

LSE, 15 January 2013

THE ZERONAUTS

Breaking the Sustainability Barrier

V1

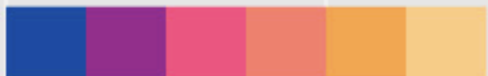
V2

V3

V4

V5

V6



‘We have to continually be jumping off cliffs and developing our wings on the way down.’

Kurt Vonnegut





7 billionth child: **Danica May Camacho** Manila, October 2011

[8 bn 2025, 9bn 2043]



1. Introduction
2. Agenda 2013
3. Bottom Lines vs. Shared Value
4. Social Innovation
5. Breakthrough Capitalism

1 INTRODUCTION

V1

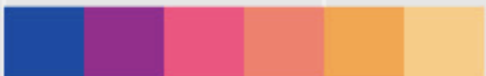
V2

V3

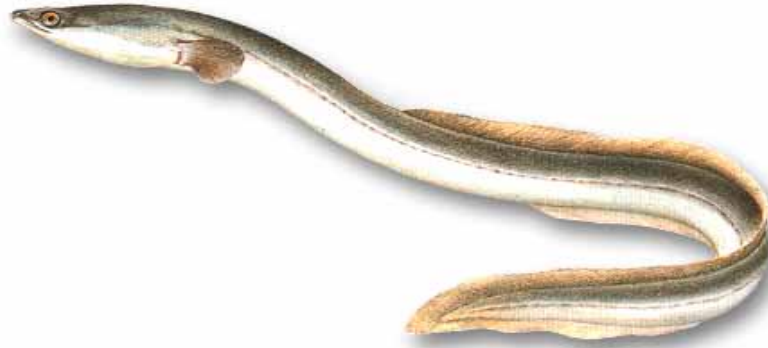
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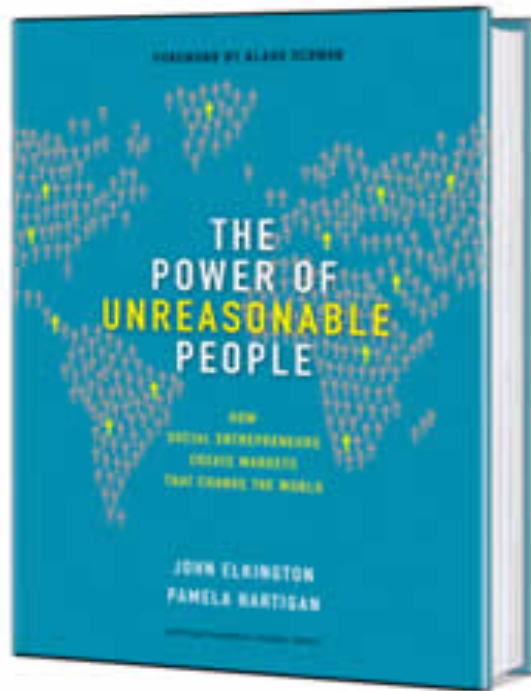
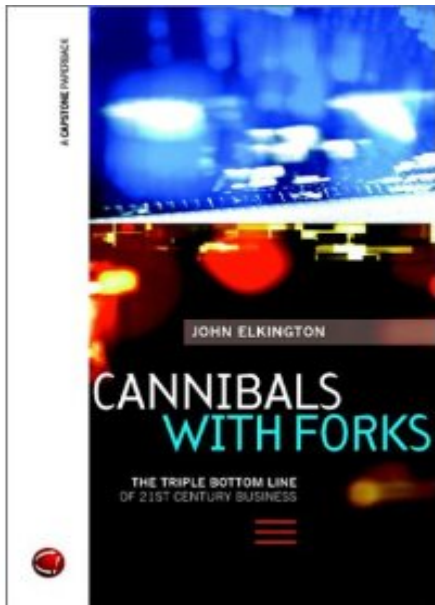


Passports, please



- **Starting point '61:** WWF
- **Co-founder:** ENDS ('78), SustainAbility ('87), Volans ('08)
- **Clients:** e.g. Allianz, Bayer, HP, IBM, Intel, Nestle, Nike ...
- **Advisory boards:** 20+, including media, NGOs, SEs, MNCs
- **Books:** 18—and counting
- **Visiting professorships:** Cranfield, Imperial College, UCL

From TBL to Zero – and Beyond



Changing Role of Corporations 1

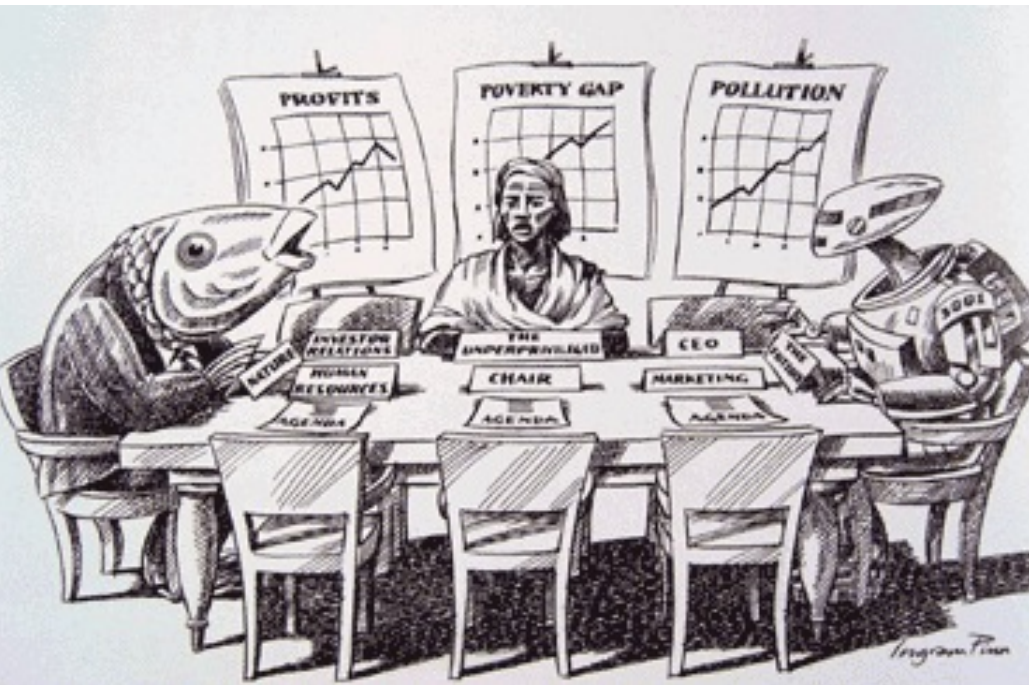


"UNDERLYING MOST ARGUMENTS
AGAINST THE FREE MARKET IS A LACK
OF BELIEF IN FREEDOM ITSELF"

Milton Friedman
b. July 31, 1912



The Global C-Suite



Changing Role of Corporations 2



2 AGENDA 2013

V1

V2

V3

V4

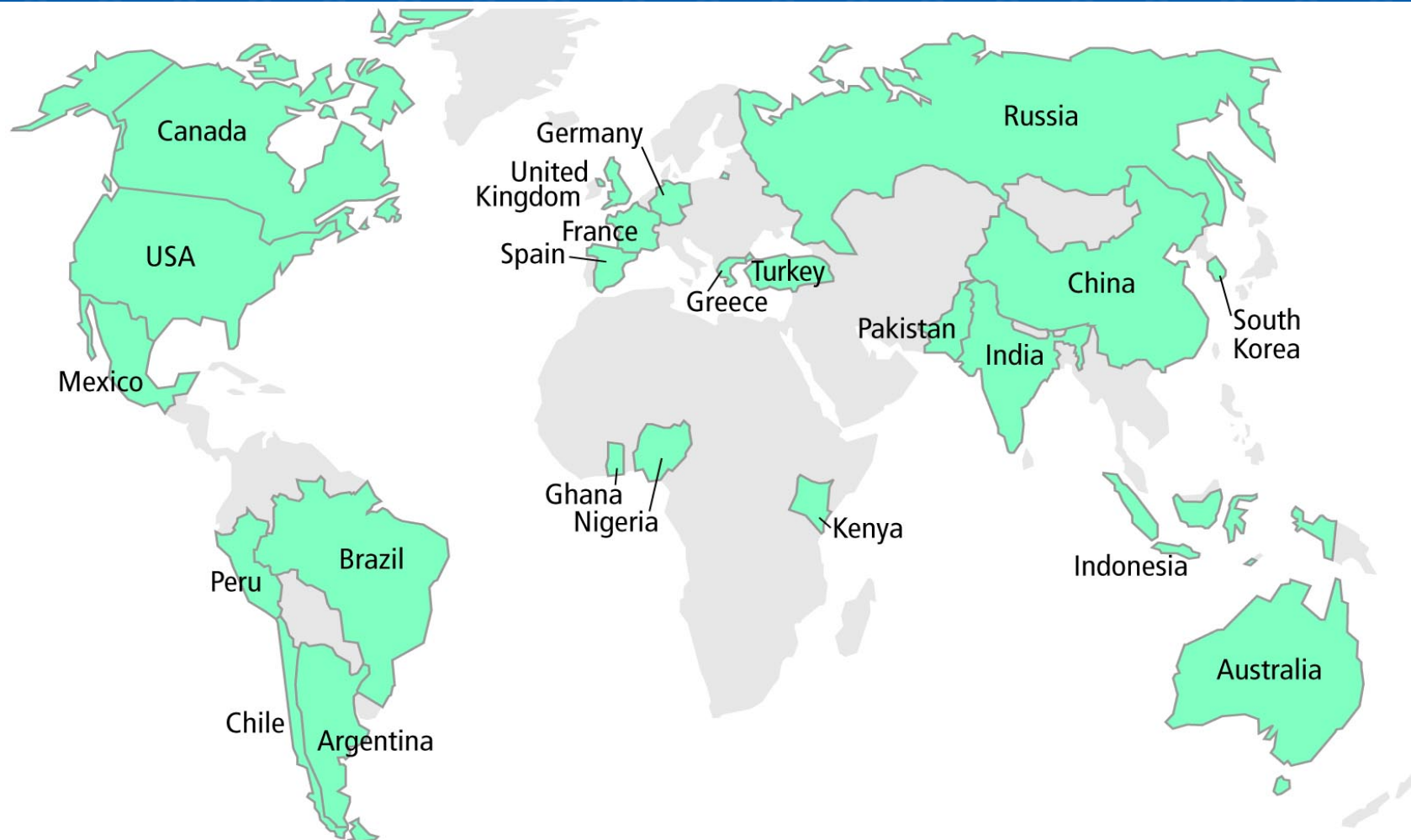
V5

V6





Map of participating countries



Representative samples of approximately 1,000 adults per country in 23 countries (n=24,441).
Some urban-only surveying in certain developing countries.
Face-to-face and telephone interviewing between December 2011 and February 2012.
All figures in the charts are expressed in percentages, unless otherwise noted.

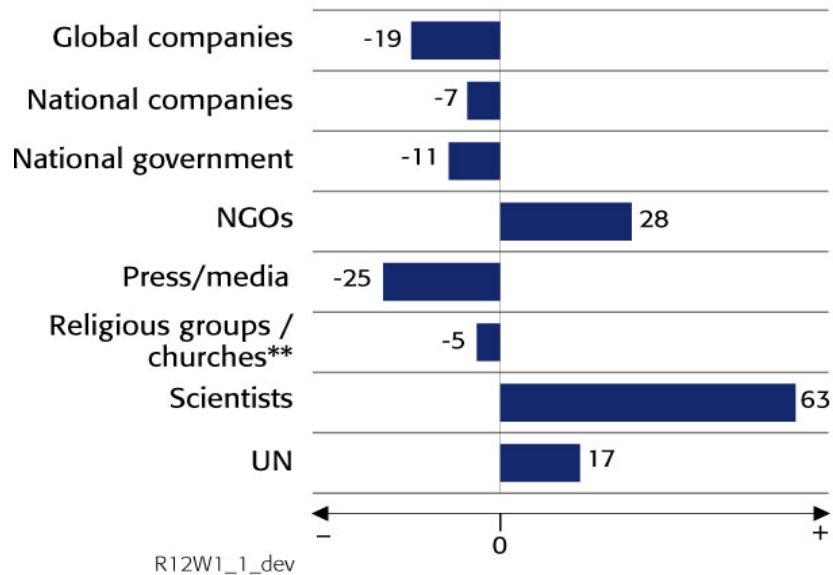


People in emerging economies are more trusting of most institutions than are those in industrialized economies, except for scientists

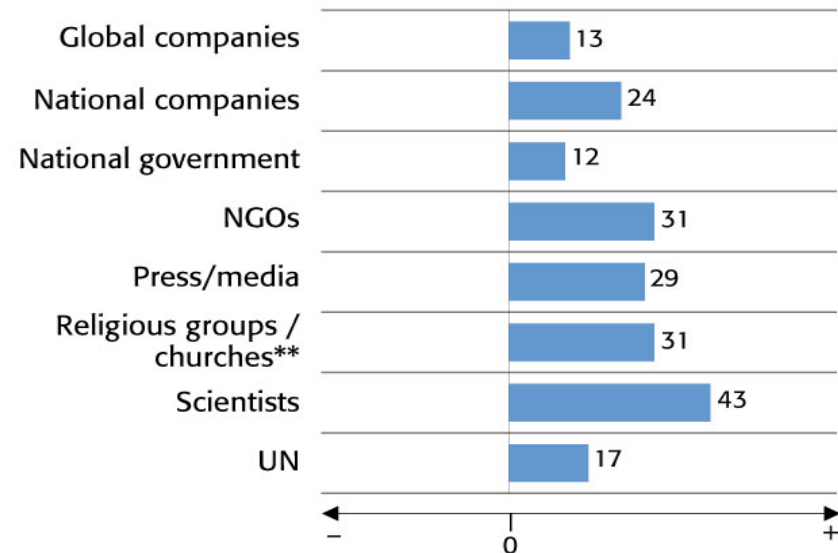
Net Trust* in Institutions

Industrialized vs Emerging Economies, 2012

Industrialized economies



Emerging economies



*Net trust equals "a great deal of trust" and "a fair amount of trust" minus "just a little trust" and "no trust at all."

**Not asked in Brazil, Greece, and Spain

Compared with people in industrialized economies, those in emerging economies are especially trusting of the media and the private sector.

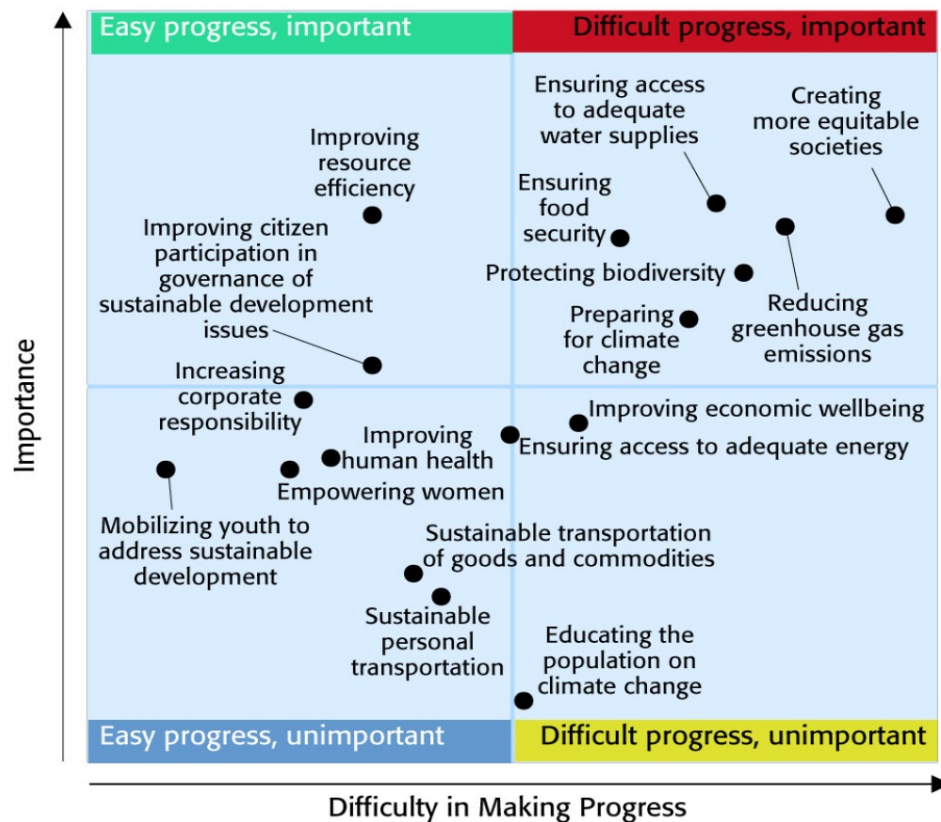


Short-term focus should be on resource efficiency and citizen engagement; adaptation could be the most pragmatic approach to climate change

Global Expert Opinion

Importance vs Difficulty in Making Progress on Sustainability Issues

Sustainability Experts, 2012



Experts believe that only two actions, improving resource efficiency and citizen participation in SD governance, are both relatively easy and important to do, underscoring the magnitude of current challenges. Increasing corporate responsibility is thought to be an easy but slightly less important initiative. Ensuring food security and access to water are considered very important, but experts contemplate some difficulty in making progress on both. Addressing climate change is seen as difficult regardless of the approach. Adaptation is considered slightly less important than mitigation but could be less difficult.

World Economic Forum: **Global Risks 2013**



- Top two risks:
 - wealth gaps/severe income disparities
 - unsustainable government debt/chronic fiscal imbalances
- Third most likely risk:
 - rising greenhouse gas emissions
- Urgent socioeconomic risks “derailing” efforts to tackle climate
- Pandemic risks, “digital wildfires”

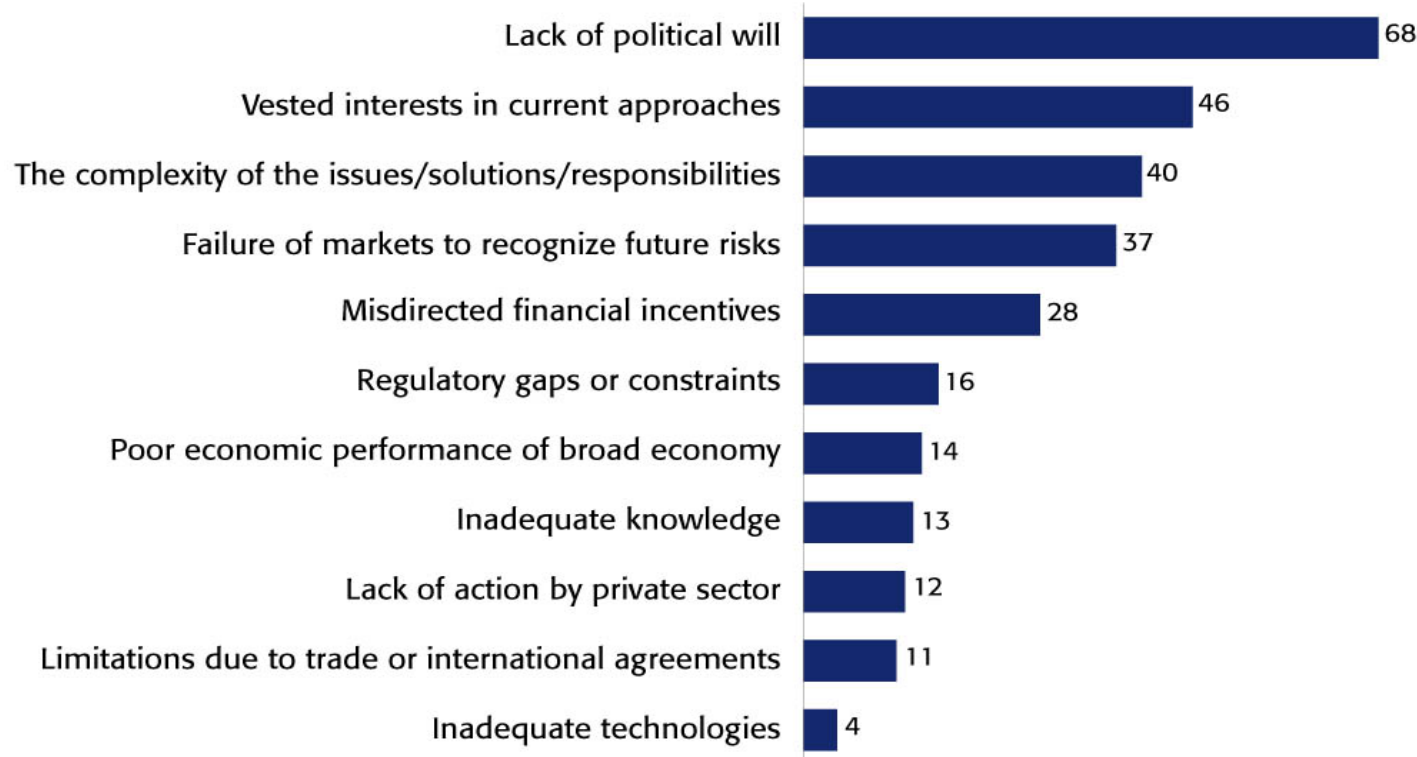


Lack of political will is identified as the most significant barrier to progress on SD. Vested interests and related factors are also important

Global Expert Opinion

Barriers to Progress on Agenda 21

Sustainability Experts, 2012



Lack of political will is, by far, the biggest barrier to progress on Agenda 21. Vested interests in the status quo and related factors such as misdirected financial incentives and lack of private sector action are also seen as important. Experts acknowledge that complexity is an issue but not when it comes to having adequate knowledge or technologies. The corporate sector is more inclined than others to blame the poor economy.



RIO+20
United Nations
Conference on
Sustainable
Development



1. **Outcomes:** Weak
2. **Leadership:** Business, e.g. Bakker, Polman, Sukhdev, Zeitz
3. **Agreed:** From MDGs (focused on poverty, lapse 2015) to Sustainable Development Goals
4. **Focus:** Economic, social, environmental, [governance]

3 BOTTOM LINES vs. SHARED VALUE?

V1

V2

V3

V4

V5

V6



Bottom lines



Case: Novo Nordisk



Millions of people have diabetes—but only one of them is you.
Click the description that best matches you to get started:



**20 YEARS IN THE BUSINESS
OF SUSTAINABILITY**

changing
diabetes



Shared Value: Is Win-Win Enough?



- **Sustainability** not same as ‘CSR’, or ‘CSV’
- 78% of 1600 experts: **system must change** for significant progress towards sustainability
- **Intergenerational task** of winding down obsolete economic and business models—and creating new ones fit for C21

4 SOCIAL INNOVATION

V1

V2

V3

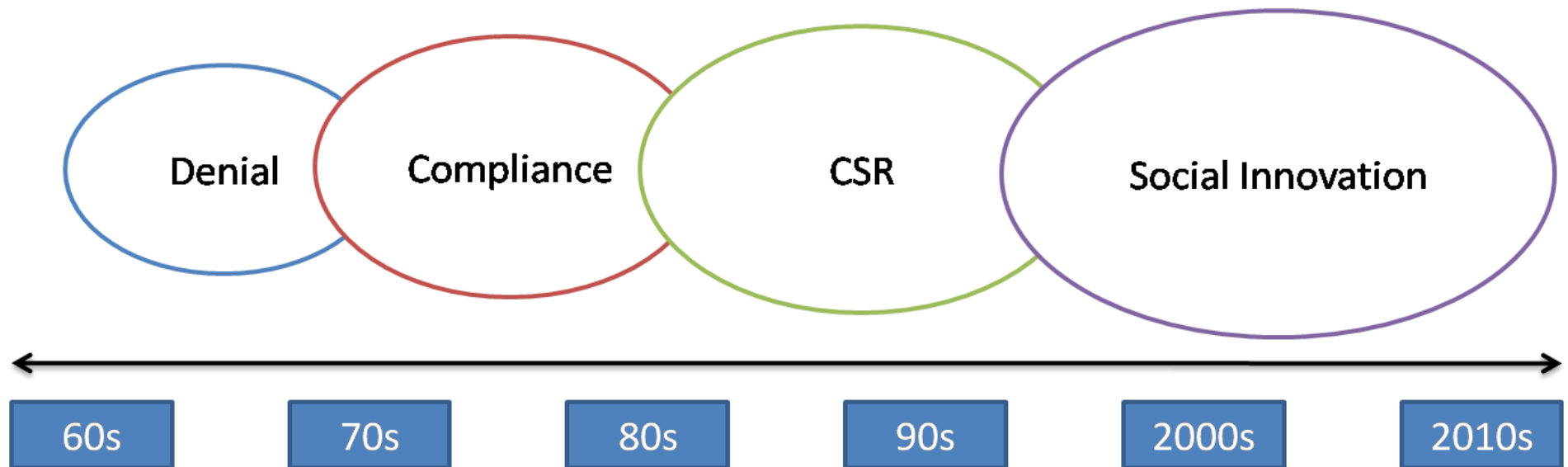
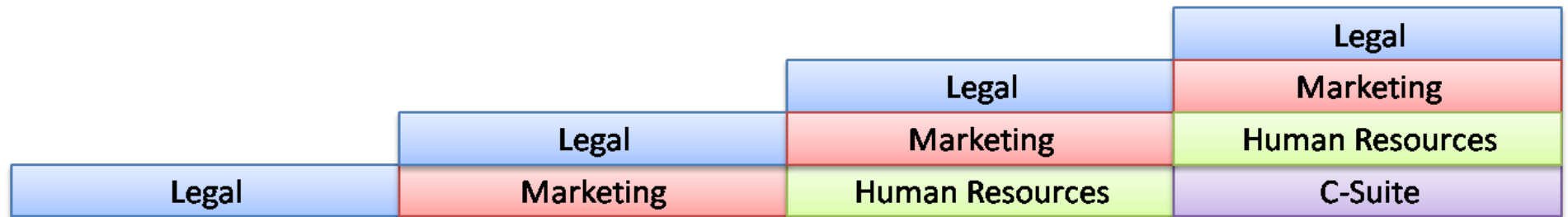
V4

V5

V6



From Denial to **Social Innovation**



Sustainability Chasm



The Future Quotient 50 Stars in Seriously Long-Term Innovation

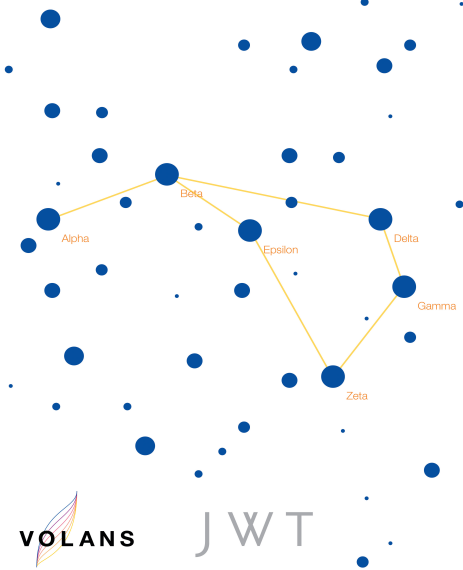
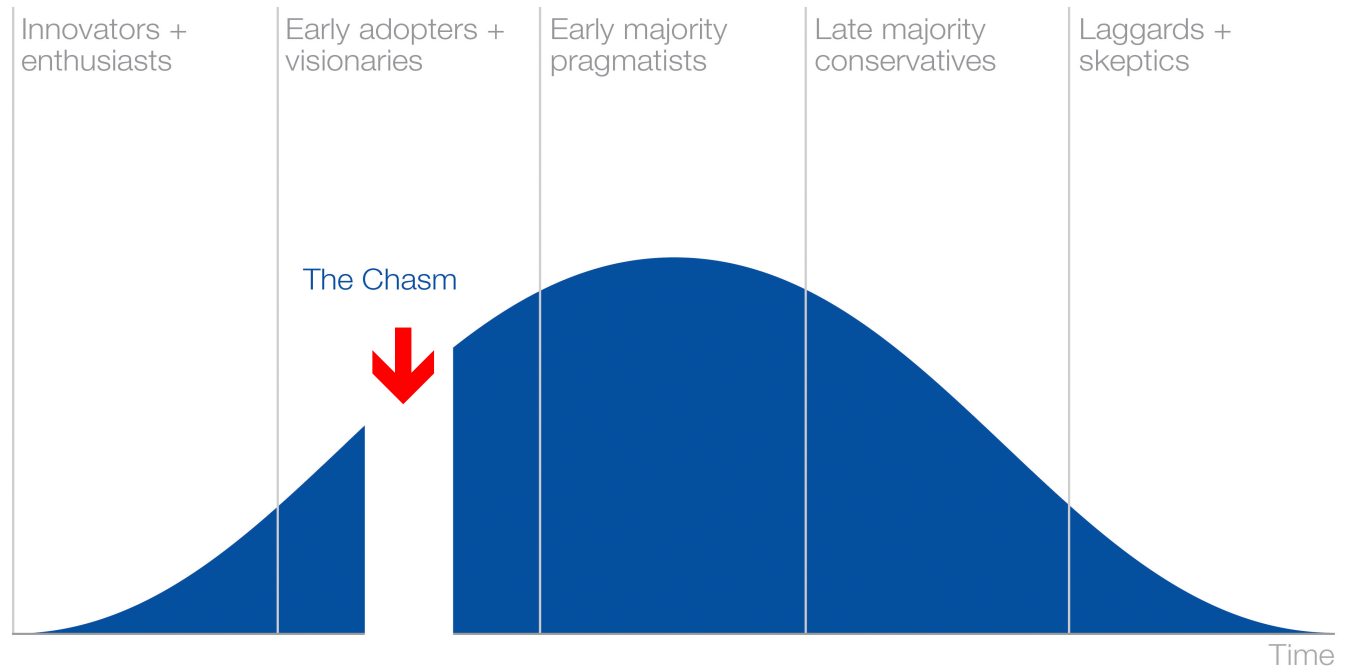


Figure 0.1
Make or break⁸
Adoption Lifecycle

Source: Geoffrey Moore, *Crossing the Chasm: Marketing and Selling Technology Products to Mainstream Customers*, Capstone, 1998.

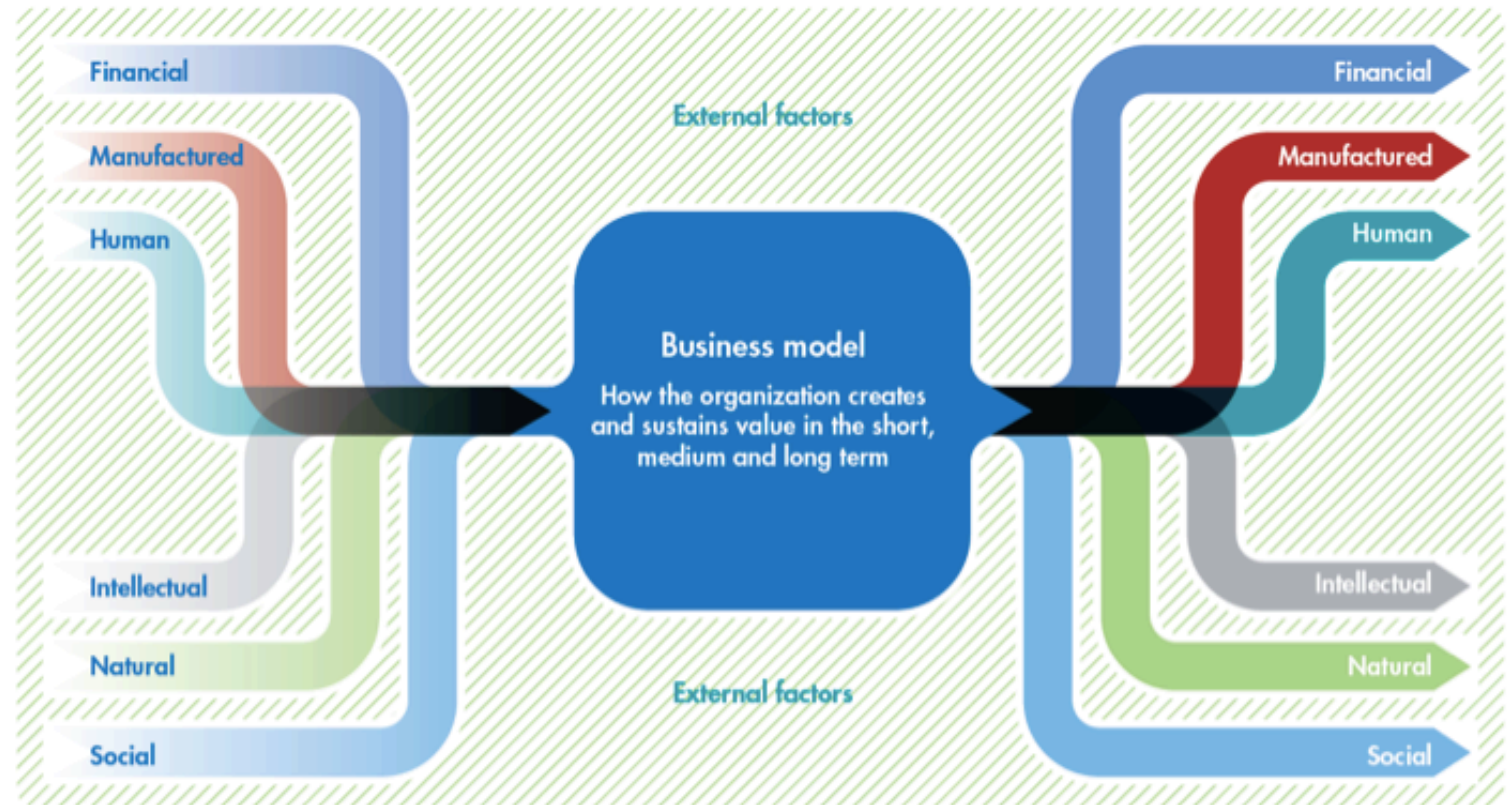


5 dimensions of **FQ**



	Today	>	Tomorrow
Change	Incremental	>	Systemic
Scope	Narrower	>	Wider
Analysis	Shallower	>	Deeper
Ambition	Lower	>	Higher
Timescale	Shorter	>	Longer

Integrated Reporting: '6-D' Capitalism



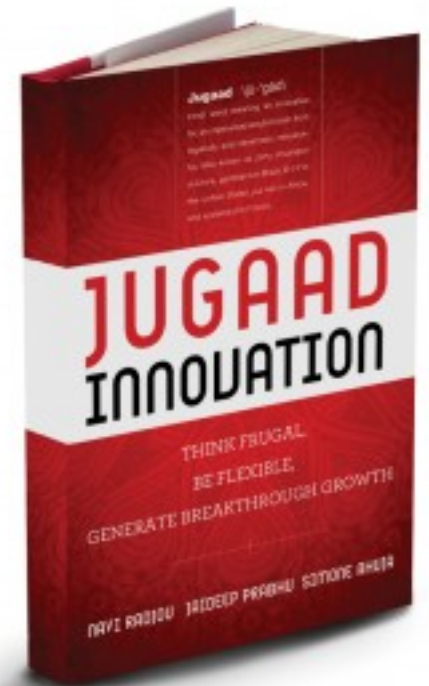
Vijay Govindarajan
Chris Trimble

REVERSERS INNOVATION

CREATE FAR
FROM HOME,
WIN
EVERYWHERE

Foreword by
Indra K. Nooyi
CHAIRMAN AND CEO, PEPSICO INC.

HARVARD BUSINESS REVIEW PRESS



**WHAT
IS OUR
ONE
DEMAND?**



**#OCCUPYWALLSTREET
SEPTEMBER 17TH.
BRING TENT.**



CAPITALISM

Breakthrough Capitalism



ECONOMIC
PROGRESS, IN
CAPITALIST SOCIETY,
MEANS **TURMOIL**

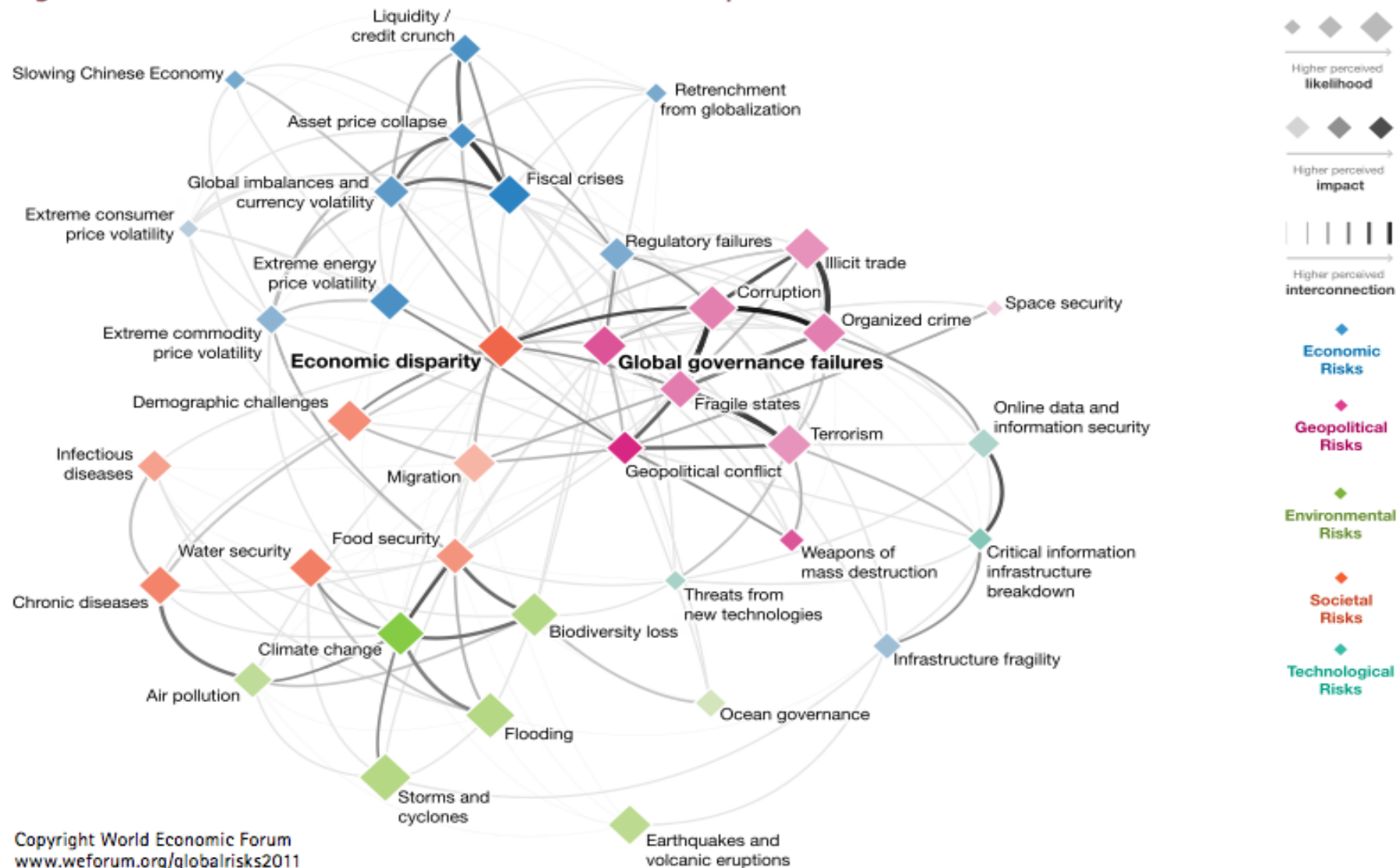
JOSEPH A. SCHUMPETER

CAN BREAKTHROUGH
CAPITALISTS DRIVE
CREATIVE DESTRUCTION?



WEF: Everything's Connected

Figure 1: World Economic Forum: Risks Interconnection Map 2011



Cut Through With **Zero**



Zeronauts: Interface's **Mission Zero**



One Earth.
**ZERO
FOOTPRINT.**



Breakthrough: **RØADMAP** to Zero



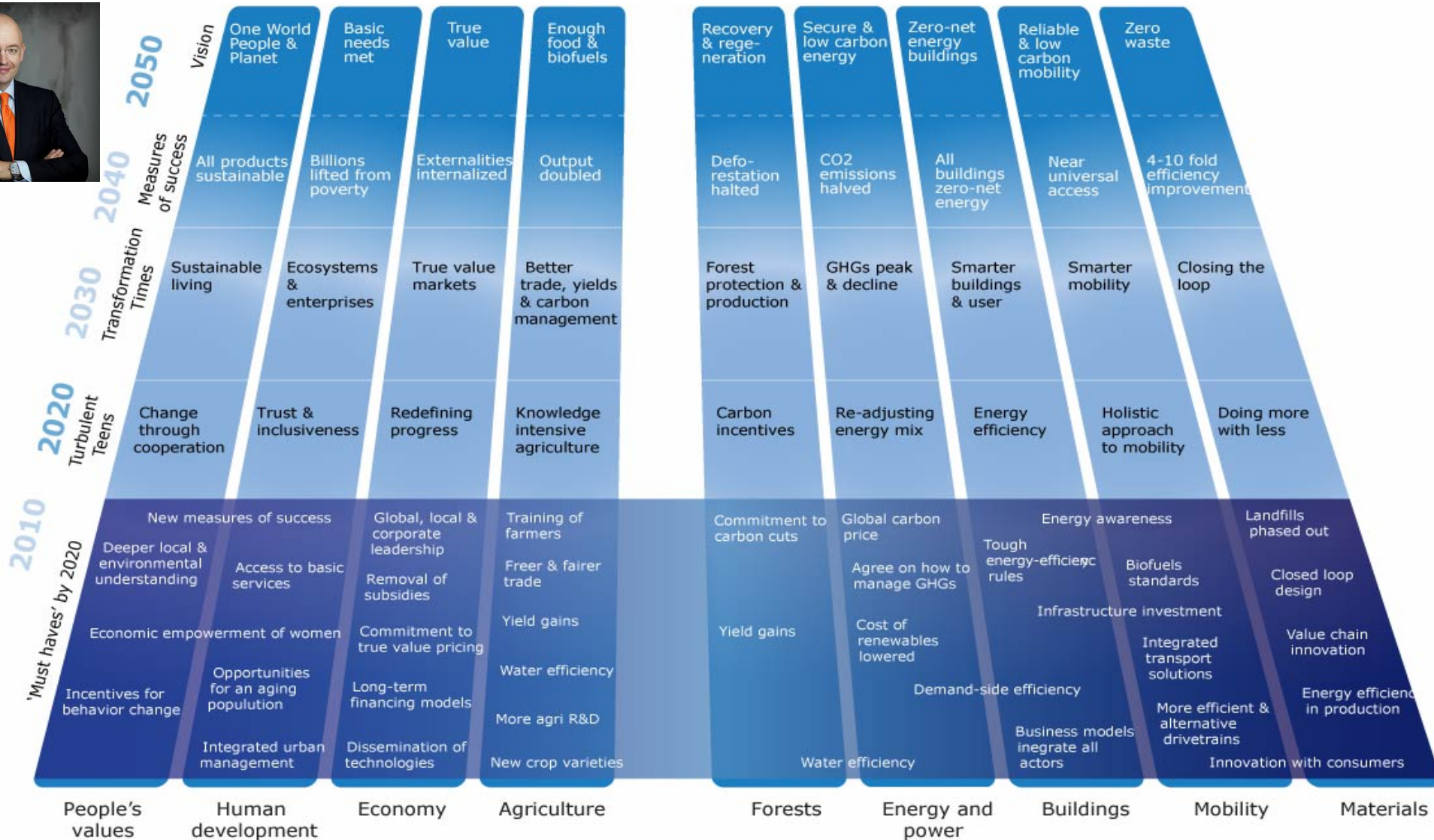
- **Driver:** Greenpeace International 'Detox' campaign
- **Brands:** adidas, G-Star, Levi Strauss, Li-Ning, Nike and PUMA, plus retailers C&A and H&M
- **Moderation:** Forum for the Future, SustainAbility, Volans
- **Roadmap:** Zero Discharges of Hazardous Chemicals by 2020

2012 Zeronauts Symposium



WBCSD's Vision 2050

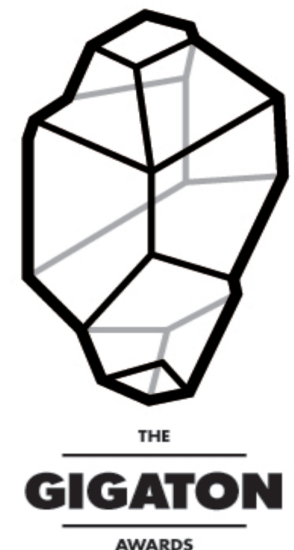
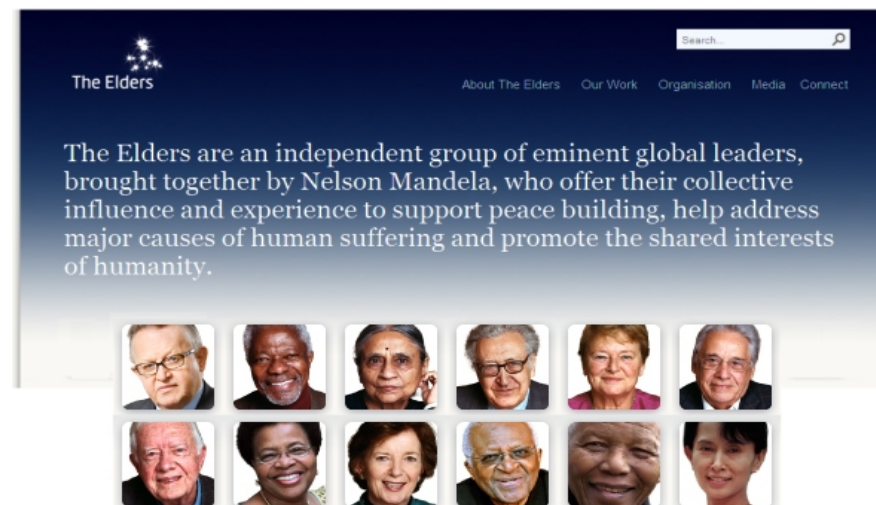
Planetary
Boundaries



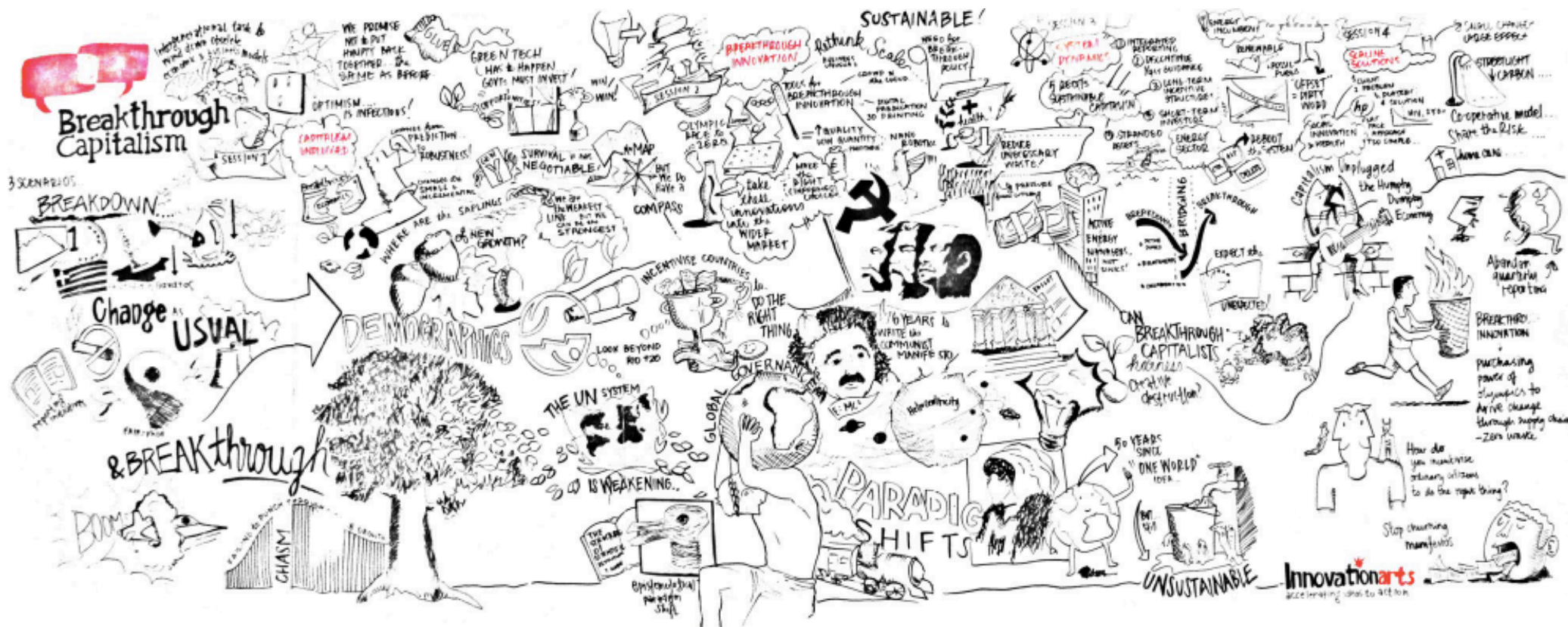
Breaking the **Sustainability** Barrier



Business Revolutionaries? The B Team



Breakthrough 2013



- Breakthrough Report, with Generation, Tellus Mater
- Forums (Berlin, Toronto ...)
- Labs

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