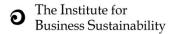
RespACT & AustrianStartups Circle 17 Matchmaking event Feb 27, 2020

# BECOMING A POSITIVE IMPACT COMPANY

Prof. Dr. Katrin Muff

Director, the Institute for Business Sustainability (www.theIBS.net)

Professor of Practice, LUISS Business School www.KatrinMuff.com



## THE POSITIVE IMPACT COMPANY

**Two predictors of success** 

Two shifts

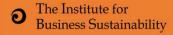
**One practice** 

The enlightened leader

The co-creative company







# Sli.do

What is a positive impact company?

A company that:

- A. Reduces its negative footprint
- B. Solves societal or environmnetal problems
- C. Reports on the SDGs
- D. Maximizes its profit
- E. Has a powerful philanthropic approach
- F. Optimizes its supply chain

Several answers are possible

## **THE BIG DISCONNECT**





More and more companies report that an increasing commitment to sustainability These good news are not reflected in studies monitoring the state of our world

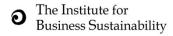




114%

of biocapacity

2012 156%

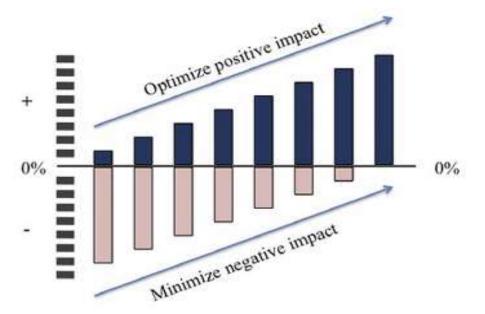




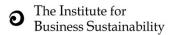
Nations and companies are announcing their NET ZERO targets

- Some by 2030
- Some by 2050 \*

\* BP in early February 2020



### .... Net Zero is NOT GOOD ENOUGH!



## **DEFINING THE POSITIVE IMPACT**

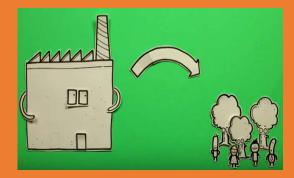
"Truly sustainable business shifts its perspective from seeking to minimize its negative impacts to understanding how it can create a significant positive impact in critical & relevant areas for society & the planet."

**Definition of "True Business Sustainability"** Dyllick & Muff 2016





### THE BIG PERSPECTIVE SHIFT



### **INSIDE-OUT**

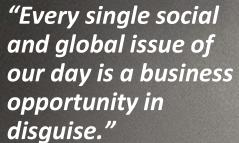
- Risks & opportunities for current business
- Materiality
- Reducing negative impacts



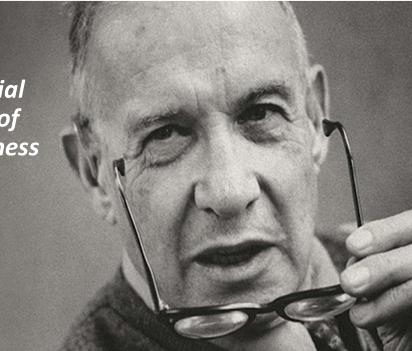
### **OUTSIDE-IN**

- New white-space opportunities
- Positive impact
- Focus on positive contributions





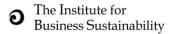
**Peter Drucker** 





# Billions of US\$ of new market opportunities

Business & Sustainable Development Commission: Better Business Better World Report



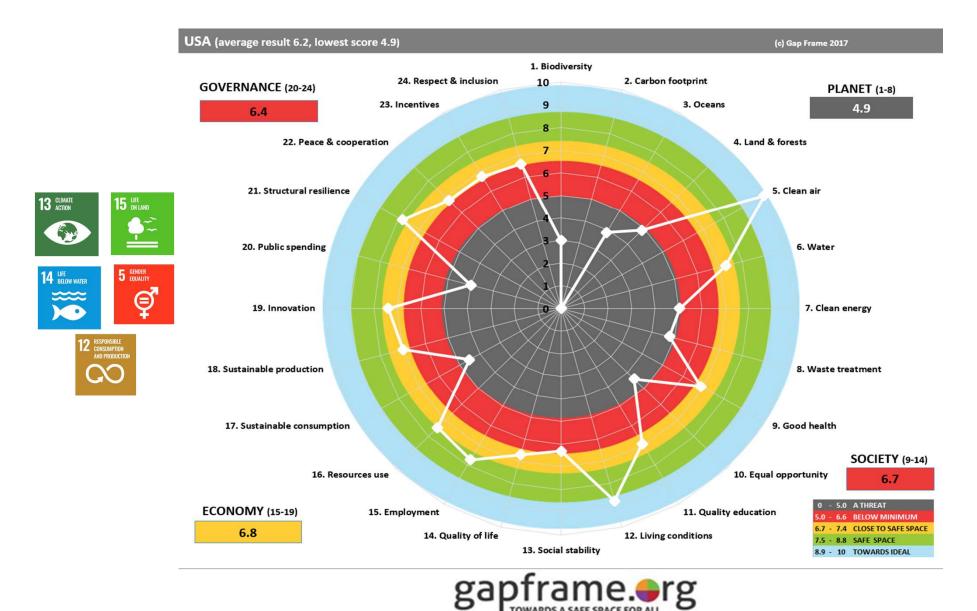
# Sli.do

What is the challenge to implement the SDGs in the coming decade?

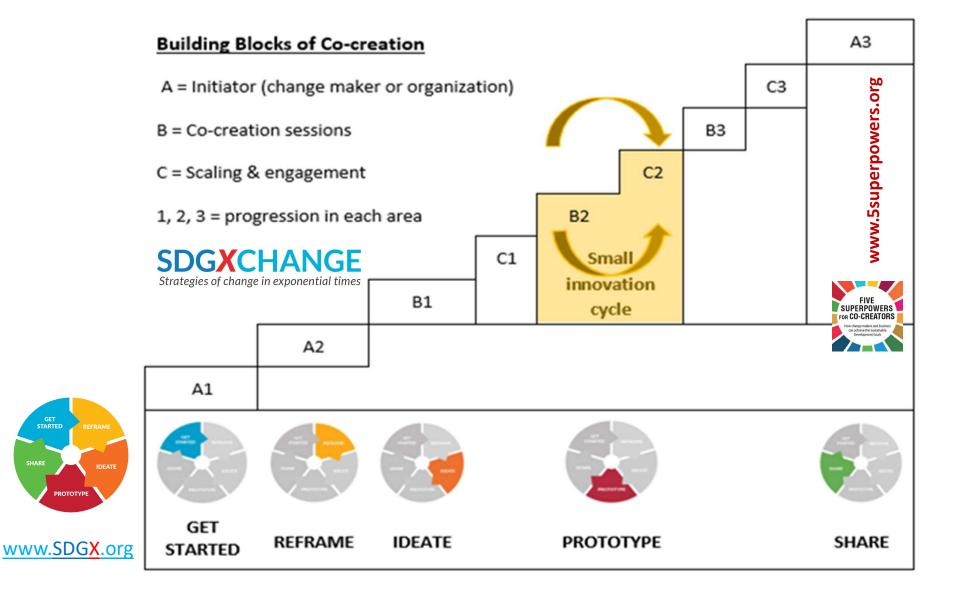
- 1. Understanding what the concrete opportunities are
- 2. Translating the opportunities into the business
- 3. Having a leader who «gets» it
- 4. Developing new business models in addition to current business

Only 1 answer possible

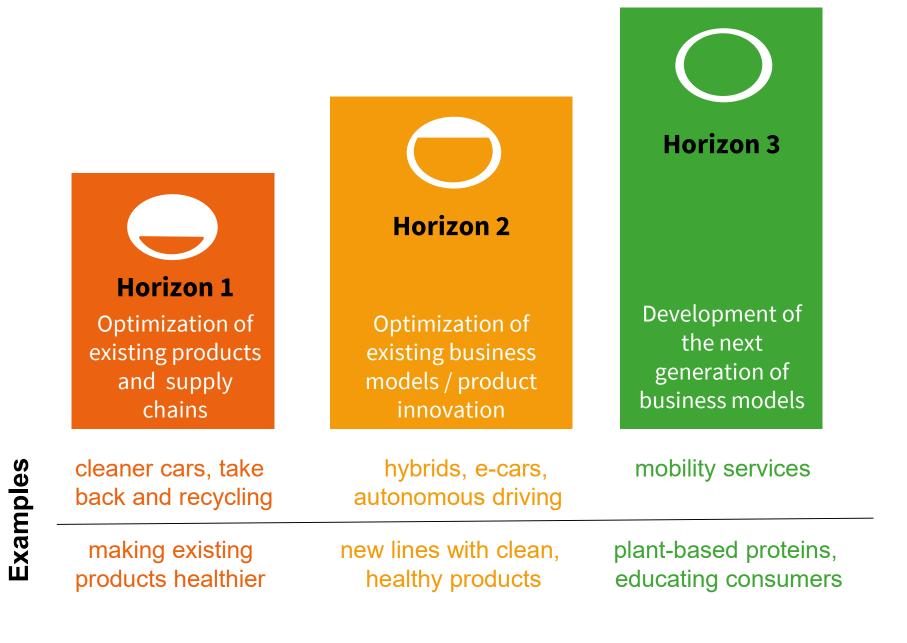
## **THE CHALLENGES ARE CLEAR**



### **THE INNOVATION PROCESS IS NEW**



### **THREE INNOVATION HORIZONS**



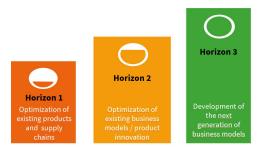
## **HORIZON ONE**

### **Optimization of existing products and supply chains**

**Interface:** Carpets from fishing nets



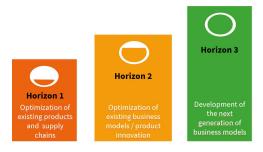
**IKEA:** Leasing office furniture to reduce waste





2. März 2020

## **HORIZON TWO**



### Optimization of existing business models / product innovation



Insect Technology Solutions for meat alternatives



2. März 2020

Lafarge Holcim: Affordable Housing with waste-enriched concrete

### **HORIZON THREE**

# Development of the next generation of business models

#### **Climeworks:**

Capturing CO<sub>2</sub> from the atmosphere to use as fertilizer, fuel or carbon dioxide

#### SV Group:

Significantly reducing CO2 footprint through positive reframing of chef cooks

#### **Further examples:**

Sustainability-Today.com

Horizon 2

Horizon 1

Horizon 3

TrueBusinessSustainability.org

# Sli.do

**Can traditional companies become Positive Impact Companies?** 

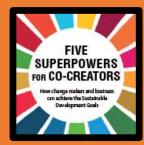
- 1. Yes, if they choose to
- 2. Maybe, but with some difficulty
- 3. Unlikely, particularly if stock-quoted
- 4. No, not in their interest

Only 1 answer possible

### **CREATING THE DOUBLE SHIFT**

### **One practice**

### **Two mindset shifts**



Outside-in co-creation

www.5superpowers.org

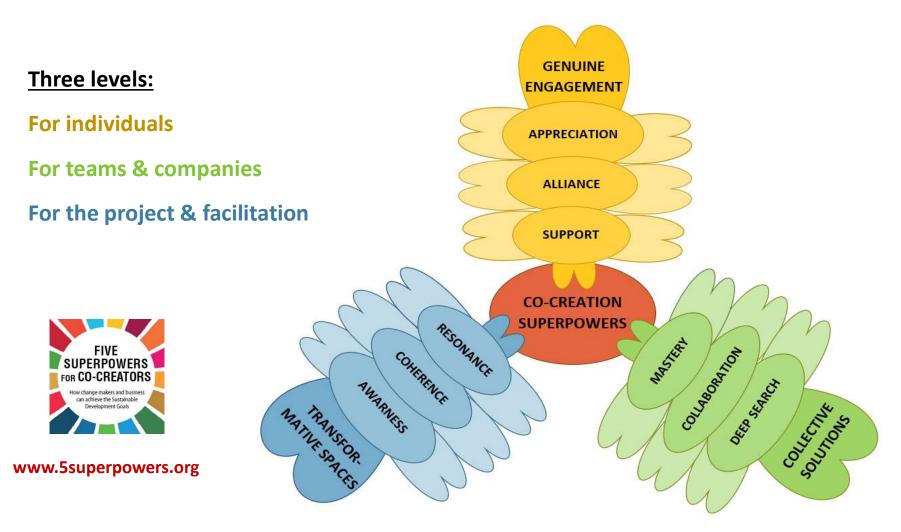


### The leader's mindset



### The company's mindset

## **CHALLENGES OF CO-CREATION**



# **MEASURING THE MINDSET SHIFT**

### Of the leader, the team, the company

Degree of mastery (columns) Competency dimensions (rows)	Knowing (Knowledge)	Doing (Skills)	Being (Attitudes)	% of max
Stakeholder relations	3	2	2	56
Ethics and values	2	3	2	58
Self-awareness	2	3	3	69
Systems understanding	4	1	2	54
Change and innovation	3	3	3	75
% of max	70	60	60	



CARL THE COMPETENCY ASSESSMENT FOR RESPONSIBLE LEADERSHIP

CARL score: 63

Free Online Test

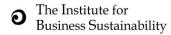
www.carl2030.org → take survey



## **PRACTICING CO-CREATION**



Collaboration is not about gluing together existing egos. It's about the ideas that never existed until after everybody entered the room.



### THE POSITIVE IMPACT COMPANY

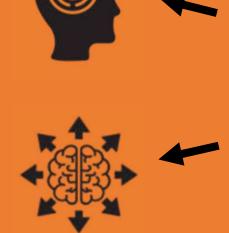
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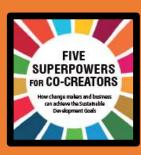
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**The enlightened leader** 

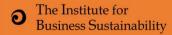
The co-creative company





Outside-in co-creation

www.5superpowers.org



### Literature and support material:

#### Articles:

- Katrin Muff, Agnieska Kapalka, Thomas Dyllick (2018): Moving the world into a safe space the GAPFRAME methodology. Ecological Indicator Journal (submitted, in review process) <u>http://gapframe.org/wpcontent/uploads/2017/07/GF-publication- Methodology.pdf</u>
- Katrin Muff (2017): SDGs as a chance to truly embed true sustainability into corporate strategy. SECO, June 2017 <a href="http://gapframe.org/sdgs-the-chance-to-embed-true-sustainability-into-corporate-strategy/">http://gapframe.org/sdgs-the-chance-to-embed-true-sustainability-into-corporate-strategy/</a>
- Katrin Muff, Agnieska Kapalka, Thomas Dyllick (2017): Translating the SDGs into relevant Grand Challenge issues for every nation and business to act on. International Journal of Management Education, Special Issue
- Katrin Muff (2017): How the Circle Model can purpose-orient entrepreneurial universities and business schools to truly serve society. Journal of Management Development. Vol 36-2, 146-162.
- Thomas Dyllick & Katrin Muff: Clarifying the Meaning of Sustainable Business: Introducing a Typology from Business-as-usual to True Sustainability. Organization & Environment, Vol. 29, No. 2, 2016, 156-174.
- Thomas Dyllick & Katrin Muff: What does sustainability for business really mean? And when is a business truly sustainable? In: Jeanrenaud, S., Gosling, J. & Jeanrenaud, J.P. (eds.). Sustainable Business: A One Planet Approach, Chichester: Wiley 2016, pp. 381-407.
- Katrin Muff (2016): The Collaboratory A Common Transformative Space for Individual, Organizational and Societal Transformation, JCC 2016 Vol 2, 91-108
- Katrin Muff (Ed.) (2014). The Collaboratory A Co-Creative Stakeholder Engagement Process for Solving Complex Problems. Sheffield: Greenleaf Publishing.

#### Videos / Minilecture:

- Translating the SDGs into business opportunities. A 17-min mini lecture by K. Muff: <u>https://youtu.be/fzLW\_6TgaRc</u>
- GAPFRAME animated: https://youtu.be/MNXhkv3-Ufl
- Paul Polman on the SDGs. Welcome Address to UNPRME Global Forum 2017: https://youtu.be/EhbcJlphKAI
- True Business Sustainability. Little Green Bags: (<u>https://www.youtube.com/watch?v=8rwjMc-Ziug</u>)

#### Katrin Muff, BSL: <u>katrin@katrinmuff.com</u>, Thomas Dyllick, U of St.Gallen: <u>thomas.dyllick@unisg.ch</u>

# THANK YOU

# Feel free to contact me for more info, examples & advice

Prof. Dr. Katrin Muff

#### @KatrinMuff on social media

Director, the Institute for Business Sustainability

(www.theIBS.net)

Professor of Practice, LUISS Business School

www.KatrinMuff.com

• The Institute for Business Sustainability