

The Triple Bottom Line:

Title: How Today's Best-Run Companies Are Achieving Economic, Social and Environmental Success -- and How You Can Too

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Review Triple Bottom Line is well timed to coincide with America's largest ever entrepreneurial surge. How will all those new companies survive? How will any of them grow? According to Andrew Savitz and Karl Weber they, like their competitors, will do it by identifying and responding to society's emerging demands and by protecting their reputations and those of the companies they supply.

As demand for greater transparency, accountability, disclosure and shared concern over sustainability grows, so does society's power to drive profits from companies that don't tow the line. With little more than a text message anyone, anywhere, can subject global corporations, their networks, business partners and supply chains, to severe public scrutiny.

For today's companies that building public pressure means they have to look beyond shareholder rewards and show far more interest in the impact their product has on users, customers, employees, suppliers, partners, distributors, lenders, communities, and the environment. They have to be seen to address issues that were once the domain of government - human rights, public health, exploitive labor practices, climate change, poverty, and diversity.

If a company has to be that aware of its environmental, social and economic impact, it might as well use what it discovers to create profit. That involves identifying and exploiting 'sweet spots' - the areas of overlap between shareholder and societal interests. For some that may mean reducing costs by addressing energy use, employee accidents or managing risks. For others it may mean exploring 'just in time' manufacturing to reduce inventory costs, or developing a market among the less fortunate, by enticing them to spend what little they have, with single serving packaging.

In the second part of the book the authors deal with the practical aspects of implementing a Tripple Bottom Line. Here they tackle common issues facing companies ready to turn society's pressures on them, into profits. Issues include: Deciding what Triple Bottom Line means for your company, Working with stakeholders for maximum buy-in, Setting enforceable goals, Managing stakeholder engagements, and Establishing a supplier's TBL programs when the supplier doesn't recognize them as such.

The book wraps up with a brief description of the Global Reporting Initiative (GRI) www.globalreporting.org/Home This initiative provides ideas on what to measure, and how to measure it, from economic, environmental and social perspectives.

Golden Nugget

The 'Influence Grid' on page 185 uses a two by two grid to plot stakeholder concerns against their influence and support. The grid ultimately reflects the company's progress towards that 'Sweet Spot' where shareholder and societal interests overlap.