



Capture the value

Businesses that do not embed sustainability in their core will soon be left with no takers.

◆ STEPHEN KOZICKI, GORDIAN BUSINESS

that economic reforms adopted in the last few years are starting to bear fruit, and India's GDP is expected to reach \$5 trillion by 2025. "India is poised to remain as the fastest growing large economy in the world. In 2018, we expect India to grow at over 7.4%," he added.

Fast changes in the business environment would require those with clients in India too to be more agile in responding to the market. Those who are unprepared for these changes will experience lower revenue and lower profits.

Every year, at strategic planning meetings, executives present wonderful growth targets that bear little resemblance to their markets and competitive threats. Many secure resources for the next financial year and postpone tough decisions about changing priorities for growth. They are focused on succeeding in this job; so, caution reigns and they make growth wait. But to add real business value and grow, senior managers gain a competitive edge by using sustainability.

Sustainability initiatives add value – act now!

Quality initiatives like Six Sigma, lean, and agile mean companies now have similar products and services. Your competitive edge is not just the products and services; your edge is in how your top clients use your products and services to make them successful. Help your total business understand this clearly, and you will outperform your fiercest competitors.

Growing the business, market share, and your profitability is not an operational priority; it is a leadership priority. How can sustainability help you grow profitability? One way is to reduce the supplies needed to make your product or service. This can be less electricity, less water, or less of other raw materials, which translates to less cost.

Another way sustainability can help is: an increasing number of customers are looking to buy more sustainable products and services and looking for more sustainable suppliers. So, being sustainable can make a company more attractive to some. For example, customers like

Over the past three years, the world of business in India has changed dramatically owing to the increased digital disruption and a strong economy.

Livemint, in April 2018, reported the comments made in Washington, during the 97th meeting of the Development Committee of the World Bank, on the robust state and growth opportunities for the Indian economy. Economic Affairs Secretary Subhash Chandra Garg said on the occasion



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Tata Chemicals, whose vision is to be a sustainable company with deep customer insights and engaging relationships with all stakeholders in industrial chemicals, branded agri and consumer products. They proudly display their efforts in

sustainability on a separate website.

Using sustainability to grow profits is not just for product companies. Consulting company EY-India publishes a sustainability report too. Savings in supplies like electricity, water, and paper are sustainable. Sending digital documents is good for the environment, and they are more portable too.

One of their big contributions to greenhouse gases (and to their costs) is airline travel. Travel is a challenging item to reduce because clients expect to see consultants face to face. However, using high-quality video conferencing and other mobile technologies for some meetings with regular clients saves the planet and thereby reduces costs.

The standard of video conferencing keeps getting better. With systems like TelePresence, you can feel like you are just the other side of the

conference table; so close that you can reach over and shake hands.

EY-India also encourages sustainable suppliers because their procurement policy requires evaluating the impact of procurement decisions and encourages suppliers to support EY sustainability initiatives.

How can we be more sustainable?

A really good starting point for executives and directors is to buy a copy of the *Harvard Business Review* article, *A Road Map for Natural Capitalism*, by Lovins, Lovins, and Hawken, June 1999. It suggests 'natural capitalism' can help businesses properly value the inputs of natural capital and use this approach with teams, clients, and the broader community to gain a competitive edge.

The journey to natural capitalism is to have four major shifts in business practices, all vitally interlinked.

- Dramatically increase the productivity of natural resources
- Shift to biologically inspired production models
- Move to a solutions-based business model
- Reinvest in natural capital

A great example is Interface, a US-based manufacturer of commercial carpet tiles, who

uses materials and processes that take less from the environment. It is not only a great approach towards the planet, using natural capital; everyone in the organisation contributes ideas on sustainability initiatives. Their B2B and B2C clients have a clear buying choice that creates a competitive edge, one not based on price, but on sustainable practices.

Sustainable growth can be achieved by caring for the planet; it can create real and vibrant jobs for the many millions of jobseekers in India.

An ebook by Gary Peacock, *Delivering Sustainable Results*, can help in your journey with great ideas and tools you can apply to your business.

In the *World Employment and Social Outlook* (WESO) 2018, the International Labour Organization said India could witness the creation of more

than three million jobs if it adopts sustainable practices for a green economy. According to it, all sectors except the mining industry will experience an increase in employment, if environmentally sustainable means are adopted.

Over 1.5 million jobs are expected to be created in the renewable sector, 4.6 lakh jobs in construction and 2.8 lakh in the services

across the country, according to it. However, the transition to a green economy would also involve losing 2.59 lakh jobs, which pressed upon the need for policies to facilitate re-allocating workers and supporting the displaced workers.

The report added that the transition to a green economy in India will inevitably cause job losses in certain sectors as carbon, and resource-intensive industries are scaled down, but these will be more than offset by new job opportunities. Environmental sustainability is critical for jobs, it said, emphasising that 52% of the employed population in the country, including farming, fishing, and forestry, relies directly on the sustainability of a healthy environment.

Focus on sustainable growth – now

The bottom line for India and the world is that sustainable growth can be achieved by caring for the planet; it can create real and vibrant jobs for the many millions of jobseekers in India.

Time is running out because the global marketplace will be cruel to companies that continue to use the old industrial model, and do not create sustainable business models. **IM**



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