

Hartz & Minds 37: Special Edition

Bain & Company Report: Achieving Breakthrough Results in Sustainability

This study appeals to me because Corporate Hartz knows that transformation programs are challenging to implement and sustain. In fact, only 12% achieve or exceed their goals. Social Responsibility fares even worse: 2%! In our quarter-to-quarter, election-to-election climate, it's difficult to take the long view. All stakeholders would be better served by employing these recommended strategies.

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Many CEOs want to play a positive role in environmental stewardship and social development. Because their customers and employees expect it, or because they want to make a difference, they declare sustainability a top priority. They launch a transformation program and commit millions of dollars and hundreds of hours of management time to the effort. Then momentum fades. It's a frustrating setback, and a common one.

A new report from Bain & Company, [Achieving Breakthrough Results in Sustainability](#), finds that only 2 percent of corporate sustainability programs achieve or exceed their aims, compared to 12 percent of other corporate transformation programs.

These are the results of a survey of more than 300 companies engaged in sustainability transformation and interviews with the heads of sustainability at companies that have been recognized for their sustainability results. While corporate sustainability programs are often dismissed as 'greenwashing' campaigns, it turns out that, even companies with the best of intentions fall victim to a few key 'change traps' that keep them from achieving their goals.

"Too often, sustainability gets stuck in first gear, while the need for change is accelerating," said [Jenny Davis-Peccoud](#), who leads Bain's [Sustainability & Corporate Responsibility](#) practice. "Once companies learn to navigate common roadblocks, they open the door to a transformational journey and the potential to leave a legacy, prompting companies to redefine what it means to be a leader in their industry." Bain found that many employees do not see sustainability as a business imperative, with more than 60 percent of survey respondents citing public reputation as the key driver for sustainability change. Employees also deprioritize sustainability because of perceived business trade-offs and an absence of incentives. Lack of resources and competing priorities are the two top obstacles employees say threaten to derail sustainability programs, and less than a quarter of respondents say they are held accountable for sustainability through incentives.

Corporate sustainability leaders overcome organizational resistance by changing attitudes and behaviors. They rethink processes and incentives and confront the prevailing mindset that sees sustainability as bad for business. Organizational change takes time and management commitment, but companies that succeed say it is worth the investment. Sustainability efforts can invigorate the core business, bolster the customer value proposition, secure the supply of key resources, lower operational costs and improve employee satisfaction. Our findings include four guidelines to beat the odds and deliver lasting sustainability gains.

- **Make a public commitment.** Many executives hesitate to make their goals public, fearing reprisal from third-party watchdogs if they fall short. Sustainability leaders manage that downside risk by engaging proactively with stakeholders. They affirm that the benefits of public commitments significantly outweigh the risks by creating a shared sense of mission and helping companies stay the course during difficult phases.
- **CEOs: lead by example.** Our research shows senior leadership support is the most important factor contributing to success, and visible actions—not just words—make the difference. CEOs create the vital lift-off energy for sustainability efforts and regenerate momentum throughout the journey.
- **Highlight the business case.** Sustainability leaders help employees understand the business case that links sustainable products and processes with success, and there’s no shortage of proof. Growth for brands with a demonstrated commitment to sustainability was four times faster than non-sustainable products in 2015, according to the Nielsen Global Corporate Sustainability Report.
- **Hardwire change through incentives and processes.** Companies that achieve ambitious sustainability goals embed sustainable behaviors and processes throughout the business and make line managers responsible for delivering results. For example, some companies change their capital-approvals process to include sustainability factors, or increase time horizons in business case assessments, allowing more initiatives to qualify for investment.

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For a copy of the report or to schedule an interview with Mrs. Davis-Peccoud, please contact Dan Pinkney at dan.pinkney@bain.com or +1 646 562 8102 or Katie Ware at katie.ware@bain.com or +1 646 562 8107.

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