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## A Lesson Plan for Communicating the Sustainability of an Enterprise

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# A Lesson Plan for Communicating the Sustainability of an Enterprise

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## **Abstract**

*Sustainability is the ability to endure. For any organization or any enterprise, sustainability is the ability to remain productive long term while minimizing waste and creating value. An organization can achieve sustainability if it aligns itself with the product and service needs of its customers and wants and interests of its multiple stakeholders. The enterprise, whether it is an ecological, environmental, human, or service enterprise, must possess five “abilities” to be sustainable: availability; dependability; capability; affordability; and marketability. This paper presents a lesson plan or strategy for how an enterprise should communicate/promote sustainability to its stakeholders based on these five abilities.*

**Keywords:** Communicating sustainability, Enterprise sustainability, Promoting change, Promoting sustainability

## **Relevance to Marketing Educators, Researchers and/or Practitioners:**

The achievement of sustainability in the marketplace is a survival goal for all product and service providers. In order to achieve this goal, the concept of sustainability must be promoted to all stakeholders. This paper presents a plan for communicating sustainability efforts by focusing on change management.

## Introduction

Sustainability is an ability: the ability to endure. In ecology, sustainability describes how biological species survive. For the environment, it is assessing whether or not project outputs can be produced without permanent and unacceptable changes in the environment. For humans, it is our long-term physical and cultural well-being. For mechanical systems and structures, it is maximizing reliability while conserving required resources and reducing waste. For an entity or an enterprise, it is the ability of the enterprise, its products, and its systems to remain competitive and productive long term, without failure, while minimizing waste.

Sustainability and sustainable development have become popular goals. They have also become wide-ranging terms that can be applied to any entity or enterprise on a local or a global scale for long time periods. Sustainability has many interpretations. Recently, the term has been used more in the context of “green”, which refers to having no negative impact on the environment, community, society, or economy (Bromley 2008). However, the traditional meaning centers around the words “endure”, “maintain”, or “support”, which is the focus of this paper. Here, sustainability means to aim to maintain the readiness and operational capability of systems or services in the entity through the adoption of a strategy that meets established performance requirements in the most effective, efficient manner over the entity’s life cycle. The scope varies among entities, of course, but it does include the key word “ability”. Thus, to be sustainable, an enterprise must possess the following abilities: availability, dependability, capability, affordability, and marketability. The focus of this paper is on the fifth ability which is marketability. Specifically, it is concerned with how an enterprise can communicate sustainability to its stakeholders.

## Past Research on Sustainability

Most of the work on sustainability has focused on systems: ecosystems, biosystems, or mechanical systems. A few articles have considered how these systems, or the entity, or enterprise can become sustainable. Morris (2010) looked at economics and sustainability. She maintains that sustainability seeks to balance three things: (1) economic growth, development, or well being; (2) ecological or environmental protection and preservation; and (3)

socioeconomic equity and equality. The main thrust of her research was that sustainability must be taught from the economic perspective.

Similarly, in 2002 Dyllickand and Hockerts focused on three dimensions of sustainability. They looked at economically sustainable companies that guarantee cashflow position sufficient to ensure liquidity while producing a persistent above-average return to investors. The second dimension considered ecologically sustainable companies that use only natural resources that are consumed at a rate below the natural production, or at a rate below the development of substitutes. These companies do not cause emissions that accumulate in the environment at a rate beyond the capacity of the natural system to absorb or assimilate these emissions, and they do not engage in activity that degrades eco-system services. The third dimension is socially sustainable companies that add value to communities within which they operate by increasing the human capital of individual partners as well as to further the societal capital of these communities. These companies manage social capital in such a way that stakeholders can understand their motivations and can broadly agree with the companies' value systems.

These three dimensions of sustainability match the triple bottom line (TBL) concept first described by John Elkington (2004). TBL, also known as “people, planet, profit” or “the three pillars” is a popular conceptualization and reporting vehicle for articulating enterprise performance. It is receiving significant attention in connection with its efficacy and sufficiency as a means for reporting the extent to which an enterprise meets its societal responsibilities. By preparing and disseminating TBL statements, an enterprise conveys an image of sensitivity to the three dimensions of societal responsibility: economic, environmental, and social (Brown, Dillard and Marshall 2006).

Loorbach (2007) wrote about governance for sustainability. He focused on transition management, which is a coordinated effort to influence the speed and direction of large-scale social change based on the concepts of social transitions and sustainable development. The research revealed that neither top-down government policies nor bottom-up market forces can alone support directed long-term sector-wide changes; they can only occur through combinations of government policies, market forces, and bottom-up initiatives from civil society (Rotmans et al. 2001; Loorbach, 2007).

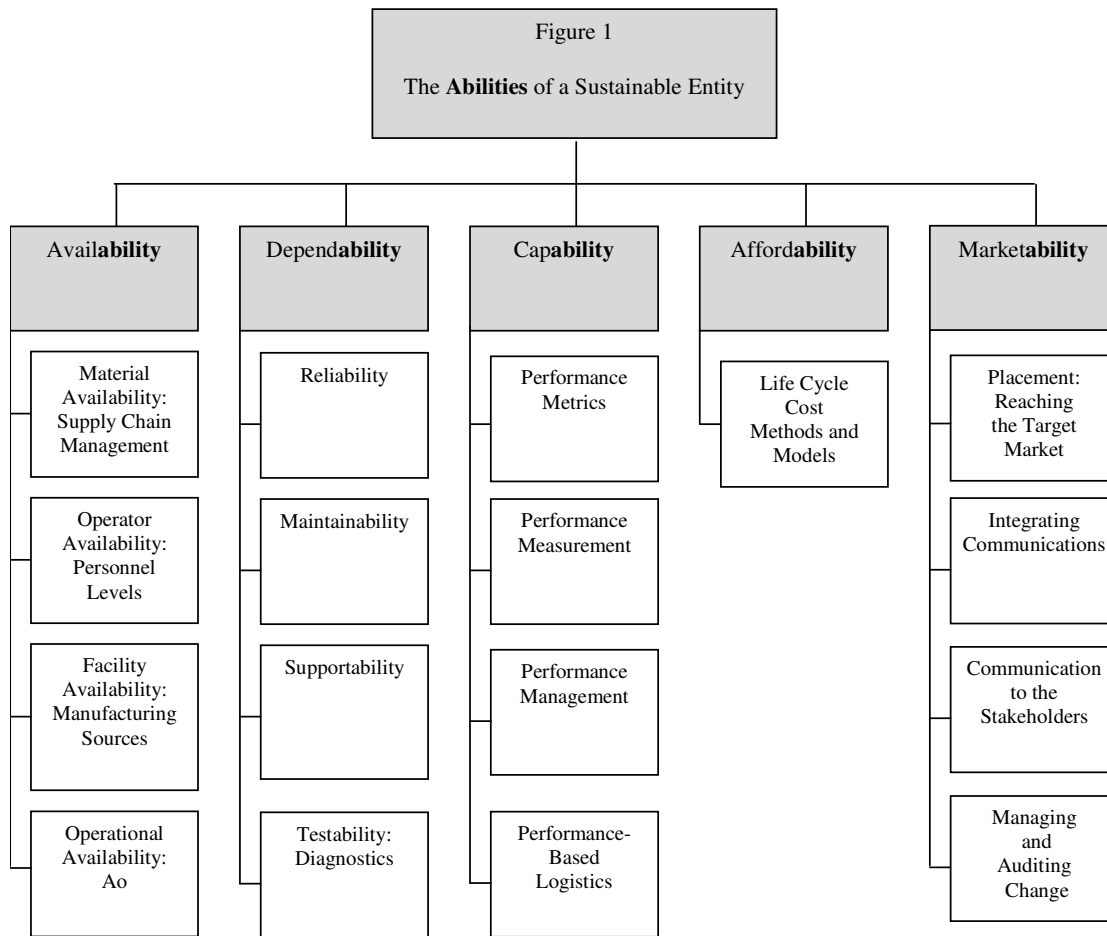
Bossel (1999) maintains that sustainable development requires systems information. “The total system of which human society is a part, and on which it depends for support, is made up of a large number of component systems. The whole cannot function properly and is not viable and sustainable if individual component systems cannot function properly, i. e., if they are not viable and sustainable. Sustainable development is possible only if component systems as well as the total system are viable.”

According to Parnell (2008), achieving market and environmental sustainability is a most desirable result. However, this is also the most difficult result to achieve in the quest for sustainable development.

In the special issue of the *Journal of the Academy of Marketing Science* (2011) on sustainability, 10 articles deal with market-focused sustainability. According to Hult (2011), the overall notion in these articles is that sustainable development “meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987). In his words, this definition is still applicable today with the addition of market orientation, stakeholder theory, and social responsibility.

## **The Five Abilities of a Sustainable Enterprise**

To be sustainable, the entity or enterprise, whether it is an ecological, environmental, human, or service enterprise, must possess five “abilities” which are availability; dependability; capability; affordability; and marketability illustrated in Figure 1. Availability is access to the right technology, materials, facilities, tools, and people that makes sustainability possible. It is also the long-run operational availability of the services or products of the entity. Dependability concentrates on the reliability of the services or products. Can the components of the entity perform without failure? Capability is about performance metrics, measures, and management. Affordability concentrates on the cost. Marketability deals with defining the market for the products or services, understanding consumer needs, managing changes over time, identifying improvements for the benefit of the stakeholders, and selling sustainability concepts to those who are resistant to change.



**Figure 1. The Abilities of a Sustainable Entity**

## **Marketability: Promoting/Communicating Sustainability**

How can sustainability initiatives be promoted to stakeholders? Specifically, how do you motivate decision makers to adopt sustainability concepts? How do you sell these ideas to those who are culturally resistant to change? How do you communicate changes and their consequences to all stakeholders? Lastly, how do you manage and audit the changes brought on by the new initiative?

Sustainability administration is the art and science of deploying all of the resources of the enterprise – its people, technology, money, and management – to achieve sustainable objectives in the context of a continually changing

environment. Marketability is the ability of the enterprise to define what sustainability administration implies for specific operations, and it is the ability to market or sell suggestions for change or improvement to stakeholders. Communicating is more than advertising, more than selling. It involves all activities which relate the organization to the stakeholder whom it must efficiently serve in order to survive. Hence, communicating and managing change are essential for the success of a sustainability initiative. Note that the focus is on marketing communications, because the most difficult part of implementing change is communicating the change to stakeholders who are usually resistant to change. The most common questions asked by those to whom change is directed are: why change the way we do things? What does the change imply for me, specifically? Does change alter my work, lifestyle, or my function? What is the motivation for me to change? What is the motivation for me to be concerned about sustainability?

To illustrate the need for communicating sustainability, in 1994 Philips launched the EarthLight®, a now-common energy-efficient compact fluorescent light (CFL) bulb designed to be an environmentally preferable substitute for the incandescent bulb. EarthLight's clumsy shape, however, was incompatible with most conventional lamps, and sales languished. After studying consumer response, Philips reintroduced the product under the name Marathon®, to emphasize the bulb's five year life. New designs had the appearances of conventional incandescent light bulbs and the promises of energy savings over the products' life spans. The Philips experience provided a valuable lesson on how to avoid the common pitfall of "green marketing myopia" (Ottman et al 2006). Philips called its original entry "EarthLight" to communicate the CFL bulbs' environmental advantage. While noble, the benefit appealed to only the deepest green niche of consumers.

Similarly, Luchs et al (2010) found in a recent study that green products tend to be associated with gentleness, not strength. For example, the participants in their study were more interested in eco-friendly baby shampoo than eco-friendly car shampoo, tires, or laundry detergent. Hence, marketers cannot send signals about green products that undermine other product features. The focus should be on promotion and change management, because the most difficult part of implementing sustainable change is communicating the change to stakeholders who are naturally resistant to change. The most common question asked by those

to whom the sustainable change is directed is: why change the way we do business? What does the change imply to me, specifically? Does sustainability alter my work, lifestyle, or my function? What is the motivation for me to be sustainable? In short, how does an enterprise promote sustainability to its stakeholders?

Communication strategies can utilize external and internal strategies. Traditional external communications tools include personal selling, advertising, publicity/public relations, sales promotion, sponsorship marketing, and word-of-mouth marketing. Internal communication involves the working together of everyone within the enterprise to help each other as well as its customers. More recently, internet marketing in the form of text messaging can be used for both external and internal communications. Internal marketing communications can also be both vertical and horizontal (Zeithaml et al 2006). Particularly, downward internal communication from management to employees is essential in the form of meetings, email, web sites, and newsletters. Upward internal communication from front line employees is essential, so management knows what is happening at every level in the organization. Horizontal communication occurs between different departments within an organization. A great example of applying the critical skill of internal marketing occurs at Southwest Airlines, where the managers are good role models for learning (Gimble 2005). Top management is involved in recruitment and training, internal communication, and workforce motivation. The CEO and President frequently goes to its facilities, gets to know its workers, and shares customer comments with its workers. Consequently, Southwest has very dedicated employees, who deliver service that is perceived to be “best in class” in comparison to that of many of the legacy airline carriers in the United States.

## **Communication Vehicles for Change Management**

To avoid “green marketing myopia,” sustainability initiatives should focus directly on change and the impacts of change to its stakeholders. Change communication is effective only when this focus is in the context of an overall change management plan. The intent of change management is to provide a tool to help focus project resources in the near term. As the project is implemented, changes will emerge that will need to be incorporated in longer-term plans. A variety of communication vehicles should be used. Promotion and sales expertise



will be instrumental in the successful communication and buy-in of transformation. It is very important that the same message be diffused to all levels. Information on the expectations of each stakeholder needs to be available to the entire community. Every stakeholder will not take the time to review and know what is happening with other stakeholders. So, for complete buy-in, everyone needs to have the same information. Below is a list of possible vehicles.

### **Team Meetings**

The project teams should meet regularly. Agendas should be prepared and distributed to participants prior to each meeting. Minutes and action item updates, resulting from the meetings, should be distributed to participants following each meeting. As plans for the project are developed, communication between the project team, management, and the project contractors will be critical. Each project area should form a project team and hold regularly scheduled meetings to develop a list of the processes, flow, and unique requirements of each area being transformed. The group should have regular contact with teams and results from meetings should be recorded and shared. A basic outline of each group's tasks should be developed by the teams in conjunction with the project office.

### **Staff Meetings**

Project teams should communicate the status, coordination, and planning of sustainability efforts at regularly scheduled staff meetings to reinforce the need and to obtain new ideas. A manual/guide could also provide additional information. This information would include accomplishments to date, the current status of the project, and expectations for the next month. In addition, there should be questions and answers during the meeting, minutes should be taken, and the action items should be monitored.

### **Town Hall Meetings**

The Town Hall Meeting is a presentation by senior staff to provide a single vision and definition of the project to all stakeholders. The first step is to ensure everyone knows what project means and what it does not mean (e.g., workforce reductions). Project teams and other transformation offices should

prepare/organize a single set of briefings for all employees that defines sustainability, explains why it is necessary, states the end goal, and provides a timeline for the process. Also, the role of each stakeholder should be defined, and what is needed and expected from each stakeholder should be addressed. Follow-up pamphlets could be distributed. The pamphlets could provide a synopsis of the facts presented at the meeting, the points-of-contact, and website information.

### **Story Boards**

Story boards are bulletin boards, banners, and posters that depict progress on a project.

### **Email**

Email is generally the preferred daily communication method for accomplishment of basic tasks, because it provides documentation that can be readily tracked and forwarded for further action if necessary. The project team procedures manual would provide further discussion about the use of email for internal communications.

### **Web Sites**

The project team should create and maintain a website as a means of providing personnel with the most current and easily accessible information and updates regarding the transformation initiative. In addition, this website should serve as a tool for educating the entire team about the benefits of the transformation and gaining the active and enthusiastic participation of the workforce. The website should contain all known information and be the posting place for current briefings, questions and answers, and meeting minutes. It also could be used as a promotional tool to the stakeholders. Public relations and website design experts should be used to develop and maintain the site. The website should include interactive questions, and perhaps use a bulletin board forum, to capture all stakeholder ideas.

*Public Access Web Site:* Many workers do not have access to a computer, or do not have time during their shift, to surf. A public access web site would provide a good source for workers, cities, and communities to see what is happening.

*Transformation Web Terminals:* Terminals set in public areas would allow any user to access the transformation pages, read updates, and submit suggestions and comments. They also help reach those individuals who do not have access.

*Plasma Displays:* These should indicate what has been accomplished to date and the current status of the transformation. In addition, they should indicate what to expect next with points of contact.

## **Newsletters**

The project team should create and disseminate a periodic newsletter that will serve as a forum to highlight significant achievements in the transformation process. The newsletter could be distributed around the enterprise, via email, and also on websites to reach the broadest audience possible. The newsletter could contain:

What has been accomplished to date?

Current status of the transformation

What to expect in the next month

Points of contact

## **Managing the Change**

A sustainability plan should speak directly to change and the impacts of change. Change communication is effective only when the focus is in the context of an overall change management plan. A widely accepted view of change management (Kotter 1996) outlines eight stages of organizational change. Research on best practices validates that organizations that follow this framework have the highest rate of success in their change efforts. The eight change stages are:

Establish the Motivation for Change and a Sense of Urgency

Build a Guiding Coalition

Develop a Vision and Strategy for Change

Communicate the Vision, including Key Communication Action Steps

Empower Broad-Based Action, including Key Training Action Steps

Generate Short-Term Wins

Sustain the Momentum: Consolidate Gains and Produce More Change

Anchor New Approaches in the Culture

The intent of change management is to provide a tool to help focus sustainability resources in the near term. Due to the complexities and challenges of the multiple stakeholders involved in a sustainability effort, success is critically dependent on the relationships among the key leaders and key stakeholders and the willingness of these individuals to work together and support each other. Thus, an effective communication plan identifies the key action steps needed to implement this change model.

The key action steps from each of the eight change management stages are integrated into approximate time frames for the change effort. Table 1 shows the time frames for each of the key action steps. The myriad of communications activities is incorporated in these stages as well. While there is a sequence to accomplishing these stages, it is not perfectly linear and often requires working stages simultaneously or going back to revise or repeat part of a stage. Therefore, the timeframes indicated are only approximations.

**Table 1. Key Action Steps**

<b>Key Action Steps</b> (*C) denotes a communications plan component or requires communications	<b>Time Frame</b>
<b>To establish a sense of urgency, you need to:</b>	
Direct a single office with full authority, talent, and financial resources to coordinate and integrate the sustainability transformation (*C)	Immediate
Reconnect with customer needs	Near-term and periodic
Hold a transformation leadership meeting off-site	Within 30 days
Closely coordinate all transformation approaches	Continuous

<b>Key Action Steps</b> (*C) denotes a communications plan component or requires communications	<b>Time Frame</b>
and integrate the action steps	
Hold all managers accountable for coordinated implementation of the transformation: Building the Transformation Team	Starting immediately after off-site meeting
<b>To build a Guiding Coalition, you need to:</b>	
Determine which internal and external stakeholders are part of the “guiding coalition”	Concurrent with each recurrence of “Reconnect with customer needs”
Determine when and how you need these stakeholders to participate over time	Concurrent with each recurrence of “Reconnect with customer needs”
Ensure customer's voices are represented in all transformation initiatives (*C)	Recurring. Make first assessment prior to Building the Transformation Team
Build a Change Management Team	After Direct a single office, but prior to off-site
<b>To develop a vision and strategy for change, you need to:</b>	
Refine and simplify the center's transformation vision and strategies	Off-site critical outcome
Define leadership’s expectations of employees' role in transformational initiatives (*C)	Off-site critical outcome; reevaluate periodically
Tie vision, strategies, and objectives to planning and budgeting processes	Based on refined vision; reassess & redirect at least quarterly
Develop and use metrics that align behavior with strategy (*C)	Implement quickly after define employees’ role; revisit with planning & budget

<b>Key Action Steps</b> (*C) denotes a communications plan component or requires communications	<b>Time Frame</b>
Align performance measurement, rewards, promotion and succession systems with vision and strategy (*C)	Establish initial incentives; work integrated long term system
To communicate the vision, you need to:	
Create and implement a “Lean” Communications Plan for your Lean organization (*C)	Immediately after Direct a single office; continuous implementation
Communicate the center’s visions and strategies at every opportunity (*C)	Immediately and continuously after refine vision and develop center-wide toolkit definitions
Develop center-wide definitions for the transformation tool kit (*C)	After off-site & refine vision
Encourage, listen to and use feedback on transformation initiatives (*C)	Continuously after Direct a single office
Ensure leadership is “walking the talk” and modeling new behaviors (*C)	After Direct a single office; use off-site to instantiate
To empower broad-based action, you need to:	
Create and implement a “Lean” Training Plan for your Lean enterprise	Initiate training planning at off-site; continuously
Use change agents to spread the word about the sustainability transformation (*C)	As soon as refine vision & clearly define what to communicate (in a Communications Plan)
Ensure personnel, information, financial and management reporting systems provide appropriate support to empowered workforce	Start at off-site; link to employees’ roles, metrics, and performance system

<b>Key Action Steps</b> (*C) denotes a communications plan component or requires communications	<b>Time Frame</b>
To generate short-term wins, you need to:	
Learn from and leverage existing short-term wins, such as the “Lean” teams (*C)	Inputs to off-site; use lessons learned continuously in all aspects of transformation
To sustain the momentum and produce more change, you need to:	
Address systemic issues to enable transformation success (*C)	Based on refined vision; continuously monitor, anticipate and react
To anchor new approaches in the culture, you need to:	
Define and build the attributes of the new culture (*C)	Start at off-site; link to employees’ roles, metrics and performance system

This plan for change management is based on government and industry best practices. It identifies specific actions that will ensure an effective transformation to sustainability. The most critical action for a project team is to direct a single office with full authority, talent and financial resources to coordinate and integrate the transformation. Continuity of both leadership and vision are crucial in accomplishing this and the other key actions. Through demonstrated leadership and effective execution of this change management plan, people will know that this transformation effort is well supported and is moving along the path to sustainability.

## Conclusions

Sustainment strategies must evolve. They cannot be expected to be implemented quickly, or initially designed for all possible future outcomes. They must be refined throughout an entity's life cycle, particularly during its development, its modifications, its implementation, and its upgrades. The recommended strategy to achieve sustainability is to promote to the self-interest of consumers and all stakeholders as changes occur during the entity's life cycle. The road to sustainability is ever-changing, and the major key to success is change. Change can be achieved by applying the communications lesson plan for sustainability.



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