

Results

WEC/IMD Roundtable, in partnership with Novartis International AG
February 22-23, 2012, Lausanne, Switzerland:



“SYSTEMIC SOLUTIONS FOR INNOVATION IN SUSTAINABILITY”

WHAT:

Companies have changed their perspective on sustainability – from a philanthropic and citizenship issue through the emergence of Corporate Social Responsibility – to now viewing it as a key driver for innovation and value creation. One of the most interesting concepts being explored by companies is called Social Innovation – developing business solutions to address social problems, where the sources of innovation lie in increasingly creative co-creation processes between the companies and external units of society. The Roundtable explored a number of examples of social innovation in various stages of development.

The objectives of this Roundtable included:

- Understanding sustainability as a driver for innovation and business success.
- Building additional competencies in social Innovation and how to incorporate the concept into the company's business model.
- Sharing learning from new practices/approaches and discussing opportunities for cooperation and activating partnerships with business, government, academia, and NGO's in social innovation.

WHO:

The Roundtable was structured to provide a highly interactive process of discussion amongst 47 sustainability experts from seven countries. 70% of participants came from WEC or IMD member companies, 13% from non-member companies, and 17% from NGOs and academia.

HOST

Novartis International in collaboration with
Center for Corporate Sustainability, IMD

MODERATORS

IMD International: Prof. Dr. Bala Chakravarthy
IMD International: Prof. Dr. Ulrich Steger (Prof. Emeritus)
IMD International: Prof. Dr. Francisco Szekely
Nestlé: Dr. Claus Conzelmann
Wavelength Companies Ltd: Mr. Liam Black

SPEAKERS

Chiquita Brands Int.: Mr. Francois Tasmowski
Credit Suisse: Dr. John Tobin
Du Pont de Nemours Int.: Dr. Simone M.P. Arizzi
GAIN: Dr. Regina Moench-Pfanner
General Electric: Mr. Georg Knoth
GlaxoSmithKline: Dr. Allan Pamba
IMD International: Dr. Aileen Ionescu-Somers
IMD International: Prof. Dr. Thomas Malnight
INSEAD: Mr. Hans H. Wahl
L'Oréal : Dr. Francis Quinn
Nestlé Waters (Suisse): Mr. Michel Beneventi
Novartis International: Dr. Michael Fuerst
Novartis International: Mr. Dorje Mundle
Novo Nordisk: Dr. Ole Kjerkegaard Nielsen
Procter & Gamble: Mrs. Virginie Helias
Rainforest Alliance: Mrs. Mercedes Talló
Unilever: Mr. Gavin Neath
Volans Ventures: Mr. John Elkington
WEC: Dr. Terry F. Yosie

MAJOR POINTS OF DISCUSSION:

- (1) The accelerating changes caused by mega trends such as rising population and urbanization as well as a shift in macroeconomic power from North to South and West to East is causing a continuous evolution in sustainability and how it is implemented. **Sustainability ≠ footprint reduction.** Rather, embedded within sustainability is a much more transformational concept concerning innovation through which many things we believe we know are in the process of changing. Sustainability is not about the process of optimizing current technologies or products. Instead, it is about the creation of **entirely new business models, innovation processes and products**, often built on the foundations of experimentation and failure.
- (2) A variety of examples were presented on the application of **social innovation processes** across specific business sectors. They include L'Oréal's reverse innovation where research in markets such as Brazil and China leads to the development of global scale products, and its fostering of internal competition to solidify the role of sustainability in the company's culture; Unilever's use of "foresight" analysis that focuses on future issues and drivers to anticipate economic, social and technological changes; initiatives by Novartis (in partnership with Vodafone) and GlaxoSmithKline to establish innovative social partnerships in Africa and India to integrate mobile telephony with pharmaceutical product delivery to combat malaria or provide banking services to create new customer segments.
- (3) Integrating sustainability into the innovation process can bring about **many business opportunities**. The challenge is to make the innovations scalable, financially sustainable and to focus on the whole life cycle of products. Overall, the **need for collaboration**, not only within existing value chains, but also with external stakeholders such as NGOs, social entrepreneurs and government, are increasingly important, especially when global companies want to expand their access in emerging markets. Because of the disruptive nature of social and technological change that is occurring, incremental tweaks to business models and modest refinements to existing products have fewer opportunities for large-scale success.
- (4) To fully exploit the innovation potential sustainability can trigger, the **company culture often needs to be changed**, something which turns out to be a difficult task, especially amongst middle management. To tackle this issue, companies have developed different strategies. Some have strengthened the power of the sustainability departments. Some have almost entirely integrated these functions within their business units. Others have even created own units for social business. In common for all is an evolving trend in changing management incentives, emphasizing longer term thinking.
- (5) The skill sets within companies to create new ecosystems for sustainable innovation need to be enhanced. **New skills related to collaboration, empowerment and systemic thinking within multi-cultural contexts are required.** In order to meet this need, sustainability leaders have embarked upon various strategies – utilizing their sustainability image to attract motivated and qualified new staff; creating internal qualification programs; and learning from external partners.