Contents

Acknowledgments ............................................................................................................ xv
Preface to the Second Edition .................................................................................... xvi
Preface .......................................................................................................................... xviii

Introduction .................................................................................................................... 1
  Sustainability Strategies Are Smart Business Strategies ........................................... 2
  The Premise .................................................................................................................. 4
Definitions, Terminology, and Frameworks ..................................................................... 6
  Definitions of a Sustainable Society ........................................................................... 8
  Snorkeling in the Terminology Swamp ..................................................................... 10
  Our Unsustainable Take-Make-Waste Business Model .............................................. 12
  Elephant #1 in the Board Room: Growth .................................................................... 14
  Elephant #2 in the Board Room: Overconsumption .................................................. 16
  A Sustainable Borrow-Use-Return Business Model .................................................. 18
  The Five-Stage Sustainability Journey to a Sustainable Enterprise ......................... 20
  Stages 4 and 5: Similar Behaviors, Different Motivations ......................................... 22
  The Four-Step Transformation from Stage 3 to Stage 4 ............................................. 24
The Need for a Relevant, Aligned Business Case ........................................................... 26
  Aligned with Existing Business Priorities .................................................................. 28
  Aligned with the Standard Value Chain Framework ................................................. 30
  Aligned with the Income Statement Framework ...................................................... 32
Possibilities for Two Typical Companies ....................................................................... 34

Benefit 1
Increased Revenue and Market Share ........................................................................... 37
  Revving-Up Revenue ................................................................................................. 38
  More B2C and B2B Revenue from a More Sustainable Brand .................................... 40
  New Revenue from New Green Products .................................................................... 42
  New Revenue from Services and Leasing .................................................................... 44
  Potential Top-Line Totals ............................................................................................ 46

Benefit 2
Reduced Energy Expenses ........................................................................................... 49
  The Lowest-Hanging Fruit ....................................................................................... 50
Saving Energy in Buildings: An Inside Job ........................................... 52
Computing Energy Savings in IT .......................................................... 54
Driving Energy Savings in Transportation .......................................... 56
Renewing Energy Savings with Substitutions ...................................... 58
The Secret Sauce of Eco-Efficiency Savings: Engaged Employees ....... 60
Potential Energy Expense Savings ...................................................... 62

BENEFIT 3
Reduced Waste Expenses .................................................................. 65
   In Bed with Embedded Waste .......................................................... 66
   The Four-Factor Formula for the Full Cost of Waste ......................... 68
   Company Efforts to Avoid Waste ..................................................... 70
   Bonus: Revenue from Selling Waste ................................................ 72
   Potential Waste Savings Help Build a Sustainability Capital Reserve ..... 74

BENEFIT 4
Reduced Materials and Water Expenses ............................................. 77
   Saving Natural Capital Saves Financial Capital .................................. 78
   Savings from Dematerialization ....................................................... 80
   Savings from Substitutions .............................................................. 82
   Savings from Recycling and Reusing Onsite Waste ......................... 84
   Savings from Product Take-Back/Closed-Loop Systems .................. 86
   Savings on Water ............................................................................. 88
   Savings on Consumables and Paper ................................................ 90
   Potential Materials Savings Help Build a Sustainability Capital Reserve 92

BENEFIT 5
Increased Employee Productivity ....................................................... 95
   Purpose Powers Performance .......................................................... 96
   Engagement Drives Business Results .............................................. 98
   Engagement Enables Productivity and Innovation ............................ 100
   CSR Programs Promote Productivity and Engagement .................... 102
   Volunteerism Vaults Employee Engagement and Productivity .......... 104
   Increased Productivity from Reduced Absenteeism ......................... 106
   Increased Productivity from More Telecommuting and Less Travel .... 108
   Increased Productivity from Green Buildings ................................... 110
   Increased Productivity and Innovation from Improved Collaboration ... 112
Increased Productivity and Innovation from Higher Engagement ............... 114
Potential Increased Employee Productivity and Innovation ....................... 116

**Benefit 6**
Reduced Hiring and Attrition Expenses .................................................. 119
The War for Talent Still Rages ................................................................. 120
A Sustainable Enterprise Is a Talent Magnet ............................................ 122
Paying the Price for Voluntary Turnover ............................................... 124

**Benefit 7**
Reduced Risks ......................................................................................... 127
Standard Two-Part Business Case .......................................................... 128
Four Categories of Risk ........................................................................... 130
Mitigating Strategic Risks That Could Erode Revenue ............................. 132
  Risk to Revenue from Poor Reputation on Energy and Carbon Management
  Risk to Revenue from Poor Reputation on Water Management ............... 134
  Risk to Revenue from Poor Reputation on Materials and Waste Management
  Risk to Revenue from Poor Reputations of Suppliers or Customers .......... 138
  Risk to Revenue from Poor Reputation on Ecosystem Damages ............... 140
  Risk to Revenue from Less Competitive Prices ................................. 144
  Risk to Revenue from Sudden Disruptions in the Value Chain ............. 146
Mitigating Operational Risk That Could Increase Expenses .................... 148
  Risk of Higher Cost of Energy ......................................................... 150
  Risk of a Price on Carbon .............................................................. 152
  Risk of Increased Cost of Waste ..................................................... 154
  Risk of Higher Cost of Water and Materials ..................................... 156
  Risk of Higher Cost of Capital ....................................................... 158
  Risk of Higher Voluntary Turnover and Lower Employee Productivity
Mitigating Compliance Risk ....................................................................... 162
Mitigating Financial/Stock Price Risk ...................................................... 164
Potential Burning Platform of Risks ......................................................... 166

Conclusion ............................................................................................. 169
Potential Bottom-Line Benefits for M&D Corp. ......................................... 170
Potential Bottom-Line Benefits for Sam’s Solutions ........................................... 172
What’s In It for Me (WII-FM)? ........................................................................ 174
What about the Costs? ...................................................................................... 176
Why the Business Case Is Hopeless ................................................................ 178
Why the Business Case Is the Perfect Path to the Tipping Point .................... 180

Notes ............................................................................................................... 183
Index .............................................................................................................. 193
About the Author ............................................................................................ 203