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Business for a Prosperous and Flourishing World

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Americans have tended to ignore green and social investments, often seeing them as obstacles to jobs. President Barack Obama's failed support for Solyndra¹ and his lackluster green energy policies only reinforce this notion. Yet research shows that the economic potential of America is greater than commonly thought in areas such as clean energy, sustainable agriculture, green buildings, and emission-free transportation.² The question now is whether the path to prosperity through a clean and green economy can be business-led, rather than dependent on government or the non-profit sector. Such a scenario would represent a bipartisan opportunity to strengthen our economy. China and Germany's massive investments in renewable energy—along with rapidly growing green industries worldwide—suggest that it is fast becoming a matter of national competitiveness.

Sure, everyone feels overwhelmed by global challenges such as climate change and growing social inequality. Next to death, the apparent damage we are doing to ourselves and to the planet—not to mention future generations—is one of the hardest problems we face. Yet there is plenty of evidence that large but under-exploited business opportunities exist, from vertical farms that can help feed increasingly urbanized populations³ to \$20

1. For several ABC News stories on Solyndra, see <http://abcnews.go.com/Blotter/Solyndra/>.

2. "Reinventing Fire," *Rocky Mountain Institute*, accessed March 25, 2013, <http://www.rmi.org/ReinventingFire>.

3. Owen Fletcher, "The Future of Agriculture May Be Up," *Wall Street Journal*, October

e-Readers designed for low income consumers⁴ who could most benefit from literacy and education.

The key to generating such business innovation is to promote environmental and social well-being as smarter rather than just greener. Profitable and scalable businesses that are good for people and the planet already exist. They fall into two categories: big mainstream players offering solutions to global challenges as part of a broad business strategy, and small and mid-size companies who compete based on sustainability performance. Both types of companies offer exciting support for the business-led optimism that Bill Clinton touted in a recent *Time* cover article.⁵ By creating value for society and the environment, these firms create even more value for their customers and owners.

Big mainstream companies finding profitable solutions to global challenges can be found in every sector from agriculture to waste management. Through its Smarter Planet and Smarter City⁶ initiatives, IBM is working to provide health care, roadways, power grids, and food production with “instrumented, intelligent, and interconnected” products and services.⁷ Says CEO Sam Palmisano, “We are looking at huge problems that couldn’t be solved before. We can solve congestion and pollution. We can make the grids more efficient,” he says. “And quite honestly, it creates a big business opportunity.”⁸ Recent headlines announced the launch of WaterWatchers,⁹ a new mobile app, which harnesses the power of crowdsourcing. Not a day goes by, it seems, where someone at IBM does not come up with a way to turn social and global issues into a business opportunity to create sustainable value.

Small and mid-size firms are making sustainability a unique differentiator for their customers. Tennant Company is a Minneapolis-based floor cleaning

15, 2012, <http://online.wsj.com/article/SB10000872396390443855804577602960672985508.html>.

4. “How a \$20 tablet from India could blindside PC makers, educate billions and transform computing as we know it,” *Digital Doyennes*, accessed March 25, 2013, <http://www.digitaldoyennes.com/post/35557184592>.

5. Bill Clinton, “The Case for Optimism,” *Time*, October 1, 2012, <http://www.time.com/time/magazine/article/0,9171,2125031,00.html>.

6. “Smarter Cities for Smarter Growth,” *IBM*, <http://www-935.ibm.com/services/us/gbs/bus/html/smarter-cities.html>.

7. “Let’s Build a Smarter Planet,” *IBM*, http://www.ibm.com/smarterplanet/us/en/?ca=v_smarterplanet.

8. Jeffrey M. O’Brien, “IBM’s grand plan to save the planet,” *CNN Money*, http://money.cnn.com/2009/04/20/technology/obrien_ibm.fortune/.

9. “IBM Taps Big Data to Help Solve Water Challenges Across South Africa,” *PR Newswire*, <http://www.prnewswire.com/news-releases/ibm-taps-big-data-to-help-solve-water-challenges-across-south-africa-199547491.html>.

equipment maker that uses ionized water to powerfully clean commercial floors without chemicals. “Chemical free cleaning” might seem risky business for a company with \$745 million in sales, yet its stock has outperformed the Dow Jones Industrial Index by a three to one margin since 2006, when it first launched its chemical free strategy.¹⁰ Clarke is a highly successful Chicago-based mosquito control company that won the 2010 US Presidential Green Chemistry Challenge Award for a new larvicide that replaces traditional organophosphate chemistries and is approved for use in certified organic farming.¹¹ Patagonia is a leading producer of outdoor clothing and gear with a loyal following of customers and employees who identify with its radical environmentalism. The company encourages people to “buy less stuff,” makes goods that last longer and can be recycled, and uses materials that are produced more sustainably than competitor products.¹² Another favorite example is Fairmount Minerals. “Do Good, Do Well” is more than a mantra at this sand mining company. Since it was named the #1 corporate citizen in America in 2005, the company has become the fastest growing company in its industry—and its employees are on fire with a sense of purpose, high engagement, and a spirit of innovation. Similar overseas ventures hint at the upcoming battle for sustainable businesses: Natura (Brazil), Simpa Networks (India), Triodos Bank (Netherlands), and Icebreaker (New Zealand) are among the new breed of companies that are outperforming their peers.¹³

Sustainable innovations are what allow companies to offer environmental, health, and social benefits without higher product prices or inferior quality. The ‘no-trade-off’ approach to solving rising global and local problems could be the powerful economic engine of our time, much as post-war reconstruction was in the twentieth century. Business can now use the profit motive as a force for: (1) ending extreme poverty and meeting the needs of the underserved; (2) creating energy and food security; (3) reducing conflict and promoting peace; (4) advancing environmental regeneration; (5) upholding human rights and the empowerment of women; and (6) realizing global

10. “Top BSCs trust ec-H2O™ technology,” Tennant Company, <http://www.tennantco.com/am-en/Pages/Company/NewsArticle.aspx?itemid=we-stand-behind-ec-h2o>.

11. “Sustainability,” Clarke Company, http://www.clarke.com/index.php?option=com_content&view=category&layout=blog&id=77&Itemid=59.

12. Patagonia, <http://www.patagonia.com/us/home>.

13. Fairmount Minerals, see <http://www.fairmountminerals.com>; Natura (Brazil), see <http://en.wikipedia.org/wiki/Natura>; Simpanetworks (India), see <http://simpanetworks.com>; Triodos Bank (Netherlands), see <http://www.triodos.com/en/about-triodos-bank/>; Icebreaker (New Zealand), <http://us.icebreaker.com/on/demandware.store/Sites-IB-US-Site/default/Home-Show>.

health, especially for our children. By providing value for society and the environment, the private sector has the opportunity to create even more value for its investors, as new market forces drive demand for solutions to these problems.¹⁴

“We have it in our power to begin the world again,” Thomas Paine told his contemporaries at the start of America’s democratic revolution. The same can be said of the role of business today in building a better world.

Sustainability innovations are already leading to entire new business models, such as those cited above, including IBM’s Smarter Planet and Tennant Company’s H2O chemical-free cleaning. Some are no more than promising ideas, but in many cases hint at the coming revolution in meeting consumer needs based on caring for people and the planet. They include electric car batteries with a five hundred mile range, ATMs that dispense clean water in even the most remote areas of the world, and solar cells sprayed on roads and rooftops to power our energy needs.¹⁵

All have the potential to change the world in a way that is good for people, good for business, and good for America. They offer a positive view of America’s future based on sustainability leadership. To move this agenda forward, a number of initiatives are in the works, including the Global Prize for Business as an Agent of World Benefit, conceived at Case Western Reserve University, as well as the Pentagon’s recent call for a national strategy of sustainability.¹⁶ These and many others have the ability to change our narrative about having to choose between economic prosperity and a clean, green, sustainable future.

As Chuck Fowler, CEO of Fairmount Minerals, says, the mindset is not “do well, do good”—for that is the typical pathway of philanthropy (you can’t give back until you do well, like a Gates or a Rockefeller). For Chuck that pathway is completely reversed to “Do Good. Do Well.” It turns the

14. Chris Laszlo and Nadya Zhexembayeva, *Embedded Sustainability* (Stanford: Stanford University Press, 2011).

15. “IBM speeds push for 500-mile EV battery;” see http://news.cnet.com/8301-11386_3-57417588-76/ibm-speeds-push-for-500-mile-ev-battery/; Ariel Schwartz, “Solar-Powered Water ATMs Provide Clean Drinking Water To The Thirsty,” *Fast Company*, September 2011, <http://www.fastcompany.com/1782224/solar-powered-water-atms-provide-clean-drinking-water-thirsty>; Maria Trimarchi, “How Spray on Solar Panels Work,” <http://science.howstuffworks.com/environmental/green-tech/sustainable/spray-on-solar-panel.htm>.

16. Global Prize for Business as an Agent of World Benefit at Case Western Reserve University, see <http://www.openideo.com/open/business-impact-challenge/concepting/>; Jim Dwyer, “A National Security Strategy That Doesn’t Focus on Threats,” *New York Times*, May 3, 2011.

equation around and requires heretical thinking, sustainable innovation, and solid, effective management. “For once you commit to building a better world through good business” says Chuck, “you always find a surprising, exciting way to do it through win-win imagination and innovation, and that’s what leads to differentiation and success.”