Stages of Climate-Related **Strategy Development**

Stage I Develop a Climate Strategy				Stage II Focus Inward		Stage III Focus Outward	
Assess Emissions Profile	**Gauge Risks and Opportunities**	**Evaluate Action Options**	**Set Goals and Targets**	**Develop Financial Mechanisms**	**Engage the Organization**	**Formulate Policy Strategy**	**Manage External Relations**
What kinds of direct and indirect GHG emissions are being created, from what sources, and in what quantities? What metrics can be used to track emissions, and what technologies or techniques are required to measure them?	What risks are posed by emissions from operations and GHG-intensity of products and services? Where can we excel and get ahead of peers in climate-friendly or risk-reducing business lines? How may demand for products and services change? What products and services may flourish given carbon constraints?	What options are available for reducing emissions? Are there any "low-hanging" emission-reduction opportunities? Where can we innovate? What long-run steps can be taken? How can climate-related strategies enhance top-line and bottom-line objectives?	Why set GHG reduction targets? What kinds of efficiency or reduction targets should be set, and over what time period? How do efficiency improvements relate to GHG reductions? How can targets be connected to business strategy? What kind of goals are achievable regarding new business opportunities? What kind of adaptation strategies should be considered?	What financial instruments are available to support GHG reductions? What are the pros and cons of emissions trading (internal and external), carbon shadow pricing, lower hurdle rates, and special capital reserves?	How can buy-in from the workforce be achieved? How important is senior leadership? Where are the sources of support and resistance? How can resistance be overcome? How can climate-related activities move from the periphery to the core?	How might possible policies help or hurt business and/or on-going climate-related activities? What policy options are on the table? What is a desirable policy outcome? What are the best ways to influence climate policy at the state, national, or international level?	What external constituents are important to the success of climate-related strategies? How should they be engaged?
Step 1	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**	**Step 8**

Feedback and monitoring to refine business case, strategy elements, and tactics