



## ***Top 12 Take-Aways From WEC's Gold Medal Week***

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Each year WEC's member companies assemble to discuss our common needs and opportunities to build more sustainable businesses. We've just finished our latest get together in Washington DC and we'd like to share with you 12 key take-aways of from a series of very lively conversations.

1. ***Local issues and voices are becoming more important in the operations of global companies.*** Many companies spoke about how it was increasingly difficult to implement a global sustainability programme from one head office. Increasingly different countries of operation (whether markets or source of supply) are setting their own priorities all of which need to be respected and addressed. Emerging challenges include: how to leverage economic development with community development and well-being; integrating local opportunities with responsibilities; strengthening executives and business managers' understanding of regional and local governments and stakeholders; expanding the number of knowledgeable company product and regulatory experts; and establishing the appropriate training and preparation of local company managers and staff. The conclusion: companies need a clear global framework providing consistent values and business strategy supported by more local capacity and understanding to respond to specific concerns and expectations within individual countries.
2. ***Companies need to become more engaged with youth.*** An increasing percentage of retirements in the next five years will challenge companies to recruit people with appropriate skills and experiences. Many Human Resources departments are not thinking strategically about creating competitive advantage through their recruitment, nor do they have sufficient understanding of future skill needs in such areas as life cycle

assessment, multi-cultural experiences, new information technology platforms, or finding or developing local talent. Sustainability should become integrated into new hire recruitment and training. Companies should also ensure that universities are receiving enough business cases for curricula development to prepare future business leaders and specialists with the new skills to run sustainable business models. In addition, numerous company executives spoke of the growing risk of youth unemployment and alienation with some markets seeing youth unemployment rates over 50%.

3. ***The next level below the CEO is critically important, and there's not enough engagement with these executives*** to obtain their understanding and support for integrating sustainability with the business strategy. A number of CEOs can now speak eloquently about the case for sustainable business. It's now vital that the 'Barons of the Business', those running the day-to-day P and L beneath the CEO are more engaged too. One of the reasons for Unilever's success in implementing its Sustainable Living Plan is their ability in getting this important cadre of business leaders engaged.
4. ***No business can become sustainable overnight.*** It needs a clear long- term pathway towards sustainability, This is clearly an evolutionary process—from a focus on risk mitigation and compliance to manage the status quo of your existing business model → checklists and management systems → a focus on company and supplier targets → product and service innovations → new sustainable business models.. Companies that are culturally confident with change and have the necessary change capabilities in place will be better prepared to manage this transition.

### ***Important Take-Aways From a Discussion of Unilever's Sustainable Living Plan (USLP)***

We also had the opportunity to spend 90 minutes reaching deeper into Unilever's Sustainable Living Plan through a discussion with Kees Kruythoff, President, North America, and Jonathan Atwood, Vice President for Sustainable Living and Corporate Communications. Highlights of this conversation included:

5. ***The basis for the USLP lies in the company's genome that evolved over many decades***—reflecting a traditional focus on hygiene, its multi-cultural identity, and the development of an emerging market strategy in 2007. These and other factors defined the context for the subsequent creation of the USLP; many of these developments preceded the arrival of Paul Polman as CEO. As with many other leading companies their plan did not emerge overnight, it was the culmination of years of hard work that was a

pre-requisite of today's world class plan. But a trigger suddenly galvanizes the need to take disparate activity and turn it into a clear corporate plan. For Unilever, the moment they sat down in 2007 to think about how they served developing markets (where social and environmental issues are often starkest) propelled them forward.

6. ***Purpose-driven brands are driving the USLP.*** Previously, each brand had its own value proposition. Sometimes the brand had a clear sustainability identity (think Ben and Jerry's), but others didn't. This is transitioning into an outcome with total systems thinking where each individual brand has to demonstrate both its functional and emotional benefits and show how it is helping to improve society. Purpose driven brands are also the platform for leveraging transparency and digital capabilities. Towards these outcomes, brands are developing action plans aligned with supply chain and customer goals. Those Unilever brands that have been able to demonstrate a clear purpose already are those performing best across their portfolio!
7. ***USLP is aiming to achieve global scale and local intimacy simultaneously.*** Each brand is creating a community around it that can both grow the business and benefit people. Sustainability requires lots of technical requirements and infrastructure (better raw materials, factories, logistics, etc.) but, ultimately, it's a challenge of leading human change. Unilever's brand experience is helping it create coalitions of consumers who share its purpose both globally but also more locally.
8. ***USLP is broadly owned in the company.*** Efforts to achieve such ownership at the manufacturing plant level begin with a small number of passionate people that is expanded to include participants across a number of functions. Different conversations occur at different locations and across various levels of the company. Thus, USLP is the inspiration and framework for change but it doesn't try and micro-manage the changes at a local level. Every plant, warehouse, office, and supply chain is unique and, whilst they can learn from each other, they cannot replicate each other exactly. Flexibility and trust are essential ingredients to success as is the focus around 2015 milestones and 2020 goals.
9. ***The current model of project and market development is broken.*** More front-end conversations and design of solutions with suppliers, consumers and stakeholders is needed. The traditional method of conducting numerous and sequential pilot projects needs to be replaced by target based outcomes for projects that need to achieve market scale as soon as possible. In addition, Unilever is placing greater reliance on open

sourcing to invite more people into their conversations rather than expecting to solve all their challenges in-house.

10. ***There are two major game changers: transparency and the creation of consumer coalitions digitally.*** Rather than wait for transparency to be forced upon them, Unilever is actively looking for solutions to sharing information on their brands with their consumers in a useful and engaging way. It is still learning how best to build coalitions of consumers to achieve market scale.
11. ***A company needs to be very careful about intruding into consumers' personal space.*** Consumers' will expect that companies will do much of the hard lifting to achieve a more sustainable planet before asking them to sacrifice or change their lifestyles.
12. ***Key drivers of change*** include: visionary and authentic leadership; total systems thinking for competitive advantage; mobilizing talent/purpose/meaning/engagement; enabling individuals to give back to society; boldness in target setting; a commitment to collaboration—realizing that failure is often the result of acting alone; being humble while keeping the foot on the accelerator.

If we had to identify 3 key recommendations for our members and other businesses on the road to sustainability it would be:

1. Create a global framework but ensure you have local capacity to respond to local priorities and needs.
2. Look at your sustainable business journey through the lens of your customers. Other stakeholders are very important but the customer trumps the lot!
3. Create a brand or a business with purpose; to stand for nothing in the future is to place your business at risk.

In Summary—an intense two days for all of us, but we learned so much through the ability to look deeply into the realities of transforming how business does business.