

Business Leaders Highlight Close Links between Sustainability and Competitiveness

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- Sustainability goes beyond reducing greenhouse gas emissions. It must be embedded in the business and visibly supported by the CEO.

Tianjin, People's Republic of China, 14 September 2010 - Sustainability and competitiveness are closely linked, business leaders argued in a plenary session on sustainability and corporate competitiveness on the second day of the fourth Annual Meeting of the New Champions 2010. "Sustainability goes beyond greenhouse emission targets," said Eckhard Cordes, Chairman of the Management Board and Chief Executive Officer of METRO GROUP, the German retailer.

"It must become part of your business and not just an add-on and it must be visibly supported by the CEO." Sustainability and competitiveness are really the same thing, reckoned Klaus Kleinfeld, Chairman and Chief Executive Officer of Alcoa, the aluminium producer in the United States. "When we do something, we do it in a sustainable way." If a company does the right thing and has the right values, it attracts customers and people want to work there, Kleinfeld added.

Competitive advantage is achieved through sustainability, said Dov Seidman, Founder, Chairman and Chief Executive Officer of LRN, a US-based firm that helps companies foster ethical cultures. Size used to matter, he explained. Price is not the only factor. Today, "sustainability is not about how much; it is about how": How does an enterprise create sustainable relationships with its staff, customers and suppliers? In the hyper-connected world, Seidman observed, it is no longer enough to provide a good product and service. People are looking for meaningful and rich experiences and connections that are deep, not shallow. In an interconnected world, there is no distance. A moral and ethical interdependence has developed: My problem is your problem.

Businesses have come to understand this shift, concluded Seidman. The challenge for the CEO is to translate the sustainability commitments that his company makes to its stakeholders into corporate practice. This means shifting from governance by carrot-and-stick coercive policies and management to embedding values into the culture. It requires building trust between companies and their stakeholders. "The idea of trust is the underpinning concept," concluded Mark Foster, Group Chief Executive, Global Markets and Management Consulting at Accenture in the United Kingdom.

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