



Breaking down organizational hurdles

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Sustainability strategy alignment is deterred by combined internal and external barriers.

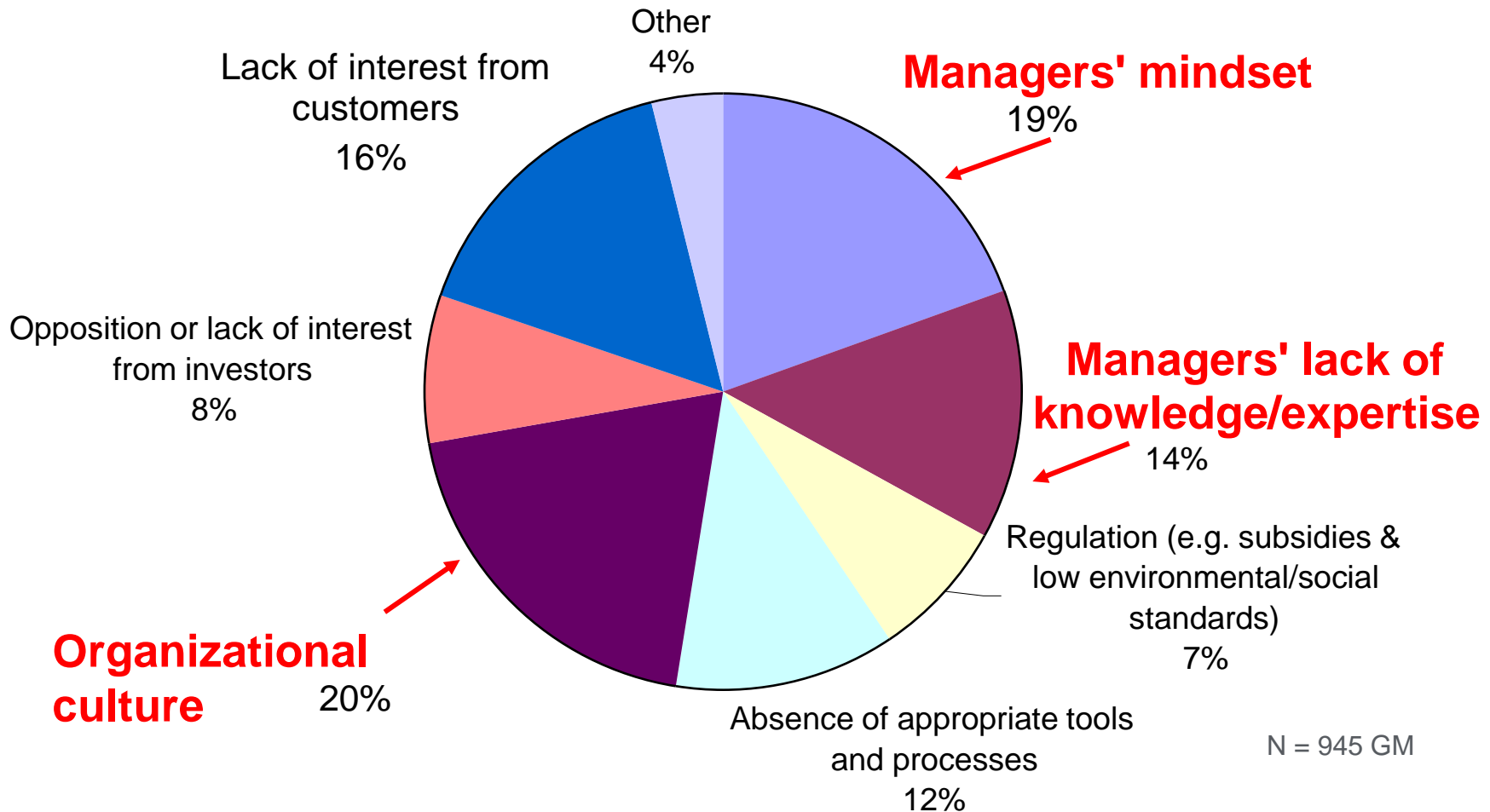
EXTERNALLY

- 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”

But, organizational culture and manager's mindset are the perceived **significant internal barriers** to corporate sustainability roll out



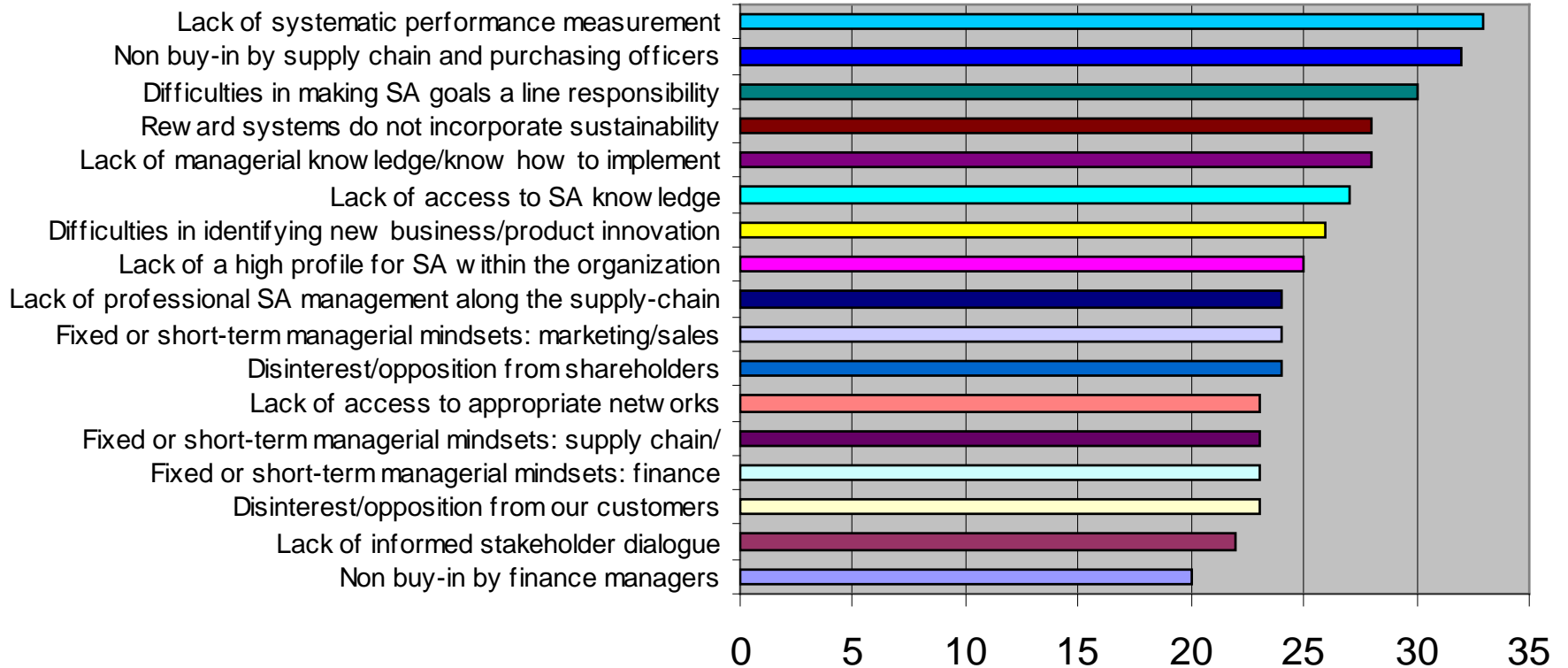
2009: Global organizations are often frustrated getting things done in CSM

Reported pain points of managing responsible value chains

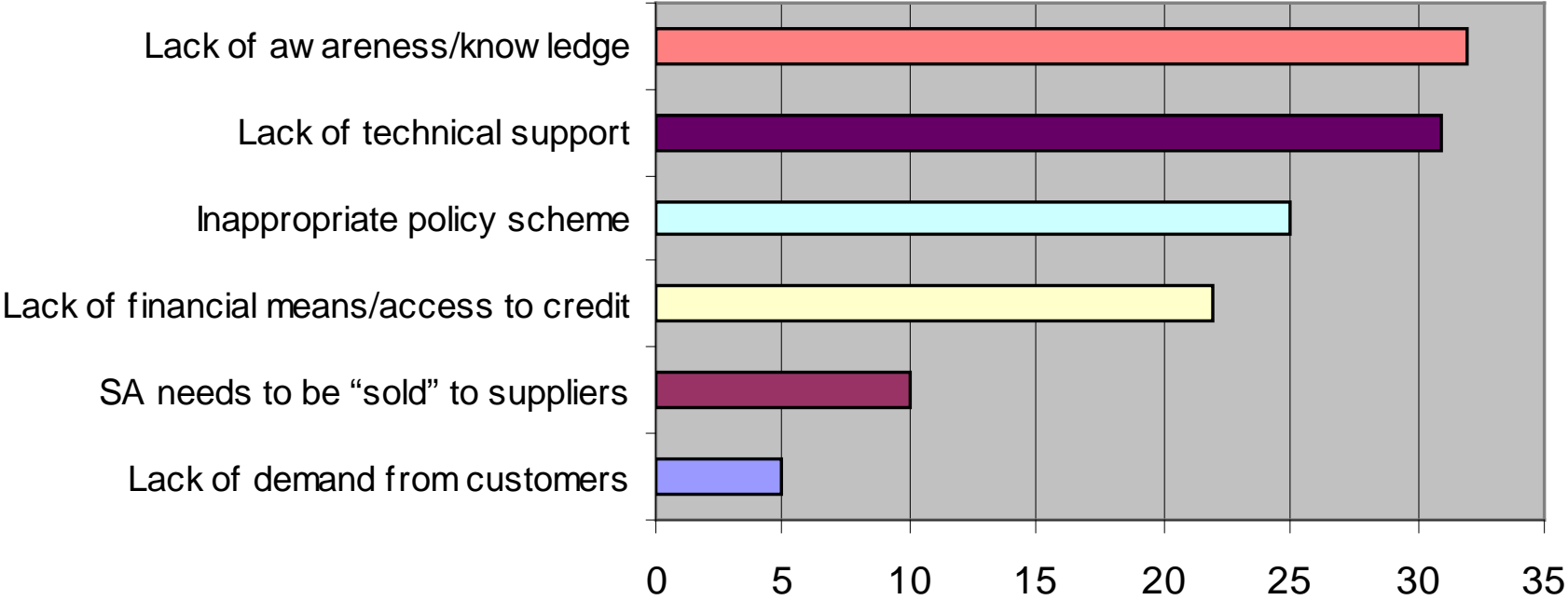
Engagement, change, reward	Knowledge	Resource leverage
<ul style="list-style-type: none"> • Lack of middle management buy-in • Short-term/fixed mindsets • Difficulties to integrate into the business model • Organizational silos • Difficulties to make the business case across departments and BUs • Non integration of CSM targets within rewards and evaluation systems 	<ul style="list-style-type: none"> • Lack of systematic performance measurement and benchmarking • Difficulties to build effective networks to support innovation • Barriers to transforming markets/educating customers • Lack of quantification tools of specific business cases and emerging risks • Lack of adequate KPIs 	<ul style="list-style-type: none"> • Poor cost effectiveness of sustainable procurement • Difficulties to push energy/resource savings to the next level • High cost of innovation • Low impact on brand leverage

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

Hurdles at the company level



Hurdles at the farm level

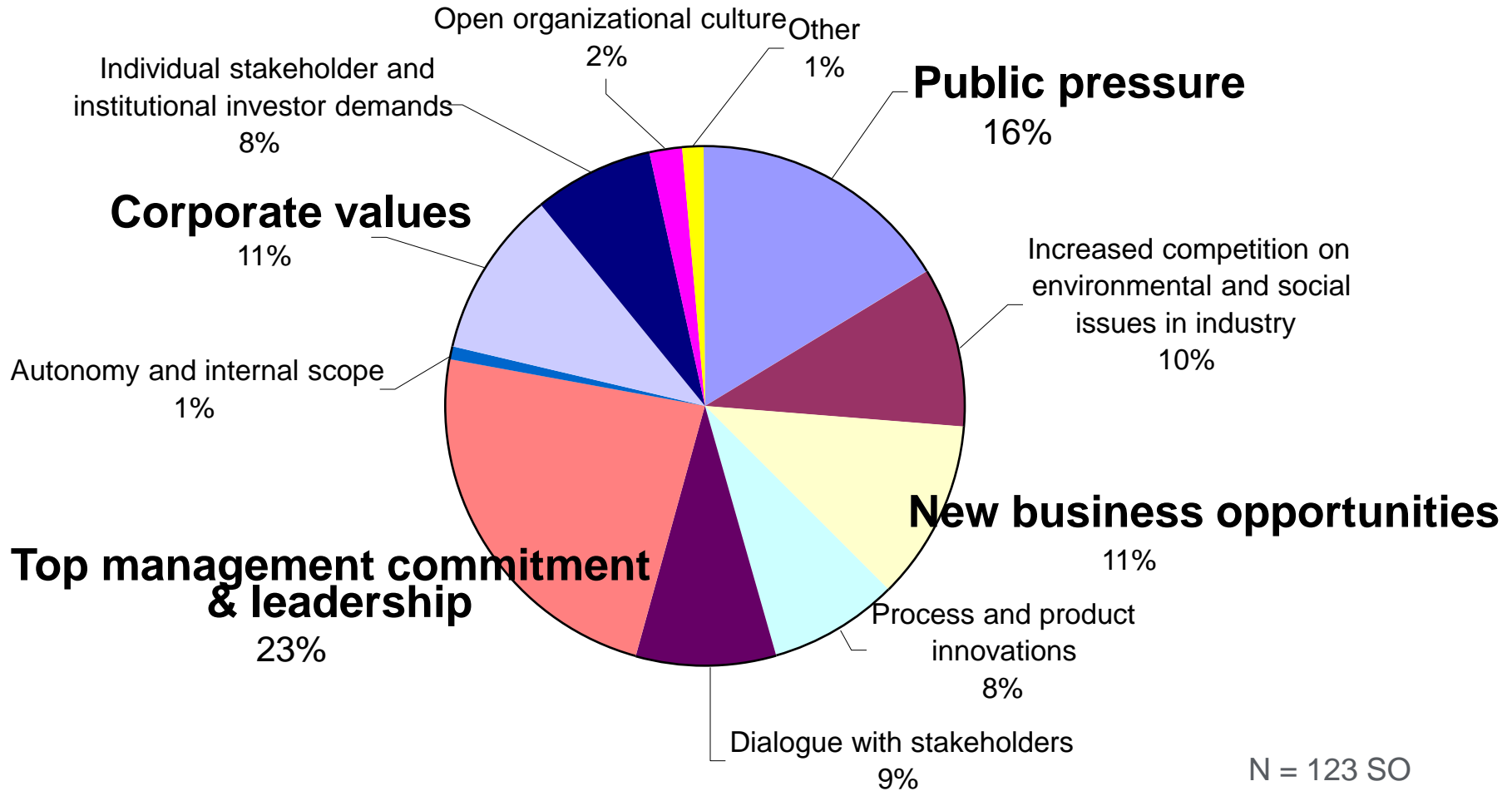


Internal barriers to sustainable agriculture are prevalent in the food & beverage industry

The greatest challenge?

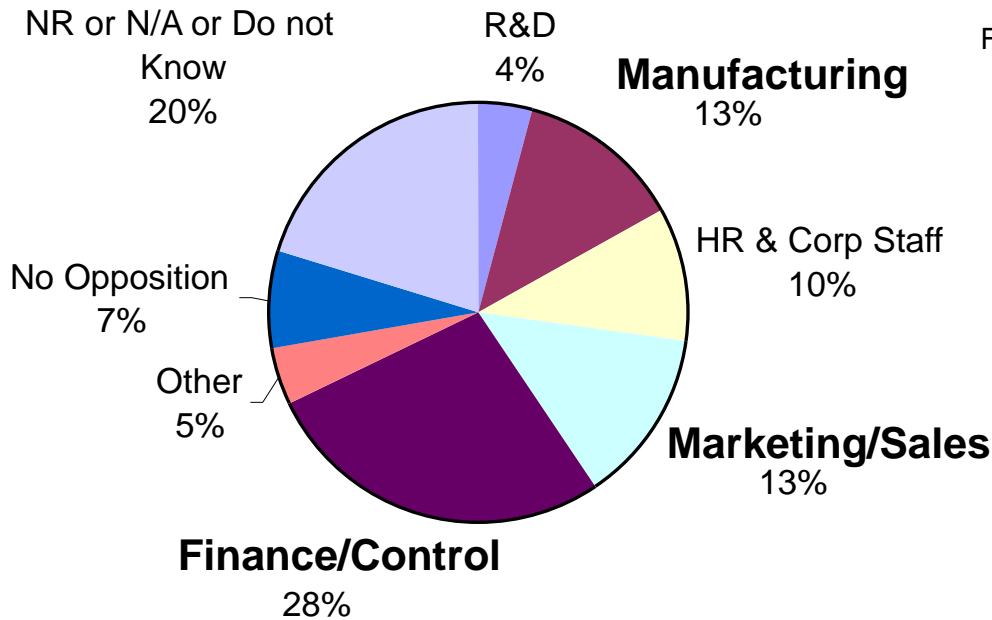
Breaking down mindsets of managers and filling knowledge gaps about the significant industry threats and business risks of unsustainable agriculture

Promoting factors for corporate sustainability

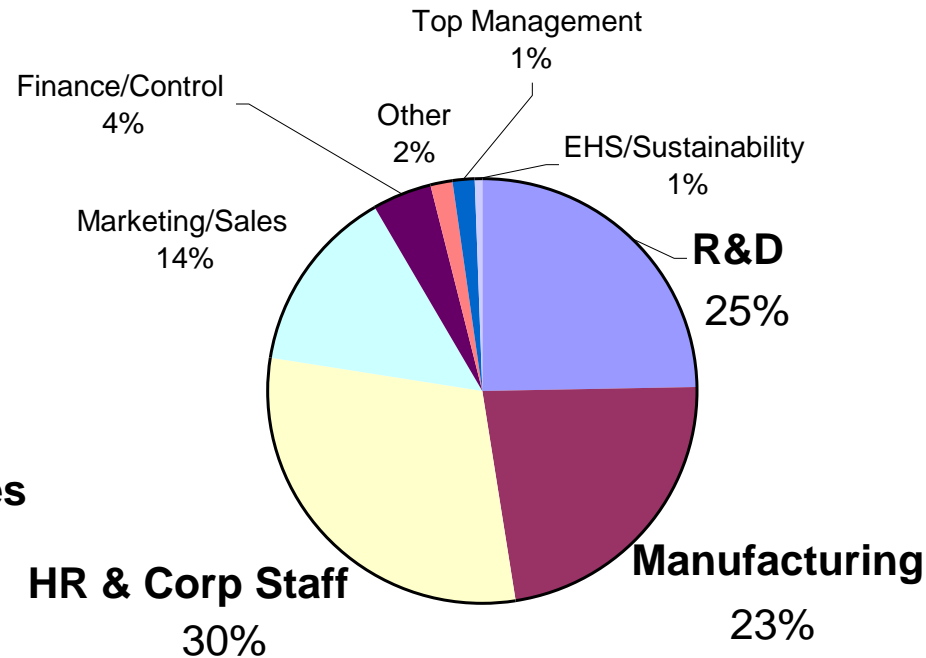


Business functions

Primary deterring role



Potential promoting role



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