



The New Leader: Transforming Sustainability Challenges into Core Business Opportunities

Roundtable Summary March 19, 2014

I. Introduction

Thirty leaders from industry and academia came together for the Stanford-WEC Roundtable to develop a shared vision of the core capacities of New Leaders – individuals capable of dramatically accelerating the transition to a sustainable and resilient society by transforming 21st century challenges into powerful opportunities.

Through three collaborative brainstorming sessions, we:

- 1) Framed a vision of a radically transformed future where sustainability and resilience are natural outcomes of business as usual;
- 2) Mapped opportunities and identified constraints to achieving our vision; and
- 3) Identified core roles and capacities of New Leaders.

II. A Future Vision

Gerhard Praetorius of Volkswagen, Francisco Hernandez of FEMSA, and Adam Lowry of Method shared the seeds of change they see in the transformative approaches of their companies - including the green chemistry behind Method's products, FEMSA's increasing emphasis on small-scale and local production, and the clean energy and new materials focus of VW.

Affirming these critical seeds of positive change, the group called for radical shifts and encouraged private sector companies to transform their business models, align their value chains and directly engage consumers to build sustainable value propositions. Participants challenged one another to consider how the circular economy could be fully scaled, personal mobility reinvented, and disruptive technologies spurred.

Through group dialogue and participant notes, we framed a future vision characterized by the following features:



Resilient

We cultivate resilience rather than optimizing single variables. We build interdependent systems that rapidly detect and respond to changing conditions, enabling us to adapt and innovate in complex, volatile conditions.



System Lens, Future Frame

We operate based on an understanding of complex systems – noting temporal and spatial connections and feedbacks. We navigate between serving the needs of people today and preserving our planetary life support systems with future generations in mind.



From ROI to RFE

Industry abandons quarterly reports. Wall Street rewards sustainability. “Return for the Earth” (RFE) is the dominant lens for financial decisions.



From Linear to Circular

We move from linear input-output production methods to closed loop systems and the circular economy. We think about life cycles. Enduring quality drives design.



Emergent

The capacity to innovate is broadly shared and supported. We are in a “lean start-up” mode, piloting solutions immediately, making small bets that are tested, adapted and scaled.



Regional

We have regionally differentiated identities, production and consumption patterns suited to local culture and environment. Regional stewardship determines the global connections that are relevant and beneficial.



Connect & Go

Globally connected multi-perspective and cross-cultural teams solve problems. Ideas are quickly transmitted through distributed networks that accelerate adaptation and innovation. Companies partner to remove regulatory and other barriers that impede their industry’s social and environmental progress.

III. Hurdling the Obstacles

While the group acknowledged the presence of these characteristics today, participants emphasized the challenge of taking them to scale. As William Gibson says: "The future is already here. It's just not evenly distributed yet." Working Groups mapped out key barriers that – if overcome – would enable us to grow today's seeds of a sustainable and resilient future to broad scale.

Collectively, the groups called for fundamental shifts in three areas, along several dimensions:

Mindsets

- From short-termism to long-term thinking
- From consumerism to sustainability-oriented social norms
- From uninformed to discerning customers
- From optimization of single variables to systems thinking
- From an emphasis on quantity to quality
- From a financial focus to a prioritization of non-financial values and metrics
- From a leadership vacuum to visionary leadership

Structures

- From rigidity to flexibility - removing legacy infrastructures that impede innovation
- From unilateral to integrative thinking - bridging siloes in academia, politics, business
- From concentrated to distributed power, wealth & opportunity
- Breaking perverse cycles – from campaign finance to quarterly reporting
- Aligning education models to sustainability goals

Ways of Doing Business

- Pricing truth – internalizing externalities and removing subsidies
- Leapfrogging obsolete technologies and infrastructures
- Rapid adoption of radical innovation & disruptive technologies for sustainability
- Circular rather than linear production methods
- Incentives for long-term systems health
- Business leading consumers and governments to realize sustainability
- Goal-based policy & sustainability partnerships

IV. The New Leader

Given the radical shifts that must occur, Working Groups brainstormed the qualities of New Leaders – individuals capable of spurring the necessary shifts and accelerating the transition to a sustainable and resilient future.

The myriad roles and attributes we generated aligned with three fundamental orientations of New Leaders:

- 1) Connect – a drive to understand people, context and decision-making;
- 2) Innovate – the capacity to generate and spur adoption of powerful new ideas at scale; and
- 3) Adapt – a keen focus on assessment and evaluation, and an open orientation that fosters flexibility and adjustment in response to new data.

CONNECT

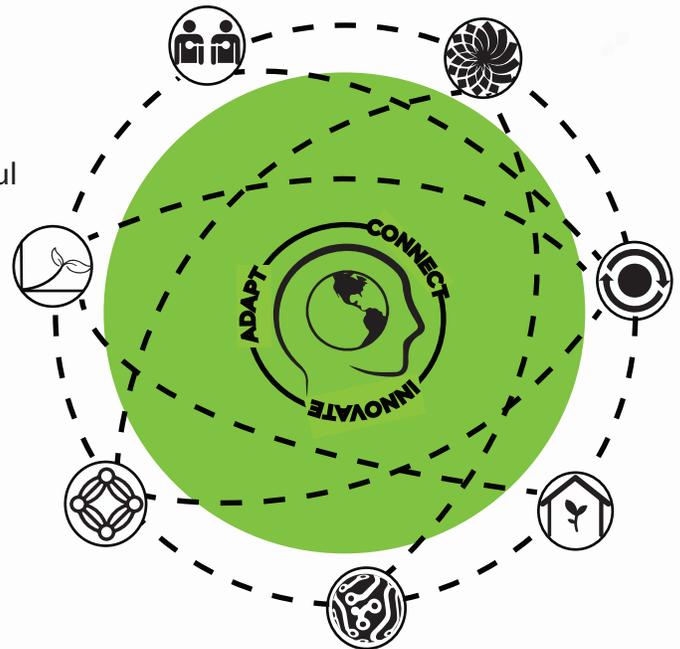
Systems explorer - New Leaders understand the fundamental life support systems of the planet and the complexity of coupled human-environment systems. They continuously seek and assimilate data and perspectives from diverse sources to map complex systems and update the platform from which they make informed decisions.

Values-driven partner - Grounded in ethics and a commitment to long-term sustainability, New Leaders have sufficient background in culture, business, science, technology and governance to translate and negotiate across borders. They forge enduring partnerships through their humility, listening skills, and deep knowledge.

INNOVATE

Visionary - Driven by ethics, courage and passion, New Leaders are risk-takers who invent and describe powerful new pathways of progress, potentially spurring societal paradigm shifts.

Amplifier - New Leaders know how to foster broad innovation and scale effective solutions to social problems. As designers, they create forms, structures and patterns that dramatically change how we think and do things. They combine their ability to partner and inspire with their understanding of complex systems to spur broad adoption of high impact innovations.



ADAPT

Decision-maker - New Leaders distill clarity from complexity and separate the signals from the noise, positioning themselves, others and embedded structures to adapt based on changing conditions. Grounded in a powerful blend of analytical ability and strategic orientation, New Leaders embrace ambiguity and uncertainty and draw on foresight to make decisions and adapt as context evolves.

Systems changer - New Leaders help others adapt by articulating new angles on entrenched problems to overcome ideological and political impasses, spurring behavior change and bridging divides between people formerly at odds. They have a bias toward action and adjust the structures of organizations and systems to increase adaptability in volatile conditions.

V. What's Next

The Roundtable insights - together with the market intelligence and research we've conducted - will inform Stanford's broader process to shape mold-breaking programs to train and develop leaders capable of accelerating the transition to a sustainable and resilient society. The core attributes we framed of the New Leader will guide both the content and approach of the new programs.

We plan to move forward with curriculum design in the fall, including mini-experiments to test new educational approaches and material. Critical next steps include:

- Establishing partnerships across the university and beyond to build the core curriculum.
- Designing effective teaching-learning strategies that will facilitate the mindset change, orientations and skill development required of New Leaders.
- Developing an initial suite of real-world problem solving opportunities through industry-government-non-profit and academic partnerships.
- Fundraising.
- Recruiting our first cohort.



We welcome your ideas, insights and partnership as we shape these programs. We will keep you informed of developments and would like to explore partnerships that would enable your teams and our students to co-develop the 21st century attributes of New Leaders.

Participants

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Thank you to our sponsors



Thank you also to Susan French and Elena Serrano from the School of Earth Sciences for their support of the meeting, and to Theo Gibbs from the Stanford Design School for her support during the meeting and graphics work for this summary document.