



ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

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Eco-transformation: a global sustainability wake-up call

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A vital opportunity and responsibility exist for firms to devise new sustainable business models that tackle the pressing social and ecological challenges of our time. The global stakes involved requires scientists and business practitioners to work more closely than ever to innovate, and deliver effective solutions that simultaneously create social, ecological and commercial value. This is very much the mission of the Centre for Eco-Transformation.

Areas of expertise

In this burgeoning academic-corporate field of interest it is easy for firms and students alike to get lost in a myriad of buzzwords and fall into the trap of greenwashing. Through education and research directly involving business practitioners, the Centre for Eco-Transformation within the Erasmus Research Institute for Management aims to help develop theoretical and practical knowledge needed for sustainable socio-ecological systems.

The centre is based upon six main areas for exploration and practical application that underline just how wide-ranging and complex an area this has become. Steve Kennedy, scientific director of the centre, sees this multi-part, research-based perspective on the field as the most effective way of helping companies scale up their business solutions in the most adapted manner possible: 'We have chosen to break down the field into six key areas of expertise – corporate sustainability, sustainability oriented innovation, ecosystems & biodiversity, circular economy, social entrepreneurship, and sustainability accounting. These six areas are all entry points for firms into how to address grand sustainability challenges, whereby they can begin to leverage their strengths, competencies and identify the areas where they still have much to learn.'

Academic-corporate dialogue

The Centre for Eco-Transformation addresses very real ecological issues that underlie the foundations of society and on which business depends. ▶

Sustainability has now long been on the corporate agenda and is well recognised as a boardroom level strategic issue. Yet, while positive strides have been taken to incorporate social and ecological issues into business decision-making, there is a continued collective failing to halt or reverse trends of ecological destruction.

Business models that rely on increasing sales often undo environmental efficiencies in energy or material resources. Business models of the new sharing economy often have unattended consequences such as poor consumer care of the product or increased consumer use. Science and business practitioners alike have much to learn about how companies may effectively create solutions that not only improve a firm's sustainability performance, but also consider that of the broader socio-ecological system.

Clearly a hands-on approach is required of thoughtful and learning-based experimentation – a conceptual-plus-practical drive towards achieving global sustainability for the nine billion people who will inhabit the planet by 2050.



Eco-transformation: a global sustainability wake-up call *(continued)*

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In short, its first aim is to provide an understanding of the impact and dependence of the corporate world on social and natural capital. While on the surface this appears simple – what business can function without the availability of water, healthy soils or the fresh air we breathe? – for many firms the current state of the planet alongside the causes and consequences of ecological destruction can be a wake-up call.

Secondly, the centre aims to help practitioners to act by providing access to cutting-edge management research, teaching and networks, while simultaneously learning from their experiences. This is a point underlined by the centre's managing director Eva Rood. 'Our core mission is to produce and disseminate knowledge, but if this knowledge is not picked up on and applied by firms then our work will always remain just at a conceptual level. We want to accompany businesses in creating future-ready solutions and models, help them set up networks to push through the findings of our collaborative work, and provide a forum for discussion between scholars, business people, policy-makers and the students of our programmes.'

Collaboration

Businesses interested in the activities of the centre and the many burning issues linked to corporate sustainability can get involved in a great many ways, from the creation of course content at Bachelor, Master, MBA and executive education levels through to the proposal of internships and real-life business case studies for research.

The specificity of the centre's mission lies in the extra focus placed upon the various ecological challenges raised by sustainability. In short, businesses need to wake up to the reality that their performance and the potentially negative impact it is having on the planet is having both environmental repercussions on the world and doing damage to their own commercial viability. Furthermore, firms can grasp the great opportunity that addressing ecological challenges represents to pursue new markets, create new sustainable products, services and business models whereby the firm and its stakeholders capture value.

Understanding the challenges

Underpinning the mission and targets of the centre is the establishment of

a link between business performance, the creation of societal value, and comprehending how innovations and new business models may address ecological problems. The attractiveness of a company can be significantly boosted if it is committed to respecting the planet and becoming a supplier of ecological solutions. Firms may access and create new markets for goods and services, operate business models with lower material dependencies and become more resilient to a hotter, more volatile world. The value of activities such as preventing further land degradation and encouraging landscape restoration may not be intuitive to all entrepreneurs and company heads, but it is already a pre-condition for the long-term resilience of many existing businesses.

Companies that have already embraced this challenge are beginning to experiment with new strategies and organisational practices that may act as mechanisms to transform their operations. The circular economy has caught the attention of many firms, as rising and volatile prices of natural resources are helping firms to consider linear business models under a more critical light. Circular-based design thinking is helping firms to consider how to close material loops, extend product life and lifecycles, and better deliver consumer value.

Integrated reporting is also fast becoming a common practice of large firms to better understand their social and natural capital dependencies. Far from being a mere external communications exercise on the theme of

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Eva Rood, managing director, Centre for Eco-Transformation

sustainability, this recent practice has seen eco-conscious companies improve their internal decision-making through integrating thinking that connects how the company creates value with what it depends on for that value creation. The challenges and opportunities are numerous; hence the greater need for academics and business practitioners to start teaming up.

Hands on deck

The academic-corporate bridge approach taken by the centre is driven by a key target announced loudly and clearly in its mission statement – to help scale up business solutions in order to achieve global sustainability. This can begin in lecture theatres and via seminars but, for Steve Kennedy, a ‘hands-on-deck approach’ is essential. ‘We want businesses to be as intrinsically involved as possible, whether it is by benefitting from our programmes and research or, even better still, contributing to them. We as academics can explain how we see the situation and the stakes faced by the corporate world today, but it is ultimately down to them to take away lessons from their collaboration with the centre and apply them in the field. Eco-transformation is not an overnight process, so as far as I am concerned it is all hands to the decks now.’

Multi-stakeholder approach

Student involvement in and interaction with businesses should not be overlooked as an extra opportunity to push the debate forward, making the work of the centre truly multi-stakeholder

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by nature. Involvement in the Marie Curie Innovation for Sustainability project has seen Rotterdam School of Management work in close collaboration with a network comprising of academia, industry representatives and the World Business Council for Sustainable Development. Firms regularly contribute in teaching activities and themselves walk away with new ideas and insights. The number of thematically relevant student and faculty clubs such as Erasmus Sustainability Hub, Sustainable RSM, Green EUR and Erasmus Involved offers yet another angle for engagement.

These examples of collaboration, coupled with participation in corporate events, means that businesses are not only in regular contact with researchers, but are also able to tap into the ideas of future practitioners and academics. The next step is to translate the vital knowledge base offered by the centre into concrete action, resolutely green action. Businesses have been holding back for too long. The multi-stakeholder, close-knit approach proposed by the centre suggests a way forward, one that must be grasped be-

fore the eco-challenges faced by the planet become too steep for businesses to make a vital contribution. ■

To find out more about the ERIM Centre for Eco-Transformation, visit

WEB www.irim.eur.nl/ecotrans

Eva Rood is Managing Director, ERIM Centre for Eco-Transformation.

EMAIL erood@rsm.nl

Steve Kennedy is Scientific Director, ERIM Centre for Eco-Transformation and Assistant Professor, Department of Business-Society Management, Rotterdam School of Management, Erasmus University.

EMAIL skennedy@rsm.nl

