

Welcome to the waiting
room for the webinar:



How to implement SDG's in business?

by Rob van Tulder

We will start in a moment!

- 1) Have pen and paper ready to take notes if you like
- 2) Put your phone on silent
- 3) If possible, turn off email and chats
- 4) Relax and enjoy



- This session will be recorded
- During the webinar you will all be muted
- Please feel free to ask questions for clarification during the session by using the Q&A function
 - Type in your question
 - Other attendees can upvote your question
- Other questions will be answered after the presentation



SDG Insights – How to implement SDGs in business?

Eva Rood – director, Positive Change Initiative



What is RSM's mission?

Rotterdam School of Management
Erasmus University

We are a force
for positive change in the world



RSM - a force for positive change

RSM
Erasmus

THE GLOBAL GOALS For Sustainable Development



Introduction

The Sustainable Development Goals (SDGs) are the framework for training the stakeholders and decision makers of tomorrow to understand and solve the big societal challenges of the 21st century. It's also a framework for RSM's mission to be a force for positive change in the world. Each of the UN's 17 SDGs refers to a big societal challenge and requires more than one stakeholder to solve them. RSM is at the forefront of breakthrough academic research and education in the field of sustainability. The videos presented on these webpages show how each challenge – represented by an SDG – relates to business.

Below [Dr Amanda Williams](#) and [Professor Rob van Tulder](#) explain why we need to completely shift the way we view these systemic challenges as business opportunities. [Professor Cees van Dam](#) tells about the relationship between the SDGs and human rights.

Video player showing Rob van Tulder speaking. Text overlay: "Hello, I am Rob van Tulder, professor in International Business. Sustainable development: a wicked opportunity for business?"

Explore the SDGs >

Video thumbnails for "Sustainable development is a shared responsibility, says alum Feike Sijbesma" and "What's the business case for sustainable development?"

Above are perspectives from various industries:

Feike Sijbesma, CEO of Royal DSM and RSM distinguished alumnus, on a shared responsibility of achieving equality in the world

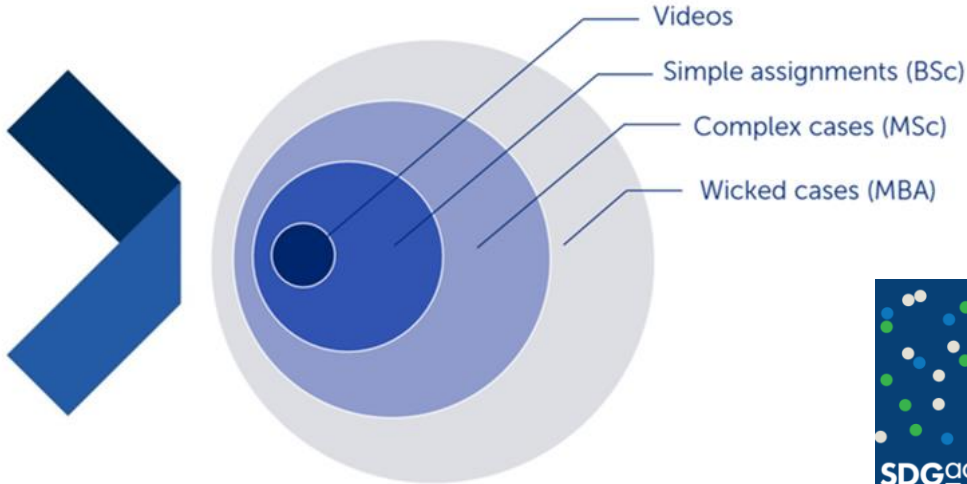
Paul Polman, former CEO of Unilever and Peter Bakker, CEO of the World Bank Group

Feedback

17+1 online learning modules + MOOC

www.rsm.nl/sdgs

www.rsm.nl/sdgmoooc



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BUSINESS & THE SUSTAINABLE DEVELOPMENT GOALS

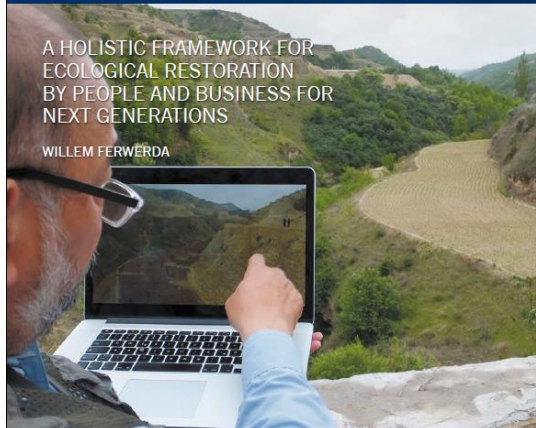


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4 RETURNS, 3 ZONES, 20 YEARS



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FROM RISK TO OPPORTUNITY



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100% OPLOSSINGSGERICHTE DUURZAME JOURNALISTIEK

BEORDEELD ALS UITSTEKEND ★★★★★

COMMUNITY VAN 27.000+ LEDEN


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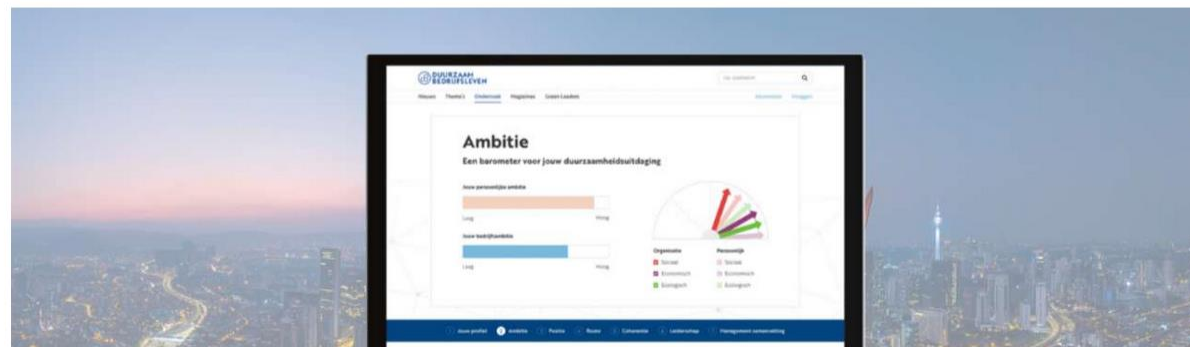
[Abonneren](#) [Uitloggen](#)

[Future Food & Health](#) [Metropool & Mobiliteit](#) [Mobiliteit](#) [ICT](#) [Vastgoed](#) [Agri-food](#) [Energie](#) [Finance](#) [Grondstoffen](#) [Logistiek](#) [Industrie](#) [Retail](#)

FUTURE LEADERSHIP

ONZE PARTNERS

Hoe duurzaam is jouw bedrijf? Doe nu de Better Business Scan!



DuurzaamBedrijfsleven heeft op 1 oktober de Better Business Scan gelanceerd. De scan is



AANJAGERS VAN
DUURZAAM ONDERNEMEN

Meest gelezen artikelen



Change Inc, het veranderingsplatform voor toekomstmakers, groeit hard
 FUTURE LEADERSHIP

User Menu ↑
 Welkom, Eva Rood

How to implement the SDGs?

Rob van Tulder





Your opinion: biggest barriers?



Today's paradox

V U C A

VOLATILITY
Equity, bond and currency market volatility; the lack of stability and predictability.

UNCERTAINTY
The potential change in the inflation index calculation, the potential switch to "smoothing" for pension funds calculating their recovery plan; the lack of ability to foresee what major changes might come.

COMPLEXITY
In understanding these financial markets in the era of the "new normal". The proliferation and increasing complexity of new financial instruments and regulation to deal with increasingly complex markets moving in ways experts have never seen before.

AMBIGUITY
The resulting feeling. Is this the great rotation from bonds to equities? Or will bond yields stay low for longer? What is the best course of action?



Crises as the new normal?

VUCA

VOLATILITY Equity, bond and currency market volatility; the lack of stability and predictability.	UNCERTAINTY The potential change in the inflation index calculation, the potential switch to "smoothing" for pension funds calculating their recovery plan; the lack of ability to foresee what major changes might come.	COMPLEXITY In understanding these financial markets in the era of the "new normal". The proliferation and increasing complexity of new financial instruments and regulation to deal with increasingly complex markets moving in ways experts have never seen before.	AMBIGUITY The resulting feeling. Is this the great cotton from bonds to equities? Or will bond yields stay low for longer? What is the best course of action?
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Reveals the fragility of the system RSM Erasmus



- Populism
- Anti-globalisation
- Choice stress!
- Beggar-thy-neighbour
- '*****' first!
- Failure of commons
- Race to the bottom



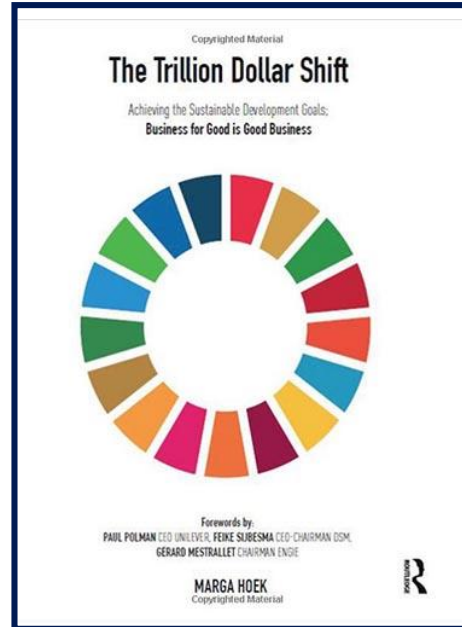
Anti-dote: positive change?

THE GLOBAL GOALS For Sustainable Development



Opportunity

\$ 12.000.000.000
annual investment opportunity



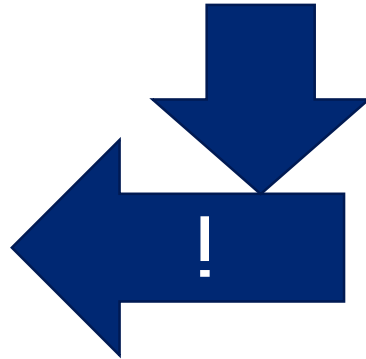
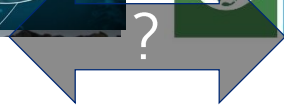
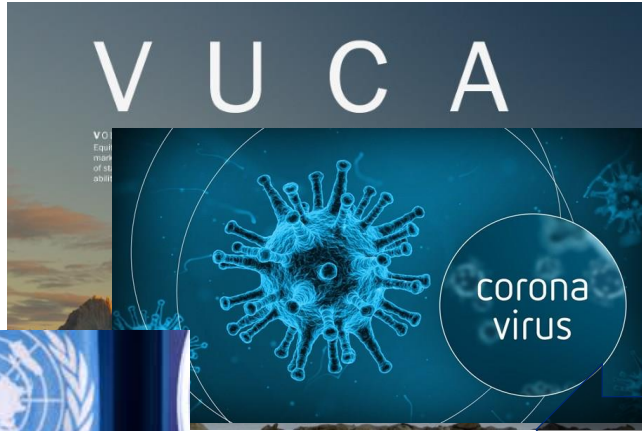
It goes too slow!



Wicked challenge:
Progress goes too slow!
Frames are negative
And reinforce VUCA



Anti-dote: breaking through?



“Had we been further advanced in meeting the SDGs, we could better face this challenge - with stronger health systems, fewer people living in extreme poverty, less gender inequality, a healthier natural environment, and more resilient societies.”(UN, 2020)

Corporate challenge: it goes too slow.... Why?



Business and the SDGs:

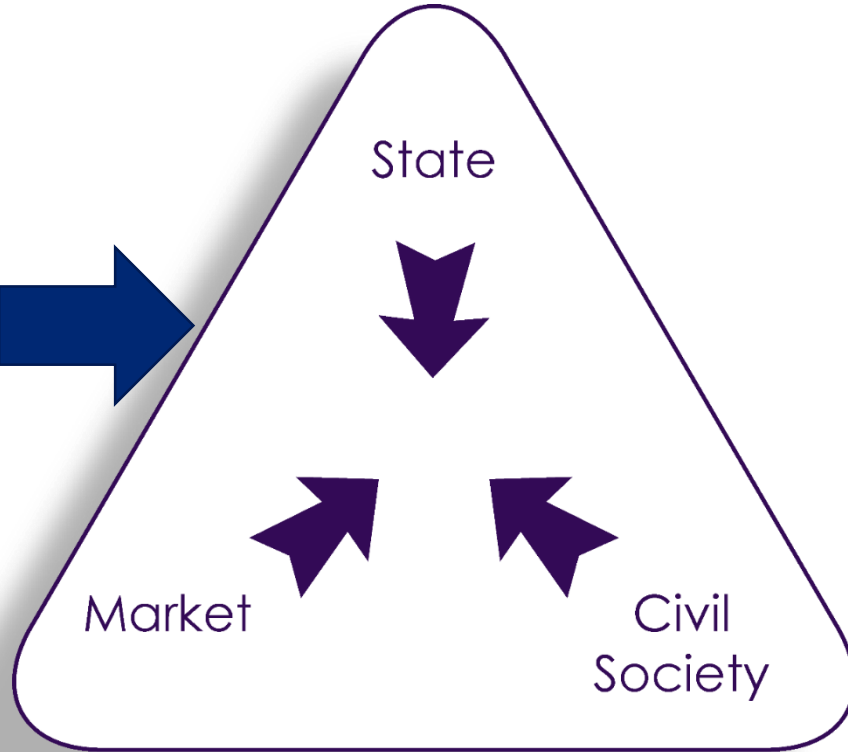
A survey of WBCSD members and Global Network partners
July 2019



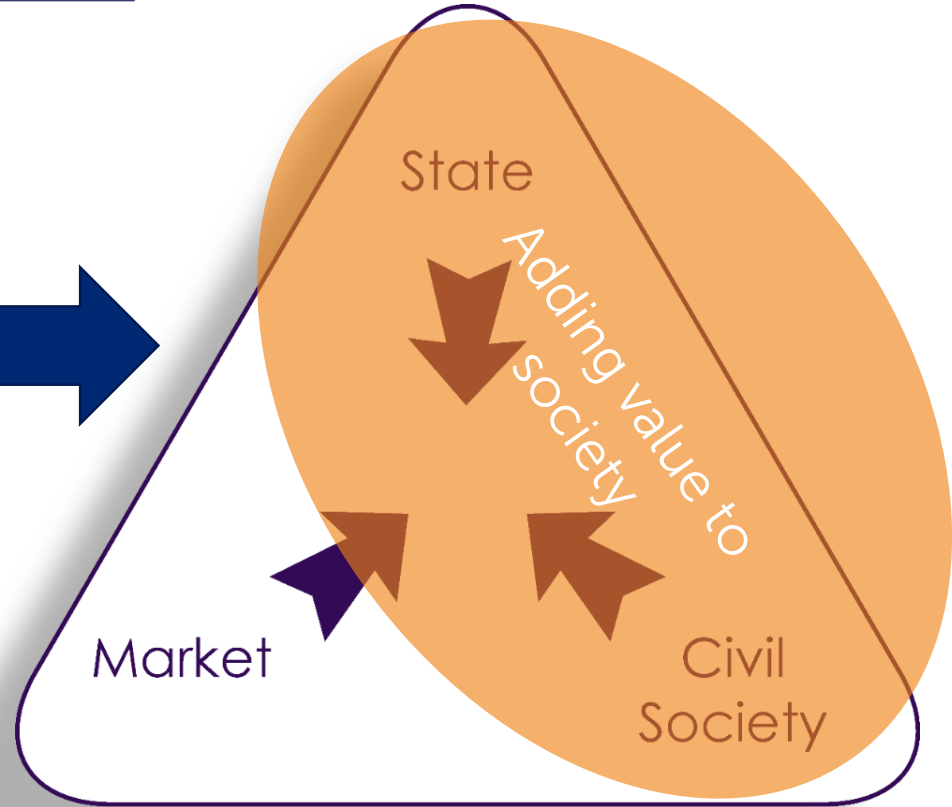
World Business Council for
Sustainable Development

- [1] Sufficient support
- [2] But engagement and ownership is not yet part of core business
- [3] limited selection SDGs → cherry-picking
- [4] lack of understand in of the business case
- [5] clearer policies (by governments)
- [6] further integrating SDGs in corporate strategies
- [7] ineffective partnering strategies

THE SDG CHALLENGE: HOW?

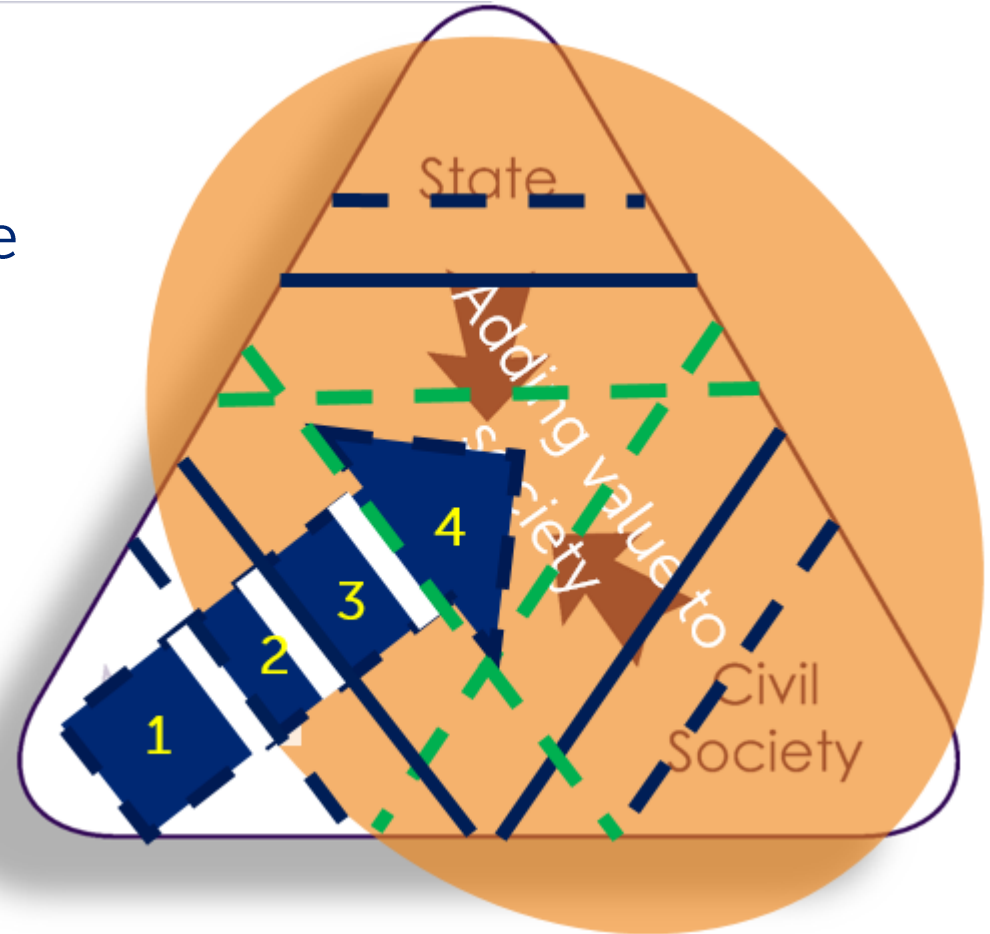


SUSTAINABLE BUSINESS MODEL INNOVATION



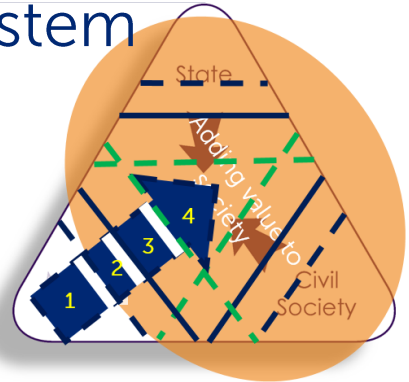
Levels of business models

- [1] Addressing market failure
- [2] Minimizing negative externalities
- [3] Optimizing positive externalities
- [4] Engaging in collective action

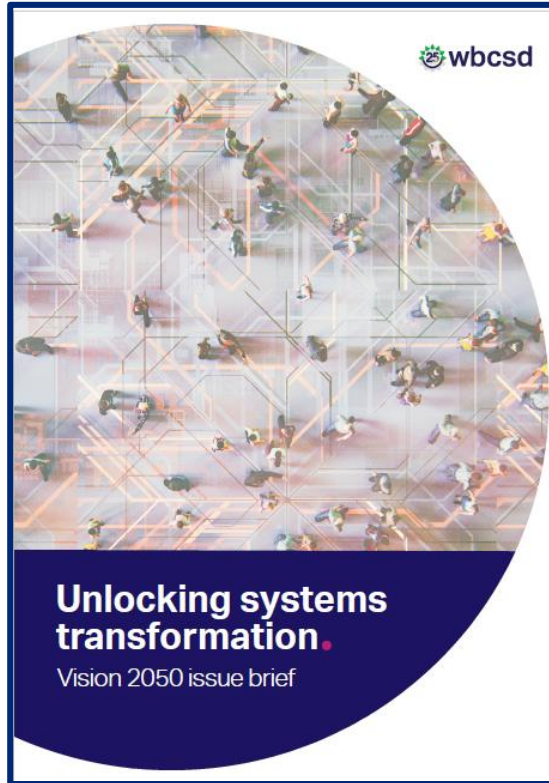


Levels of CSR 'logics'

- [1] Addressing market failure: CSR=cost minimising
- [2] Minimizing negative externalities: CSR= reputation effects (goodwill)
- [3] Optimizing positive externalities: CSR= scaling and first mover advantages
- [4] Engaging in collective action: CSR = ecosystem innovation (system failure)



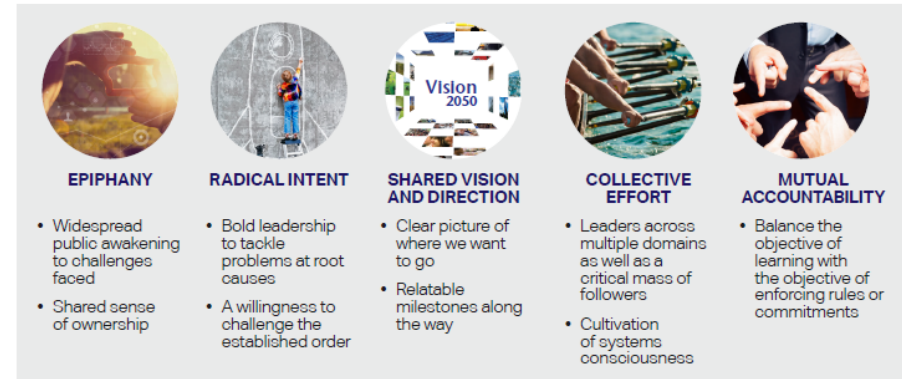
Surpassing 2 → 3 key tipping point



⑥ How can systems transformation be encouraged and accelerated?

Complex systems often defy traditional notions of strategy, planning and management based on predictability and control. To foster and accelerate the transformations needed to achieve Vision 2050, we need a different approach, based on influence, empowerment and alignment.

Figure 3: Accelerators of transformation



169 Targets:

50% level 1 + 2

- present focus:
- repair the system

50% level 3 + 4

- future focus
- improve the system



How: value proposition/ambition

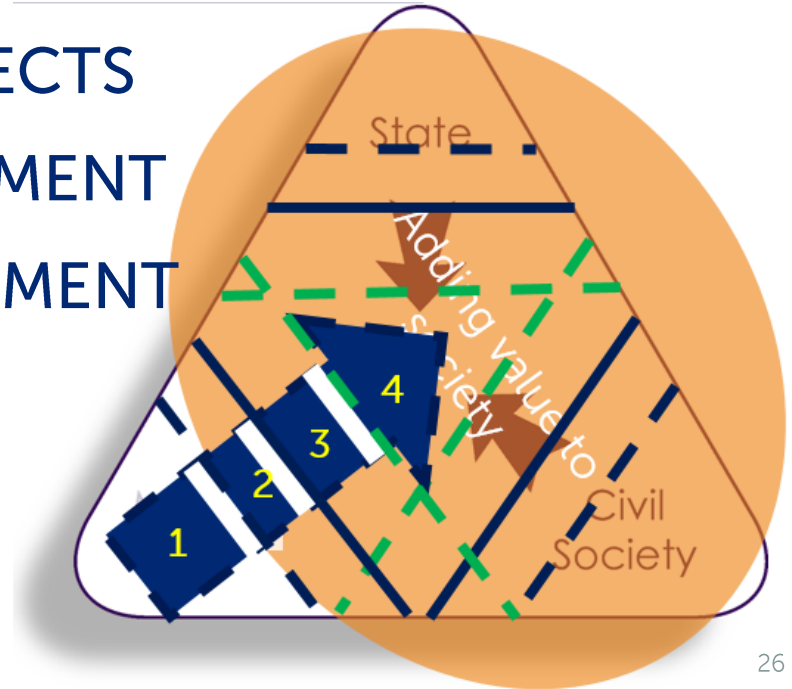
Business models	Sustainability Ambition	
	Narrow- reactive elaboration LEVEL 1 + 2	Broad – proactive elaboration LEVELS 3+4
Circular economy	Maximise waste reduction; Minimize waste; recycle; Climate/CO2 neutral	Closing product-consumption loops; regenerative; build capital; climate/CO2 positive
Inclusive business	Including poor/excluded people as consumers (BOP 1.0)	Including poor/excluded people as communities, empowering people (BOP 3.0)
Re-inventing Capitalism	Repairing deficiencies of capitalism; philanthropy; Normative capitalism or Creative capitalism	Innovative and entrepreneurial solutions; core business. Progressive, Responsible or Regenerative capitalism
Sustainable development [Brundtland commission]	"Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."	Meeting the needs of present generations while enhancing or improving the ability of future generations to meet their own needs.



Overcoming barriers (SDGs)



- ❑ From 1 to 2: TRIGGERING EFFECTS
- ❑ From 2 to 3: INTERNAL ALIGNMENT
- ❑ From 3 to 4: EXTERNAL ALIGNMENT



Overcoming barriers: 1→2



Triggers:

- 'wake up calls'!
- Indication of fragility
- never waste a good crisis!
- No defensive attitude
- Charismatic leadership
- Visionary leadership





United Nations

Department of Economic and Social Affairs



COVID-19 RESPONSE

POLICY BRIEF N°77

How can investors move from greenwashing to SDG-enabling?

The COVID-19 crisis has highlighted the need for businesses and investors to adjust to a world of increasing uncertainty or mounting risks. To be viable, businesses can no longer focus only on short-term financial returns; they must anticipate and prepare for future risks, including growing risks from climate change and unsustainable practices. For investors, their portfolio's financial return ultimately depends on a sustainable and stable economy.

With sizeable assets under management, large investors have the interest and power to demand a shift towards business models that better account for sustainable development and thus reduce risks for the economy. The question should no longer be whether investors can beat the market in the short-term, but how they can maximize long-term financial performance.

At the same time, many individuals want to use their

Summary

- » Companies must adapt their business model to reflect growing risks and uncertainties, and help build a sustainable world; doing so is necessary to preserve their financial performance in the long run
- » Investors have the financial resources to push companies to change, but lack the necessary tools given limited reliable data on non-financial issues
- » A common definition of Sustainable Development Investing (SDI) would be a first step in ensuring that investments presented as "sustainable" make a meaningful contribution to the global goals
- » But implementing such definition will require strengthened mandatory reporting requirements

Overcoming barriers: 2→3



Internal alignment:

- intrapreneurship
- HRM → motivation!
- Frontrunners - laggards
- Servant – strategic leadership







How: making it functional

TABLE 3.2 From narrow to broad: functional management areas

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
		TOPPING POINT		
Field results of strategy	Market failure - risks to be addressed by individual companies	Systemic - risks to be addressed within the state	Systemic - some risks addressed on individual basis	Systemic - address an external and societal threat
GENERAL MANAGEMENT APPROACH				
CSR orientation	Corporate Social Responsibility	Corporate Social Responsibility	Corporate Social Responsibility	Corporate Social Responsibility
Ultimate criterion	Profit maximization	Level of global sustainability	Enhanced societal sustainability	Take up societal action challenges
Primary duty agency	Home boards/owners	Limited primary stakeholders	Broaden primary and secondary stakeholders	Societal quality of life
Main narrative	Doing things right	Don't do things wrong	Doing the right thing	Doing the right thing right
Doing well	Doing well, don't do harm	Do no harm	Doing good	Doing well by doing good
Partnership approach	The partnership opportunity philosophy	Transactional single issue partnerships (over-abstract)	Integrative strategic partnerships (in-particular)	Transformational holistic partnerships
Issues/SOs topics - Particular for the SOs - SOI portfolio	No attention to SOs	Minimal attention of limited number of SOs based on market related issues (limited 'partner' involvement) aligned	Active attention of SOs that set the main priorities, strategic alignment of partnerships, proactive problem market	Explicit search for areas of SOs, visible to potential partnership portfolio, future markets
Main SOs				
FUNCTIONAL AREA: SUPPLY CHAIN MANAGEMENT				
Value chain (supply chain management)	Linear, no compensation for externalities	Linear, but with compensation for externalities	Linear/SO, but explicit search for local positive externalities	Circular, shared value creation including supply chain/sustainability
Main SOs for supply chain management				
FUNCTIONAL AREA: MARKETING				
Market/market orientation	Explicit demand and driving markets	Explicit demand and driving markets	Explicit risks/demand and viable markets	Explicit risks/demand and viable markets
Customer focus	Cost minimization	Style	Responsibility awareness	Co-products
Main issues/SOs				

	FUNCTIONAL AREA: HRM				
Value an employee	As primarily work or production factor	As potential 'risk factor' (physical or intellectual)	As an asset and possible leverage of the productivity	As a global asset or production factor	As a global asset or production factor
Market leader/ SOs	1 team	3 diverse teams	4 diverse teams	5 diverse teams	6 diverse teams
FUNCTIONAL AREA: FINANCE					
Value Proposition	Profit maximization	Sustainable value maximization	Sustainable shared value creation	Sustainable value creation (common benefit)	Sustainable value creation (common benefit)
Liability planning	Shareholder returns on investment focus	Short-term day-by-day	Quarterly profits	Annually target share returns on investment, social return on investment	Long-term value creation, societal return on investment, natural capital
Issues/SOs - Operational supply - Transition - Relationship creation	Tax avoidance - Substantial supply	Tax management (limited tax evasion (OECD BEPS))	Payroll for management, Publish what you pay (enabling transparency in the own value chain)	Payroll for management, Publish what you pay (enabling transparency in the own value chain)	Payroll for management, Publish what you pay (enabling transparency in the own value chain)
FUNCTIONAL AREA: OPERATIONS/RESOURCES MANAGEMENT					
Utilization	Linear	Linear	End of pipeline CO ₂ storage	Closing markets for sustainable products and services that protect nature	Circular
Business case for being	Yes (limited) work limits work	End of pipeline operations: efficient and profitable (application of being, effectiveness)	Yes, alignment of technologies	Circular in production (and higher levels of efficiency)	Circular in production (and higher levels of efficiency)
SDG Related (abilities)					
FUNCTIONAL AREA: INNOVATION					
Type of Innovation	Classical Innovation, supply driven	Classical Innovation, demand driven	Classical/tech Innovation (driven by technology with companies)	Open/Inclusive Innovation (driven by companies and stakeholders)	Open/Inclusive Innovation (driven by companies and stakeholders)
Technology	Classical (not technology)	End of pipeline	Product improvement	Systemic	Systemic
Field of Innovation	Ad hoc/application	Incremental	Product/Incremental	Disruptive	Disruptive
SDG Related (abilities)					

Examples: how?

Company	SDG priority (major action)	Alignment with...
	SDG 3, 12 and 13	Strategy and innovation: Innovation hub strategy (pilots in Africa); Community Life Centres; NGOs in health
	All SDGs, but in particular 2, 3, 5, 6, 12 and 13	Sustainable Living Plan; supply chain and marketing: sourcing of raw materials and the use of brands by consumers;
	SDG 2, 3, 7, 12 and 13	Internal and value chain; general partnering approach to 'accelerate contributions to the other 16 SDGs'.
	SDG11, SDG17, plus: SDG7, 12 and 13	Generic and supply chain strategy

Linked to forward looking strategy statement → backcasting



“We aim to improve the lives of 3 billion people a year by 2025 and have 95% of Philips revenue linked to the SDGs.”



“to make all home furnishing materials renewable, recyclable or recycled and turn waste into resources. Develop reverse material flows for waste material, ensure key part of range of products are easily recycled and take a stand for a closed loop society.” (SDG 7, 12, 13)



Rabobank

‘growing a better world together’
(SDG 2)

Overcoming barriers: 3→4

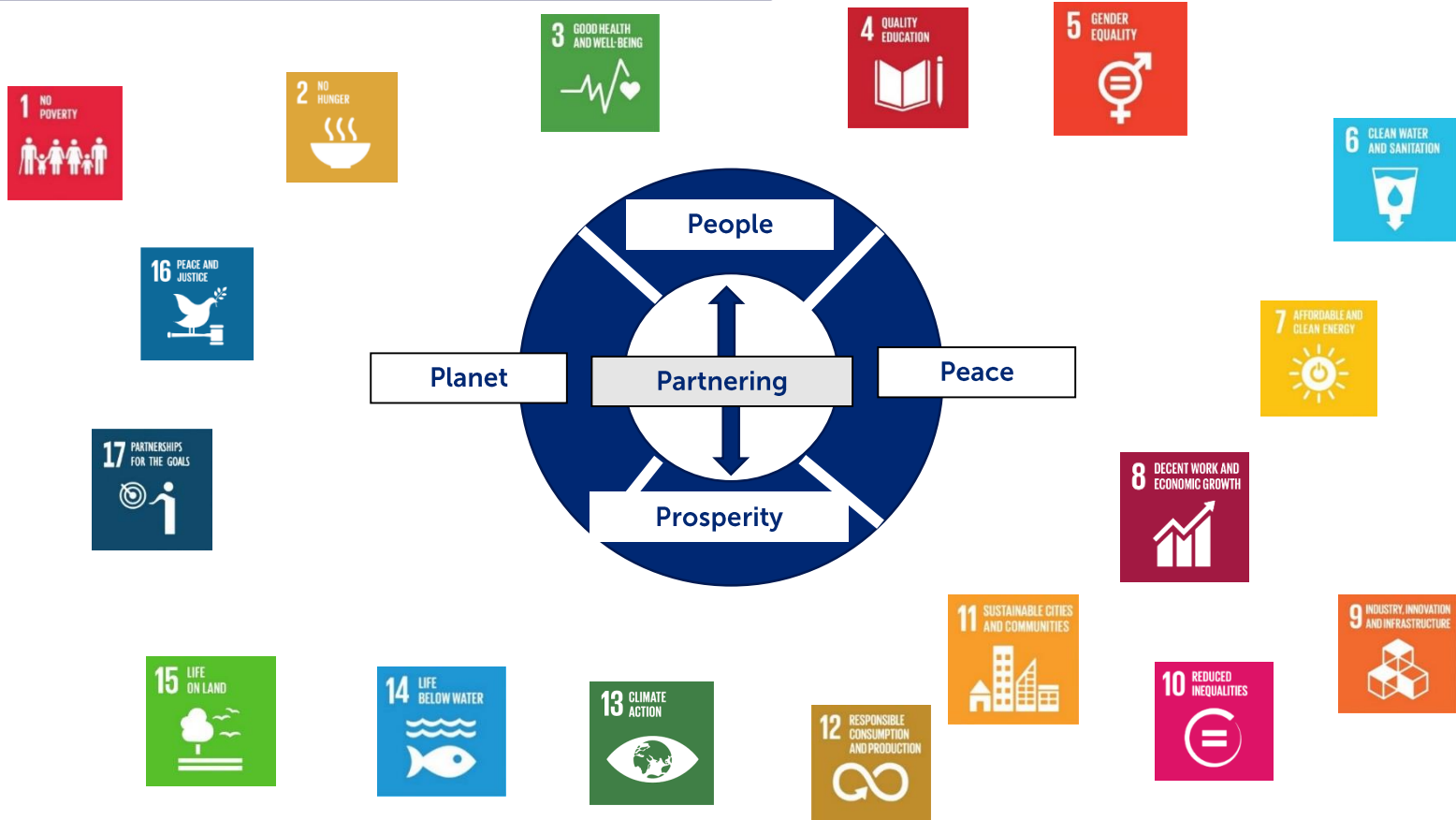


External alignment:

- Making it strategic
- 10.000+ coalitions of the willing → needed
- Partnership portfolio management
- Issue-impact driven
- Connected – thought leadership



Nexus: 5 P's



Partnerships Resource Centre

CREATING
KNOWLEDGE

Government

SHARING
KNOWLEDGE

Busi.

▶ Play video

Society

CONNECTING
KNOWLEDGE

<https://www.rsm.nl/research/centres/prc/>



THE PARTNERSHIPS RESOURCE CENTRE

Home > ROTTERDAM SCHOOL OF MANAGEMENT
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Resources on partnering

▶ The Collaboration Quicksan



Research on Partnerships

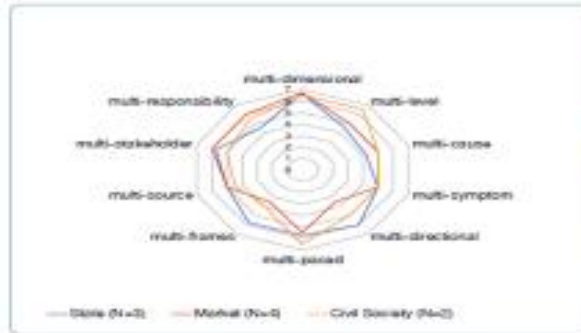
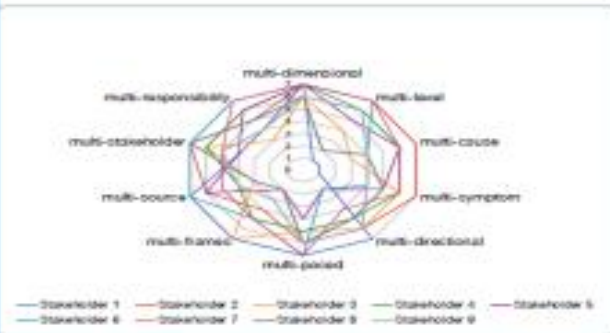
▶ Read them here

Integrative example: access to health care



Workshop: SDG3 as wicked problem?

Wickedness evaluation



The average wickedness score as determined by stakeholders from market, state, and civil society is **52** out of 70. Therefore, access to primary care can be considered a wicked problem. All stakeholders agreed that the issue is dynamic, entails multiple stakeholders, and a large number of symptoms can be attributed to it. However, they had diverse perspectives on the extent of complexity with regard to the nature of interactions, responsibility of the problem, and alternative truths. The state perceives a higher degree of complexity due to a larger number of competing explanations and understandings. Interestingly, civil society noticed that the issue, access to primary healthcare, is present on multiple levels. For example, they stated that primary healthcare starts with individuals and their awareness.

"Due to the systemic nature of the problem, partnering is necessary." (Stakeholder 8)

"Lack of access is shown at individual level, but also shows itself on macro level. A lot of partners need to align to make primary healthcare happen." (Stakeholder 9)

"You cannot only improve primary care without educating them to wash their hands. There are so many interactions." (Stakeholder 3)

"The problem contains an economic component, a cultural component, and a geographic component." (Stakeholder 4)






HEALTH as 'wicked problem'

3 GOOD HEALTH AND WELL-BEING



Simple	Complex	Wicked
EASY TO SOLVE	RESISTS SOLVING	RESISTS DEFINING
Clear problem with a clear solution	The problem and solution are not clear but can be understood with time	Problem and solution not understood and keep shifting when we try to define them
Technical	Organizational	Societal

HEALTH as 'wicked problem'

Simple	Complex	Wicked
EASY TO SOLVE?	RESISTS SOLVING?	RESISTS DEFINING!
 <p data-bbox="249 716 602 816">VACCINE DEVELOPMENT</p>	 <p data-bbox="768 716 1199 822">INSURANCE; 1.5 Meter Economy</p>	 <p data-bbox="1306 716 1783 816">PREVENTION & NEXT PANDEMIC!</p>
Techno-solutionism	Organizational	Societal

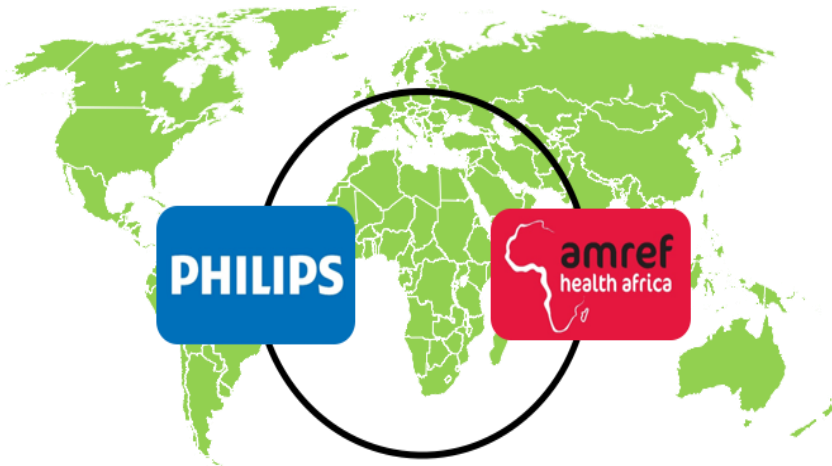
HEALTH AS NEXUS CHALLENGE



HEALTH as partnering good!



New business model developing



MNE: Philips: purpose driven company; present and future needs-based



INGO: Amref: social enterprise; impact -driven



SCALING
FRUGAL
INNOVATIVE
TRANSFORMATIONAL

Further reading and initiatives



MOOC – POSTERS - PUBLICATION

BETTER BUSINESS
SCAN



November 2020

www.duurzaambedrijfsleven.nl/business-scan

More info.....



Making your plan SDG resilient



SDGs in a VUCA world



SDG resilience scoping



Exploring your sustainability motivation



The importance of a collaborative mindset



CANVAS+: 4 business cases for CSR

<http://www.robvantulder.nl>



Knowledge-Action Network



Inspired to bring positive change into your organisation? Get the support you need to make it happen!



Make positive impact based on the UN's SDGs



Create a clear business case and compelling story



Network with like-minded peers online



Self-paced online programme



Reward for most innovative idea



Perform a Better Business Scan on your organisation

3 online modules

3 live interactive lectures

implement impactful change within your organisation

Advance your sustainability initiatives to the next level

Impact Challenge



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Stay in touch

positivechange@rsm.nl

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Join us on LinkedIn:

<https://www.linkedin.com/groups/12386131/> (SDG Insights Community)

And let us know what you think by filling in our short survey

We look forward to seeing you for the next edition of SDG Insights this Fall!