

Results

WEC Roundtable, Hosted by The Dow Chemical Company
March 12-13, 2013, Berlin, Germany:



“CREATING SHARED VALUE THROUGH NEW FORMS OF COLLABORATION”

WHAT:

Companies, non-governmental organizations, and other major sustainability participants increasingly conclude that they will be more successful in achieving their organizational objectives by collaborating with other organizations with aligned interests. As no single institution has the capacity to provide global scale solutions to sustainability challenges, new collaboration strategies and practices are emerging that integrate the solution of business problems with societal needs.

Collaboration amongst different stakeholders generates new insights on strategies for value creation, motivates partnerships for innovation across value chains and has the potential to create solutions at greater than pilot level scale. The Roundtable objectives included:

- Understanding how shared value can be created through innovative collaborations
- Examining leadership examples of new forms of collaboration
- Evaluating specific competencies that are necessary to achieve success through collaboration

WHO:

The Roundtable was structured to provide a highly interactive process of discussion amongst 37 sustainability experts from seven countries: 49% of participants came from WEC member companies, 14% from non-member companies, and 37% from NGOs and academia.

HOST

The Dow Chemical Company

Dr. Anne Wallin, EH&S and Sustainability Director for Dow Europe East, Africa and Global Director of Sustainable Chemistry

MODERATORS

Ecologic Institute: R. Andreas Kraemer

ERM: Graham Lane

Institute 4 Sustainability: Thomas Loew

The Nature Conservancy: Sascha Müller-Kraenner

WEC: Dr. Terry F. Yosie

SPEAKERS

A.P. Moeller-Maersk: Lene Bjørn Serpa

Coca-Cola: Ulrike Sapiro

Desertec: Dr. Ignacio Campino

Dow Chemical: Dr. Anne Wallin

Dow Chemical: Ralf Brinkmann

FSG: Marc Pfitzer

IMD: Dr. Aileen Ionescu-Somers

Interface: Laura Cremer

Natural Step: Prof. Karl-Henrik Robèrt

Nestlé: Duncan Pollard

SAP: Dr. Will Ritzrau

The Nature Conservancy: Glenn Prickett

Transparency International: Caspar von Hauenschild

Trucost: Dr. Richard Mattison

Volkswagen: Prof. Gerhard Prätorius

MAJOR POINTS OF DISCUSSION:

- (1) The Shared Value (SV) concept that has developed over the last decade** integrates the creation of economic value by also creating social value through improvement of social and environmental conditions cost effectively through enhanced innovation and competitiveness. As environmental degradation and social deficits directly affect global companies, it is vital for business innovation to break the trade-off between meeting social and environmental needs and growing a profitable business. Social needs are redefining competitive boundaries across an expanding number of business sectors, and a growing number of companies are: 1) reconceiving products and services; 2) redefining productivity in their value chains through e.g. environmental improvements and enhancement of supplier capability; and 3) building clusters of relationships, capacities and innovations to create growth opportunities. Implementation of a shared value strategy requires a significant transition for companies because it calls for a redefinition of its business purpose. They need to find the biggest, most important links between their business and society – this should translate into a *specific company purpose, envisioned in a sustainable society and integrated into their core strategy*. Collaboration is an essential element of shared value since a more intense cooperation with external stakeholders across the value chain will establish feedback loops and provide business relevant information for designing and scaling business solutions.
- (2) Transformational collaboration is possible, but it requires a commitment to build and sustain relationships over the longer-term that reflect a more inclusive business culture.** For this to occur, companies will need to work with multiple NGOs and other partners to build capacity and global scale over time. Examples of ground breaking collaboration include elements such as pre-competitive cooperation; a high level of transparency; trust and focused objectives/metrics; clear governance standards, valid data and information supporting economic decision making as well as a clear business case. To reach consistency across the business, it is important to establish a base line in order to be able to measure progress over time. Although some companies have embarked upon collaboration projects addressing societal needs, few have actually reached a global scale. A growing expectation is that leading companies will encourage others in the same business sector to adopt similar solutions and thus reach enough scale across an industry's value chain. Obstacles to innovative collaboration strategies lie within companies themselves. For example, there is often an unwillingness to change the status quo and explore new solutions. Both C-suite executives and line managers are needed to achieve collaboration success.
- (3) Voluntary collaboration initiatives are important but not sufficient to develop solutions to global scale problems.** Shared value proponents must increasingly engage government policy makers at local, national, regional and global levels to embrace new forms of governance and new levels of engagement for setting appropriate standards, pricing signals and reporting metrics.
- (4) Successful companies and their partners will find ways to accelerate learning across their business portfolios.** For example, senior executive teams often lack a “system level” understanding of societal or environmental changes that are transforming the global economy or their individual sectors. Results to-date indicate that companies that embrace expanded collaboration through shared value are also redefining the roles and job descriptions of both executives and managers to achieve greater levels of integration within the company and with external partners. Increasingly, the purpose of engaging in collaboration with external partners is to not merely to improve the design and attainment of sustainability metrics but, also, to reshape thinking about the purpose of the entire enterprise.