

Business Model Innovation Services



OVERVIEW

Many of the companies that are flourishing financially today are inherently unsustainable. Despite laudable efforts to make their processes or products more sustainable, no amount of renewable energy sourcing or green product engineering, for example, can change that.

When an inherently unsustainable company experiences continued commercial success, thinking about a different, more sustainable model may seem unlikely or unrealistic. However, dwindling security of supply, rising commodity prices, changing consumer demographics and increasing competitive pressure make it prescient to consider business models that will be less volatile, less resource-intensive and more responsive to the user of the future.

SustainAbility offers guidance to large companies and innovators within those firms to harness the power of business model innovation to help create a more sustainable future.

WHAT IS A BUSINESS MODEL?

While many people think they understand their company's business model, research shows that between 60-85% of employees do not fully understand their company's strategy or the business model as part of that.

A business model encompasses more than just what a company produces. It comprises the entire activity system with which a company creates, delivers and capture value. Value in this case goes beyond financial value to include social and environmental impacts as well.

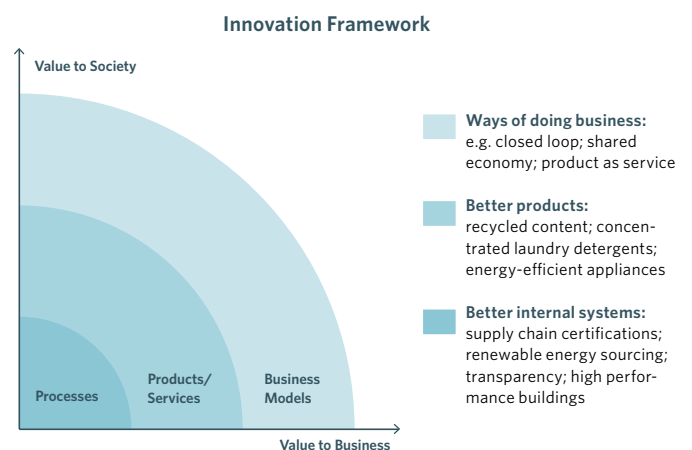
Many existing business models, however, are predicated on the assumption that vital, non-financial resources—natural, human and social capital—are in unlimited supply. For companies, business model innovation is key to meeting human needs within planetary limits.

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WHY BUSINESS MODEL INNOVATION?

As time passes, external conditions will become more challenging for companies of all sizes. Large companies with well-established business models will have to work hardest to change when it is demanded, for example as externalities related to natural capital, human capital, and social capital come to be formally valued or due to new constraints imposed by resource scarcity or changes in investor priorities and regulation. Large incumbents will have the most at risk in transition. In order to survive, companies will need to consider business model shifts and the ways that they create, deliver, capture or destroy value.

Business model innovation is distinct from product or process innovation. While products and services may provide incremental gains, business model innovations allow companies to change the rules of the game in order to thrive and shape their impacts on people and planet. It is not uncommon, however, that process, product and business model innovation work in concert with one another to create optimized value.



WHAT DO WE MEAN BY BUSINESS MODEL INNOVATION FOR SUSTAINABILITY?

We envision a future where companies facilitate impact at scale while continuing to generate financial value. This will require a fundamental rethink of corporate purpose and possibility, for example:

- Pharmaceutical companies that contribute to disease prevention, alongside treatment.
- Food and beverage companies that profit based on improved nutritional outcomes.
- Media companies that educate while they entertain.
- Oil and gas companies that take the lead in the transition to a low-carbon economy, becoming the key to rapid scaling of renewable energy.
- Agricultural companies that become profitable by prioritizing the value chain livelihoods and ecosystems upon which they depend.

SCOPE OF SERVICES

Exploring and learning how to transform a business model has the potential to improve overall business performance while increasing benefits to society and environment. The process can unlock:

- Increased understanding of key risks and opportunities
- New customers and markets
- Leadership and visibility
- Communication, engagement and collaboration inside and outside the company

SustainAbility offers customized **briefings** and **workshops** that stimulate the development of strategic thinking about more resilient business models. Services include:

- Risk assessment of the industry and company
- Mapping the business model including purpose, value proposition and points of transaction
- Identifying areas of impact, both positive and negative,

which can provide insight into impacts that can be amplified or minimized to improve the company's value proposition

- Identifying opportunities for innovation and applying new models that achieve greater social/economic/environmental outcomes, including evaluating future market opportunities, customer profiles and/or the business case
- Investigating the role internal innovators and teams can undertake to drive business model innovation inside the firm

Workshops are designed around a 1-2 day structure, and can be customized for shorter or longer engagement. SustainAbility also offers a deeper engagement of 3-6 months to support refinement and implementation of ideas generated through a custom briefing or workshop.

EXPERIENCE

Since 1987, we have worked to catalyze innovation and provide solutions to make business and markets sustainable. Our long history at the forefront of the sustainability agenda, coupled with our knowledge of what has worked and not worked at hundreds of other companies, uniquely positions us to advise clients on how to successfully transition a company to a new, more sustainable business model.

We have organized business model innovation sessions for companies in the financial, healthcare, media, consumer goods, food and beverage, manufacturing, and transportation sectors.

Our thought leadership on the subject has been featured in Fast Company, GreenBiz and Guardian Sustainable Business and on platforms around the world including Sustainable Brands, Net Impact, SoCap and the Intrapreneurship Conference.

GET IN TOUCH

To learn more about how we can help you, please visit www.sustainability.com or call us at +44 20 7269 6900 or +1 718 210 3630.