SUSTAINABILITY: CEOs Identify 7 Keys to Sustainability & Success

To be a successful business, mere compliance with environmental laws may not be enough anymore. Many companies have seen the wisdom of trying to make their operations more sustainable, thus minimizing their overall impact on the environment and increasing their attractiveness to investors and customers. But sustainability initiatives can be hard to implement and make successful.

As part of the UN's Global Compact (see the box at the end for an explanation), Accenture conducted a survey of CEOs on sustainability. Here's a look at the results of the survey and the elements the CEOs identified as key to the success of sustainability efforts.

The Survey

The 1,000 top executives who completed the online survey came from 103 countries and 27 industry sectors, including:

- Automotive;
- Communications;
- Consumer goods and services;
- Energy;
- Financial services;
- Metals and mining; and
- Utilities.

The researchers also conducted in-depth interviews with more than 130 individual leaders, including CEOs, presidents and board members.

Some 63% of CEOs said they expect sustainability to transform their industry within five years. In addition, 76% believe that embedding sustainability into core business will drive revenue growth and new opportunities.

But underlying the interviews with CEOs was a sense of frustrated ambition. Even as they make progress in embedding sustainability through their own businesses, it's becoming increasingly apparent that they're constrained by market expectations and struggling to quantify and capture the business value of sustainability. As a result, some leaders believe they've taken their companies as far as they can with regard to sustainability.

When asked about the barriers to further progress in building sustainability into their organizations, CEOs focused on one

factor: the lack of a link between sustainability and business value. In fact, 37% reported that the lack of a clear link to business value is a critical factor deterring them from taking faster action on sustainability.

7 KEY ELEMENTS TO SUCCESS

Based on the results of the interviews and surveys, the researchers identified seven key themes CEOs believe are necessary for the success of sustainability:

[learn_more caption="1. Realism & Context"]

Companies taking the most ambitious action on sustainability were also the most realistic about the scale of the challenge'and are more likely to admit that business isn't doing enough. Understanding the challenge also lets these companies appreciate the opportunity for future growth in providing solutions to sustainability issues and to target strategies to achieve it.

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[learn_more caption="2. Growth & Differentiation"]

One of the clearest insights from the study is the emergence of a two-speed world in sustainability:

- Companies still reacting to external expectations on sustainability and focusing on incremental mitigation; and
- Companies that see sustainability through the lens of growth and differentiation.

For leading companies, many CEOs said that the urgency of global challenges provides an opportunity to:

- Differentiate their products and services;
- Access new market segments; and
- Grow into new regions, countries and areas where their

products can meet a pressing need.

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[learn_more caption="3. Value & Performance "]

From carbon emissions to water footprints, tracking environmental measures is now commonplace across industries. The research suggests that, for companies seeking to go beyond incremental change and tackle global sustainability issues, the challenge is to not only measure and manage reduction and mitigation metrics, but also quantify the value of sustainability initiatives and more sustainable business models to the company and track their impact on the communities in which the companies operate. *Bottom line*: 'What gets measured gets managed.'

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[learn_more caption="4. Technology & Innovation"]

Leading companies are turning to innovation and technology. Environmental and resource constraints'and growing social pressures'are acting as a stimulus for innovation. From investment in renewable resources to new closed-loop business models, such leading companies are securing business advantage through innovative research and development and the deployment of technologies ranging from cloud computing to analytics.

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[learn_more caption="5. Partnerships & Collaboration"]

CEOs have grown confident over the last decade that business can provide solutions to tackle global challenges. In the context of intensifying pressures and flagging efforts, they're more ready to acknowledge the role of collaboration and partnerships in meeting their ambitions on sustainability. They believe business can lead the way and maximize companies' impact through close partnerships with governments,

policymakers, industry peers, consumers and NGOs.

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[learn_more caption="6. Engagement & Dialogue"]

Business leaders are increasingly conscious of the need to establish a constructive, two-way dialogue with:

- Consumers and local communities;
- Regulators and policymakers;
- Investors and shareholders; and
- Workers and labor unions.

Rather than simply acting and then communicating, CEOs are actively engaging stakeholders to negotiate the role of their business in addressing global challenges.

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[learn_more caption="7. Advocacy & Leadership"]

Leading CEOs are clear that business efforts aren't sufficient to set the global economy on track'but believe strongly that business should lead the way toward defining and delivering a sustainable global economy. They're realistic that, individually, they can only have so much impact, but recognize a need to play a part in collaborative solutions with governments and other stakeholders. Business leaders' advocacy and public commitment will be integral to further progress on sustainability.

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INSIDER SOURCE

'[The UN Global Compact'Accenture CEO Study on Sustainability 2013](),' Accenture, Sept. 2013

[box]**THE UN GLOBAL COMPACT**

The United Nations Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in certain areas, including the environment. The core values as to the environment ask businesses to:

- Support a precautionary approach to environmental challenges;
- Undertake initiatives to promote greater environmental responsibility; and
- Encourage the development and diffusion of environmentally friendly technologies.[/box]