



econsense
Forum for Sustainable Development
of German Business

#CompaniesForChange

A Practical Guide to Create Positive Impact that Makes Business Sense

SUMMARY REPORT FOR TOP MANAGEMENT



accenture[>]**strategy**

Are you one of the business leaders who want to make a positive impact on society? Do you sometimes struggle to connect this intention with your business agenda?

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We have good news: making a positive impact can unlock value for your business, and digitalization can be a powerful catalyst for positive change. But to capture this value, your company may need to rethink some fundamental aspects, including how you create value and how you collaborate and compete.

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econsense and Accenture Strategy have created the #CompaniesForChange handbook to provide inspiring examples and practical tips that will help managers – from different functions, industries and team sizes – spearhead positive change in your company. All practices can have a positive impact on society while having a solid business case. The handbook also shows how digitalization can drive the transformation.

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This summary report presents some of the highlights from the #CompaniesForChange handbook.

1. To have a positive impact, companies need to make bold changes

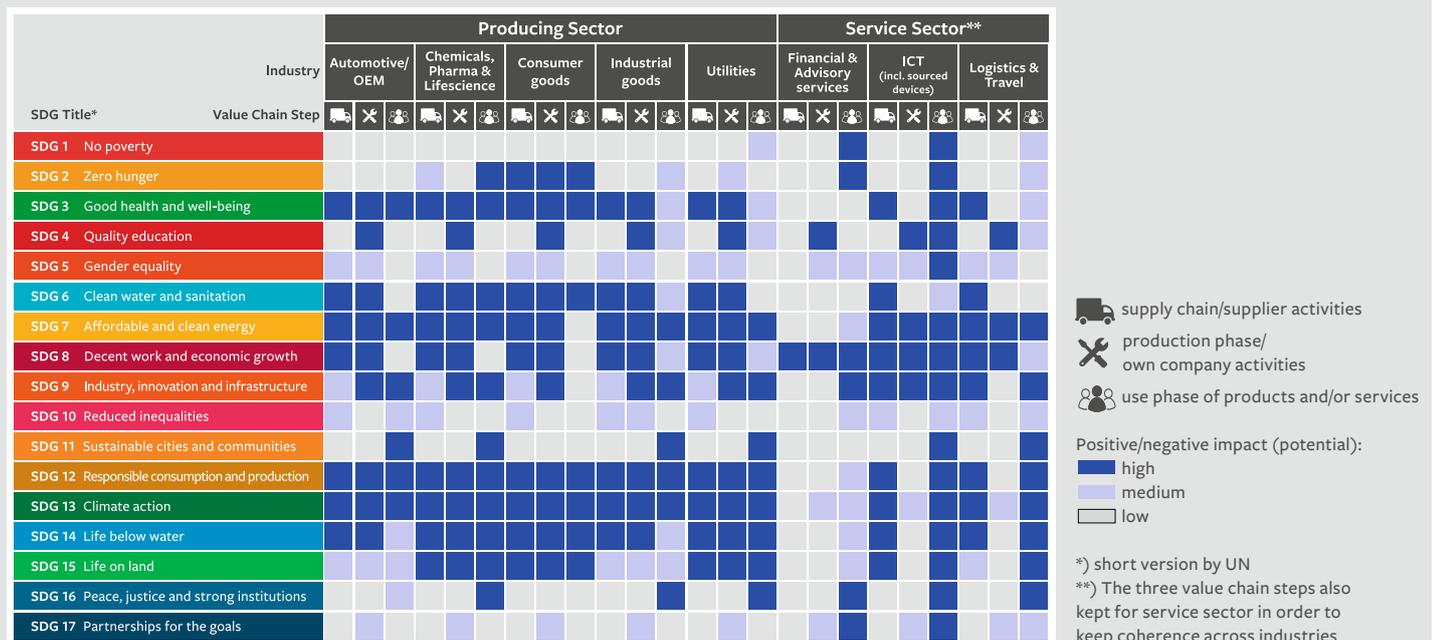
It's time to take bold action for a better world. Accelerating climate change, ongoing resource depletion and growing inequalities demand action. The targets for a better world have already been set. In 2015, 193 heads of state signed the 17 UN Sustainable Development Goals (SDGs), the new global agenda for 2030. They set out an ambitious, transformative – and positive – vision for the future, such as zero hunger, universal health care, clean water and sanitation for all, inclusive growth decoupled from environmental degradation, resilience against climate change, to name just some of the goals.

Why would this be relevant for you? For business leaders who aim for positive impact, the SDGs provide an attractive framework for responsible business action:

- National governments as for example Germany are now integrating the SDGs as targets for their national sustainability strategies
- In fact, 87% of CEOs globally believe the SDGs provide an opportunity to rethink approaches to sustainability
- Companies that engage with the SDGs are likely to profit in the longer term from anticipating upcoming policies and establishing themselves as trusted partners in government and societies. For example, companies who moved away from CO₂-intensive business activities now benefit as investors start to re-evaluate the risks from carbon exposure
- In addition, integrating the SDGs in your company practices can also lead to shorter-term business value, as the practice examples provided in our handbook demonstrate. This includes, for example, reduced supply chain costs due to reduced failure rates from improved supplier cooperation, or accelerated growth in revenues from serving B2B market demands with more sustainability products and services

87% of CEOs globally believe the SDGs provide an opportunity to rethink approaches to sustainability

Exhibit 1: Business impact on the SDGs – econsense and Accenture Strategy SDG industry impact analysis



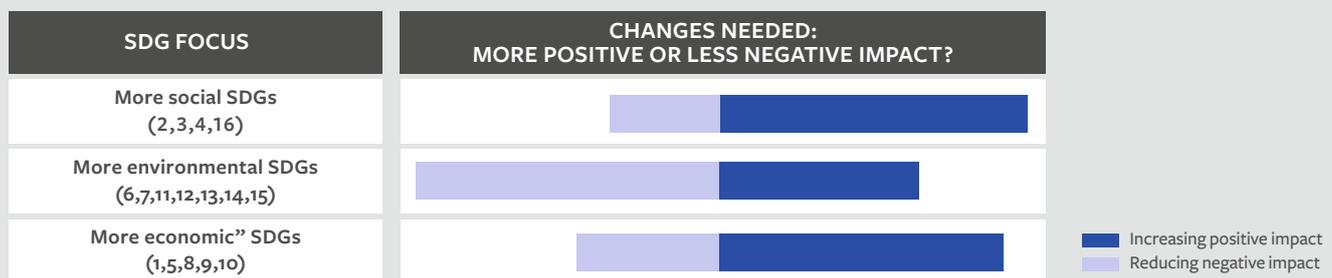
Achieving the SDGs won't be easy, and substantial change needs to happen everywhere: in the developing regions as well as in developed countries like Germany. Every country in the world has room for improvement in at least half of the SDGs.

Business can play a pivotal role in contributing to the positive future envisioned by the SDGs. EY and Accenture Strategy research shows that many of the 17 SDGs and their specific targets are heavily impacted by the efforts of business (see Industry impact analysis, Exhibit 1).

But if companies really want to help shaping this positive future, they will need to aim for accelerated change in their own activities. This will involve interventions in the entire value chain, including supplier relationships, production and operations, and the use phase of products. With a rough tendency (see Exhibit 2):

- To help achieve the more social- and economic-focused SDGs, companies mostly need to increase their positive impacts
- For the environmental SDGs, companies mostly need to reduce their negative impacts

Exhibit 2: How eY member companies view the changes needed



2. Digitalization can catalyze change

Digitalization is disrupting everything. Hyper-personalization, real-time availability of data, ubiquity, the Internet of Things, virtualization, augmented reality and artificial intelligence are all shaping the new digital era with unprecedented speed and force. Just think about how digital technology has already revolutionized our lives. Today more than 4.5 billion people (over 60% of the global population) have a mobile phone – just 24 years after the first mobile phone entered the market. Not having the ability to communicate with colleagues or friends at any time seems almost unimaginable. No industrial revolution has influenced the lives of so many people this quickly.

Digital solutions can positively impact all 17 Sustainable Development Goals (SDGs)

Digitalization offers a huge chance to catalyze the system transformation the SDGs call for.

Digital solutions can positively impact all of the 17 SDGs and more than half of the sub-goal targets, as the Global e-Sustainability Initiative (GeSI) and Accenture Strategy recently found in their #SystemTransformation report. Here are just three examples from that report, demonstrating the positive impact of digital solutions on social, environmental and economic goals:



E-health solutions are expected to transform healthcare delivery, putting your doctor in your pocket via remote access, with up to 1.6 billion expected e-health users in 2030 (SDG 3, health and well-being)



Digital solutions in several areas of work and life can reduce global CO₂ emissions by 20% and global oil consumption by 70% in 2030 (SDG 13, climate change)



Internet access can increase combined GDP by women's employment in developing countries by \$13-18 billion (SDG 5, gender equality)

3. The new econsense and Accenture Strategy handbook presents seven leading practices for change with a solid business case

According to the #SystemTransformation study by GeSI and Accenture Strategy, digital solutions that help achieve the SDGs can provide a total of \$11.1 trillion economic benefits in 2030 for a broad set of industries. And the World Business Council for Sustainable Development (WBCSD) estimates that the SDGs could generate up to 380 million new jobs by 2030.

How can your company harness the business potential for positive impact?

The seven leading practices presented in the new econsense and Accenture Strategy handbook offer inspiration for impactful changes along the value chain, in overall company management and in ecosystem engagement (see Exhibit 3).

Digital solutions for the SDGs could provide over \$11 trillion in economic benefits in 2030

Exhibit 3: Seven leading practices to improve impact on the SDGs - Overview

Practice Type	Leading Practice	Business Value	Main Internal Stakeholders (beyond CR/Sustainability)	Examples illustrating aspects of the practice
Value Chain	Supply Chain 1. Co-Innovate with suppliers		Procurement Country / Regional Management	"Cooperative Partnership" illustrating the cooperative aspect of engaging suppliers
	Production Phase 2. Design for SDG impact and consider digitally enabled business models		Innovation / R&D Product Management Digital (e.g., Excellence Center)	"StreetScooter" illustrating environmental and social aspects as innovation drivers "Mindbox Accelerator" illustrating how to consider digitally enabled business models
	Use Phase 3. Enable users to harness sustainability benefits during product/service use		Product Management Marketing After-Sales	"Digital Farming" illustrating how digital solutions can help to harness sustainability benefits
General Company Management	4. Pursue SDG-oriented market strategy		CEO and Strategy Country / Regional Management Business Units Marketing, Sales and Communications	"Siemens – Business to Society" illustrating how SDGs can promote/support understanding of impact on specific markets "Integrating SDG13 into market strategy" illustrating how a strategically defined focus SDG informs market strategy of several Business Units
	5. Integrate sustainability in products and services portfolio management		Product Management and Business Units CEO and Strategy Innovation / R&D Finance	"Sustainable Solution Steering" illustrating how sustainability can be integrated in portfolio steering
	6. Re- and upskill employees to integrate SDGs in decision-making		Human Resources Business Units Internal Communication	"MOOC training for sustainability" illustrating how digital channels can serve for trainings on SDGs "Digital Factory" illustrating how digitalization shapes sustainable forms of collaboration
Ecosystem Engagement	7. Advocate for SDG-supportive policies		CEO and Strategy Legal Public Relations	"Low carbon economy" illustrating how companies can engage in coalitions to foster supportive policies

Revenue increase Cost reduction Intangibles increase Risk reduction Main business value driver(s) Secondary business value driver(s) Indirect or no impact

Each practice description in the handbook provides guidance on

- which steps to take to create positive impact on SDGs
- how these steps generate business value, for example, by increasing revenues, reducing costs, mitigating risks, or strengthening the brand
- which stakeholders need to be involved to ensure success
- how digitalization can drive the transformation
- which challenges need to be taken into consideration

In addition, econsense member companies inspire with practice examples. For example, Deutsche Telekom is engaging in co-innovation with their suppliers (leading practice #1) to improve working conditions and encourage collaborative partnerships with suppliers. The results for Deutsche Telekom's positive impact and business value have been remarkable. In a sample case, supplier productivity increased by 15%, while weekly working hours fell by 29%, thereby, contributing to SDG 8, decent work and economic growth. At the same time, the quality of supplied goods increased dramatically, resulting in a 50% drop in customer complaints, paying into brand value and future cost reductions. The improved supplier relationships also reduce longer-term risks. But the example also sheds light on a key challenge: the resource-intensity of the practice can make internal buy-in difficult. Therefore, Deutsche Telekom urges other companies to make a convincing business case right from the start, and to track and communicate successes.

Co-innovation with suppliers led to a 50% reduction in customer complaints at Deutsche Telekom

All leading practices in the handbook have one thing in common: they bring together positive impact with relevance for core business. Engaging for SDGs with these practices is worthwhile, as executives from business are confirming:



**PRACTICE #2:
DESIGN FOR SDG IMPACT**

“Designing a sustainable solution for mail and parcel delivery adds to our own and our customers’ green targets. With the StreetScooter we achieve a positive TCO and contribute to cleaner cities.”

Martin Linde, Chief Sales Officer Post & CEO Post International, Deutsche Post DHL Group



**PRACTICE #4:
PURSUE SDG-ORIENTED MARKET STRATEGY**

“Strategic insights from the Business to Society-analysis facilitate our interaction with customers, applicants, politicians and institutions and improve our brand value in Germany.”

Uwe Bartmann, CEO Siemens Germany

Call for action

As a business leader, we suggest you to consider the following:

- Select which of the seven practices for change have the biggest strategic relevance for you and define someone to implement them
- Give the #CompaniesForChange handbook to your leadership team and middle managers and motivate them to explore the practices that are most relevant for their functions (see Exhibit 3)
- Reflect how you take business decisions today. Are they taking into consideration short-term financial criteria only? How could your decisions profit from integrating criteria on positive impact?

We hope that our #CompaniesForChange strategy handbook will serve you as an inspiring companion.

GET THE HANDBOOK!





Get in touch

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The Legal Disclaimer, About econsense, About Accenture and About Accenture Strategy, provided in the handbook #CompaniesForChange, also apply for this Summary Report.



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