

HOW TO HARNESS AND TURN MEGATRENDS INTO SUSTAINABLE GROWTH

Consumers who are reconsidering their values and demanding a new kind of sustainability are forcing companies to re-evaluate not only their strategies, but also their fundamental purpose: how can we justify our existence and for whom do we create value?

The operating environment of companies is nowadays shaped by global frameworks that affect markets, values and decision-making. Deglobalisation, stricter regulation, geopolitical instability, the crisis of democracy, and the technological revolution – these are not passing phenomena, but rather increasingly vital factors that define the framework conditions for companies.

Traditional growth models alone are not enough. Companies need a new kind of thinking that combines profitability, sustainability and purpose.

– Futurologists suggest that we need to prepare for one crisis after another. And currently we are feeling very concretely the effects of several crises taking place simultaneously. As the familiar mantra goes, ‘You can’t run a healthy business in an unhealthy world’.

These are the words of **Tania Ellis**, an internationally recognised expert in sustainable business and corporate responsibility. Ellis, CEO of The Social Business Company, is also an author, speaker and strategic advisor who helps companies build value-driven business models.

Ellis’ expertise lies in global megatrends. She combines systemic thinking and a human perspective in her approach. She argues that business operations in the 2020s require both a sustainable strategy and the ability to reform.

She knows what she is talking about. She received the Women Leadership Excellence Award, and her book, *The New Pioneers* (Wiley, 2010), is featured on the Cambridge Top 40 Sustainability Books list. The Social Business Company won Corporate Vision Magazine’s Small Business Award, recognising it as the most innovative speaking and consultancy company in the Nordic countries.

Photo: Tania Ellis

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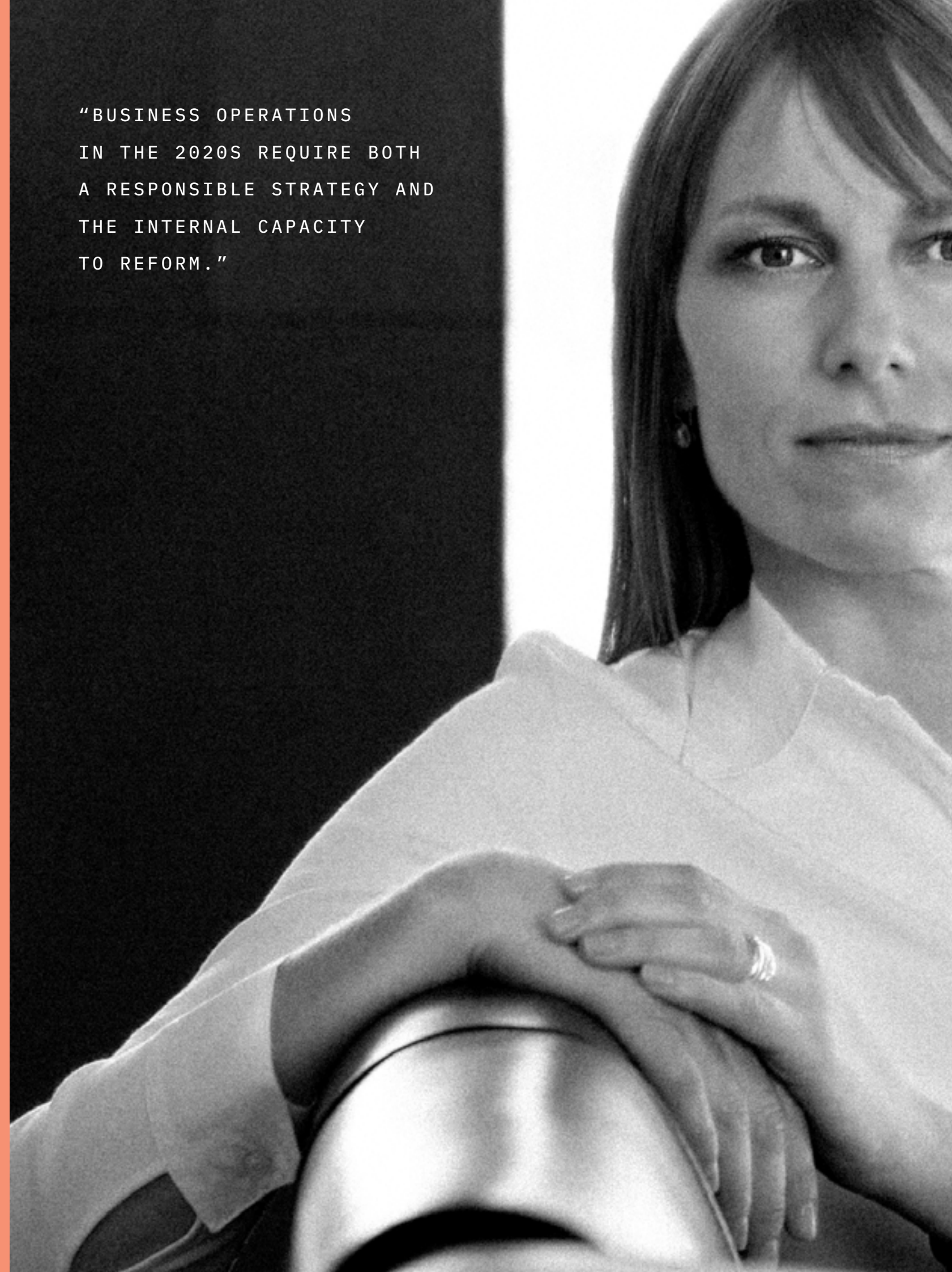




Photo: Tania Ellis

OPPORTUNITIES, NOT THREATS

Many organisations and companies tend to view change primarily through the lens of risk. Climate change, regulation, cyber threats and geopolitical tensions are often perceived as threats that call for a defensive response.

Ellis encourages examining transformative phenomena as a starting point for new forms of business.

TAKING STAKEHOLDERS INTO CONSIDERATION

Corporate responsibility is not about individual actions – it’s about understanding the big picture. According to Ellis, the first step is to pause and reflect megatrends in relation to the company’s stakeholders. – I believe the first thing a company should do is to identify key phenomena and view them from the stakeholders’ perspective. For instance, how does climate change look through the eyes of our customers? What expectations, demands or observations do they have regarding this issue?

The level of sustainability that consumers demanded from companies only a short while ago may no longer be sufficient. Megatrends, such as the current global geopolitical situation, are constantly reshaping what is expected from companies. – Geopolitics is no longer just a news headline. It is slowly influencing consumer behaviour. Consumers are increasingly considering their purchase decisions based on the origin of the product, how the company operates or where it invests. Global consumer surveys indicate that geopolitical aspects are already part of the thinking pattern of an informed consumer.

CORPORATE RESPONSIBILITY – GROWTH OR STAGNATION?

The million dollar question is how companies can find a responsible, transparent balance between growth and sustainability? Can sustainability and profitability go hand in hand – or does one inevitably come at the expense of the other?

– I think everyone is trying to come up with an answer to that question, Ellis says.

– At some point companies need to have an honest discussion about the extent to which profit should be pursued. Nothing in nature has endless growth potential. It takes great maturity from companies to sit down and think about when enough is enough.

The role of social responsibility is constantly emphasised. This means companies need to consider the impact of their operations in relation to society and the environment.

– Alongside economic growth, you can consider, for example, the areas where growth can be pursued. Going back to the fundamental question of the existence of companies: why are we here, and what is our role in society? Would the world be a better place if we did not exist, or are we drivers of positive change?

One way to demonstrate commitment to making a positive impact is to pursue for B Corp certification. The B Corp certificate is an international, independent recognition granted to companies that seek profit while fulfilling high standards of social and environmental responsibility – and maintaining a commitment to those standards in the future as well. As an example, Ellis mentions Patagonia, which was B Corp-certified in 2012 and has long been recognised in the fashion industry for its sustainable business operations.

– Operators like Patagonia show that a value-driven approach can be both credible and attractive: it engages employees, appeals to consumers and creates a competitive advantage on the market. ■

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