



IMD-SAI Platform Sustainability Master Class

Rolling Out Sustainable Agriculture in Food Companies

IMD, Lausanne, Switzerland, June 6-7, 2011

Minutes

EXECUTIVE SUMMARY

On June 6-7, 2011, SAI Platform and IMD provided their unique Sustainability Master Class for the third time in Europe. Participants included about 20 managers whose businesses operate across commodity value chains.

Many procurement executives but also managers from other functions, such as quality and finance, joined the class. The first day of the Master Class helped them to a) understand the business context that lends strategic relevance to sustainable agriculture (SA) as an issue, b) build a business case for SA and exchange expertise with others managers while doing so, and 3) learn from best practice (BP) examples. A case study on Unilever's move to 100% sustainable tea in its Lipton supply chain was greatly valued by participants, as was a high level "knowledge brokering" session with inputs from Dr Jason Clay and Andrew Murphy, Market Transformation, WWF and Mercedes Tallo, Sustainable Value Chains, Rainforest Alliance (RA). The second day was also highly rated, with an insightful game simulation on empowering managers to instigate change in their company.

Participants at the end of the workshop were asked to rate each module using numbers from 5 = Excellent to 1 = Very Poor. The overall value of the program was rated 4.20: "An excellent course – thank you!!", "Good participation by all and a really useful benchmarking exercise ". As with the class in Florida, one participant inquired about the possibility to hold a similar training inside his company, across functions. We will be exploring this in the coming months.

DAY ONE

Welcome & Introduction

Peter-Erik Ywema, General Manager, SAI Platform, welcomed everyone. He explained how the organization had decided to develop this training together with one of the top education centers for executives worldwide – IMD – as per requests from member companies facing hurdles to implement sustainability. The Master Class is about the "why", the "what" and the "how" to embed sustainability in your company as well as throughout the value chain. It is not a traditional training with a "teacher" instructing everyone, but rather a training workshop geared towards stimulating and benefiting from collective knowledge gained from everyone. Dr. Aileen Ionescu-Somers, Director, IMD Research and Learning Center for Corporate Sustainability Management (CSM), introduced her organization as well as the training objectives and proceedings.



So....what are you expecting?

The class started with a roundtable of participants' expectations from the course, which turned around four learning axes: 1) Understanding SA; 2) Sharing BP; 3) Building the business case for sustainability; and 4) Rolling-out the business case and engaging growers.



Setting the context for embedding SA

A “knowledge brokering session” started with a presentation from Jason Clay, WWF on “How big brands can save biodiversity” - see http://www.ted.com/talks/lang/eng/jason_clay_how_big_brands_can_save_biodiversity.html followed by a Q&A with Andrew Murphy, WWF & Mercedes Tallo, RA. The discussion centered on ways to define crops on which to focus based on risk assessment, ways to measure the impact of using best practices at farm level as well as on how to foster the use of better practices when prices are rising in a competitive environment.

Why should you be concerned and active in addressing SA challenges?

Participants were asked to analyze the pros and cons for a company to act on sustainability issues. Some people had to be cynics so as to grasp some of the challenges commonly faced by managers in their company, when trying to convince their peers to join a sustainability initiative.

Roundtable to share challenges

Participants broke out into small groups to share the challenges faced when trying to implement SA in their companies and throughout their supply chains. The following concrete cases were used: 1) A Koran food processing company “starting from scratch” with all raw material and products; 2) A company trying to convince small and big growers to adopt BP; 3) Another company trying to convince farmers to adopt BP for growing potatoes in India; and 4) A company willing to build the business case for the sustainable production of particular herbs in Africa. It was interesting to see, as per the findings of a research recently conducted by IMD, that one of the biggest barriers encountered in all these cases is changing mindsets.



Building the business case for SA

The session aimed at explaining why many have failed at promoting sustainability in companies in the past, and how this can be overcome. **Presentation 1** provided by Aileen showed how the business case must be built, in order to receive the necessary support in company. Important is to reveal of the economic benefit for the company and creating shared value. **Presentation 2** given by Emeline Fellus provided an overview of technical issues and tools linked to SA: principles and practices along the economic, social and environmental pillars; benchmark against other initiatives; metrics, indicators and tools to assess and report about progress at farm level. Participants then split into smaller groups to develop business cases. An example of “Elevator speech” aimed at presenting key business case items to gain support from colleagues in just a minute was shared at the end of the session.



Module 3: Embedding SA in sourcing and marketing strategies



Participants split into smaller groups to analyze and discuss the case study entitled “Unilever sustainable tea: Leapfrogging to mainstream” – see [IMD-UnileverCaseStudySustainableTea](#).

Cocktails and Dinner

During cocktail and dinner, participants had another opportunity to further discuss sustainability issues, in a less formal setting.



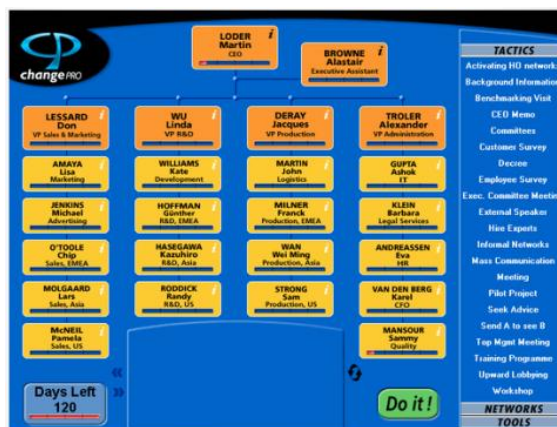
DAY TWO

Making change happen: Overcoming organizational hurdles

This session started with a presentation from Aileen on the main hurdles faced by managers when trying to implement SA initiatives in their companies - See [Presentation 3](#). Participants confirmed that sustainability implementation generally is hindered by two main streams of hurdles: influencing/convincing key stakeholders, and changing mindsets in companies.

Leading change in the organisation

Participants played the “Change pro” game simulation: in the game, each player is engaged to roll out a SA initiative in a company. He/she has 120 days to do so by building the right networks and using the right tools in the right order. See [Presentation 4](#) and <http://www.learningways.com/changepro.html>



Key findings were summarized in a final presentation - See [Presentation 5](#). A general conclusion generated by this exercise is that what you do matters a lot, but HOW you do it matters (just) as much. And for that it is key to properly use social networks.

Take home

A last exercise was conducted by Aileen Ionescu-Somers to guide each participant through their own company-specific challenge in engaging internal networks in SA initiatives, and how to do that in order to make everyone evolve – including resisters and by-standers – into being supportive of their initiative. See [Presentation 6](#). This provided participants with solid take-home value, and with a project in mind that could be started the very next day in their company.