Co-Creating the Future of Organization Development

Global Community for the Future of OD

January 15, 2013
Global Community for the Future of OD

PURPOSE: The Global Community for the Future of Organization Development (GCFOD) is a global network whose vision is to bridge business leaders, organization development practitioners, and scholars committed to creating and nurturing sustainable, high performing human enterprises.

VISION: Linking OD values and contributions worldwide to create vital, successful organizations and communities.

MISSION: Uniting, energizing, and mobilizing thousands of OD practitioners, business leaders and academics worldwide to advance the field of OD and add value to all stakeholders, in an ever-changing world.


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AGENDA:

• Networking/Refreshments
• Welcome – Tara Seager of NJ OD Learning Community
• GCFOD Background/Building Community - Elena Feliz & Karen Davis
• Sustainability Pyramid – Jeana Wirtenberg
• Transitioning from the Grey to the Green Economy – Linda Morris Kelley
• Business Case/ROI – Bill Russell
• Learning Map Exercise – Jeana Wirtenberg
• Next Steps – Sangeeta Mahurkar-Rao & Elena Feliz
• Gallery Walk/Reflection Questions – All
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ACCOMPLISHMENTS

• 9/2003 – Ted Nguyen organizes Global Community for the Future of OD (GCFOD)
• 1/2004 – OD Strengths/Weaknesses/Opportunities/Threats (SWOT) Survey
• 2004-2012 – Presentations at many venues – ASD, ODN, ODI, AOM, FDU, AU, NTL
• 2012-2013 – GCFOD at FDU – 1/15/13

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Sustainability Pyramid Framework

The Triple Bottom Line
SUSTAINABLE ENTERPRISE

INTEGRATION
- Holistic Integration
- Broad Stakeholder Engagement

TRACTION
- Metrics/Measurement
- Systems Alignment

FOUNDATION
- Strategic Centrality
- Senior Management Support
- Deeply Embedded Values

Facilitate Collaboration & Holistic Integration
- Manage Transformational Change Process
- Inculcate Values
- Develop Competencies
- Support Workforce Engagement
- Participate in Strategy Formulation to Build Top Management Support
- Provide Leadership Development Opportunities

Qualities of highly successful sustainability strategies

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The Grey Economy
A System for Extracting Value

Externalities!

Resources
(People and Planet)

Mental Models

Production of Goods and Services

Drivers

Distribution

Drivers

Profits

Measures (GDP, Profit & Loss, ROI)

Waste

Restraints imposed for control
Retooling and Repositioning The Grey Economy

Drivers

- Transparency and Measures of investment, expenses and returns
- Distribution of Profits (returns on the investment of all stakeholders after expenses)
- Waste Repurposed
- Waste Reused

Rethinking Distribution

- Capital invested
- Waste
- Waste Re-Sourced
- Waste Reduced

Innovate the Production of Goods and Services

- Waste
- Retooling of Habits

Drivers

Adapt Mental Models

- Responsible Investments in and out
- Resources Conserved
- Resources Conserved (People and Planet)
Building Bridges for Migration of Value

from a value extraction
to a value creation economic model
mindful of the 5 Capitals:
natural, social, human, manufactured, financial

In Building our Bridges,

- What do we keep?
- What do we let go?
- What do we add on?

And how might we do this?
Charting the Transition to Green™

The Grey Economy
A System for Extracting Value

Building Bridges for Migration of Value
from a value extraction
to a value creation economic model
mindful of the 5 Capitals:
natural, social, human, manufactured, financial

A Green Economy
A System for Creating Prosperity

Intended Outcomes and Unintended Consequences

Problems
Measures (GDP, Profit & Loss, ROI)

Drivers

Production of Goods and Services

Drivers

Distribution

Drivers

Profits

Drivers

Intended Outcomes and

Regeneration of Resources

Natural Environment

with Renewable and
Non-Renewable Resources

Inherently Constrained

Mental Models

Creating Value

Reinvent

Rejuvenate

Driving

Driving

Mental Models

Building Prosperity

Building Prosperity

By the

Production of Goods & Services

that promote Well-Being, Prosperity, and Environmental Sustainability

Measurements

In Building our Bridges,

- What do we keep?
- What do we let go?
- What do we add on?

And how might we do this?

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ROI for Sustainability Investments

Bill Russell, Transitioning to Green, LLC
January 15, 2013
#1. Return on Investment in Sustainability Initiatives

- **KPMG** survey found that for companies reporting on sustainability, financial value comes from two sources: direct cost savings and enhanced reputation in the market.

- **Harvard Business School**, “The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance” ...the authors found strong evidence that “the High Sustainability firms significantly outperform the Low Sustainability firms, measured in both accounting and stock market terms.”

- **Puma, Gucci and YSL** attempt to put a dollar value on environmental impact, including looking at the effects of direct operations and supply chain...

- **Dow Chemical**, which has partnered with The Nature Conservancy to explore the relationship between Dow’s business and the ecosystems in which it operates.

Source: Six Sustainability Trends to Watch in 2012, addison, January 30, 2012
Sustainability ROI Research

System Boundaries and Methodologies:

- **Traditional:** Direct Costs and Benefits
  (Enterprise) Activity-based Costing for overhead costs
  Probabilistic risks
  **Intangible value quantified**

- **Expanded:** Life Cycle Costs
  (Value Chain) Ecosystem Services valued
  Externalities quantified

- **Blended Value:** Mix of financial and non-financial returns!

**Tools:** Accounting & Performance Management Software; Calculators; XL Sheets; Checklists, Stories

**Case Studies:** Large Company and SMEs
  Eco-efficiency; Productivity; Innovation Investments
Bob Willard
The Sustainability Business Case

Opportunities

1. Increased revenue
2. Reduced energy
3. Reduced waste
4. Reduced materials
5. Increased employee productivity / innovation
6. Reduced employee turnover expenses

Income Statement

Revenue

Revenue

Expenses

Risks

7. Reduced risks to revenue and expenses

SUSTAINABILITY CAPITAL RESERVE

+51 to +81%

PROFIT

-16 to -36%

5. Increased Productivity

More time on the job

- Less absenteeism
- Telecommuting
- Reduced business travel

Costs 2.6% to 9% of payroll

40% could; 2% do; 80% want to

Usually the first expense to be cut

More productive while on the job

- Green buildings
- Improved collaboration
- Higher engagement

7% to 15% productivity boost

2% to 10% productivity boost

10% to 200% productivity boost

Increased employee productivity / innovation 2%

PUMA’s 2010 Environmental Profit and Loss Account

"An Environmental Profit & Loss Account is a means of placing a monetary value on the environmental impacts along the entire supply chain of a given business."

The E P&L provides the following benefits to our business:

- **Strategic tool**: The findings of the E P&L make transparent where we need to direct our sustainability initiatives in order to make real improvements in reducing our impacts.

- **Risk management tool**: Understanding the value and nature of our environmental impacts in the supply chain provides an early view of emerging risks...

- **Transparency tool**: ...We believe this will provide a basis for more meaningful, evidence-based engagement with our stakeholders...

Ultimately, the E P&L will enable us to make better, more informed business decisions that take account of environmental impacts...
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Building our Bridges to the Future

Tables:

Leadership Development – Jeana
Employee Engagement - Sangeeta
Values – Jessica
Wisdom – Karen
Diversity, Inclusion, Social Justice – Elena
Self-Cultivation – Terri
Transformational Change Process – Rosemary
Knowing/Doing Gap and Learning and Development – Linda
ROI and Metrics – Bill
Recruitment – Victoria Zelin
Other?
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HOW TO BECOME PART OF GCFOD:

Join LinkedIn – Sangeeta Mahurkar-Rao (Group Manager)
Request to join GCFOD group on LinkedIn. You can search for the group under Groups directory on the LinkedIn homepage.
Type this url on your browser – tinyurl.com/gcfodlinkedin
Register at the event today with your email address on the sign-up sheets and we will send you an invite to the group within 24 hours.

Contact Community Outreach – Elena Feliz – Woodside, NY 11377 – send an email to feliz_elena@yahoo.com – or call 718-335-8161 – mobile: 917-519-5428