



## Breaking down organizational hurdles

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# Aligning organizations behind sustainability strategies are deterred by combined internal and external barriers.

- Ignorance/reluctance of key stakeholders (customers and financial markets) leading to
  - An incremental approach
  - Few radically innovative business models and products

Perception amongst managers:

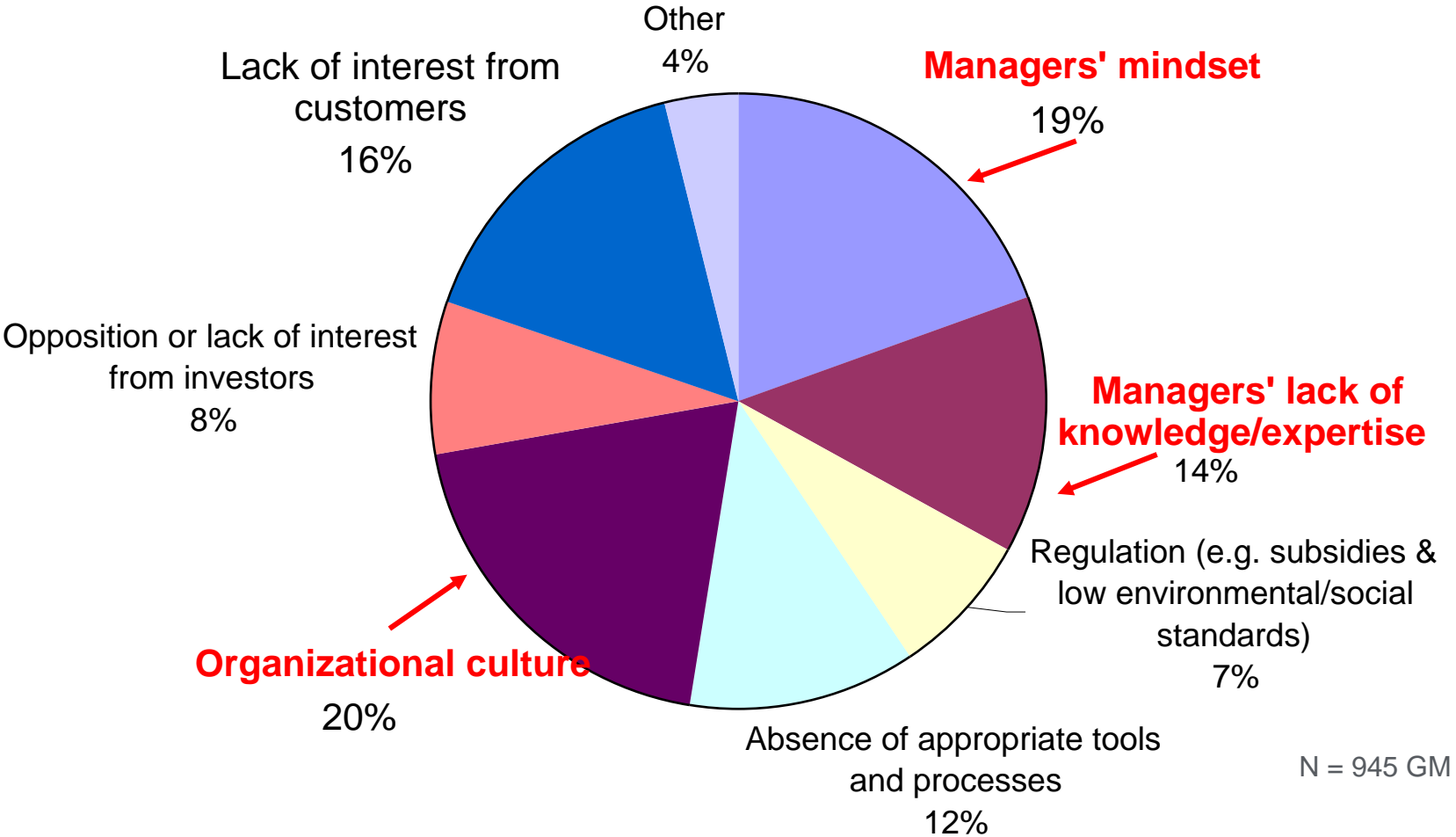
*“Laggards are punished but innovators are not rewarded”*

- Internal barriers to corporate sustainability are prevalent
  - Mindset
  - Organizational culture
  - Lack of appropriate processes and tools

## Ignorance/reluctance of key stakeholders (customers and financial markets) is perceived as a key external barrier.

- The more demanding stakeholders are perceived as less relevant for companies they are for companies (not the companies primary stakeholders)
- NGOs, consumer organizations lacked leverage to push companies toward more sustainable business models and products more rapidly

However, organizational culture and manager’s mindset are the perceived **main barriers** to roll out corporate sustainability.

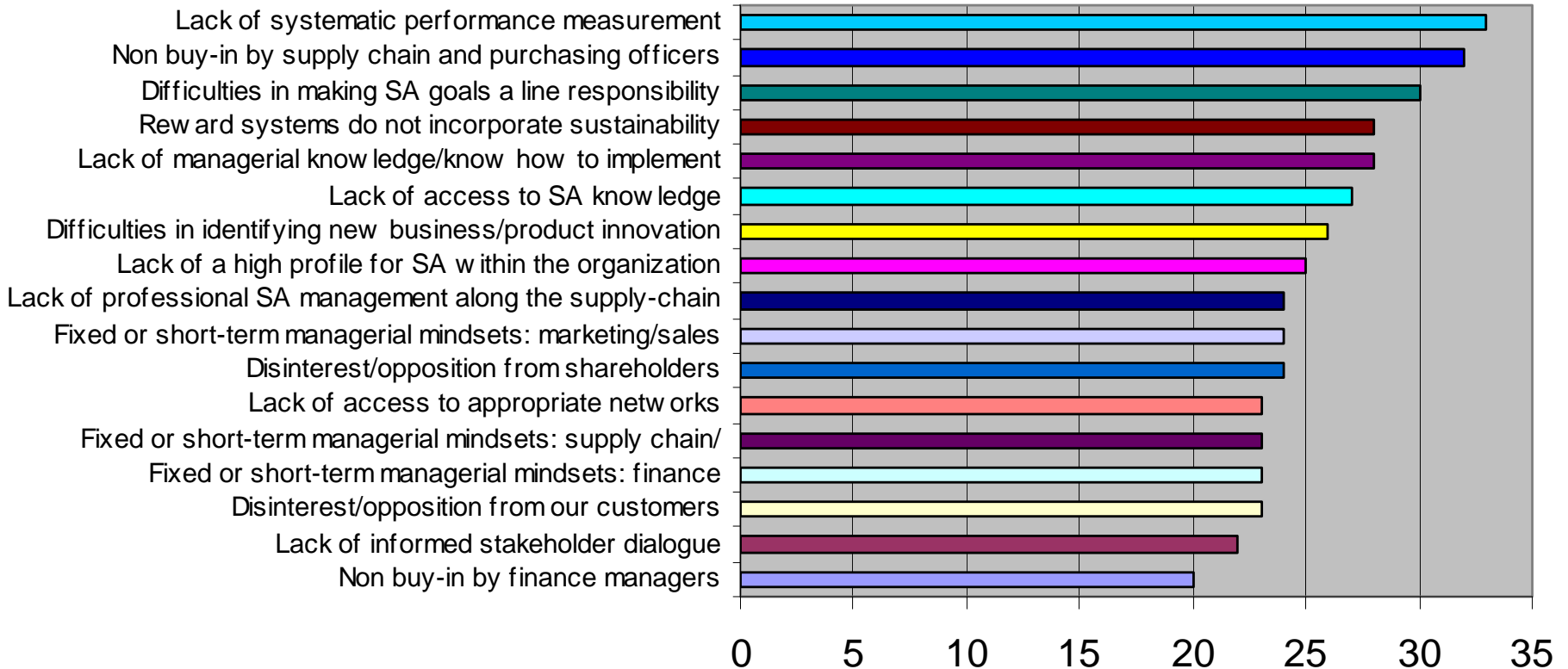


# 2009: Global organizations are often frustrated getting things done in CSR

Reported pain points of managing responsible value chains		
Engagement, change, reward	Knowledge	Resource leverage
<ul style="list-style-type: none"> <li>• <b>Middle management buy-in</b></li> <li>• <b>Short-term mindsets</b></li> <li>• <b>Difficulties to integrate into business model</b></li> <li>• <b>Organization silos</b></li> <li>• <b>Difficulties to make the business case across departments and BUs</b></li> <li>• <b>CSM targets are not integrated within rewards and evaluation systems</b></li> </ul>	<ul style="list-style-type: none"> <li>• Lack of systematic performance measurement and benchmarking</li> <li>• <b>Difficulties to build effective networks to support innovation</b></li> <li>• <b>Barriers to transforming markets/educating customers</b></li> <li>• Lack of quantification tools of specific business cases and emerging risks</li> <li>• Lack of adequate KPIs</li> </ul>	<ul style="list-style-type: none"> <li>• Poor cost effectiveness of sustainable procurement</li> <li>• Difficulties to push energy/resource savings to the next level</li> <li>• High cost of innovation</li> <li>• Low impact on brand leverage</li> </ul>

Responses from 22 global organizations participating in IMD's Forum for Corporate Sustainability Management – April 2009

## Hurdles at the company level

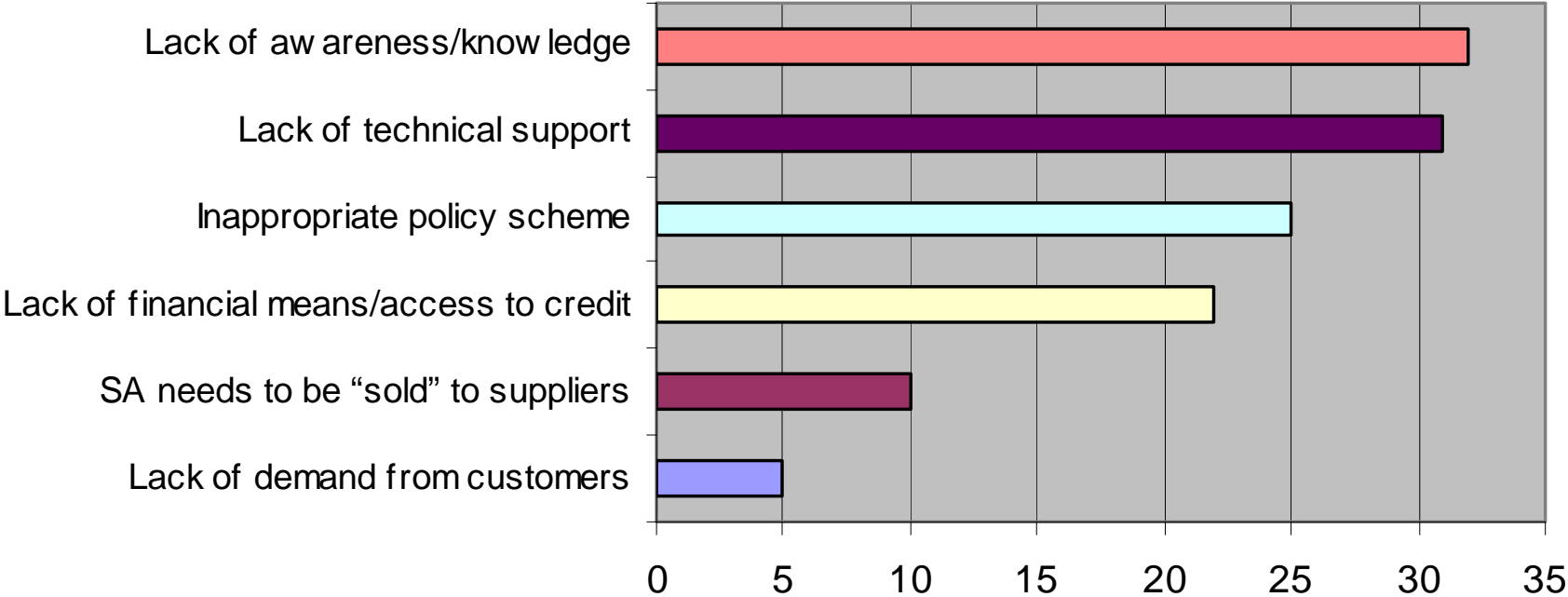


# Internal barriers to sustainable agriculture are prevalent in the food & beverage industry

The greatest challenge?

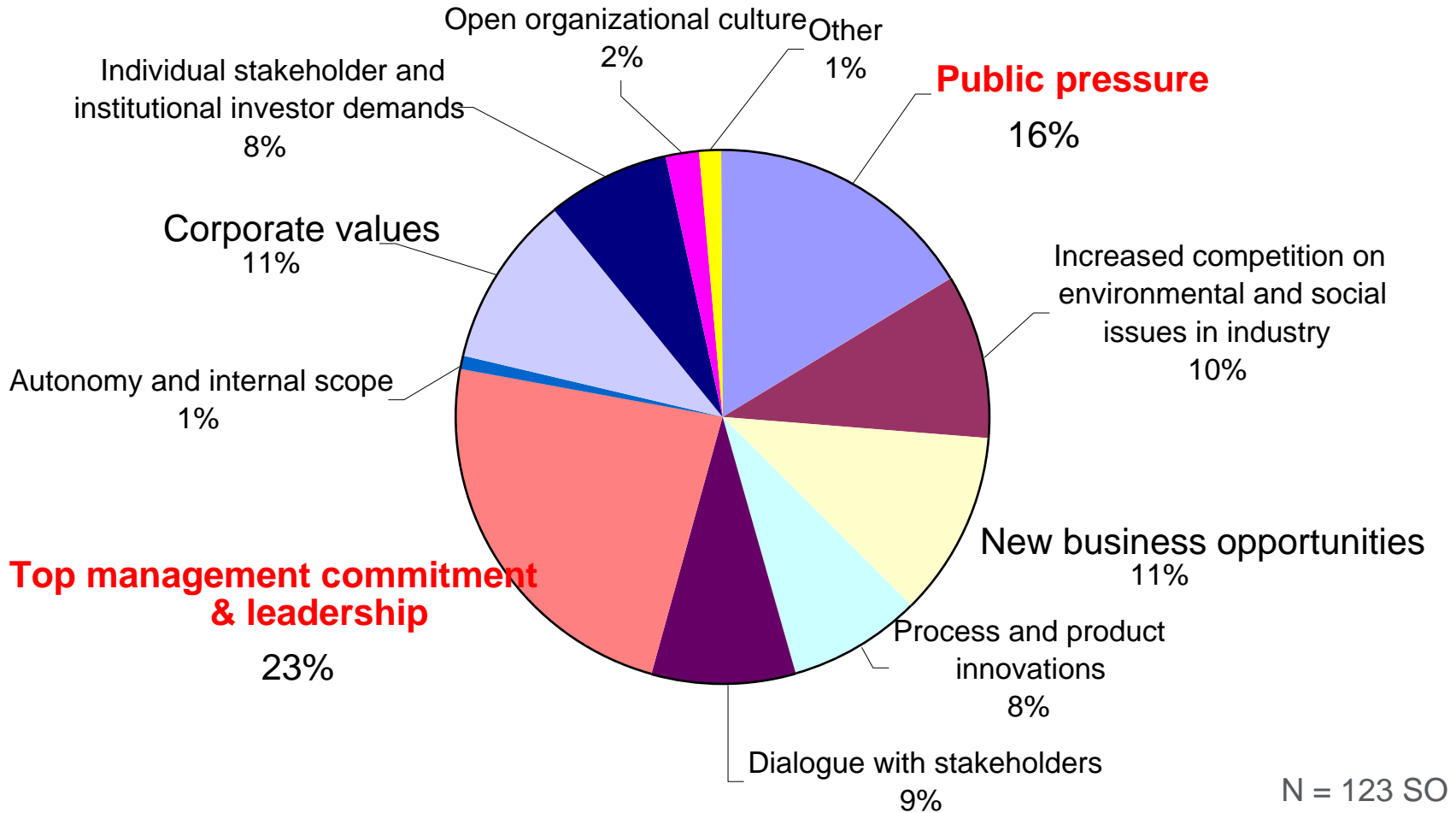
**Breaking down mindsets of managers and filling knowledge gaps about the significant industry threats and business risks of unsustainable agriculture**

## Hurdles at the farm level



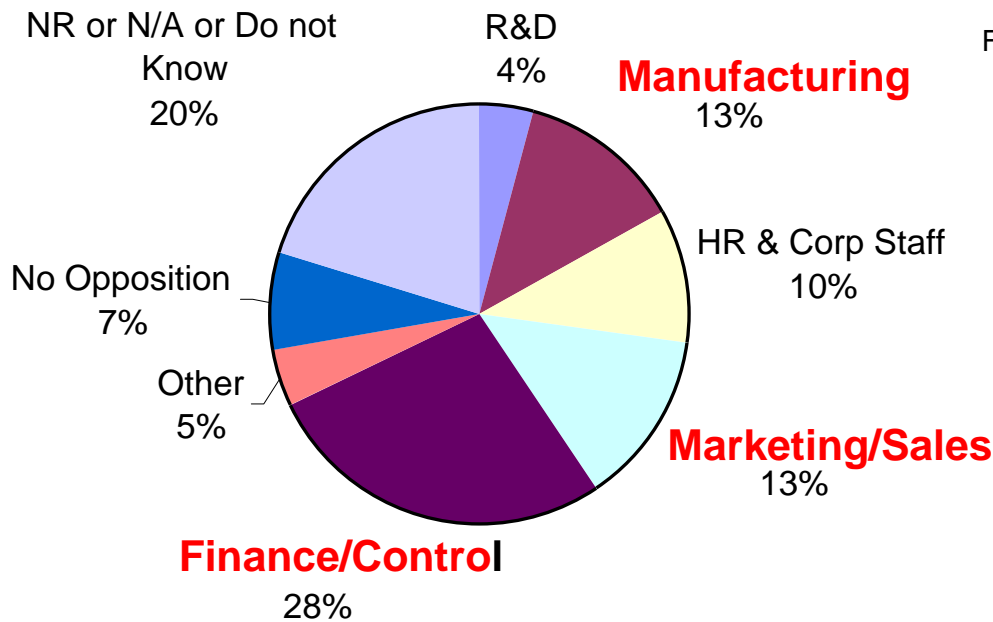


# Promoting factors for corporate sustainability

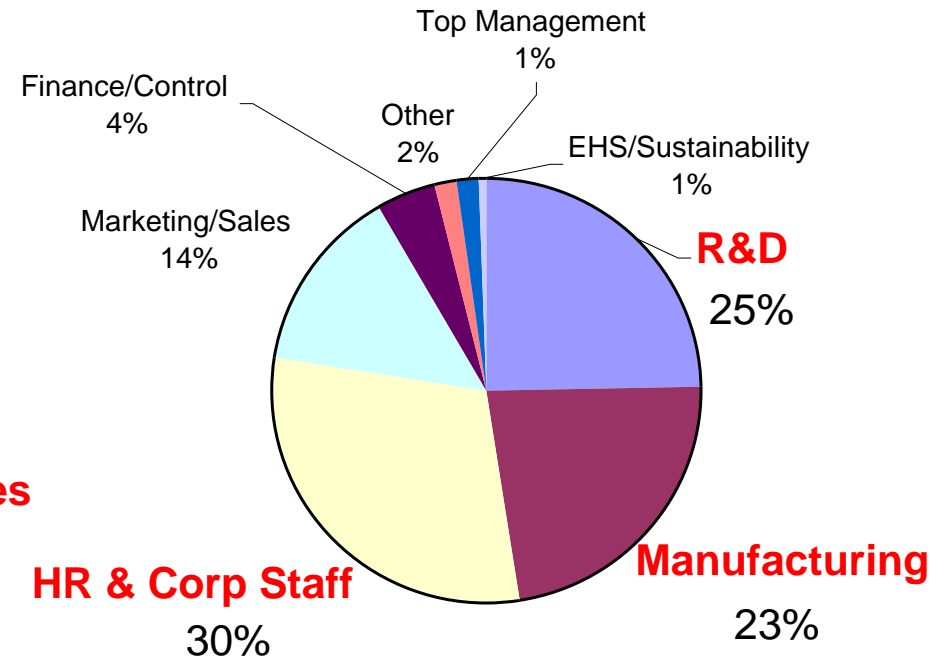


# Business functions

## Primary deterring role



## Potential promoting role



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