How to advance sustainable innovation in companies through a maturity-based approach

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Integrating sustainability

– Businesses have come a long way

... but still have a long way to go

- All leading companies have a **corporate sustainability strategy**

[Image: Most Important Leadership Challenges, 2011–2014 (% of total mentions)]

... but integrating sustainability into operations and practices still remains a major challenge.
Integrating sustainability – Businesses have come a long way … but still have a long way to go

• Many companies have applied **LCA and ecodesign** in projects

\[ \text{Product portfolio} \]

\[ \text{Ecodesigned product} \]

• … but often only as pilot projects – sustainability issues are rarely considered systematically in product development.
Integrating sustainability
– *Businesses have come a long way* ... *but still have a long way to go*

- There is no lack of **sustainability approaches, methods and tools**

- ... but often these are applied without a **good understanding of the organisation and its processes** and whether they are **fit for purpose**.
Integrating sustainability
– Businesses have come a long way

- Companies have demonstrated multiple benefits for integrating sustainability such as better regulatory management, reduced costs, increased value proposition and brand enhancement

- ... but still find it increasingly difficult to build a business case, get management commitment and engage stakeholders.

[Difference between ‘walkers’ and ‘talkers’
Sustainability’s Next Frontier
Boston Consulting Group 2013 Sustainability and Global Executive Study and Research Project]
Sustainability Maturity Approach

- Based on the consolidation and mapping of state-of-the-art best practices for sustainability integration into business, product development and related processes.
- The maturity approach is the result of over 10 years of research from the Technical University of Denmark (DTU).
- Covering over 800 concepts, best practices and tools related to sustainability in companies, we know which ones are the most effective to apply to a company’s specific context.

By assessing the capability of essential management practices, it is possible to systematically integrate sustainability in companies.
How to integrate sustainability effectively

- **Knowing what to do, in which order**
  - Identification of relevant management practices related to product development and related business processes, e.g.
    - Formulate the company environmental policy
    - Collect information about environmental regulations
    - Evaluate the environmental performance of products during development
    - Search for value proposition opportunities throughout the entire product life cycle
    - Communicate the environmental performance and benefits

- **Knowing what tool or technique to use when**
  - Mapping of sustainability tools and techniques in relation to:
    - Purpose
    - Type of tool / technique
    - Type of input data
    - Type of output data
    - Life cycle perspective
    - Environmental aspects
    - Level of development
    - Time required to use
    - Knowledge required to use
    - Application and acquisition costs
1. Sustainability Maturity - Diagnosis

- By assessing an organization’s maturity profile - based on relevant management practices - strengths and improvement opportunities are identified.

<table>
<thead>
<tr>
<th>Capability Level</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>5 - Continuous improvement</td>
<td></td>
</tr>
<tr>
<td>4 - Monitored</td>
<td></td>
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<tr>
<td>3 - Formalized</td>
<td></td>
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<tr>
<td>2 - Ad Hoc</td>
<td></td>
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<tr>
<td>1 - Incomplete</td>
<td></td>
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</tbody>
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- **Communicate the env. performance and benefits**
  - Capability level 1 - the management practice is not applied or is applied incompletely

- **Collect information about environmental regulations**
  - Capability level 4 - the management practice is regularly measured and monitored

- **Search for value proposition opportunities throughout the entire product life cycle**
  - Capability level 2 - the management practice is applied in an ad hoc way

- **Evaluate the env. performance of products during development**
  - Capability level 3 - the management practice is documented and formalized

- **Formulate the company environmental policy**
  - Capability level 5 - the management practice is continuously improved
2. Sustainability Maturity - Vision

- The **vision for enhanced sustainability maturity** is co-created according to a company’s **specific strategic drivers** (e.g. compliance, alignment with sustainability strategy and objectives, circular economy, innovation etc.).
3. Sustainability Maturity - Action

- **Strategic roadmaps and actions plans** are deployed based on the **gap needed to reach the company’s objectives** and our body of knowledge with +800 different concepts, tools and approaches for sustainable innovation.
Sustainability Maturity Approach

Phase I
1. Diagnosis of the current maturity profile
2. Definition of a vision for improved maturity
3. Deployment of strategic roadmaps and action plans

Phase II
4. Planning implementation process
5. Implementation and change management
6. Measuring progress and evolution

Towards increased maturity profiles
Capability maturity - a tested and proven approach

- A selection of companies that we have worked with:

  - **Steelcase**
  - **LEGO Group**
  - **Coloplast**
  - **Tecumseh**
  - **Philips**
  - **Grundfos**
  - **Natura**
  - **Embraer**
Conclusion

- The Sustainability Maturity Approach provides:
  - A **common language** to engage management and stakeholders and **co-create a shared vision** for integrating sustainability
  - A **systematic approach** for tracking progress towards sustainability
  - An **evaluation** of the company’s **strengths and gaps** to become sustainable
  - A basis for **defining the concrete actions** to achieve sustainability objectives and **long term business performance**
For more information:

http://essensus.co/

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We enhance companies’ **business success** by integrating sustainability in their **core business** and **innovation** processes. By using our unique **maturity framework**, we enable companies to achieve their sustainability ambitions and systematically improve their innovation abilities.
Integrating sustainability – *Businesses have come a long way*  

- Life cycle thinking is well established  

... but still have a long way to go  

*How a sustainability expert sees the world:*

- Extraction of raw materials
- Manufacturing
- Distribution and sales
- Use
- End of life

*How a product developer sees the world:*

- Design and development
- Manufacture
- Distribution and sales
- Use

- ... but its integration into company processes and practices are not.