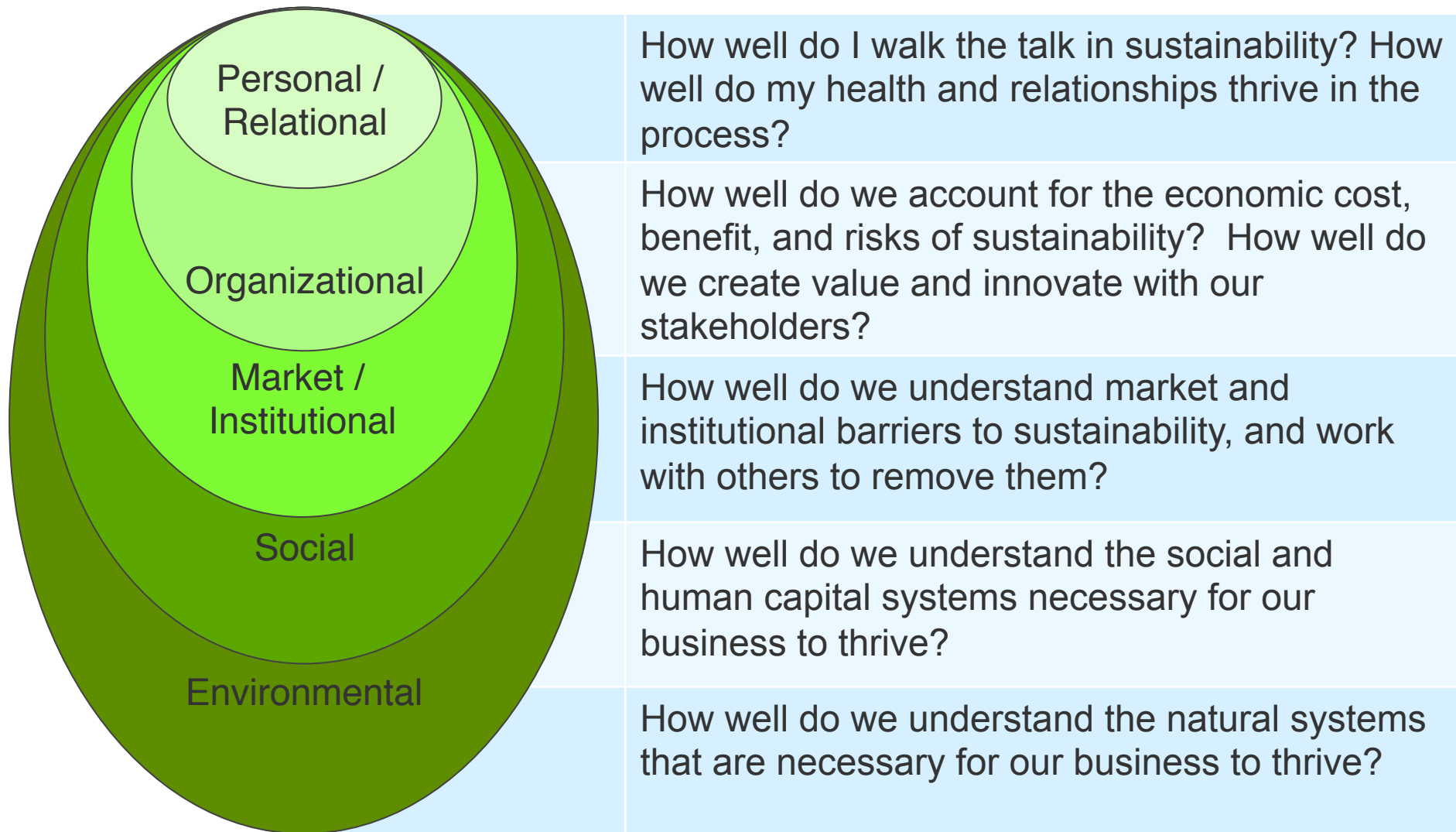
Cases we have explored



Valuing sustainability for the organization



Assessing Sustainability Strategy with PROMISE



Relational Pitfall - Holier than thou

I'M MORE
VIRTUOUS THAN
YOU BECAUSE I
RECYCLE.

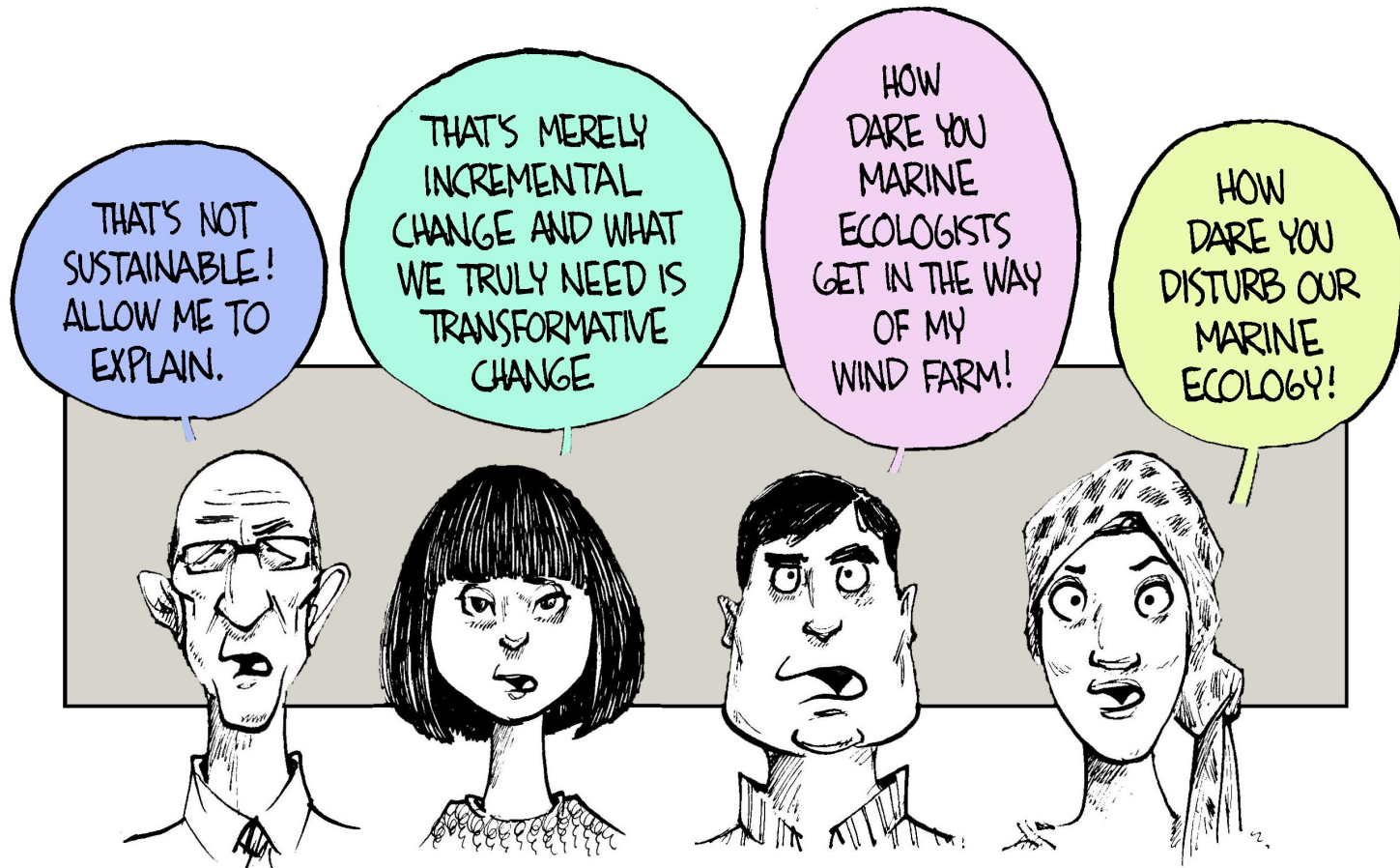
I SEE
MORE THAN YOU
BECAUSE I KNOW THE
SCIENCE. I SEE THINGS
FROM A SYSTEMS
PERSPECTIVE.

I KNOW
WHAT YOU WANT
BETTER THAN YOU DO
BECAUSE I READ PHILO-
SOPHY, POSITIVE PSYCHO-
LOGY, AND TAKE TIME
FOR SELF-REFLECTION
AND SEMINARS ABOUT
SELF-ACTUALIZATION.

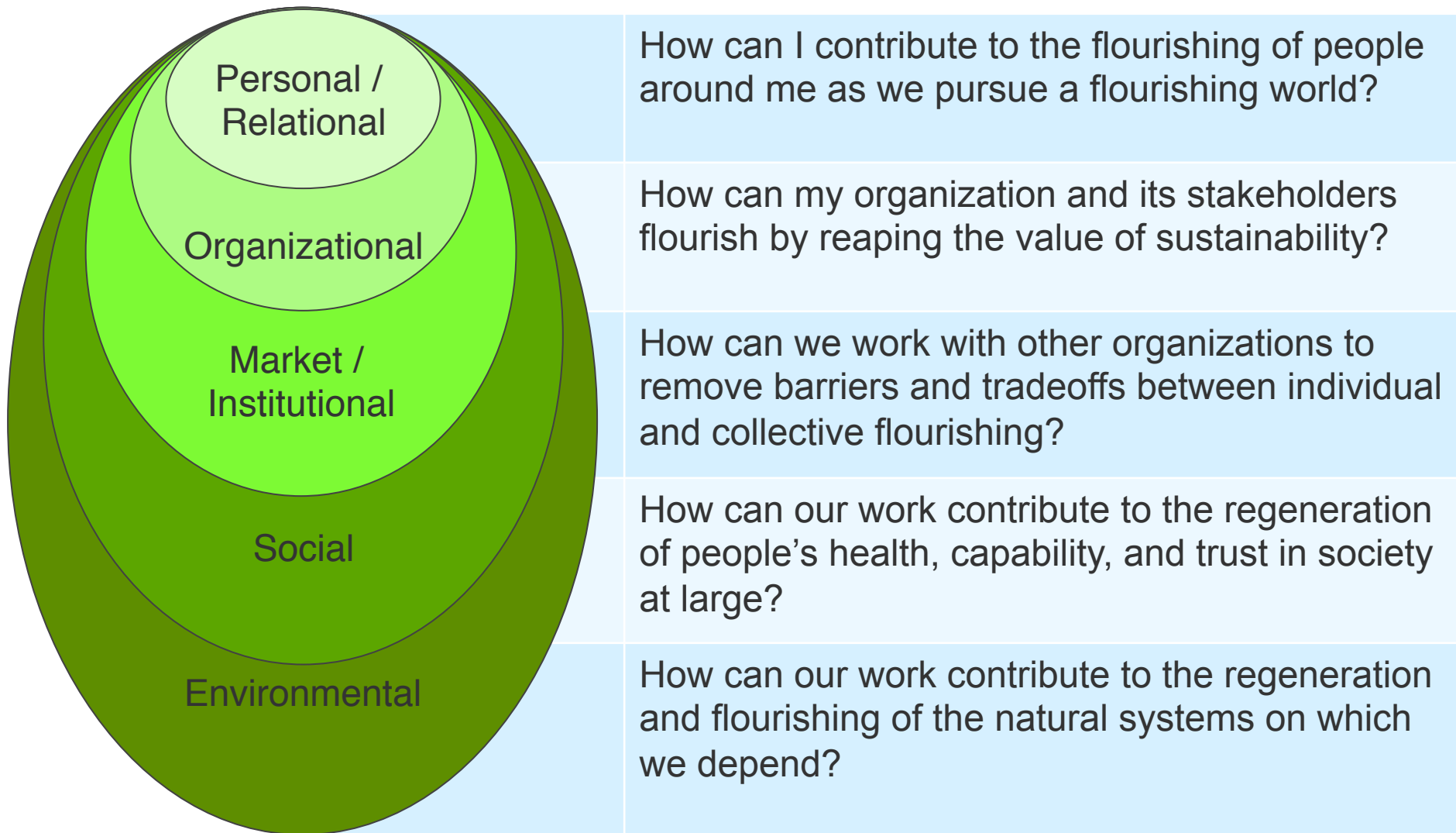
I AM NOT
EVEN GOING TO
HAVE THIS CONVERSATION
WITH YOU BECAUSE YOU
EITHER *DON'T* CARE TO
GET IT, *CAN'T* GET IT, OR
YOU GET IT AND *DISTORT*
THE TRUTH FOR YOUR
OWN MALEVOLENT
PURPOSES.



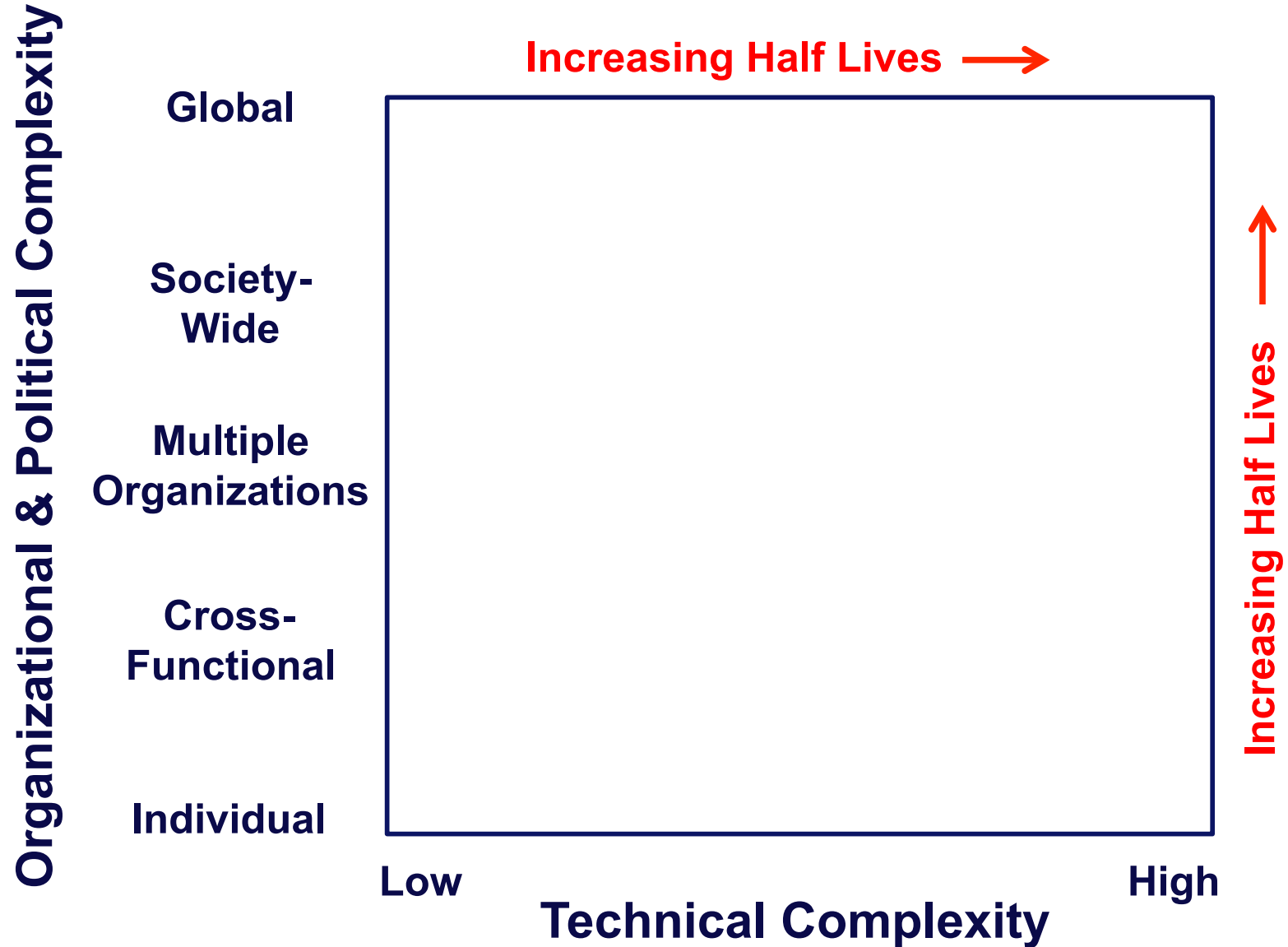
Relational Pitfall – I know what sustainability is...



Leading with PROMISE



Improvement Half-Life



Strategies for Sustainable Business

- Information and registration at <http://executive.mit.edu>
- **Certificate Track:** [Strategy and Innovation](#)
- **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