



CORPORATE

# ECOFORUM RESEARCH SERIES



## INSIGHTS 2010

Guidance from the CEF Annual Meeting,  
“Sustainability: The Next Growth Engine”

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# INTRODUCTION

“The best way to predict the future is, indeed, to invent it.”

–Dan Reicher, Google

The 2010 Corporate Eco Forum Annual Meeting recently drew more than 200 member executives from 18 industries to the Palace Hotel in San Francisco. Participants shared best and next practices, discussed challenges, networked, collaborated and drew on each other’s enthusiasm to bring new ideas and opportunities to their respective organizations. Now in its third year, the CEF Annual Meeting has grown to include more than 75 member companies, representing well over \$3 trillion in combined revenue.

The 2010 Annual Meeting, “**Sustainability: The Next Growth Engine,**” emphasized innovation and opportunities for scaling successful eco-initiatives, and featured the presentation of the first C.K. Prahalad Global Sustainability Leadership Award. The award, to be granted annually, was created to recognize exceptional individuals and companies—within or outside the CEF membership—whose work exemplifies the fundamental connection between sustainability, innovation and long-term business success in a globalizing world. This year’s winner, Walmart Brazil and its president and CEO Héctor Núñez, was recognized for taking unprecedented steps to protect the Amazon. The award honors the late Dr. C.K. Prahalad, friend and advisor to CEF, who focused the end of his career on integrating sustainability firmly into the private sector.

*Insights 2010* is divided into two main sections. The first section, “Pathway to Success,” focuses on how members are thriving by innovating through sustainability. The second section, “Top Takeaways,” highlights key strategies from the conference, specifically in the areas of supply chain, water and lifecycle assessment (LCA), green IT, buildings, and employee and customer engagement – drawing on best practices mentioned throughout the two days.

A broad cross-section of senior business leaders, including CSOs, CIOs, CMOs, CTOs and supply chain VPs, as well as a very select group of invited thought leaders from the corporate, academic and nonprofit worlds provide the baseline of this report. Note that most CEF sessions were conducted on a not-for-attribution basis. Therefore, the report only credits comments to particular individuals or institutions when made during the on-the-record plenary sessions.

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*Green Buildings*

*Green IT*

*Employee Engagement*

*Customer Engagement*

## A CALL TO ACTION

“We are a world of 6.2 billion people going to 9 billion people. We don’t have the water, the food, the natural resources, unless we stop and look and think about how to take on these challenges, how to integrate them and how to do them differently.”

–Mindy Lubber, president of Ceres

A sense of urgency and the belief that incremental change won’t be enough prevailed at the 2010 Annual Meeting. As Matt Kistler, senior VP of sustainability at Walmart, explained, “We’re still trying to make the bad things better, instead of the good things great.” Terry Tamminen, CEO of Seventh Generation Advisors, candidly implored, “I would propose that every company in this room go back to your C-suite and create a chief reality officer ... because we’re all talking past one another. We’re not measuring against some larger set of sustainability goals. And we’ve all jumped off the Empire State Building.”

Members responded to this call to action. “We ought to be focused on, not best practices but next practices,” said one.

The change demanded will not be quick, and simplistic efforts will not satisfy the next generation of consumers. One future leader, 11-year-old Anjali Rangaswami, the daughter of CEF founder M.R. Rangaswami, offered her support to businesses willing to innovate and consider the long-term play. “One thing about my generation, we want to buy green products. ... Another thing about my generation, if we like something, we tell a few people. If we don’t like something, we tell a ton of people.”

A focus on disruptive technologies is going to be necessary—and provide an opportunity to create enormous competitive advantage. Disruption was the focus of the “Smarter Grid” breakout session: “We have to rethink the delivery system and the generating system. ... The current smart grid isn’t focused on the disruptive technologies: high density energy storage, micro-grid, micro-nuclear ... things that would allow us to revisit how we are supplied with energy.” The stage was set: disrupt, innovate and thrive. Fail or greenwash—and risk an entire generation of new customers.

## ABOUT THE AUTHORS

### **JEFF HITTNER**

#### **Deputy Chair and Director of Research**

Jeff Hittner serves as Deputy Chair and Director of Research for the Corporate Eco Forum. Jeff spent more than five years at IBM where he led the Corporate Social Responsibility consulting practice for IBM Global Business Services. In addition to his role consulting with clients on the integration of sustainability into core business strategy, he developed IBM's thought leadership on the topic, acting as a key media spokesman quoted in more than 200 news and feature articles worldwide and publishing byline articles in Forbes, Businessweek, Environmental Leader, GreenBiz, Boardmember and other publications. He has co-authored 3 major studies on the topic including Mastering Carbon Management which focuses on carbon reduction strategies in the supply chain, and Attaining Sustainable Growth Through Corporate Social Responsibility and Leading a Sustainable Enterprise both of which focus on the role of sustainability in corporate strategy. Jeff has more than 10 years of experience as an entrepreneur, teacher and business strategist. He received his Masters in Cultures and Development Studies from the Katholieke Universiteit Leuven in Belgium and a Bachelor of Business Administration from The College of William and Mary in Virginia and is the Chairperson of the Carnegie New Leaders Program at the Carnegie Council for Ethics in International Affairs in New York City. Contact Jeff at [jeff@corporatecoforum.com](mailto:jeff@corporatecoforum.com).

### **P.J. Simmons**

#### **Chair, Corporate Eco Forum**

P.J. Simmons has worked for more than 15 years as a trusted sustainability analyst, strategist and bridge-builder. After serving as a researcher on global environmental affairs at the National Security Council (1993-1994), he founded and directed the Woodrow Wilson Center's Environmental Change & Security

Program, the Carnegie Endowment's Managing Global Issues program and the Rockefeller Brothers Fund's U.S. in the World program. Publications include *Managing Global Issues: Lessons Learned*, *U.S. in the World*, and Washington D.C.'s first consumer guide to green business, *The Greener Business Guide*. Simmons served twice as the Clinton Global Initiative (CGI) Deputy Chair for Energy & Climate Change and created the inaugural CGI University climate program. He received his B.A. (summa cum laude) from Tufts University and M.A. from Johns Hopkins SAIS. He was a Fulbright scholar and holds a certificate in conservation biology from Columbia University. He is a life member of the Council on Foreign Relations. Contact P.J. at [pj@corporatecoforum.com](mailto:pj@corporatecoforum.com).

### **M.R. Rangaswami**

#### **Founder, Corporate Eco Forum**

M.R. Rangaswami is the founder of the Corporate Eco Forum. His objective is to be a catalyst for Global 500 corporate executives to aggressively challenge and advocate eco-strategies. M.R. intends to bring the same energy and enthusiasm in this emerging space as he has in his career as a 25-year veteran of the software and technology industry and cofounder of the Sand Hill Group. M.R. has been an active participant in the meteoric growth and success of the enterprise software business, including executive positions with Oracle and Baan. As host of the largest software executive conferences, M.R. tackled the industry's pressing issues and helped further the industry's vision. As publisher of the prestigious SandHill.com website, M.R. has brought a unique perspective to the trade media and established a reputation as both a critic and an enthusiast. Contact M.R. at [mr@corporatecoforum.com](mailto:mr@corporatecoforum.com).



## ABOUT THE CORPORATE ECO FORUM

The Corporate Eco Forum (CEF) is an invitation-only membership organization for large companies that demonstrate a serious commitment to environment as a business strategy issue. CEF's mission is to help accelerate sustainable business innovation by creating the best neutral space for business leaders to strategize and exchange best-practice insights. CEF is highlighted by a cross-industry and cross-functional annual meeting for industry leaders. CEF helps drive collaborative efforts and supports ongoing network activities across its membership. Find out more at [www.corporateecoforum.com](http://www.corporateecoforum.com).

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