

PRME Annual Forum, London, 26-06-2018

THE FUTURE OF BUSINESS EDUCATION

John Elkington



Disclaimer



Connecting Tomorrow's Dots

PRME

- Volans.com
- @VolansJohn

0. Introduction



About Volans



- Launched in 2008 with *The Power of Unreasonable People*.
- Helps leaders move onto exponential trajectories towards a sustainable future.
- Works with innovators, entrepreneurs, businesses, investors and policy-makers to catalyse systemic change.



Innovate UK



NOVARTIS



UBS



zouk

Educational Disclaimer

Vital Statistics: 69 3/3 45 (but '61) 4 70+ 19



Time For A B-School 'Product Recall'?

Harvard
Business
Review



SUSTAINABILITY

25 Years Ago I Coined the Phrase “Triple Bottom Line.” Here’s Why It’s Time to Rethink It.

by **John Elkington**

JUNE 25, 2018



Beware the wrath of Osiris

Can Egypt develop the Nile delta without the ecological pitfalls which have detracted from the Aswan Dam? Should Lake Manzala be drained for farming? Or should this productive wetland be developed for aquaculture, perhaps replacing the Mediterranean sardine fishery which Aswan destroyed?

Rising water pollution may decide the issue

John Elkington
is a London-based
consultant planner

The eternal struggle between sand and seed was dramatised in the family relationships of the innumerable river deities of Ancient Egypt. Set, for example, personifying drought and the rising Nile and soil fertility. These days, you need only sit in the window seat as your plane comes in from the Mediterranean and the deification of the Nile is explained. As you fly upstream toward Aswan, the cultivated delta shrinks rapidly riverwards, until finally it is no more than a skim of green on either side of the Nile waters.

Water and soil have always been the two major physical constraints on the development of Egyptian civilisation, and the same two factors continue to act as brakes on the implementation of development plans throughout the Middle East. It is in this context that we must see the imaginative, emotional and economic appeal of current land reclamation projects.

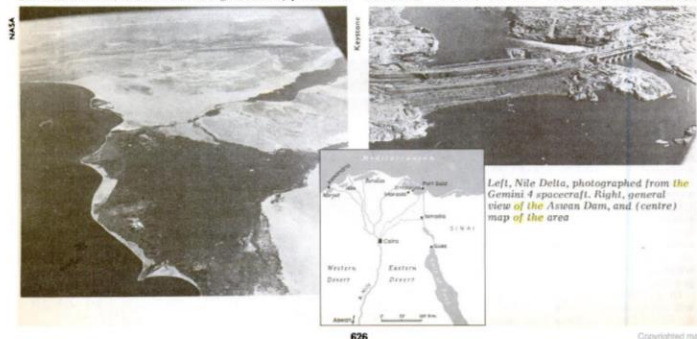
Arab approaches to reclamation differ. In Abu Dhabi, the Arid Lands Research Centre is experimenting with controlled environments in air-inflated plastic greenhouses irrigated with desalinated water. Saudi Arabia plans to use the techniques of soil-less agriculture developed by Dr Raymond Stoughton, based on the mica mineral, vermiculite, which can hold up to 200 times its own weight in water. Mixed with desert sand, the mica forms a "soil" which can provide a first foothold for an evolving agriculture. Iran, too, is sceptical of the intermediate technology path to agricultural self-sufficiency. Hossein Sepeheri, Deputy Minister of Agriculture, was quoted as saying recently: "We haven't time for mediocrity. We've got to buy the best."

Egypt lacks the oil revenues flooding into Saudi Arabia, Iran and Abu Dhabi, but here, too, agriculturally productive

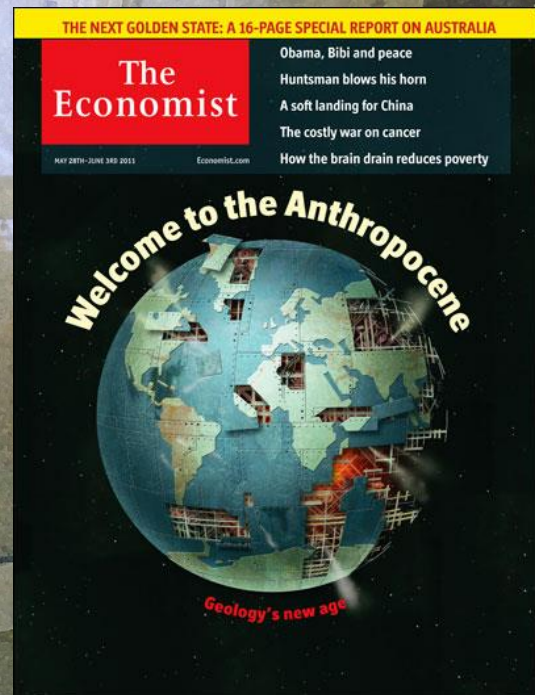
land has been identified as perhaps the single most important physical constraint defining the limits of the country's potential growth. With a relatively small proportion of its total land-mass currently under cultivation, Egypt has given an increasingly high priority to land reclamation schemes. There are two main candidates for reclamation: the desert and the northern wetlands. The desert and desertification were recognised enemies in classical Egypt, and remain real and worthy opponents. However, recent attempts to tap the resources of world wetlands have been fraught with ecological problems—in the Camargue, for instance, and the Florida Everglades.

Wetland ecosystems tend to occur where a major river breaks out into, and partially inundates, a coastal plain. Typically they consist of a maze of tributaries, small lakes and swamps. They share with tidal estuaries the characteristic of a very high productivity in terms of total biomass, although the proportion of this which is directly harvested by man may be relatively small. Wetland ecosystems are particularly vulnerable to damming operations, which lower their water table, and to water pollution. Their survival as distinct ecosystems reflects the fact that they are unpleasant to live in, and costly to reclaim.

With pressure mounting on the world's wildernesses and other marginal areas, these unique ecosystems are coming under increasing strain. The Stockholm Conference in 1972 stressed that wetlands are a diminishing world resource, and argued the need for an energetic programme for their conservation. Statistics vary by agency, but a good idea of the total area of the wetlands of northern Egypt may be given by cobbling together various sources. The total wetlands area is somewhere around 520 000 feddans (1 feddan = 0.42 hectare, or approximately 1 acre), centred upon the four delta lakes: Manzala (314 000 feddans/14 000 hectares). Burullus (136 000 feddans/57 000 hectares).



Left, Nile Delta, photographed from the Gemini 4 spacecraft. Right, general view of the Aswan Dam, and (centre) map of the area



The Right Sort of Shock

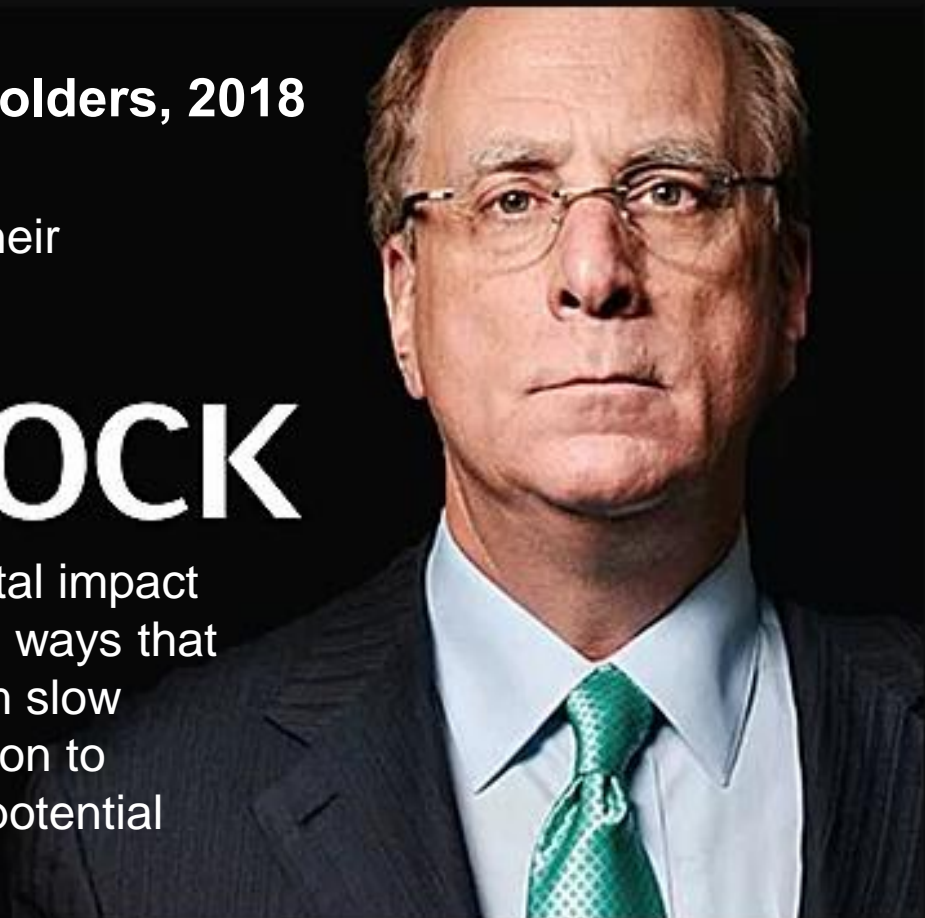


Larry Fink's Letter To Shareholders, 2018

... companies must describe their strategy for long-term growth.

BLACKROCK

... must also understand societal impact of your business as well as the ways that broad, structural trends — from slow wage growth to rising automation to climate change — affect your potential for growth ...



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1. **Retune Your Mindset**
2. System Change Is The Agenda
3. From Business Case To Business Models
4. From Incremental To Exponential Progress
5. Commission An Exponential Audit

1. Retune Your Mindset



Source: ResearchGate



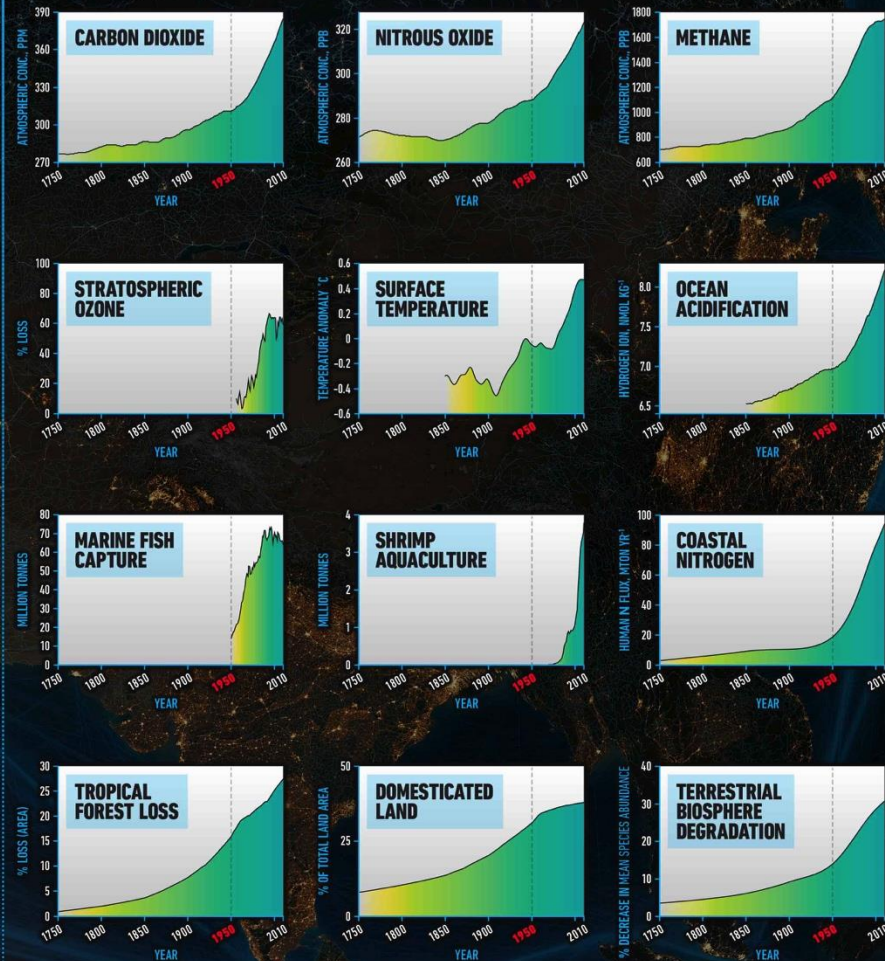
Antarctica Is Melting Three Times as Fast as a Decade Ago

The continent's rate of ice loss is speeding up, which is contributing even more to rising sea levels.

SOCIO-ECONOMIC TRENDS

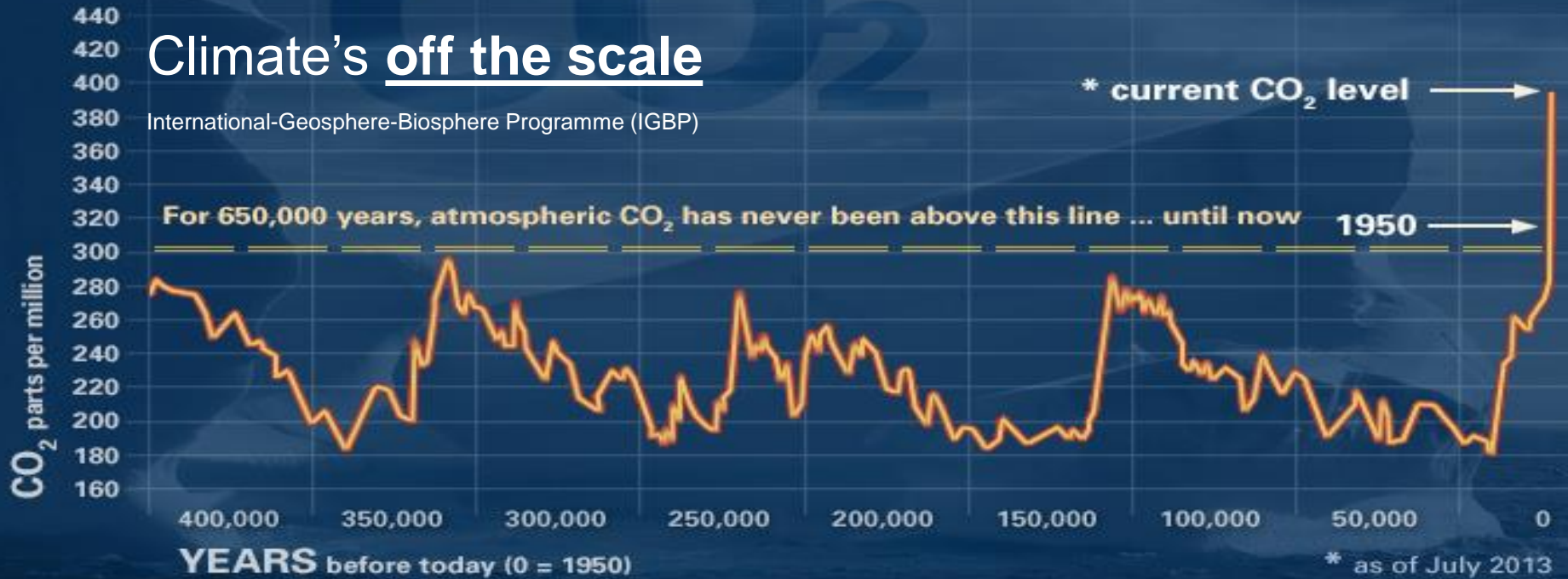


EARTH SYSTEM TRENDS



Climate's off the scale

International-Geosphere-Biosphere Programme (IGBP)



GLOBAL CLIMATE CHANGE
climate.nasa.gov



Where Are B-Schools On The Sixth Great Extinction?

Global Goals Are Exponential

For example, by 2030:

- No Poverty (#1)
- Zero Hunger (#2)



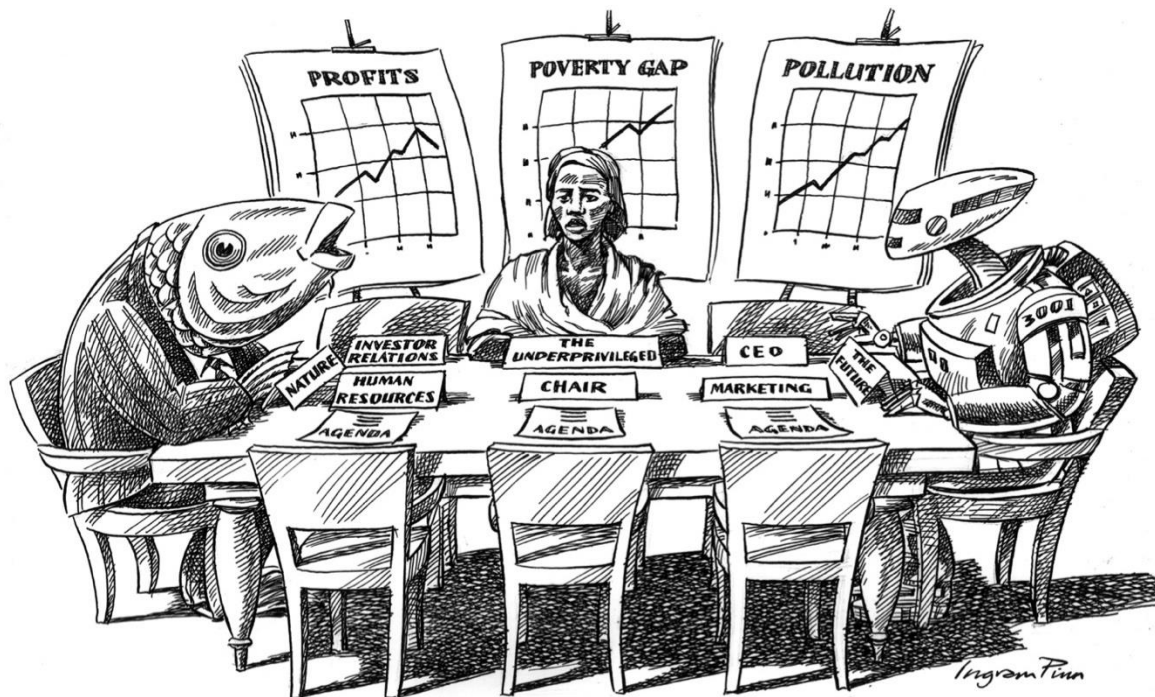
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2. System Change Is The Agenda



Enter Multicapitalism



The Single Bottom Line



Source: Jacopo de' Barbari, 1495 (attrib.)

1494 Luca Pacioli, 'Father of accounting & book-keeping', double entry book-keeping

Bottom line = net income, net profits, earnings per share

Top line = sales and revenues

Price-earnings (P/E) ratio

EBIDTA = Earnings Before Interest, Taxes, Depreciation and Amortization

1
Single
Bottom
Line

1500

1950

1960

1970

1980

1990

2000

2010

2020

2030

2040

2050

The Triple Bottom Line (Double, Quadruple ...)



- 1994 *California Management Review* article on 'Win-Win-Win' strategy / Triple Bottom Line
- 1995 People, Planet & Profit
- 1997 Shell *People, Planet, Profit* report / Global Reporting Initiative (GRI) founded
- 1999 Dow Jones Sustainability Indices (DJSI) launched
- 2004 Novo Nordisk rechartered around TBL
- 2006 B Lab (B Corp leader) founded
(currently 2,457 B Corps in 50+ countries, 130 industries)



Next: System Change

Company's most sustainable brands
growing 46% faster—and
contributing 70% of profits.



Source: Volans 2018 Circle Economy/WAES/Unilever/Volans



Source: Solar Impulse/World Alliance for Efficient Solutions

- 1962 Thomas Kuhn, *The Structure of Scientific Revolutions*
- 1972 *Limits to Growth*, Club of Rome
- 1987 *Our Common Future*, Brundtland Commission / WCED
- 1997 Donella Meadows, *Places to Intervene in a System*
- 2010 Ellen MacArthur Foundation launched
(‘Circular Economy’, ‘Sharing Economy’, ‘Collaborative Consumption’, etc.)
- 2015 UN COP21 and Sustainable Development Goals
- 2016 Completion of *Solar Impulse* round-the-world flight
- 2017 BCSD forecasts \$12 trillion pa SDG markets by 2030

1
Single
Bottom
Line

2
Double
Bottom
Line

3
Triple
Bottom
Line

4
Integrated
Bottom
Lines

5
System
Change

1500

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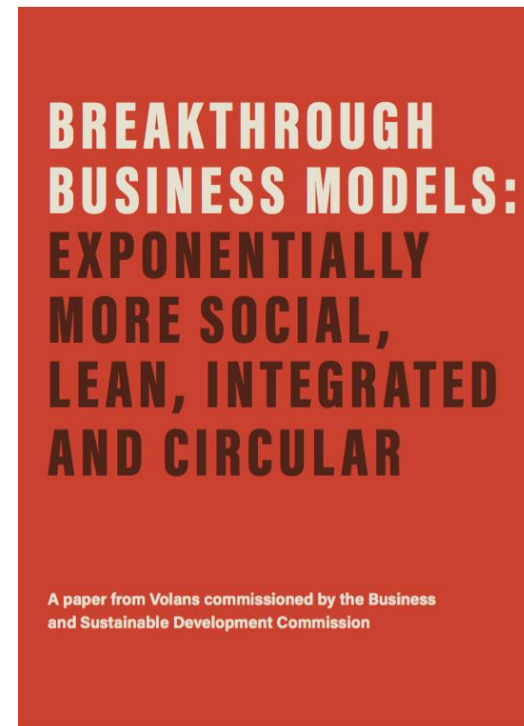
Market Pull



Connecting Tomorrow's Dots



- Global Goals open up 60 “hot spots”
- In **just 4 areas**: Cities, Energy & Materials, Food & Agriculture; Health & Wellbeing
- Worth **\$12 trillion a year by 2030** in savings & revenues
- Economic prize **could be 2-3 times larger**





DRAW DOWN

THE MOST COMPREHENSIVE
PLAN EVER PROPOSED TO
REVERSE GLOBAL WARMING
EDITED BY PAUL HAWKEN



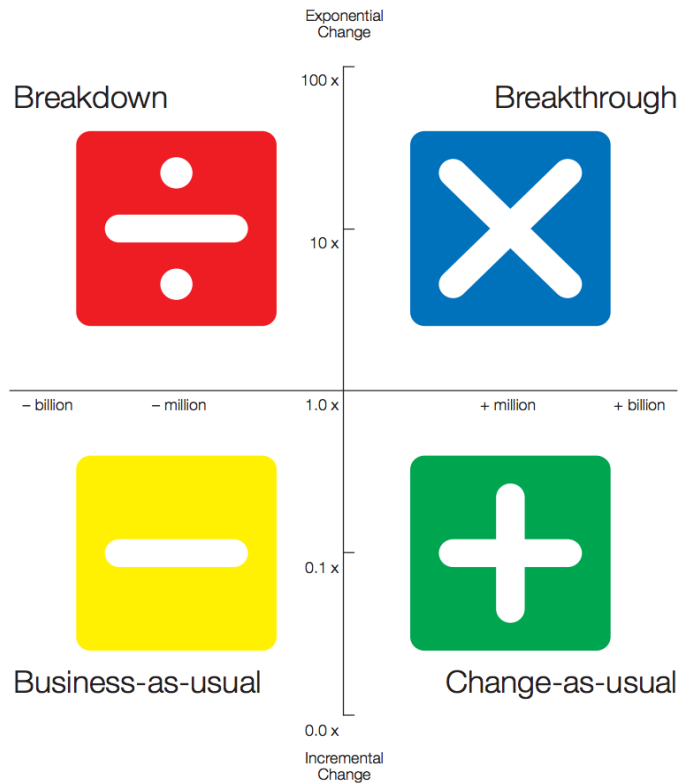
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3. From Business Case To Business Models



A Different Compass



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Project Breakthrough: 10X, Not 10%



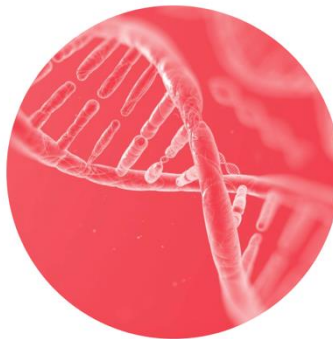
The Midgley Syndrome



Unmanned Air Systems ►



Internet of Things ►



Gene Editing ►



The Microbiome ►



New Realities ►

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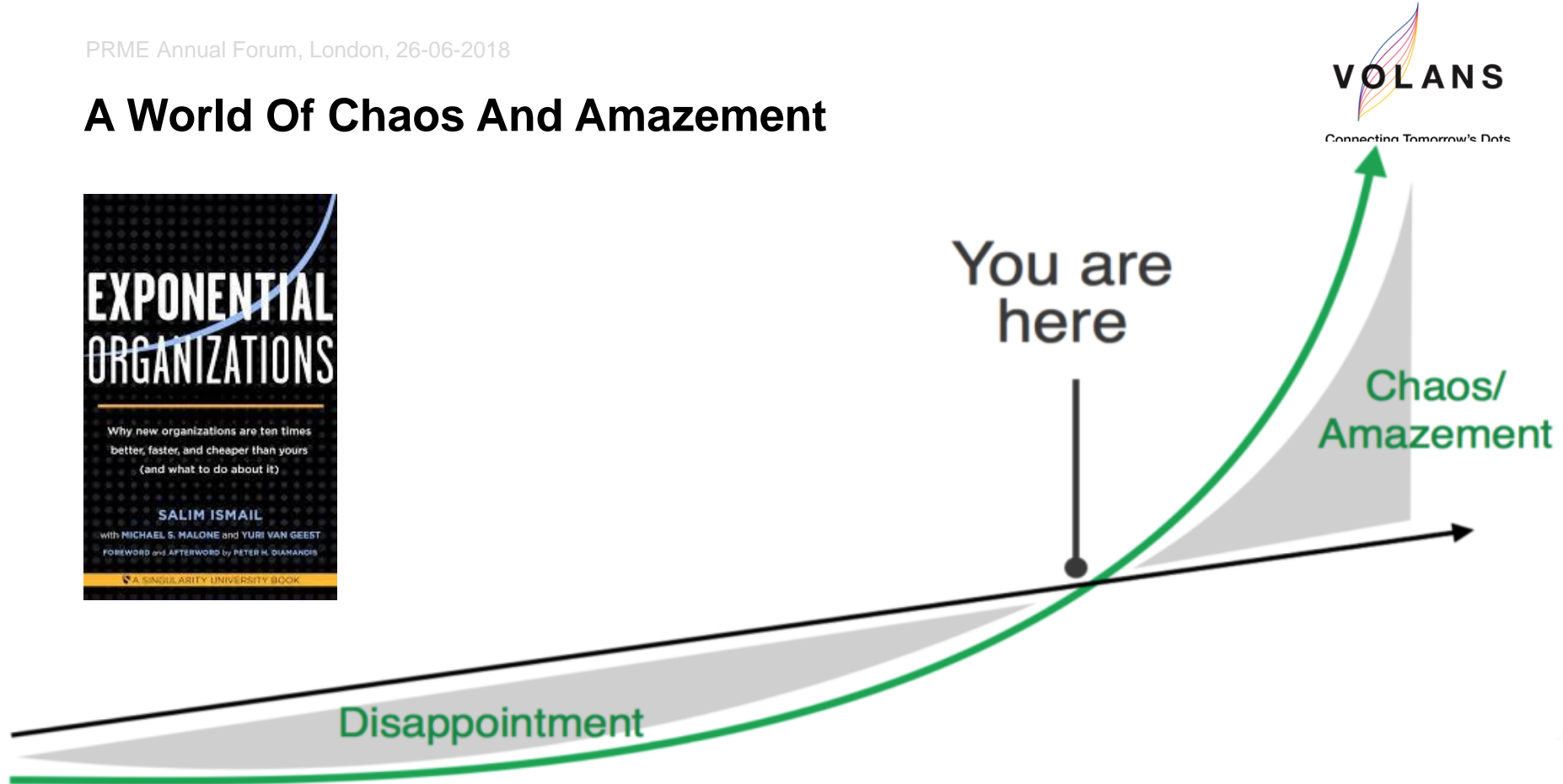
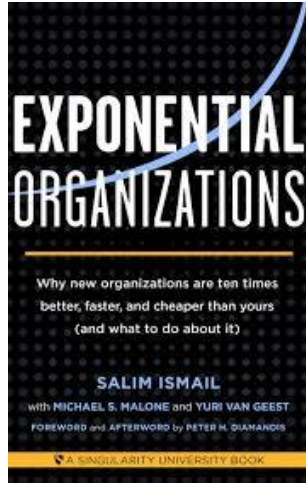
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A World Of Chaos And Amazement



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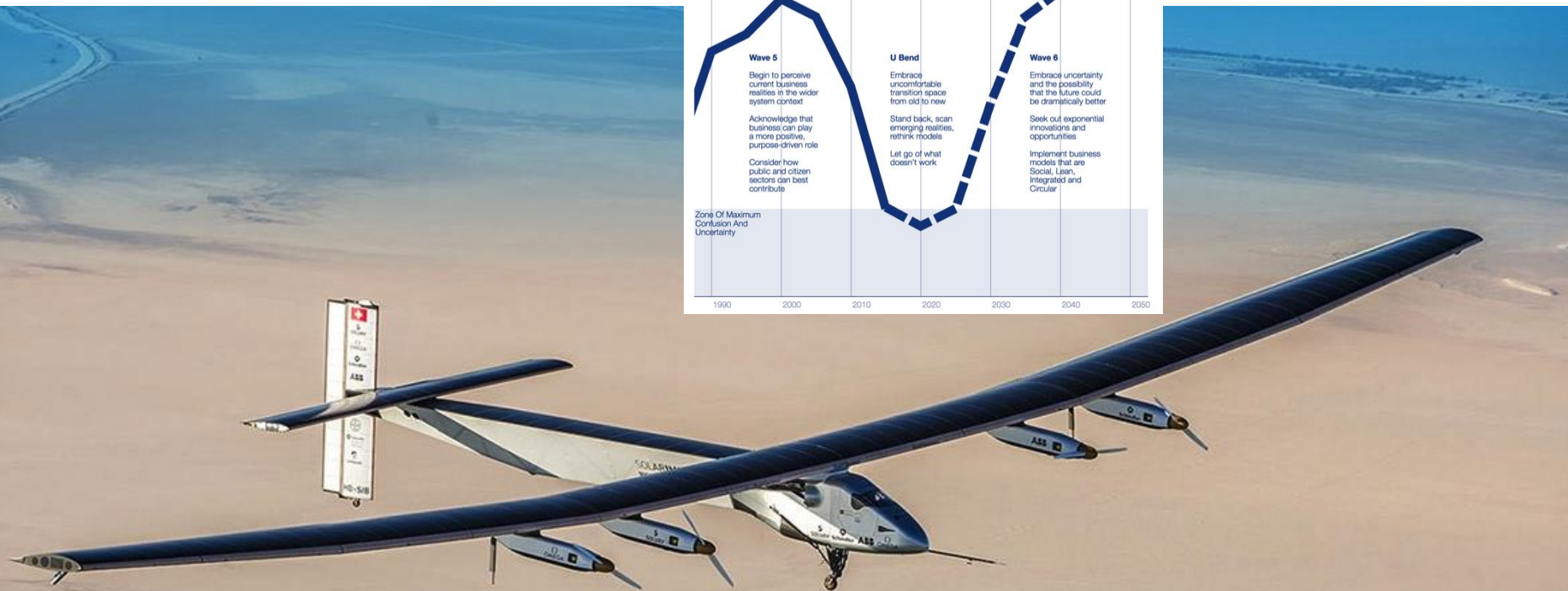
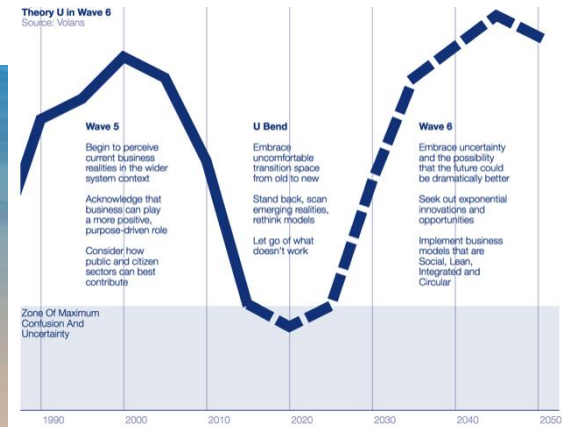
Join Stretch Ecosystems

**WORLD
ALLIANCE**
for EFFICIENT
SOLUTIONS

by
SOLARIMPULSE
FOUNDATION



Connecting Tomorrow's Dots



Sources: SolarImpulse.com; Volans



PATRICK THOMAS



Project
Breakthrough

The 80 year startup making the
world a brighter place

Carbon Productivity/1



Connecting Tomorrow's Dots

Stalling productivity growth

Carbon Productivity/2



Connecting Tomorrow's Dots

Accelerating climate change

Carbon Productivity/3



Connecting Tomorrow's Dots

The background of the slide is a photograph of a modern building with a vertical forest facade. The building's balconies are densely packed with various green plants and trees, creating a lush, green wall against a clear blue sky. The text "Time for carbon productivity?" is overlaid in large, white, sans-serif font on the left side of the image.

Time for carbon productivity?

Breakthrough Cities Workshop

Business Model Innovation for
Urban Challenges

#BreakthroughCities

Innovate UK
Knowledge Transfer Network

VOLANS

IET

Friday 9th March
London



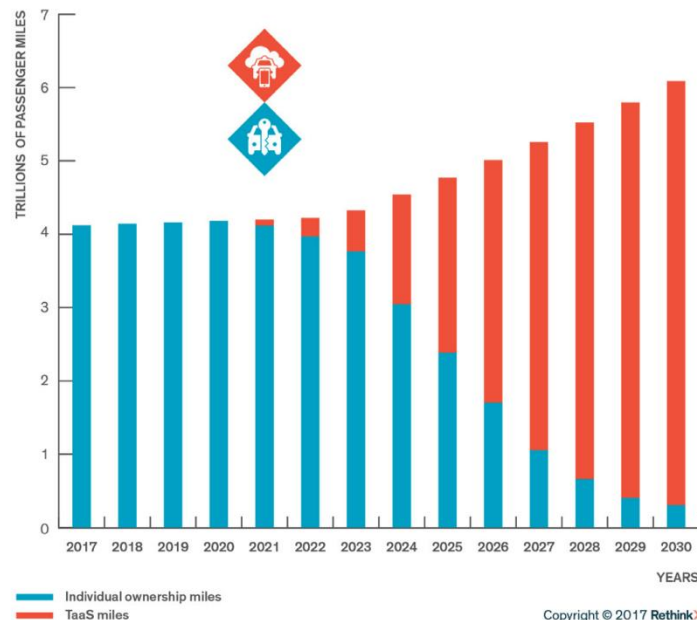
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Commission An Exponential Audit

Rethinking Mobility, Transportation & Oil

» *Speed of TaaS adoption*



- **Passenger miles will increase by 50%**, from 4 trillion passenger miles in 2015 to 6 trillion passenger miles in 2030.
- However, **revenues generated will shrink sharply**, from around \$1.5 trillion in 2015 to \$393 billion in 2030—a decrease of over 70%

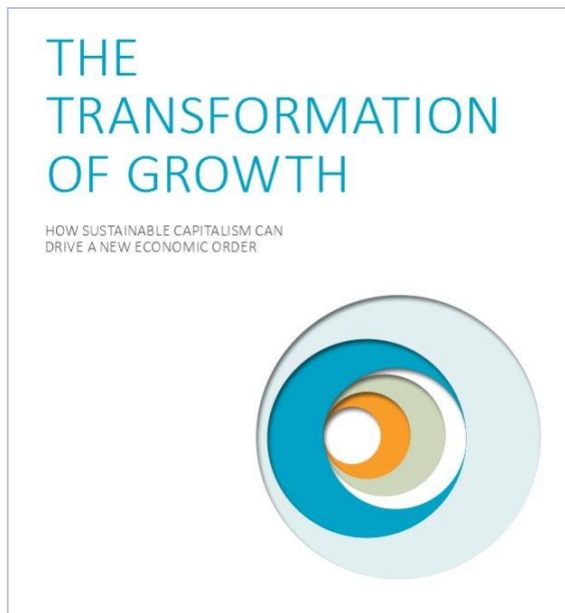
Learning Journeys



LEADERS'
QUEST

UBER

Tomorrow's Capitalism



‘The Sustainability Revolution appears to have the scale of the Industrial Revolution and the Agricultural Revolution—and the speed of the Information Revolution.

‘Compared to these three previous revolutions, the Sustainability Revolution is likely to be the most significant event in economic history.’

- The Generation Foundation, 2017

Where To Find Us



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Websites:

- volans.com
- johnelkington.com
- carbonproductivity.com

Twitter: [@volansjohn](https://twitter.com/volansjohn)

