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Note on Business Sustainability as a Market Shift: Enterprise Integration

The most conventional and direct way to compel a company to address sustainability is to frame the issue as a market shift; that is, it must be presented as a change in the competitive dynamics of the market and, therefore, the competitive positioning of the corporation. When framed in this way, business leaders can remain agnostic about the science or politics of specific issues (such as climate change) but still recognize their importance as a business issue. With this kind of framing, the issue enters the domain of mainstream business strategy. This is not an appeal to morals or “corporate social responsibility” (CSR) but a response to key business constituents that are bringing sustainability to the corporate agenda through core business concerns.

In the face of a market shift, companies must adapt and innovate. This exposes questions like “does it pay to be green?” to make little to no sense. It is the same as asking “does it pay to innovate”? The answer is not a simple yes or no because it depends on who does it, when they do it and how they do it. All of that is hard work and involves sound analysis and smart strategy. In fact, if sustainability is taught as CSR, it has an implicit assumption that business managers will be taught to maximize Net Present Value (NPV) and Return on Investment (ROI) in the core of the curriculum, but taught a different value set in a course on sustainability. That is not sustainable, either for the company or the business manager’s career.

To frame sustainability issues as a market shift, business decision makers must explore two questions. First, what business constituents are driving sustainability within the market? Second, what frames best describe the business imperative to respond? By answering these two questions, much of the specific language of sustainability can recede and be replaced by the core language of management. This allows the business to mobilize pre-existing structures and processes to shift resources in the most efficient and effective way to enable solutions.

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