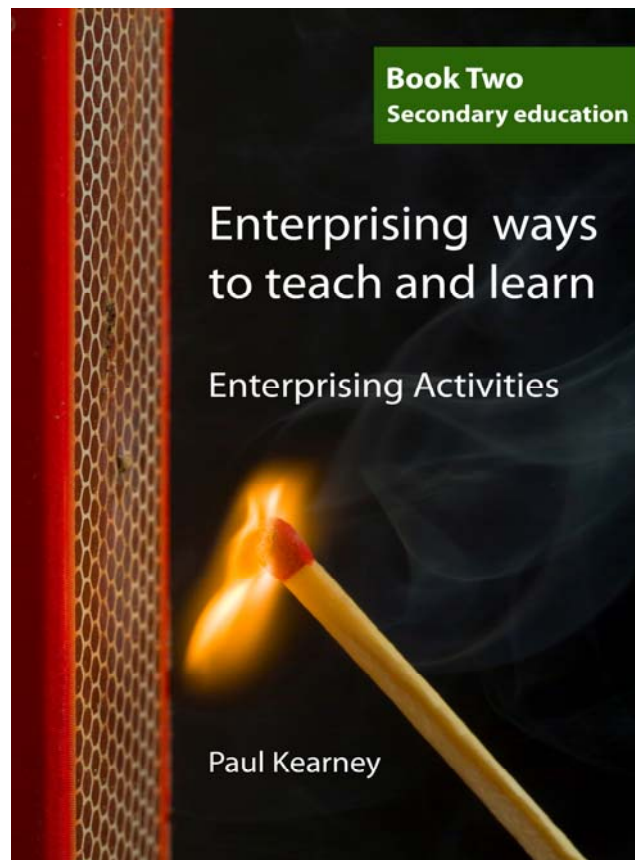


Sample

Enterprising Activity



People . Profit . Planet

Triple bottom-line

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PROFIT. PEOPLE. PLANET.

Triple bottom line



Summary

Students are presented with a working knowledge of the triple bottom line (TBL). Using scenarios, they identify key strategies that characterise award-winning businesses' responses to the demand of the triple bottom line. Using these ideas, they devise TBL strategies for a set of scenarios. With the accumulated knowledge students work with non-teaching adults to invent and market hypothetical businesses with great triple bottom lines.

The activity is completed with Constructive Controversy where students energetically challenge their peers' and their own values/attitudes in light of their experiences with this activity.

Focus

The prime focus is on understanding the triple bottom line, as a way of managing economic behaviour to benefit **people** and the **planet**, not just **profit**. While sustainability is the overarching concept, it is not the overt focus, rather it is implied.

There is a greater focus on the environment than people, given that the social aspect is covered more widely in general education. Also, there is a bias towards the big end of town, where both scale and innovation are more dramatic. Scientific and technical aspects, especially those related to the environment, are largely ignored – in favour of an understanding of strategies and values at work when trying to improve the triple bottom line. Words in inverted commas may need explaining.

The following key learning outcomes require constant highlighting:

- Economic activity and profit are important.
- It is crucial to understand consequences in detail.
- Looking after people and the planet can be good for business.
- We need to be clever and enterprising to find better ways of improving the three bottom lines.

Strategy

An organic accumulation of learning outcomes, rather than a staged incremental approach, better suits the activity. For example, students will slowly build up an understanding of the supply chain as they face it in several contexts, not just one. Beyond a form of accounting, the triple bottom line concept is complex, messy in practice and the relationships with other areas (Corporate Social Responsibility and Ethical Business) are blurred. Furthermore, the relationships between the bottom lines themselves are complexly interwoven. Requiring a 'neat' knowledge is unrealistic and perhaps unnecessary. Fostering reasonable **concern and curiosity** through a dynamic process is more apt and productive.

It will help at times to focus on just one bottom line and one aspect, e.g. the waste issues – to the exclusion of others such as working conditions. Trying to hit all the buttons at once will bog students down. There will be plenty of opportunity to touch most of the buttons.

It is easy to concentrate too much on doom and gloom. Young people are hit with alarming messages about the future all the time. Make a special effort to **be positive**.

Process

General

The activity is designed for nine students, three groups with three members each. Where groups are larger try to maintain multiples of three. For example, 12 students (four groups), 15 students (five groups) and so on. Accommodate for odd numbers by having 'extras' act as 'twins', where two students act as one participant. For example, if participants are to take turns at a particular task, twins can take only one turn between them. Twins must agree on all their contributions and decisions. At first for clarity sake, the groups will be called triads.

Throughout the entire activity students will be designated particular bottom lines:

- Students with the yellow tag/hat will represent the perspective of people.
- Students with the red tag/hat will represent the perspective of profit.
- Students with the blue tag/hat will represent the perspective of the planet.

Each perspective will be represented in each triad. At times students may swap tags/perspectives for certain activities. Try to ensure that each student experiences all three perspectives.

So students can gain a visual impression of the processes with each activity, draw diagrams.

Appoint a **checker** in each triad for each activity. A 'checker' is a member whose job it is to check that both other members fully understand the tasks before they start them.

Activity One

Handout – Priority pyramid

The purpose of the activity is to:

- develop a working knowledge
- set the scene for the other activities
- induce engagement

There are four resources for the introduction:

- Teacher notes (Page 29).
- Student introduction (Page 31).
- Interjection cards (Page 33).
- Sustainability diagram (Page 36).

You can introduce TBL in a number of ways:

- Stand and deliver, perhaps assisted by a PowerPoint presentation
- Work off the student handout
- Co-teach, using one or two students as co-presenters
- Interjection, a free discussion built around an apparently ad hoc injection of facts by students

Preferably use a combination of all these.

Even if you choose not to include an interjection strategy, the information on the cards is important in setting the scene.

An 'interjection' style approach is recommended, especially for an experienced and enterprising teacher.

Interjection

- 1 Randomly deal the interjection cards to students. (**Update** these regularly.)
- 2 In triads, students make sure they understand what each card is saying.
- 3 Begin your presentation and/or discussion using the Student Introduction notes handouts page 31.

- 4 A student with a shaded card/statement that directly relates to the matter being presented or discussed stands up and emphatically reads the card he/she has been given. The student interjects by saying: We need to know.
- 5 A student who has the matching opposing plain (unshaded) card stands and quickly retorts by reading their blue card, starting with But!
- 6 Encourage a debate between the two antagonists and/or open it up to a wider debate. But do not push it.

Where students fail to readily respond at relevant points you may need to prod them with: "Has anyone got anything to say about that?" If the student with a relevant card still does not respond you may have to call upon the student to read the card by saying: "Who has the card about?"

If a student without a card responds with a comment, allow the dialogue to flow naturally.

You may wish to allow both shaded and unshaded cards holders to initiate the interjection and the other follows. Whatever the approach, encourage the interjections/retorts to be immediate, i.e. hot on the heels of the first comment, almost interrupting. Of course, make sure both statements are clearly heard before a debate/dialogue starts.

As all the issues are interrelated, cards can fly thick and fast. Where it is necessary to continue with a topic, just 'direct the traffic', e.g. we'll get to that in a minute.

- 7 Signal the debriefing by asking students to swap tags. In mixed triads instruct members to check that each member has a working knowledge of the points on the triple bottom line Introduction (handout). They can do this by roughly cross-referencing the issues indicated on the cards with the points on the handout.

Alternative uses of cards

- 1 Simply use the cards for a general discussion after standard presentation.
- 2 Mix red and blue into a single pack/deck and ask students to select one and read it out. The student reads out the card and has the first opportunity to comment on the issue (if they want to), before opening it up for general discussion. Deal with the cards one at a time.

At the end of the final session ensure that every student has a copy of all the card statements and handout.

As the students are to go out the door call them to halt and read the following.

Boiled frogs

A frog will not jump out of a container as the water is slowly warmed to boiling point. Things change so slowly, they do not adjust even when it reaches crisis point. Even when it is too late!

Such people are known as 'boiled frogs'.

Smile and usher them on their way with "Jump to it!"

Activity two – Case Studies

Summary

Using scenarios, students identify key strategies that characterise award-winning businesses' responses to the demand of the triple bottom line.

Step One

Hand out the coloured tags; students are to swap if they had the same colour in Activity One. Arrange students into triads, ensuring there is each colour/ perspective represented in each group.

Appoint a checker in each triad, a member whose job it is to check that both other members fully understand the tasks, before they start the activity.

Allocate three scenarios to each triad. The task is to analyse the companies' approaches to the triple bottom line. Allocate scenarios as follows:

Triad one

1. Japan Railway East
2. Rhino Records
3. Brooks

Triad two

4. Sainsbury's
5. Interface
6. Starbucks

Triad three

7. Bank of America
8. TerraCycle
9. Gerry & Ben's/ Swiss Re /VIV*

*Treat these three mini scenarios as one.

Step two

Establish the triad's **output**, which is to generate a list of 15 ideas/strategies for helping businesses, in general, to improve their TBL. Explain that the strategies/ideas they gather will be helpful when it comes to activities three and four, i.e. responding to the scenarios and devising their own hypothetical business with a great TBL.

Step three

Ask the triads to begin by

- examining the three scenarios allocated to them
- discussing within their triad their general impressions

Step four

With the help of the others, each member of the triad is to become an '**expert**' in all three scenarios allocated to their triad.

Explain that they will leave their groups once they become experts and join with other people to review all nine scenarios.

As experts, each member should be able to:

- quickly describe their three scenarios
- point out the key points
- explain why these points are important

Encourage students to take brief notes with them. Stress the point that their mini-presentation must be brief and snappy.

Step five

When all the nine students are experts, the triads are remixed into new **triads**. All nine scenarios should be represented in the new triad and the three different bottom lines should be represented by one member wearing a red tag, one a yellow tag and the other a blue tag. (See instructions below)

Two rules are important!

- There is to be no interruption or discussion during presentations.
- Secondly, members must write down any questions or comments they want to make when the general discussion starts.

The exercise is conducted in three rounds.

Round one

- In turn each student quickly 'presents' the first of their three scenarios.
- Each is quickly discussed.
- The key approaches or interesting ideas of each business are identified. For example, Sainsbury's policy of buying from 'preferred suppliers' may be noted.
- Each member is to make sure his/her bottom line is considered.
- Each student keeps a copy of the list.

Round two

The process is repeated with the second of three scenarios, only new ideas are added. For example, Starbucks' strategy for preserving bio-diversity may be added to the list.

Round three

The process is repeated with the remaining three scenarios, only new ideas are added. For example, the Bank of America's strategy of encouraging its employees to buy hybrid cars is added.

Advice about the process

Quickly jump on the students' impulse to interrupt and discuss during presentations. This learning strategy is based on the principle:

- get the information out
- process it (discuss)
- use it (make the list)

Besides ensuring all the information is out, waiting makes the participants 'listen' and avoids a discussion bouncing all over the place or focusing too narrowly.

As **remixing the triads** can be confusing for some, use two stages.

- 1 Put all students wearing red tags in one corner, blue in another and yellow in another.
- 2 From the red corner select the student representing the first three scenarios (Japan Railway East, Rhino Records and Brooks).
- 3 Place him/her in the middle of the room.
- 4 Take the student from the blue corner, representing the second three scenarios (Sainsbury's, Interface and Starbucks) and send them to the middle of room.
- 5 Take the student from the yellow corner, representing the last three scenarios (Bank of America, TerraCycle and Gerry & Ben's/ Swiss Re /VIV) and send them to the middle of room to join the two others, thus forming the first new mixed triad.
- 6 Repeat this once and the final two triads will fall out.

If this does not work, ask the students for help.

Step six

By now all students in the triad should have considered the nine scenarios. All members should have a list of important and interesting strategies that businesses could use to improve the three bottom lines.

Next, a member of each triad takes one of their lists and visits the other two triads (one table at time), sharing their strategies. As they go, they pick up ideas. And 'host' triads collect ideas from the visitors, which they themselves have not identified and add these to their list.

Step seven

On returning 'home' each triad must revise their list – but they still must end up with **exactly** 15 strategies.

There is no need for an 'out the front' presentation of the final lists. The information has been processed and decisions made. Ensure every student has a copy of all the scenarios. Suggest they take them home to show their parents.

Important note

*Substantial effort has been made to present the cases studies as accurate and fair accounts of each situation. However accuracy cannot be **guaranteed** for a number of reasons. Firstly for strategic purposes the information is selective and abbreviated. Secondly the sources of information are not always consistent with one another. Thirdly there is a well established practice of 'corporate washing', whereby organisations deliberately present exaggerated accounts of their actual commitments to the triple bottom line. 'Green washing' is a fine example of this practice.*

Activity three – Scenarios

Summary

Using the ideas and strategies they identified in activities one and two, students are asked to improve the TBL of the business described in the scenario allocated to their triad.

The three business scenarios relate to:

- a local pet shop with an image problem
- new hairdresser starting up in town
- a real estate agent with a market problem

The process is similar to activity two, except the triads break out into expert groups based on each of the three bottom lines and return to their original triads to complete the task. And they are focusing on scenarios, not scenarios.

Step one

Students swap tags/hats and form new triads, ensuring the three different bottom lines are represented, by one member wearing a red tag, one a yellow tag and the other a blue tag. Ask students to join triads with others they have not worked with if possible. Ensure there is a 'checker' in each triad. Provide a copy of the three scenarios to every student, handout pages 43 to 45.

Allocate a scenario to each triad, along with a copy of the 'priority pyramid'.

State the **output**, which is to list and prioritise ten ways/recommendations to help their scenario business.

After discussing their scenario, the triad is to list **only five ideas** for helping their business to improve the bottom lines. No idea for one particular bottom line can 'undermine' the other two. For example, an idea to improve the welling being of people cannot make the business economically unviable. Similarly, an idea to improve the profit bottom-line cannot cause unsustainable damage to the planet. And their ideas must be **realistic**.

Step two

Taking their lists, the triads break out into 'expert groups', each representing one bottom line, making:

- an all red group
- an all yellow group
- an all blue group

As with activity two, there is no interruption or discussion, while each member quickly describes their scenario, along with the five ideas they have already identified. When three members have finished, they focus on each scenario in turn, adding ideas from their group's **particular perspective**, i.e. bottom line. The red group will only consider the scenarios from a profit point of view; the blue group will be looking for ideas from the planet's point of view; and so on.

Step three

With new and improved ideas, students re-form back into their original triads to complete their list of ten ideas/recommendations to help their business improve three bottom lines. Again emphasise that one idea cannot '**undermine**' the others! It is the job of each 'expert' in the group to ensure this.

Using the Priority Pyramid, triads rank their ideas in order of priority, the ones which would have the most impact on the business put towards the top. The idea may have to be summarised into two or three words. Find a blank copy on page 46.

Step four

The triad writes/transfers each of its ideas onto flip chart paper. Each idea is cut off into a single strip, so there are ten separate strips (one idea on each).

On an eleventh strip they write the name of their business.

Each triad prepares to present their ideas to the other two triads.

Step five

The presenter/s quickly reminds the audience of the circumstance of their business. In turns, the triad places their ideas/strips on a wall for all to see. One at a time the strips are to be placed in the shape of their priority pyramid. As each strip goes up the idea is explained. All three members must be involved in describing the ideas.

To conclude, students are briefed on Activity four. Triads will devise their own TBL businesses and present them to a panel of non-teaching adults, each representing each bottom line. Also, students will make a pitch for the others to invest in their enterprise.

Activity four – Marketing TBL

Summary

With the accumulated knowledge students work with non-teaching adults to invent and market hypothetical businesses with great triple bottom lines.

Prepare students by having them bring along all their ideas from previous sessions.

Step one

From the local community recruit a panel of 'experts', each representing one of the bottom lines. For example:

Profit could be represented by a local business person*, chamber of commerce, bank etc.

People could be represented by a person from a trade union, a community-based organisation, the local council, etc.

Planet could be represented by a person from a conservation organisation, environment protection agency, a lobby organisation group, an activist, etc.

Ensure panel members can commit to the necessary time. It would be disappointing if someone had to leave early.

YOU MUST read the section on Working with Non-teaching Adults in Book Three. This is important.

Provide panel members with copies of the overall activity, including all handouts, well before the event. Explain that their job is mostly listening and providing feedback. However, point out that part of the role is to **work as a triad themselves** on the same task as the students. They should enjoy it. In a way their very presence adds a critical dimension. Their involvement signals this is 'important stuff', not just school work.

Remember gender and age issues. For example, often students respond better to younger business people. Similarly, they can place greater store in an older person's beliefs about environmental issues.

(*The local publican is always worth consideration. Often they have a good understanding of the local community. Other teachers and the students may help identify prospective panel members.)

Step two

The role of the non-teaching guests is introduced. They can introduce themselves and explain why they are interested in the activity. They have **exactly** two minutes for this!

(Perhaps they could conclude by mentioning something unexpected about themselves, e.g. they sing in the shower or have a 'crush' on a particular TV personality.)

Allocate colour tags to students ensuring each is represented in new triads.

Where a student has not experienced the role of the three perspectives, make adjustments so they now have the opportunity to do so. The guests form a triad and from here on they will be treated the same as the other teams.

Summarise the activity as follows:

- Using the same resources, teams will invent a new business with a great TBL.
- Using a pool of items and materials they will make an advertising display to attract investors.
- Using a spiel and other strategies they will try to convince others to place/pin money to their display.
- The business attracting the most money will be deemed as having the best bottom line.
- The guests will be involved in the debriefing.

And warn everyone that **something unexpected** will happen during the activity!!

Step three

Ensure that checkers are in place. Explain the first task. Triads must use the following resources to create a business that has the best possible triple bottom line.

Display resources already written up on the board but covered up for dramatic purposes. *The resources are:

- hot air balloons x 10
- a native forest with wild river 50 miles outside of the city
- hotels – two x 15 story with three-star rating, located wherever you want

- employees – you cannot employ more than 40
- a warehouse, large, empty and run down within walking distance of the city museum. It is zoned commercial

(*White-out this section before giving the panel members copies of the activity)

Display the rule that all resources must be used.

The ideas must be realistic.

Step four

Inform the teams they have 35 minutes to invent their businesses.

Monitor teams to ensure they are concentrating on all three bottom lines. Typically, participants are drawn to the profit view. Remind the students they still need to take on the perspective of their tags. Also the guests may need coaching in this respect.

Unexpected event (optional)

Fifteen minutes into this step announce that the situation with the river running through the forest has changed – in **one** of the following:

- There has been a toxic spill upstream
- Britain's rarest frog has been found
- The source of the smallest tributary of the river contains the purest spring water in Australia.

To add melodrama, place each change in an envelope and ask the person with the bluest eyes to select one, which the teams will have to accept as part of devising their business plans.

(White-out or remove this section before giving the panel members copies of the activity).

Step five

Triads develop their marketing plans, which largely consist of the display and spiel.

All triads receive flip chart paper, felt pens and a medium-size cardboard box, scissors, adhesive tape and a glue stick. They can take any items from the central pool.

The central pool contains colourful magazines, sheets of aluminium paper, a length of string/twine, lollipop sticks, used CD disks and any other random items.

Allocate each corner for their display. Alternatively, organise the displays to be close together in one corner – so as to ‘compress’ the activity into a small space, creating a sense of busyness.

Allow time for teams to prepare a sales spiel.

Step six

Each student and guest is given \$30. They place (invest) \$20 on the poster of the business they like most, leaving \$10 for the second choice. Triads cannot invest in their own business, i.e. put money on their poster.

The investment/marketing is a **laissez-faire** process. Imagination and melodrama is encouraged. Students wander from display to display, listening to spiels and appraising their investment opportunities. Spiels can be passionate and even point out the weaknesses of their competitors (even in front of the competitors’ displays) but only on the grounds that the idea is deficient in addressing the three bottom lines or is blatantly unrealistic.

Ask the team to devise some creative ways of disposing of the posters and display items, rather than just putting them in the bin.

Consider other options:

- Allocate yourself money and bias your investment to the business lagging behind
- Increase the maximum money a team may have, e.g. \$100.
- Allow students to exchange notes, e.g. two \$10 for one \$20.
- Invite spectators
- Video the session
- Play upbeat music

Seriously consider using real money, the winning team being allowed to allocate to a ‘cause’, purpose or charity of their choice. For example, the winning team takes guests out for lunch. The money could be raised with the help of the guests. Alternatively, the school supplies the money and it is returned to the school. The point is that the use of real money adds a sense of **authenticity**, novelty and spice to marketing exercises.

Step seven

For **the debrief** allocate a guest to each triad to discuss the following topics:

- The economic value of having a sound triple bottom line
- Innovation and exciting new opportunities

Re-form the teams into one large circle, spreading the guests evenly around the circle. Invite them to reflect on their experience by responding to the following three questions. Wait until all three guests have answered question one before moving onto the next.

- 1 Did you enjoy the activity? Why?
- 2 What have you learned?
- 3 Does it give you a greater appreciation of the other bottom lines?
- 4 Will it influence your life?
- 5 Would you like to work with the students again?

Option

When devising their businesses, triads can be asked to take into account the criteria for judging its impact in the three bottom line areas, pages 47-49.

Activity five – Debrief

Use the **Constructive Controversy**. So far the students have focused on knowledge. To conclude, we want them to explore attitudes, especially their own.

A Constructive Controversy is a perspective-taking exercise, which allows people to ‘ventilate’ their feelings about a ‘hot issue’. It allows people to experience opposing views and then reach a consensus position. Treat the exercise with some **sensitivity**, particularly if you have little experience facilitating this type of exercise. For example, inform students at the outset that the activity involves some argument, which can get a little loud, and offer them the opportunity to observe rather than participate directly.

Adding humour to the process can make the exercise quite fun and help to depersonalise the process. (*See humour suggestions in brackets and italics*).

Procedures

Because the exercise requires multiples of four you may need to either recruit an extra student, invite a guest back, ask one of the students to be an observer or participate yourself, but preferably not the latter.

Step one

- 1 Divide participants into groups of four. Split each group into two pairs. Nominate one pair as the ‘For Side’ and the other as the ‘Against Side’.
- 2 Instruct opposing pairs to turn their backs on one another.
- 3 Introduce the topic for debate and check that each pair understands the side it is taking. Any of the following topics might do:
 - *We will not act until it is too late.*
 - *People are too greedy to look after people they don’t know.*
 - *Profit will destroy the world.*
 - *Having a job is more important than having a healthy planet.*
- 4 Inform the pairs that they have six minutes (**exactly**) to prepare their arguments.
- 5 Explain the process.

*When you have finished preparing, you will turn around and face your opposing pair for a five minute ‘no holds barred, head-to-head’ debate. **There are no rules.** You can all talk at once. And try to avoid talking just to the person opposite you, i.e. attack both members of the opposition at the same time.*

- 6 Request total silence before the debates start. Once you have pairs facing one another, knee-to knee, request partners to reach across and give one another a little tap on the cheeks to get the blood flowing. Next tell them to stare down the opposing pair with 'a cold menacing eye'. Remind them that they might want to listen occasionally but this does not mean they have to stop talking. Start them with Ready, Steady, Go!

Advice

- Sometimes it is worth 'priming' one of the two pairs by saying something along the lines: "Think about coming out hard, you know, banging the table, pointing the finger and so on".
- If you are worried about the noise level, which can be substantial, ask the groups of four to pretend that they are with family out for dinner in a restaurant and that if they get 'worked up' to talk in 'agitated whispers'.

Step two

- 1 After five minutes call the debate to a halt, by yelling out "Freeze".
- 2 Ask the opposing pairs to separate and inform them that they have four minutes to prepare the exact opposite argument because they have to swap sides, i.e. reverse roles.
- 3 Call them back into debating positions. You may want to ask partners to swap seats. Start the debate. Let it go for four minutes. Note how many people will argue the opposite with the same conviction and passion.
- 4 Halt the debate and de-role participants by asking them to shake hands and swap seats.

Step three

- 1 Remind students that now that they have argued both sides of the case, they must operate as a consensus team of four and come up with **an 'agreed position'**. Providing a sentence stem to complete will help focus the teams, such as:
 - *We believe that*
 - *because....*
 - *but*
 - *so we recommend to the people of the world that....*
- 2 Teams read out 'position statements' to conclude. No discussion, it has all been said!

The activity People Profit Planet is finished.

Teacher Notes – Activity one

The TBL is an excellent way of helping students to understand the emerging demands of 'sustainable economics'. Four key points require constant highlighting:

- Economic activity and profit are important.
- It is crucial to understand the consequences in full and in detail.
- Looking after people and the planet can be good for business.
- We need to be clever and enterprising to find better ways of improving the three bottom lines.

These key points need to be introduced in activity one.

At the simplest level the triple bottom line is being able to measure the effects of economic activity, not only in the amount of **profit** it produces, but also the impact on **people** – and the impact on the **planet**. Each of these represents a bottom line. The problem is that while we can measure profit (money), we have no agreed way (standard units) to measure the impact on people and the planet. Governments and other organisations are working on this.

We want to measure the impact of economic impact on people and the planet because citizens want to know the consequences and also hold people/ organisations accountable for what they do.

Equally, those behaving responsibly and actually benefitting the planet and people by the way they are doing business, want to highlight this to others, the public and governments. And people want to know what will be the triple bottom line (TBL) of a new economic operation before it starts.

The advantages of a focus on the TBL include the following:

- Helps determine the full impact of existing and new economic activity
- Makes people accountable
- People can show they are being responsible
- Encourages sustainability

Sustainability simply means the 'status quo' has the ability to keep going indefinitely.

It is clear that economic activity is important and beneficial to humans. Without enough of it some people can suffer and die.

The TBL is about striking a balance between the three realms of existence, so one **does not undermine the other**. This is where the idea of sustainability comes into play

It helps to think of people, profit and planet as an existing **ecology** in that each is part of the others and therefore any damage to one will damage the others – thereby placing the ecology at risk of losing its sustainability. Use the Sustainability diagram (handout/PowerPoint) slide, wherever you can (page 36).

Handout – Student introduction

TRIPLE BOTTOM LINE

Profit

For a long time we only thought of one bottom line, making a profit. It is said that profit is important for three reasons:

- Making money motivates people.
- You have to look closely at what customers want.
- Unless we use resources efficiently we can make less or lose money

However, the right to make a profit has been based on the *anything goes* principle, including:

- damaging the health of children in mines in Africa
- using fire bombs to clear land for cattle in the precious Amazon jungle
- selling weapons to anyone who can pay for them, even though we know they are going to be used to kill innocent children

These are not nice things but they happen. The problem is people do not know what is happening or they 'turn a blind eye' to it. For example, a ten-year-old child in Pakistan works fourteen hours a day to make the soccer ball you kick. And some just do not care!

People and the Planet

Less and less we are accepting this *anything goes* attitude to making money. More and more we have the questions:

- How much profit can be made?
- How is the profit made?

These questions are difficult to answer when much of the negative impact of making a profit is **not obvious**.

And this means that whenever we consider the how much and how, we need to **think in detail**. Answering the questions below can help us dig out the detail of how economic activity affects people and the planet.

The first big questions are:

- 1 Where did the supplies etc come from ('the supply-chain')?
- 2 What was done with it by the business (product etc)?
- 3 What happens after? (e.g. re waste)

The next questions are:

- 1 Where and who will be affected?
- 2 How far does it reach? (future)
- 3 What would happen if this activity happened everywhere?
- 4 What would happen if the activity happened all the time?
- 5 What would happen if everyone does the same thing?

Economic benefits of focusing on TBL

By focusing on the TBL businesses can benefit in a number of ways:

- Tapping into **new markets**, e.g. people are highly sensitive to 'green issues'
- People are even willing to **pay more** for 'green'
- Avoiding the **loss of customers**, who are becoming more concerned
- Attracting **subsidies**
- Avoiding **penalties**, fines and extra taxes
- Maintaining and attracting new **investors**
- Eliminating expensive waste and **inefficiencies**
- Maintaining staff **commitment**
- Doing good **feels good**, regardless of why

Handout – Interjection cards

We need to know!

Worldwide a 100 million trees disappear a **day**! In the last 40 years an area the size of France has disappeared in the Amazon rainforest, which is called the 'lungs of the world'.

But!

Because people want to experience nature, **eco-tourism** is one of the fastest growing businesses in the world. Touring rainforests provides work for local people. Keeping the rainforest is good for businesses.

We need to know!

Dairy **cows** in San Joaquin Valley produce more smog-forming gases than cars, according to Californian regulators in 2005. Methane is the second largest *greenhouse gas*, only behind carbon ... Cows burping and breaking wind accounts for 75 per cent of the methane.

But!

Researchers from University College Dublin reported that by including **2 per cent fish oil** in the diet of cattle, they achieved a reduction in the amount of methane released by the animals. (What about fish stocks?)

We need to know!

Every year, we throw away 50 million tonnes of electronic waste, ie. e-waste. That is enough to fill **one million trucks** that would stretch half way around the entire globe if they were parked end to end. E-waste produces the worst possible chemicals as they break down or batteries leak. On average, mobile phones are replaced every 18 months.

But!

The company Recellular fixes several million mobile phones and resells them for next to nothing to customers **in poor countries**.

Interjection cards

We need to know!

If you fly to Sydney, Australia, a plane will emit 5.6 tonnes of carbon dioxide per passenger, which is as much as an average household will emit **all year**.

But!

On Sunday in February 2008, Virgin Airlines flew a jumbo jet from London to Amsterdam partly powered by 50,000 **coconuts**. On normal flights you can pay a few pounds extra and the company will plant trees to 'offset' the pollution the plane is causing.

We need to know!

Americans, alone, buy 29 billion bottles of water a year. The amount of oil needed to produce these could keep a million cars running for a year. Imagine a water bottle **filled a quarter of the way up with oil**. That's about how much oil was needed to produce the bottle.

But!

TerraCycle earns millions of pounds from making new products out of plastic bottles collected by schools, which receive **eight cents** for each bottle.

We need to know!

Half the world's soccer balls are made in Pakistan. A child is involved in the making of each in at least one part of the production process. Nike has been persistently accused of exploiting child labour in poor countries. Believe it or not we now see children as young as ten stitching on labels boldly claiming made by **Child Free Labour**.

But!

From the sale of soft toys IKEA has donated \$30. million to help poor women in India **to start businesses** and look after their children.

Interjection cards

We need to know!

The Observer newspaper reported that child workers, some **as young as 10**, have been found working in a textile factory in conditions close to slavery, to produce clothes that appear to be designed for Gap Kids, one of the most successful arms of the high street giant.

But!

For Our Children, Too, an album released on Kid Rhino, has generated more than \$1 million to help children with AIDS.

We need to know!

Each year 200,000 children are **sold into slavery** to pick cocoa beans, used to make the **chocolate** we eat. This mostly happens in West and Central Africa, according to the United Nations Children's Fund.

But!

*From 2004 to 2007 the number of Indian children involved in the production of 'hybrid' cottonseed in India at Monsanto locations dropped from **20 per cent to 3.9 per cent**.*

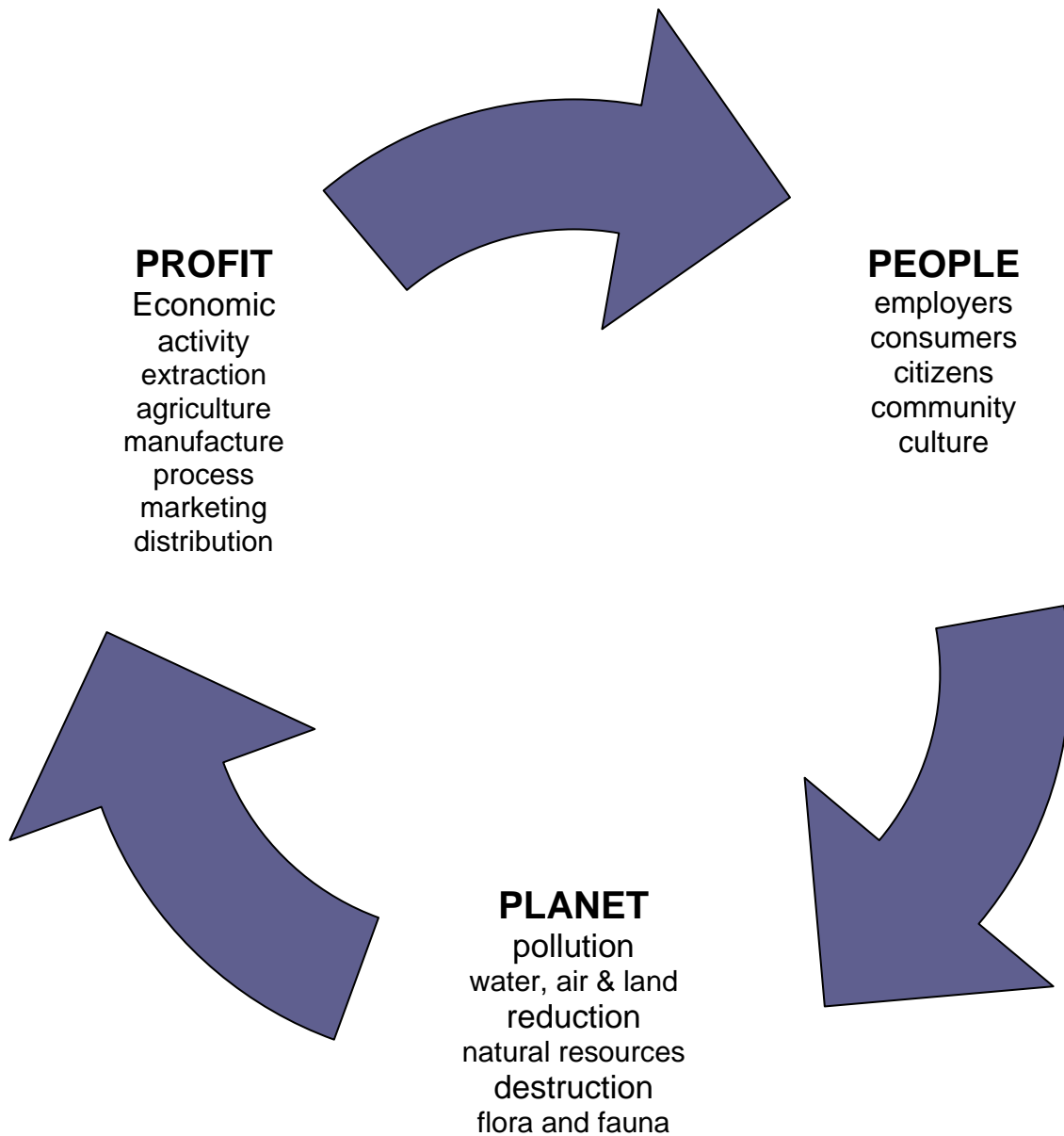
We need to know!

Some businesses can use slogans, charities, logos, grand statements and other things to make it 'look like' they are being very environmentally responsible but in reality they may not be very green at all. This is called '**green-washing**'.

But!

Increasingly there are **independent bodies** which rate an organisation's responsibility. And increasingly governments are demanding proof that the right things are being done.

Handout – Sustainability cycle



Handout – Case Studies

Japan Railway East – one

JR East has the most extraordinary commitment to the triple bottom line. In collaboration with local councils it built nursery schools and other facilities such as shopping centres close to stations, so children and parents do not need to rush in different directions in the morning and at an evening. JR East is aware that transport in the areas around Tokyo is central to people achieving balance between their work and family lives. Their strategy is also about not wasting energy and reducing transport pollution.

JR East also takes noise pollution seriously – introducing quieter wheels, quieter tracks and reduced ‘noise explosions’ as trains enter tunnels. Research has led to the introduction of noise absorption corridors along tracks, made up of many types and sizes of trees planted in new patterns – replacing the single tree plantation approach. Again, there is another aspect to each initiative – the new system prevents soil erosion and protects ‘bio-diversity’.

JR East is striving for sustainability of its revolutionary experiments with floor power. Simply put, when passengers tread on the floor they push a cushion of micro springs beneath that help generate electricity that contributes to powering the train. Escalators in selected stations are also partially powered by the users’ movements.

Another bold initiative is the role JR East is playing in the redevelopment of central Tokyo. Besides restoring the grand old central station, the design of the new buildings and rail system will create a ‘wind road’ through which the sea breezes from Tokyo Bay can flow across the city centre, cooling and cleaning as it goes.

JR East’s commitment to staff and the customer is legendary. For example, to make women feel safer travelling late at night, JR East provides women-only carriages. Medical equipment in stations now includes defibrillators (for kick starting the heart).

Handout – Case Studies

Rhino Records – two

Rhino Records is a hip record retailer based in California, and has a strong commitment to helping the less advantaged members of the community. It has two programs that are interesting:

- Employees can earn an hour off work for every hour of voluntary work they do with non-profit organisations in their own time, helping the community, up to a maximum of 48 hours annually. They call this 'time off for good behaviour'!
- Through an employee-giving program called 'Bucks-a-Week', employees may give some of their pay to local organisations that help people who are hungry and homeless. For each dollar the employee gives, the company will match it, effectively doubling the employee's donation.

Brooks Running – three

Runners might be the most popular shoe in the world but they are also the most polluting and difficult to recycle. It is estimated that the synthetic materials in these shoes takes a 1,000 years to break down – to decompose. They are almost impossible to re-use (nobody seems to want to wear someone else's shoes) and separating out the materials used in the shoes makes recycling unfeasible. Along comes Brooks Running, producing the world's first completely biodegradable shoe, the BioMoGo, which will break down in 20 years. In addition:

- 75 per cent of the shoe materials are post-consumer recycled
- These shoes have a biodegradable inner-sole and collar foams
- Laces and reinforced webbing are 100 per cent post-consumer recycled
- Water-based adhesives are used throughout
- All dyes and colorants are non-toxic
- Packaging is 100 per cent post-consumer recycled

And amazingly, Brooks Running is willing to show other shoe manufacturers how to make similar shoes. This is extraordinary in a world where rival manufacturers fiercely guard their know-how from competitors. This generosity is a tremendous contribution to the welfare of the planet.

(What will happen if everyone starts using soya beans as dyes?)

Handout – Case Studies

Sainsbury's – four

Sainsbury's works hard at improving all three bottom lines. Here is a sample of some of the measures it takes to improve the welfare of people and the planet, while making a good profit.

By shopping at the stores parents can collect Active Kid vouchers to donate to the school – which schools use to buy sports and cookery equipment. Over four years 32,000 schools and nurseries have received \$140 million. The strategy also improves profits by attracting customers.

As part of commitment to animal welfare, the stores only buy produce from suppliers that ensure animals are treated humanely – for example, they no longer sell eggs coming from caged hens. The company has what is sometimes called a 'preferred suppliers' policy, whereby they prefer to buy supplies from businesses that treat people fairly and the planet responsibly. Plus customers like free-range eggs, which is good for profits.

Where possible, Sainsbury's buys from British producers, so local farmers and businesses are supported. The company helps farmers to reduce their 'carbon footprint', for example, by helping them to reduce power consumption. To do this, in some cases the company provides farmers with computers and advice.

The giant retailer has reduced its energy consumption by 15 per cent in recent years. The new store at Dartmouth consumes 50 per cent less electricity by using wind turbines to power checkouts and waste to fuel the boilers, and makes more efficient use of natural lighting and improved food chilling processes. Rainwater is also used.

Every store is linked to a local charity selected by customers. Sainsbury's prides itself in employing a diverse range of local people, using their employee suggestions for improvements, providing training and generous bonuses when profits are good. For example, in 2009, a \$120 million bonus was shared by its employees.

Handout – Case Studies

Interface – five

Until recently there was nothing different about this large carpet manufacturer. It produced standard carpets, wasting lots of materials and throwing away old carpets onto rubbish tips. Recently, the company has completely changed. It has decided to 'lease' carpet squares to large corporations with huge office blocks and to look after the carpet. Teams come in and move squares around to extend their life, e.g. so the less worn areas would end up in the areas that are most used, such as around desks. They repair or replace damaged bits. When the carpet is worn out, the teams take it back for recycling at the factory.

Interface has kept 100 million pounds of carpet from landfill and incinerators.

Everything is reused or recycled, saving over \$600 million in US factories. Using renewable energy (wind) has reduced energy use by 50 per cent. Interface factories in Canada are being run with 93 per cent less water. Like TerraCycle, Interface now believes there is no such thing as waste.

Starbucks – six

When it comes to the triple bottom line Starbucks is a giant! And it is not just jumping on the bandwagon. It has been dedicated to 'fair trade' for over a decade. Starbucks buys its coffee beans from small farmers (in poorer countries) at a price that allows farmers to make a decent living, even though Starbucks can get cheaper beans from large suppliers. In addition, Starbucks offers higher prices to farmers whose practices do not damage the rainforests. Typically, larger suppliers encourage negative practices and small farmers are wiped out because of shockingly low prices they are offered. To survive, other farmers must reduce costs and improve 'economies of scale', which means plantations expand into the forests, causing irreversible damage. And eventually only one type of plant is grown, reducing 'bio-diversity'.

Starbucks helps small farmers to stay in business by joining 'collectives', where they reach better 'economies of scale', share equipment and learn about sustainable farming and better business practices. Starbucks also supplies affordable loans to these groups of farmers. In recent times, more ethical businesses have been developing similar fair trade approaches to Starbucks. One spin off has been that they have been able to offer customers a greater range of coffee types, because fair trade has also encouraged farmers to grow a range of beans (bio-diversity). This has been good for business.

Interestingly the Barco Verde Coffee Company uses sailing ships to transport its beans. Wind does not pollute and it is free.

Handout – Case Studies

Bank of America – seven

Banks specialise in wasting paper. The Bank of America reduced the amount of paper by 32 per cent from 2000 to 2005, saving 200,000 trees each year – despite a 24 per cent growth in customers. Also, bank employees are offered a \$6,000 cash back reward for buying ‘hybrid vehicles’ and efforts are made to reduce energy use in buildings by 50 per cent. Clients are offered better loans for improving the sustainability of their homes. Business borrowers must comply with laws and regulations relating to the environment. The bank boasts it can achieve a sustainable and profitable future. The bank pledges to raise \$6 trillion over 10 years to go to community development, including helping the poor, small businesses, farmers and Native Americans. This is a lot of money!

TerraCycle – eight

TerraCycle is probably the best example of a company making money out of rubbish. It **up-cycles!** For example, the business takes plastic drink bottles, re-labels them with recycled paper, and fills them with a liquid fertiliser made from the poo that worms make when eating food waste. Up-cycle means rubbish is reused, recycled and put together in ways to make new products, which are worth more than the parts and can be up-cycled themselves when no longer wanted. All over America students are wearing backpacks made from up-cycled drink pouches and biscuit wrappers.

Across the country schools, charities and groups of citizens are paid five cents for each plastic bottle they collect for TerraCycle. Their products are sold on the shelves of the biggest retail outlets in the world. The products are cheaper and people love the fact they are helping the planet and people and it is the ‘cool thing to do’ – to buy Terra Cycle.

The young owner, Tom Szaky, claims there is no such thing as waste if you use your imagination.

Handout – Case Studies

Ben and Jerry's / Swiss Re / VIV - nine

Ben & Jerry's ice cream parlours can be found throughout the world. The company is not unusual in its strategies to save energy and reduce waste. But it is unusual in that it sponsors 'protests', such as groups wanting proper labelling of milk products made from 'cloned cows' and campaigns to stop oil drilling in the Arctic. It also openly supports gay marriage. The company has given away 'franchise' businesses to charity organisations, so that they can use the shops to train unemployed people, e.g. in Belfast.

Swiss Re is a reinsurer that insures insurance companies against big time losses. It does two interesting things with its triple bottom line approach. Firstly, it helps insure poor farmers in poor countries against bad weather (e.g. the monsoons are late in India) at super cheap prices. Secondly, if an employee invests in a business on the stock exchange, which has good 'CO2 emission-cutting' strategies, the company supports them with up to 5,000 Swiss francs. It is a smart idea.

VIV is a clever idea based around the standard idea of loyalty points for shoppers. Shoppers can buy a little green bar-coded patch to stick on a normal credit card. Every time the customer buys something from a VIV endorsed store, the purchase is registered. Once a certain number of purchases is reached, the business does something to improve its bottom line, according to a plan previously agreed with VIV. If they do not, they are removed from the VIV list of stores.

Handout – Scenarios

Mika's salon

Although Mika is young to set up on her own, the bank told her they would lend her the start up capital if she could come up with an idea that would set her business apart from the rest in a fiercely competitive industry. (After all, a hairdressing salon closes its doors every twelve days in NSW and a third of these had lasted less than ten years). The bank said the salon had to be more than 'flash and smart'.

Mika already had an idea and her dad said it would not only set her apart but also put her ahead. Mika wanted to appeal to 'middle class' women, who would pay more for a hair cut that made them feel better about the environment.

Mika did her research and found that the couple of salons calling themselves eco salons only used more natural products. She made herself three rules. Above all the salon would provide a first class hair dressing service. The service would also be an 'educational experience', which, for example, would make customers not only talk about her water treatment system but also about her 'installations', such as the mini solar panels driving the mini hair driers. These things, she believed, would give her a unique selling point. The only problem was she needed more advice, especially in the following areas.

- Which would be the best age bracket to target?
- What other things could she do to make the customer's experience also an education in sustainability?
- How could she make her staff 'happier' than they would be working elsewhere?
- How could she benefit her local community?

With paying back a loan, things would be tight in the first few years – so ideas would have to be low cost. And she would have to find ways to make more money from each customer. How could she do this too?

Handout – Scenarios

Vincent's Real State

Vincent's Real Estate has been established in the Folding for eighty years. Folding inner area has gradually deteriorated over the last 20 years. Families have aged with the young moving to the smarter areas, such as the nearby Golding.

Many of the terrace homes in Folding are home to elderly people. A very small number of squatters have moved into some of the back streets on the north side.

Vincent's Real Estate's future relies on selling houses in Folding. The company has identified the following problems with the area:

- The older people want to stay put, even though the buildings are too large and deteriorating.
- Younger people think the big buildings are too expensive to renovate and costly to run.
- Younger families are attracted to Golding.
- There is no mains gas.
- There is no off-street parking and no council recycling service.
- There is no shopping centre, only small shops.

Nevertheless, Folding has potential:

- It is only three stations from the city centre, two closer than Golding
- The buildings are solid and attractive.
- There is a very large park on the city side, though it is bare and untidy.
- The old community hall is in excellent condition.
- The river is still clean and runs freely towards the city centre.
- The council is looking for business partners to help redevelop the area.
- The pub is the oldest in the city and still popular with the locals, who swear it is haunted with the ghost of Ned Kelly?.

How do Vincent's sell houses in the Folding, while looking after its residents, customers and the planet?

Handout – Scenarios

Barkers

Barkers was an old fashioned pet shop run by the same family as long as anyone could remember. Recently it was sold to a company that is buying up pet shops all over NSW. Changes were made and although profits quickly improved, they have not lasted. Many in the community feel they have lost 'their' pet shop. People have been heard saying:

"The cages are too small."

"The place smells like a hospital, with all that cleaning stuff."

"You can't handle the animals anymore. Old Cockeye has gone!"

"I reckon those birds come from overseas."

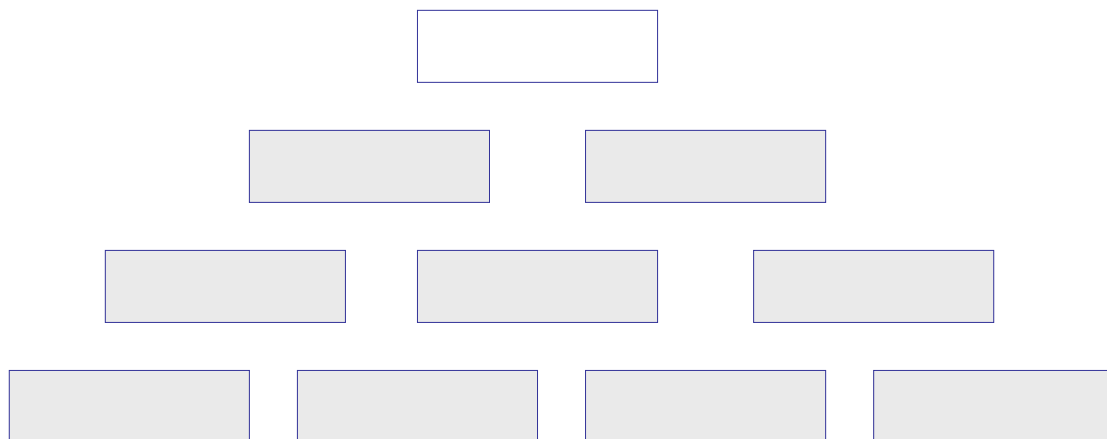
"The dogs are all those new 'genetic things' with names you can't pronounce. They are unnatural and who could afford them anyway."

"The kennels are plastic, everything is plastic now, even the food I reckon."

"People were always taking their kids in to see fish but the fish have gone to make way for more dog cages."

The regional manager was worried about the lack of sales growth but he knew they had to take a different approach when the oldest staff member at Barkers (in charge of the fish) told a major newspaper that he was replaced by a cheaper kid who knew nothing, no-one really cared about the animals and the place had literally gone to the dogs. What should be the new approach the company takes to their pet shops?

Handout – Priority pyramid



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