



Corporate Sustainability

The common denominators to a successful program



Wednesday, October 18, 2006





The Environment is No Longer a Fringe Issue

- According to Gallup, the number of Americans who worry about the environment “a great deal” or a “fair amount” increased from 62% to 77% between 2004 and 2006
- Lifestyles of Health and Sustainability (LOHAS) represent 50 million Americans who spend \$228.9 million annually
- Green funds are proliferating, while some, like the Winslow Green Growth Fund, are outperforming the S&P 500
- Leading corporations including GE, Wal-Mart, DuPont and Shell have recently initiated corporate sustainability programs



The Common Denominators to Success

- Conduct primary research
- Develop messages and goals that resonate
- Engage third parties
- Enunciate the profit imperative
- Underscore the commitment of the CEO
- Remain committed to the program and demonstrate transparency



Conduct Primary Research

- Understand your perceived weaknesses and strengths
- Test the program's positioning, messaging and goals
- Identify the white space opportunities
- Establish a baseline against which to measure the progress of the communications efforts



Develop Messages and Goals that Resonate

- Speak to the program's universal needs and universal benefits
- Establish objectives goals with quantifiable performance metrics
 - The goals should be customer-facing, but should include an obligation by the company that benefits the environment
- Use the sustainability program as a means reinforcing a company's corporate positioning
- Avoid jargon in favor of straightforward, plain spoken language



Engage Third Parties

- Reach out to opinion leaders on a one-on-one basis as a means of forging or strengthening relationships
- NGOs play an essential role as validators of sustainability programs
- Other third parties, including academic and think tank scholars and financial analysts, are critical to shaping overall perceptions of both the program and the company
- Lawmakers and regulators who are effectively engaged can further the governmental affairs agenda of a corporation



Enunciate the Profit Imperative

- Sustainability programs that are cast as functions of corporate social responsibility have little credibility—and receive even less attention
- In contrast, those that are rooted in a company's business model are viewed as substantive
- CEOs, whose average length of tenure continues to shrink, are highly sensitive to the need to maximize shareholder value



Underscore the Commitment of the CEO

- The sustained commitment of the CEO demonstrates that the program has significant, company-wide importance
- In addition to serving as the primary spokesperson, the CEO should play a hand in shaping the program
- It should be a primary facet of speeches, media interviews, investor conference calls, annual reports and other corporate communications vehicles



Remain committed to the program and demonstrate transparency

- Report on the company's progress in achieving its performance metrics on an ongoing basis
- Engage opinion leaders and other stakeholders
 - Give them a voice in your communications vehicles
 - Provide them with news and information that is relevant to their professional livelihoods
- Deputize a senior executive who can be the day-to-day face of the program, as well as a driver of results