

Strategic partnerships for transformational change towards a sustainable society

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Abstract:

Today, global socio-ecological problems are too complex and urgent for isolated actions, and cross-sector collaboration is increasingly required to generate transformational change towards a sustainable future. Partnerships between businesses and civil society organisations (CSOs) in particular have the potential to achieve the required change for sustainability. However, the 'backcasting' approach used in this study highlights a gap between current approaches and what partnerships might look like in a sustainable future. Research draws on literature, eighteen interviews and an action research project with Interface Europe. Results indicate that: 1) in the current paradigm shift, collaboration provides a competitive advantage; 2) individual, organisational and societal benefits of partnering are significant; 3) understanding the art and science of partnering is needed to make them work 4) organisational development and strategy affect partnership type and outcomes; 5) Corporate Social Responsibility efforts initiate cross-sector partnerships, but are responsive and fall short of being strategic; 6) articulation of visions for a sustainable future is rare and; 7) most partnerships are not aligned with core business strategies. In conclusion, dialogue across all sectors is advocated to co-create a sustainable future and The Natural Step Framework is recommended to align business planning and partnership strategies with sustainability.

Keywords:

Partnerships, Cross-sector Collaboration, Strategic Sustainable Development, Civil Society Organisations, Corporate Social Responsibility, Backcasting.

Authors' note to the reader

This thesis was undertaken over a five month period beginning in January 2006 and ending in June 2006, and was a collaborative venture and learning opportunity for the authors.

We come from Australia and the United States with backgrounds in civil and environmental engineering, international studies, environmental studies and integrated natural resource management.

We ourselves formed a partnership for sustainability (Partnerships4SSD), and learned about the partnering process through our own interactions together. We have consciously used our own networks to spread ideas about sustainability and worked in collaboration with a business (Interface Europe) and a civil society organisation (TNS France) throughout our research.

The research was supervised by staff at BTH and our external collaborators. It was peer-reviewed by a 'Networks and Social Sustainability' cluster group representing many backgrounds (Ghana, Rwanda, the US, Canada, Cameroon, Turkey, United Arab Emirates, Russian Federation, Sweden and Nigeria) and fields of expertise (science, engineering, teaching, linguistics, natural resources management, business management).

The views expressed in this report are our own (or are otherwise referenced) and do not necessarily reflect the views of any of our collaborators. Any errors, omissions or inconsistencies are solely our responsibility.

We welcome your comments and suggestions on our research.

Sincerely,
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Partnerships4SSD

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Our deepest gratitude goes to all experts interviewed. Each one of you helped us formulate ideas, see how partnerships can truly contribute to transformational change, and understand the importance of this work. We are inspired and energised by your actions and our dialogues together.

We especially thank our colleagues in the MSLS programme for their friendship, wisdom and inspiration, and lastly our friends and family for their love and support.

Executive Summary

“Cross-sector partnering between business, government, and non-profits will be the collaboration paradigm of the 21st century.”

– James Austin, Harvard Business School.

This thesis was undertaken within the international Masters programme in *Strategic Leadership Towards Sustainability* at Blekinge Institute of Technology, Sweden. It explores how strategic cross-sector partnerships contribute to transformational change towards a sustainable society.

Background and Research Question

Today, global socio-ecological problems are too complex and urgent for isolated actions, and cross-sector partnerships have been identified as critical to creating the systemic changes required to achieve sustainability (UNCSD 2006). Cross-sector partnerships take many forms and are now common place in society, so for the purposes of this research we examined one type of partnership within our main research question: *In what ways can partnerships between civil society organisations (CSOs) and businesses contribute to transformational change towards a sustainable society?*

The purpose of this study is to explore the changing relationships between the business and civil society sectors with a focus on business-CSO sustainability partnerships and particular attention to: 1) current approaches; 2) barriers and opportunities for partnerships; 3) the gap between current approaches and what partnerships might look like in a sustainable future; and 4) the strategic steps to ensure these partnerships can effectively contribute to transformational change towards sustainability at individual, organisational and societal levels.

Methodology

An interactive model for qualitative research design was used to capture learning from multiple methods of inquiry. The methodology yielded results through a review of literature, eighteen semi-structured expert interviews, and selected case studies. Important components of the methodology included a framework for strategic sustainable development (FSSD) incorporating a *backcasting from sustainability principles*

approach¹, and an action-research project to iteratively develop theory and practice. The action-research project was undertaken in collaboration with Interface Europe, a prototypical sustainable business partnering with CSOs in its ReEntry waste recycling programme as part of a wider strategy and vision to become a truly sustainable enterprise. This project provided direct experience with a sustainability partnership model and allowed us to test new approaches to partnering derived from our academic research.

Results

We began with an exploration of the variables affecting partnerships and found overwhelming evidence that the global society is on the verge of a paradigm shift that is leading to new ways of interacting and making collaboration a competitive advantage. As a result, partnerships are proliferating throughout society in response to increasingly visible, interconnected and urgent sustainability issues that can no longer be addressed alone or in isolation.

Coupled with the spread of partnerships is a trend towards increasingly sophisticated methods of collaboration where mutual benefit is gained and measured through complex exchanges beyond just financial value. We also found a relationship between organisational strategy and development, and the approach to partnering (i.e. more advanced organisations have more elaborate strategies and sophisticated partnerships).

To make sense of the current attitudes and approaches to partnering we explored them from the perspective of CSOs, Corporates and Small and Medium Enterprises (SMEs) and uncovered some of the subtleties of the current partnership phenomenon:

- CSO Perspective - not all CSOs are using partnerships to address their social mission - some still prefer an ‘activist attack’ approach to the business sector - and there is evidence that a ‘watchdog’ role is still required to force change in some circumstances. Nevertheless, CSOs are increasingly shifting from adversarial to collaborative approaches as

¹ The framework includes basic principles for socio-ecological sustainability and is known by business and political leaders as The Natural Step Framework (Holmberg et al 1996).

a means of achieving greater outcomes and obtaining new sources of finance for their operations. With CSOs becoming increasingly important in society partnerships provide many opportunities for them to further their missions.

- Corporate Perspective - most partnerships are being driven by the corporate business sector (under the banner of Corporate Social Responsibility, CSR) in response to external pressures. Yet sources were sceptical of CSR-driven partnerships since they tend to be reactionary responses to change *forced* upon an organisation, the response may not be aligned with sustainability, and they are seldom an integrated part of mainstream business planning to create *desired* change. There is however an evolution in CSR as organisations increasingly realise that in a network economy, they will be defined only by the relationships they have with their stakeholders and natural systems. Some organisations are well on the path to reconceptualising their relationship with society and the biosphere, and Interface's ReEntry partnerships are an example for other organisations to follow.
- SMEs Perspective - partnerships tend not to be as official or institutionalised in small and medium enterprises (SMEs) and the challenges for SMEs in partnering are significant. In their sheer number, in the way they work and in the nature of the work they undertake, SMEs play a significant role in transformational change and evidence shows the contribution of partnerships involving SME's to sustainability should not be underestimated.

Understanding the differing perspectives on partnerships allowed us to describe barriers and opportunities to partnering at individual, organisational and societal levels. Some common factors noted as either barriers or opportunities (or both), depending on the perspective taken, included: accountability, competitiveness, reputation, influence, markets and stakeholders, organisational culture, organisational strategy, resources, skills and expertise and creativity.

From these results we were able to distill a number of overarching principles and considerations for creating successful partnerships. These included ideas such as mutual benefit, personal connectivity, accountability, integrity, transparency, shared visions, creativity, commitment, willingness

to be transformed, evaluation and clear communication – all of which were important concepts highlighted by our sources. Understanding and paying close attention to the partnering process and developing partnering skills were also noted as essential to creating successful partnerships.

Turning to an examination of what the future holds with regard to partnerships and sustainability yielded mixed results. On one hand, there was evidence that partnerships are evolving, yet on the other hand few sources articulated what a sustainable future would look like, and how partnerships could help to achieve it (i.e. the direction they will evolve in).

Discussion

Our analysis of the results shows that many partnerships are failing to reach their potential because partnering is complex, poorly understood and those involved may not have the right skills or outlook for effective partnering. Furthermore, by applying the backcasting from sustainability principles approach we identified additional shortcomings in partnerships today.

Firstly, we see most partnerships today are not strategic actions since they are not integrated within mainstream business planning (e.g. partnerships undertaken for PR reasons rather than to meet long-term organisational goals). Secondly, we believe most organisations have not articulated visions for themselves in a sustainable future and therefore the overall direction of the organisation may not be aligned with sustainability. Consequently, even if a partnership is successful in achieving its stated aims *and* the partnership is part of an organisation's business strategy, the contribution to sustainability may still be limited.

With this in mind, we observed a gap between current practices and what partnerships might look like in the future. Therefore, in order to answer our research question we decided to explore the full potential of partnerships rather than the current approaches. We divided our answer into two parts:

Part 1) the basic requirements for developing successful and strategic, sustainability partnerships (the art and science of partnering); and

Part 2) what such partnerships can contribute to societal transformational towards sustainability.

Implications for Successful and Strategic Sustainability Partnerships

In relation to part 1, our research allowed us to characterise types, issues and current practices in partnering. From this analysis, and with other research results (e.g. Tennyson 2003, Austin 2000), we developed guidelines on the partnering process and for understanding the characteristics of successful partnerships. A summary is presented in Figure A as the ‘Seven P’s’ of strategic partnering for sustainability - partnerships, people, planet, profit, purpose, process and perspective.

Key concepts within these seven areas for action and evaluation include: that organisations identify who to collaborate with, how and when to do it, the reasons for and desired outcomes from partnering, and how to achieve mutual benefit. This allows organisations to turn barriers into opportunities by being better informed and by changing the outlook with which partnering is viewed. Explicit consideration of organisational strategies and level of development was also identified as critical to successful partnering since currently not all organisations are ready to partner, not all partnerships are strategic and not all strategies lead towards sustainability.

In order for successful partnerships to provide a strategic contribution to sustainability we advocate their integration into organisational strategies and the alignment of these strategies with sustainability. The framework for strategic sustainable development and associated ‘ABCD Methodology’ (depicted in Figure B) is recommended as a structured, directional and goal-oriented business planning approach to align organisational visions, strategies and actions (including partnerships) with sustainability.

Implications for Societal Transformation

Our findings relating to part 2 showed partnerships can contribute to societal transformation in many ways. A major benefit of partnerships is the opportunity they provide to meet many sustainability challenges that are not able to be dealt with by one sector alone (i.e. by creating synergies across sectors and allowing complementary skills to be shared). In so doing, they contribute to transformational change at the organisational level and assist the evolution of organisations towards more sustainable forms and thinking. As a result, partnerships also help organisations achieve greater reach and scale in terms of operations, organisational mission and impact.

Through analysis of case studies we found that partnerships can contribute to sustainability in more ways than just by taking advantage of complementary skills and practical synergies. The partnering process can facilitate great change in individuals within organisations; provide the diversity and interactions that increase innovation and creativity; create new norms, rules and systems of international governance; and develop new business models that create ‘blended’ economic, social and ecological value to better meet human needs. Critically, cross-sector dialogue can also provide the means to effectively ‘see into the future’ by cooperating with partners who are pursuing social development in other ways. This provides enormous opportunities to be more proactive and effective in achieving individual, organisational and societal goals through shared visions.

Conclusions

As a result of this research we see the exciting potential for partnerships to contribute to transformational change towards sustainability by driving the evolutionary development of organisations and individuals. Yet for partnerships to play this role there is a need for organisations and individuals to 1) understand how to create successful partnerships 2) have the appropriate skills, 3) use partnerships strategically as part of an organisational strategy 4) and, most importantly, ensure that organisational visions and strategies are aligned with sustainability.

Overall, this paper acknowledges that because all humans and organisations co-create the future, partnerships and dialogue across sectors are critical for evolving the development of individuals and organisations to a new level in order to collectively solve problems at a global scale. This collaboration is essential to the shared envisioning and action across society to more effectively bring about the whole-systems change that is required.

For individual businesses and CSOs, this paper provides guidance to understand how to assess and initiate cross-sector partnerships as a means to achieving their strategic goals, and exploiting the latent potential of mutually beneficial relationships. In addition, this knowledge can encourage sustainability practitioners to pursue cross-sector partnerships between *all* sectors at the local, national and international level as a means for accelerating the shift in paradigms and actions required to bring forth a sustainable future.

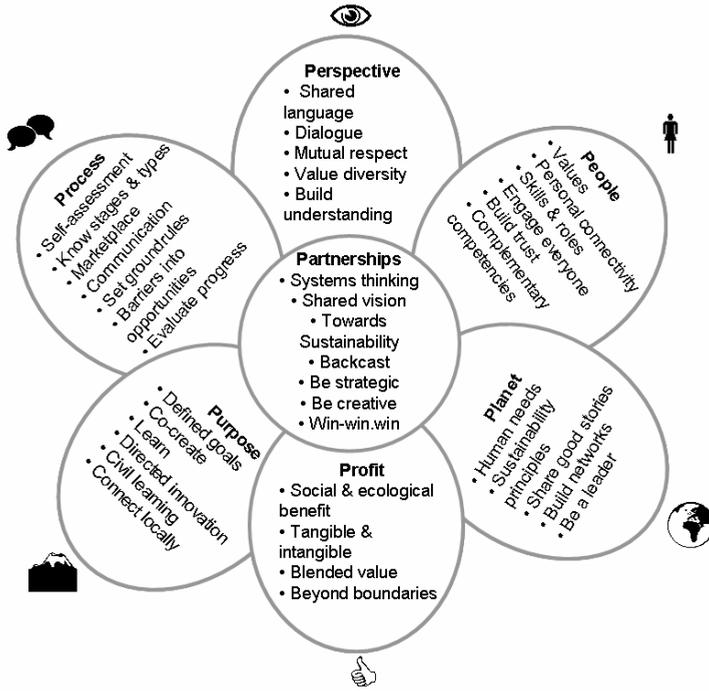


Figure A - The Seven Ps of Strategic Partnering for Sustainability.

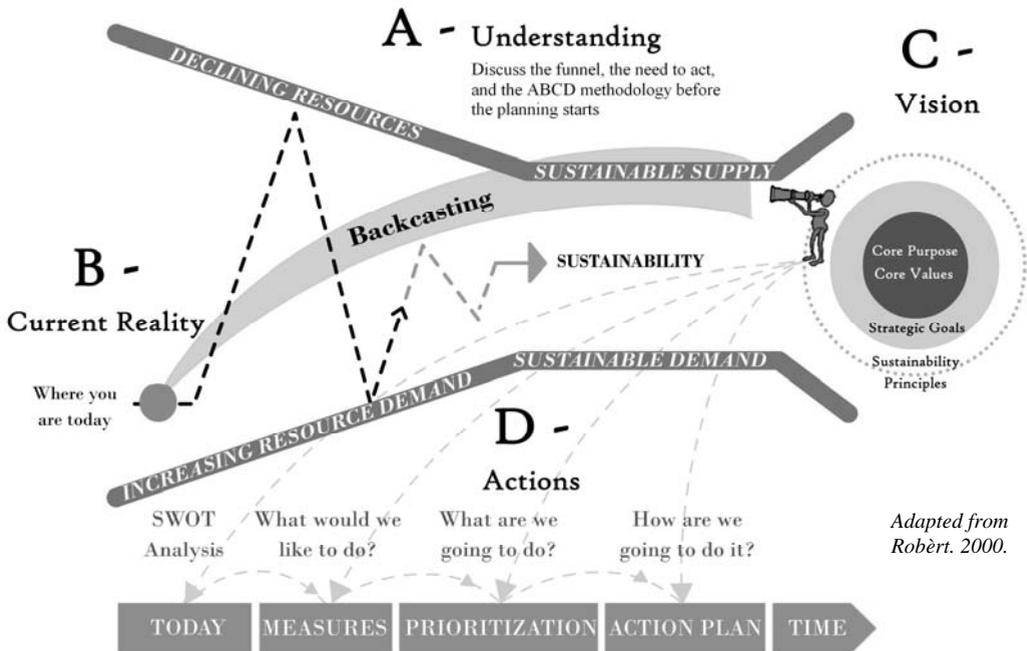


Figure B – The ABCD Methodology for Organisational Planning for Sustainability.

Glossary

- **ABCD Methodology:** A tool for applying *backcasting from principles* to a planning endeavour. It includes: A) understanding the system creating shared mental models B) assessing sustainability performance today C) establishing a vision of success and brainstorming solutions and D) prioritizing strategic actions (Robèrt. 2000).
- **Action Research:** process of inquiry where there is an intimate, two-way relationship between research and some form of practical activity. The active and deliberate self-involvement of the researcher in the context of his/her investigation is such that the focus of inquiry arises out of, and its results feed back into, the activity concerned (Hammersley 2004; McKay and Marshall 2001).
- **Backcasting:** ‘planning from success’ by starting with the desired outcome in mind and then determining the steps required to achieve the outcome. Backcasting is in contrast to *forecasting*.
- **Backcasting from scenarios:** a form of backcasting where future scenarios are created as goals. The limitations of this approach are that it is hard to agree on a desirable scenario, scenarios are based on today’s assumptions and technology and may not be truly sustainable.
- **Backcasting from principles:** a form of *backcasting* where ‘success’ is defined at a principle level. Applied to sustainability, the minimum requirements for a sustainable society can be defined (using sustainability principles) without constraining any options and allowing for creative solutions to evolve.
- **Business sector:** Comprises organisations that are usually privately owned (sometimes government or employee-owned) and driven by ‘economising’ values to produce goods or services to satisfy needs efficiently for profit and private benefit (Waddock 2006).
- **Civil Society sector:** is the set of voluntarily formed institutions, organisations and behaviour which are autonomous and separate from government and business. This includes the household and families,

voluntary and non-governmental organisations, philanthropic institutions, social and political movements, other forms of social participation and engagement and the values and cultural patterns associated with them (Beloe et al. 2003, 6).

- **Civil Society Organisation (CSO):** Formal organisations within the civil society sector, privately incorporated but serving a public purpose, self-governing, voluntary to some degree, and non-profit distributing (Taylor and Lansley in Kramer 1998).
- **Corporate Social Responsibility (CSR):** CSR implies continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as of the local community and society at large (Beloe et al. 2003, 6).
- **Collaboration:** a process through which parties who see different aspects of a problem can constructively explore their differences and search for solutions that go beyond their own limited vision of what is possible (Gray in de Bruijn and Tukker 2002, 11).
- **Cross-sector collaboration:** a process or institution that brings together organisations from multiple sectors e.g. business and civil society.
- **Forecasting:** using projections of current trends to determine likely future outcomes. The limitation of forecasting when planning is that future scenarios are based on today's assumptions and technology. It presumes that the only change possible is that which can be predicted.
- **Glocal:** descriptive of technologies, services, or processes which can be global and also aligned with local cultures, markets or environments.
- **Human Needs:** Refers to 9 fundamental human needs (subsistence, protection affection, understanding, participation, leisure, creation, identity, freedom) elaborated by Chilean economist Manfred Max-Neef (2004).
- **Mutual Benefit:** Out of a relationship between two or more parties, there is common and reciprocal gain or profit.

- **Partnership:** A partnership is a cross-sector alliance in which individuals, groups or organisations agree to: work together to fulfil an obligation or undertake a specific task; share the risks as well as the benefits; and review the relationship and revise the agreement regularly (Beloe et al 2003)
- **Strategic:** moving towards a defined goal, step-by-step, by planning and implementing actions. In this context, it explicitly includes the concept of backcasting and entails four components: long term, integrated within different sectors, thoughtful (not only a ‘knee jerk’ reaction) and mindful of future consequences (Hodgson 2006).
- **Strategic Sustainable Development:** In this context, refers to a ‘backcasting from sustainability principles’ approach to sustainable development whereby a vision of a sustainable future is set as the reference point for developing strategic actions. The Natural Step sustainability principles are used to define the minimum requirements of a sustainable society (refer to The Natural Step Framework).
- **Sustainability Principles:** Used in this thesis to refer basic principles for socio-ecological sustainability derived by The Natural Step to define the minimum requirements of a sustainable society. The principles are derived from basic laws of science and have been published and peer-reviewed by the international scientific community.
- **Sustainable Development:** Most broadly stated as “meeting the needs of the present without undermining the ability of future generations to meet their needs” (Brundtland 1987). See also Strategic Sustainable Development.
- **The Natural Step (TNS):** An international non-governmental organisation of Swedish origin which developed and promotes The Natural Step Framework for strategic planning towards sustainability.
- **The Natural Step Framework:** A framework for planning in complex systems, derived by TNS, assists in societal transformation to a sustainable future (refer to Section 1.2 for further information).

Table of Contents

Authors' note to the reader	ii
Acknowledgements.....	iii
Executive Summary	iv
Glossary	xi
Table of Contents	xiv
List of Tables, Figures and Boxes	xvii
Prologue	xix
1 Introduction	1
1.1 Context.....	1
1.2 Strategic Sustainable Development.....	2
1.3 Partnerships for Sustainable Development	6
1.4 Scope and Limitations.....	7
1.5 Research Questions	9
1.6 Action Research Project.....	10
1.7 About This Thesis	11
2 Methodology.....	12
2.1 Research Design.....	12
2.2 Literature search.....	14
2.3 Interviews.....	14
2.4 ReEntry Action Research Project.....	15
2.5 Case studies.....	16
2.6 Dialogue and Reflection.....	16

2.7	Validity	17
3	Results.....	18
3.1	Understanding Changes in Society	18
3.1.1	The Paradigm Shift.....	19
3.1.2	Sectoral Functions	20
3.1.3	Changing Roles of Sectors in Society.....	22
3.1.4	Mutual Benefit.....	23
3.1.5	Individual Values.....	24
3.1.6	Transformational Change	24
3.1.7	Summary of Factors Affecting Partnerships.....	26
3.2	Current Practices in Partnering	26
3.2.1	The Rise of Partnerships.....	27
3.2.2	Issues addressed and Partnerships Types.....	28
3.2.3	Organisational Development	29
3.2.4	CSO Perspective on Partnerships	32
3.2.5	Corporate Perspective on Partnerships	34
3.2.6	SME Perspective on Partnerships.....	36
3.3	Barriers and Opportunities in Creating Partnerships.....	37
3.4	Considerations for Partnering.....	41
3.4.1	Characteristics of Successful Partnerships	41
3.4.2	Partnering Process	42
3.5	The Future of Partnerships	44
4	Discussion	46

4.1	Overview.....	46
4.1.1	Revealing the Gap	46
4.1.2	Being Strategic about Societal Transformation and Partnering.....	47
4.1.3	Answering the Research Question in Two Parts	49
4.2	Part I: The Art and Science of Partnering	50
4.2.1	Overcoming the Challenges of Partnering.....	51
4.2.2	Guide to Partnering Effectively for Sustainability	54
4.3	Part II: How Partnerships can contribute to Societal Transformation.....	56
4.3.1	Transformational change in organisations.....	56
4.3.2	Individual Transformation.....	59
4.3.3	Collaboration for Innovation and Competitive Advantage.....	60
4.3.4	Synergistic Actions.....	61
4.3.5	Complementary Functions and Values.....	62
4.3.6	Creating New Rules and Governance.....	64
4.3.7	Co-Creating the Future	66
5	Conclusions	68
	Epilogue	70
	References.....	71
	Appendices.....	84
	Appendix A: The Natural Step Framework	
	Appendix B: ReEntry Action Research Project	
	Appendix C: Expert Interviews	
	Appendix D: Additional Information and Findings on Partnerships	
	Appendix E: Case Studies	
	Appendix F: Process Tools and Learning Outcomes	

List of Tables, Figures and Boxes

Tables

Table 2.1: Methods and Research Questions.	13
Table 3.1: The Paradigm Shift	19
Table 3.2: Functions and Attributes of Different Sectors in Society.....	21
Table 3.3: Ways Partnerships Contribute to Sustainability.....	28
Table 3.4: Organisational Learning and the Partnering Process.....	30
Table 3.5: Barriers and Opportunities for CSOs in Partnering.....	38
Table 3.6: Barriers and Opportunities for Businesses in Partnering.....	39
Table 3.7: Barriers and Opportunities for Partnerships at Societal Level.	40
Table 3.8: Important considerations when Partnering.....	41
Table 3.9: Implications for Partnerships in a Sustainable Future.....	45

Figures

Figure 1.1: Cylinder and Funnel Metaphors.....	3
Figure 1.2: Five Level Framework.....	3
Figure 1.3: Scope of Study	8
Figure 1.4: Nested Systems in Research Study.	8
Figure 1.5: Thesis Stakeholders	11
Figure 2.1: Model for Qualitative Research Design.....	12
Figure 2.2 Stages of Thesis Research.....	13
Figure 3.1: The Change Process, Transcending to a New Level.....	25

Figure 3.2 Five Stages of Organisational Learning.....	31
Figure 3.3 Civil Learning for Organisations	31
Figure 3.4: Phases of the Partnering Process	43
Figure 4.1: A Tool for Backcasting From a Vision of a Sustainable Future.....	48
Figure 4.2: Turning Barriers into Opportunities with a Strategic Approach to Partnering .52	
Figure 4.3: The Seven Ps: Practical Considerations in Partnering for Sustainability.....	55
Figure 4.4: Contribution of Organisational Change to a Sustainable Future.	57
Figure 4.5: Shifting from Old to New Paradigm.....	58
Figure 4.6: The Focus Shifts from Sectors and Means to Ultimate Ends.....	63
Figure 4.7: New Ways to Meet Needs and Create Blended Value.....	64
Figure 4.8: From Imagination to Dialogue and Co-creation.	67

Boxes

Box 1.1: The Natural Step Socio-Ecological Sustainability Principles.....	4
Box 1.2: The ABCD Methodology	5
Box 1.3: Research Questions	9
Box 1.4: Guide Elements to Assist the Reader	11

Prologue

Imagine flying over an island landscape. You see mountains, forests, canyons, wetlands, grassy plains... and in every ecosystem, clear evidence of an accelerating rate of destruction.

Looking closer, you see movement and people: the resident society. Within the society, there appears to be three distinct but interdependent tribes, each performing different functions:

- *'Business': efficient at providing products and services to meet demands of the people; has accumulated vast wealth, and primary influence over the direction of progress.*
- *'Government': excels at coordinating, creating institutions and rules; sets up infrastructure to govern the people and ensure the wealth of the commons is equitably distributed.*
- *'Civil society': seeks justice and equity in relationships; and balance between meeting people's needs and maintaining the ecological systems that support them.*

Moving closer still, you hear grumblings of dissatisfaction getting louder. Many people have noticed that the destruction of natural systems is systematically increasing as their society grows; some are discussing the direction of progress; others are unsure what to do and point fingers of blame at the other tribes. Some talk of the growing inequality in their society and have noticed the interconnectedness of ecological and social malaise.

Climbing to higher ground, forward-thinking tribesmen obtain a bird's eye view of the situation. From there, they see 'Mount Sustainability' in the distance and recognise their society must move in this direction if it is to survive.

However, to move across the challenging landscape towards the mountain, they must convince the other tribesmen of what they've seen and ensure they set off in the right direction. Along the way, the obstacles they face will be too big and complex for one tribe to deal with on its own. They will need to combine their skills and resources for a common purpose.

But can they work together?

1 Introduction

1.1 Context

The industrial model of development has brought substantial gains in health and well-being to many, but has also bypassed the majority of world's population. In the process of human development, all natural ecosystems have been altered and exploited in ways and at rates unprecedented in human history.² Many of these systems have lost their regenerative capacity. This dramatic alteration of the earth's natural systems points to an increasing likelihood of abrupt, irreversible changes (e.g. loss of agricultural productivity, collapse of fisheries, increasing sea levels, and unprecedented rates of climate change) within the first half of this century (Millennium Ecosystems Assessment 2005, 18).

Within society, the harmful effects of ecological degradation are being borne disproportionately by the poor, and the growing competition for the declining resources is increasing divisions between people and nations. Even within wealthy nations, wellbeing and happiness is no longer linked to increasing affluence and gross domestic product (Daly and Farley 2003; Hamilton and Dennis 2005, Layard 2005). These factors are undermining the social fabric within society, polarising viewpoints, preventing people from realising their potential and making it difficult to find shared meaning and ways to work together.

Despite an increasing level of awareness of these challenges, the current mechanisms for managing and responding to problems have not adequately addressed the changes within our earth's systems or the impacts of population growth. Therefore, there is a compelling need to see 'the big picture', and recognise that our current model of development cannot be sustained indefinitely. A

*Forward -
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need to
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² For example, the earth's atmosphere, which took 3.5 billion years to evolve to the point where it could support human life, is being altered within the space of a few generations with unknown consequences. (Robert 2005).

new development path, a shift in thinking and collective action are required to change the direction our society is heading.

Cross-sectoral partnerships have been identified as a way of working across traditional boundaries to meet the big picture need for societal transformation. The focus of this thesis is to examine how these partnerships contribute to moving our society towards a sustainable future.

1.2 Strategic Sustainable Development

To be strategic in moving towards sustainability (termed here as Strategic Sustainable Development, SSD) requires a clear understanding of sustainability and associated terminology. This section will explore the concepts of sustainable development, sustainability and strategic planning to move towards sustainability.

Sustainable development has been most broadly stated and widely accepted as “meeting the needs of the present without undermining the ability of future generations to meet their needs” (Brundtland 1987). Yet, finding and agreeing on concrete ways to *act* collectively to implement sustainable development on a global scale has proved difficult.

At the root of sustainability is the necessity to *think* bigger, differently and beyond generational time limits. A powerful example of the required shift in thinking can be illustrated by the ‘cylinder and funnel’ metaphors, depicted in Figure 1.1 (Holmberg et al 1996). Within society today there is a misconception that our society is passing through a ‘cylinder’ where the walls represent the view that there are unlimited resources available and that ecosystems can indefinitely withstand the growing impacts of ‘business as usual’. In reality, we are moving into a ‘funnel’ where the walls represent the systematic depletion of resources, and the continual increases population and resource demand. In time, this reduces our options when planning for the future.

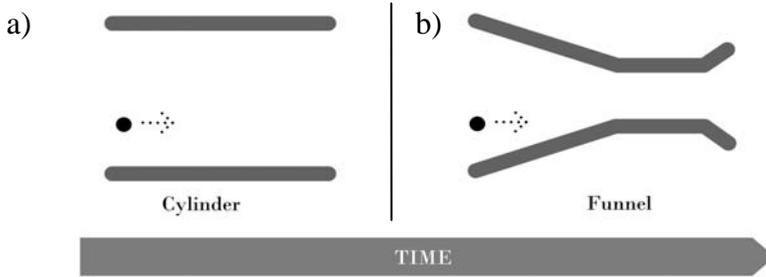


Figure 1.1: Cylinder and Funnel Metaphors

Notes: a) The parallel walls of the cylinder symbolize the misconception that social and ecological impacts can continue to be viewed as acceptable and manageable trade-offs for a successful industrial society. b) The narrowing walls of the funnel represent the current reality of systematically decreasing resources and increasing demands which reduce our options when planning for a successful future society. A sustainable society is when the walls become parallel and after reaching that equilibrium, restoration can begin.

Accepting the reality of the ‘funnel’ is one step towards developing strategic actions. A second often neglected element is to ensure that actions are planned with long-term end goals in mind and are steps to reach those goals. This research applies a framework for strategic planning towards sustainability³ (Holmberg et al 1996; Holmberg and K-H. Robèrt. 2000) which combines basic principles for sustainability with a backcasting approach, thereby building on an awareness of ‘the funnel’ and the need to be goal-oriented over long time horizons.

The background to this approach can be represented by a generic five-level model for planning in complex systems, shown in Figure 1.2. When applied to planning for sustainability, understanding the systems level (level 1) implies setting global system boundaries (Ny et al 2006) and recognising the nested nature of human society within the biosphere and its life-support systems.

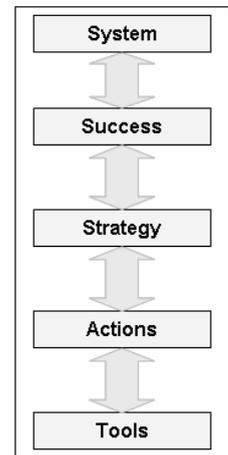


Figure 1.2: Five Level Framework

³ The framework is known amongst business leaders and policy makers as The Natural Step Framework and is named after the NGO that developed and promotes it.

At the success level (level 2), a set of system conditions outline the minimum requirements we must meet to be ‘sustainable’. These ‘sustainability principles’ can be implemented at the strategy level (level 3) by planning actions (level 4) to achieve sustainable outcomes, using tools (level 5) as and when appropriate (see Box 1.1 and for further guidance on using the TNS Framework refer to Appendix A).

Box 1.1: The Natural Step Socio-Ecological Sustainability Principles

The ultimate objectives for moving towards sustainability are to eliminate our contribution to...

... systematic increases in concentrations of substances from the Earth's crust.

... systematic increases in concentrations of substances produced by society.

... systematic physical degradation of nature.

... conditions that systematically undermine people's capacity to meet their needs.

(Holmberg, J. et al 1996; Ny et al 2006, 64)⁴.

Note: the sustainability principles are shown here in ‘operational’ format.

Achieving success can mean many things to many people. However, using a principle-based definition of success (the TNS sustainability principles) allows for the focus of projects to be on the progress towards sustainability instead of disagreements on trade-offs and on what constitutes sustainable actions. The TNS sustainability principles can be viewed as the minimum requirements to sustain our civilisation, thereby giving a target without constraining options not yet conceived.

To reach Mt Sustainability the tribes will need a compass and a strategy to direct their progress.

Using a principle-based definition of success in combination with a backcasting approach builds on the understanding that although nobody can predict the future, we *can invent* it. An effective way to plan in our complex system and ensure ‘success’ by strategically heading towards sustainability,

⁴ First published in Holmberg et al 1996; subsequently been refined in Ny et al 2006.

is to ‘backcast’ from a vision. This vision then acts as a reference point for planning and prioritizing actions, measuring progress and understanding what is occurring today. This method differs from present forecasting approaches that extend past and current trends into the future and assume the only change possible is that which can currently be predicted. In contrast, backcasting is a proactive, positive approach to strategically turn plans and goals into concrete actions without constraining the future with current assumptions. In other words, we first set goals for what we *want*, then direct our energies towards achieving our goals.

Throughout this thesis, we draw on elements of the TNS Framework (the backcasting approach, the funnel metaphor, and the sustainability principles). These are combined in a tool for strategic planning called the ‘ABCD methodology’, shown in Box 1.2. The ABCD methodology is revisited in the discussion and visualised later in Figure 4.1.

Box 1.2: The ABCD Methodology

The methodology includes the broad actions of:

A – Understanding the System.

B – Understanding what we currently do that is unsustainable (violations of the sustainability principles) and what strengths we can build upon.

C – Using the TNS sustainability principles to help set a vision of a sustainable future to backcast from and/or listing solutions that may belong to a sustainable vision including incremental steps to get us there.

D – Prioritising actions from the C step as part of a strategy to work towards that vision.

1.3 Partnerships for Sustainable Development

“Cross-sector partnering between business, government, and non-profits will be the collaboration paradigm of the 21st century.”

– James Austin, Harvard Business School.

Employing a strategic approach to sustainable development is difficult given a sustainable future cannot be created by one individual, organisation, or even a single nation alone. For this reason, there has been emphasis on forming partnerships between different sectors in society over the past few decades. For instance, partnerships were identified as crucial elements of sustainable development in the 1987 Brundtland Report, the 1992 Rio Earth Summit, the 2002 World Summit on Sustainable Development, and many other world gatherings on social and ecological issues (Tennyson 2003). For the purpose of this thesis, a partnership is not just for the benefit of the parties involved. We explicitly focus on collaborations that yield additional outcomes for society and the biosphere that are ‘win-win-win’ for global socio-ecological systems.

The United Nations (UN) has defined partnerships as ‘voluntary, multi-stakeholder initiatives aimed at implementing sustainable development’ (UN Commission on Sustainable Development 2006). Closely examining this definition reveals subtleties to be explored when creating effective partnerships. For example, even if partnerships aim to be positive or effective in actually implementing sustainable development, not all of them actually achieve this goal. Furthermore, although the term ‘voluntary’ implies ‘mutual benefit’, it can be applied to different aspects of partnerships (Caplan in Stott 2003), and some relationships may be more ‘parasitic’ than ‘symbiotic’ (e.g. when the size and influence of one organisation far exceed that of its partner; Blamey 2006).

For individual organisations, the necessity of partnerships stems from recognising that acting alone is likely to achieve considerably less than working in cooperation and providing collaborative leadership. The shift from focusing on the individual to the collective is a call for new thinking on the part of many actors, particularly business (Young 2005).

The business sector will increasingly need to redefine its relationship with the rest of society as emerging effects of globalisation change the societal landscape. Shifting roles in society, monetary instability, the information revolution, demographic trends and ecological challenges such as climate change have been highlighted as some of the drivers for change and shifts in thinking (Lietaer 2001).

Distrust and disillusionment with the business sector is one reason for the rise to prominence and respectability of civil society organisations (CSOs) in society⁵. And, the vulnerability of businesses could not be greater in the information age where reputation is easily destroyed: “With a laptop computer, a website, and an email address, you can wreak havoc on a giant multinational” (Wall Street Journal, 5 February 2006, Ed.). These two facts alone show the dynamic nature of relationships between business and CSOs and may account for a recent proliferation in partnerships where traditionally these sectors have clashed.

Although the drive for partnerships exists, many barriers prevent successful implementation and the outcomes at a broader societal level are not fully understood by those involved. This thesis will address aspects within the topic and will explore in particular why currently partnerships are not always successful or do not effectively address sustainability issues.

1.4 Scope and Limitations

The focus of this thesis is on *voluntary and mutually beneficial* relationships between organisations in two sectors of society: business and civil society. We define this type of relationship as a partnership and explore only those partnerships that specifically address sustainability (or sustainability issues)⁶. The study scope is shown in Figure 1.2.

⁵ Nearly one fifth of the world’s NGO’s formed in the 1990s (UNDP 2002).

⁶ It is important to recognise that cross-sector partnerships can be formed for many reasons and between different sectors (e.g. Public-Private Partnerships for infrastructure provision and multi-sector collaborative alliances for research and innovation projects). However the focus of this research is sustainability partnerships between businesses and CSOs.

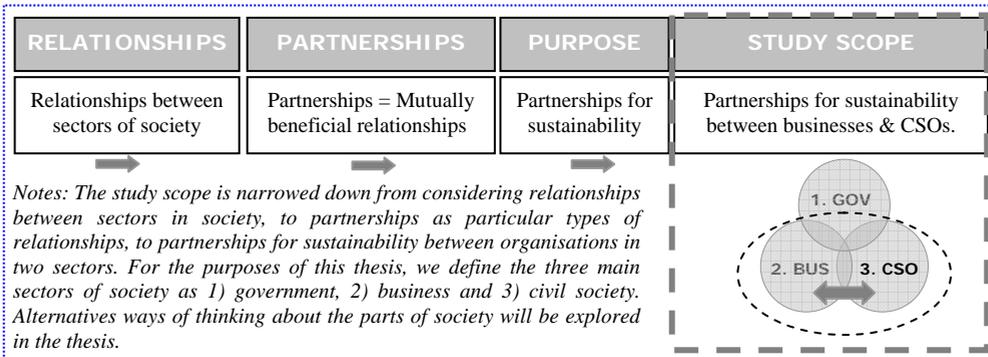


Figure 1.3: Scope of Study

The system boundaries for the study include individuals within organisations (businesses and CSOs) within society, within the biosphere, as shown in Figure 1.4. Understanding society as nested systems allows us to explore complex, dynamic interactions between different components in the system and see that a disturbance or change in one part often affects the greater whole. This type of thinking (‘systems thinking’) is crucial to SSD as it allows us to see ‘the global picture’ (see Section 1.1), to understand what is currently happening, and recognise the variables that affect our goal-setting, decision-making and actions.

For the purposes of this study we have defined three main sectors that compose society: 1) government, 2) business and 3) civil society⁷.

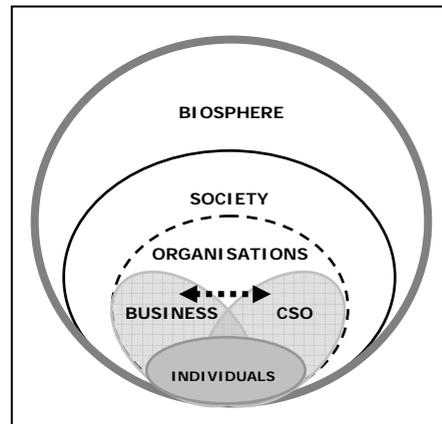


Figure 1.4: Nested Systems in Research Study.

⁷ The classification of sectors should not be viewed as stereotyping the individuals associated with each sector and it is worthwhile noting that individuals can simultaneously belong to different sectors and represent multiple attributes of the sectors.

Focussing on only two sectors is acknowledged as a limitation of the study. However, we believe that some of the broader conclusions may relate to society at large and partnerships between other sectors. Furthermore, the role of both business and civil society are of increasing importance and partnerships between these sectors are becoming common place. On the business side, these types of partnerships have the potential to capitalise on the enormous power of both the multinational corporations, and the locally connected small and medium enterprises (SMEs). From the perspective of civil society, the growing number CSOs will influence new forms of organisation and innovation required to meet the changes within society.

1.5 Research Questions

Within the broad aim of exploring the contribution of partnerships towards SSD, the questions that guided this research are presented in Box 1.3:

Box 1.3: Research Questions

Primary Research Question:

1. *In what ways can partnerships between civil society organisations and businesses contribute to transformational change towards a sustainable society?*

Secondary Research Questions:

- 2a. *What emerging factors will affect business and civil society relations in the 21st Century?*
- 2b. *How do civil society and business currently interact?*
- 2c. *What could civil-society – business relationships look like in a sustainable future?*
- 2d. *What barriers and opportunities confront business and civil-society organisations when growing relationships that contribute to a sustainable future?*

1.6 Action Research Project

An action research project, undertaken in collaboration with TNS France and Interface Europe, provided the opportunity to examine a leading example of a partnership for sustainability. The findings are discussed throughout the thesis and in a separate project report provided in Appendix B. An overview to set the context is presented below.

About Interface:

Interface, the world's largest manufacturer of modular carpet tiles is widely referred to as a leader in creating new models for sustainable business (Hawken 1993, Hargroves and Smith 2005). Interface's vision is to be the first company that, "by its deeds, shows the entire industrial world what sustainability is in all its dimensions: people, process, product, place, and profits – by 2020 – and in doing so become restorative by the power of our influence" (Interface 2005). Interface uses a backcasting approach to reduce its contribution to violations of the TNS sustainability principles. This approach is incorporated into its strategic goals represented by 'seven faces of Mount Sustainability'⁸.

Interface ReEntry Program:

The ReEntry program, part of Interface's business strategy, contributes to achieving Interface's strategic goals on two of the faces of Mount Sustainability - 'closing the resource loop' and 'sensitivity hook-up' (connecting with people and place). The program involves partnerships with local community-based social enterprises to identify re-use opportunities for used carpet tiles (avoiding waste going to landfill) and provide social services (such as employment or skills training for disabled people).

Our involvement in the ReEntry program included a search for CSO partners in Scandinavia to work with Interface Europe.

⁸ Interface defines seven faces of Mt Sustainability as 1). Zero Waste, 2). Benign Emissions, 3). Renewable Energy, 4). Closing the resource Loop, 5). Resource efficient transportation, 6). Sensitivity Hookup and 7). Redesign of Commerce.

1.7 About This Thesis

This thesis is a collaborative research undertaking that explores the emerging partnership phenomenon and its contribution to societal transformation. The primary audience is businesses, CSOs, sustainability practitioners and partnership brokers. Summaries, insights and useful information will be disseminated to both primary and to secondary stakeholders via conference papers, our blog and personal contact (Figure 1.4).

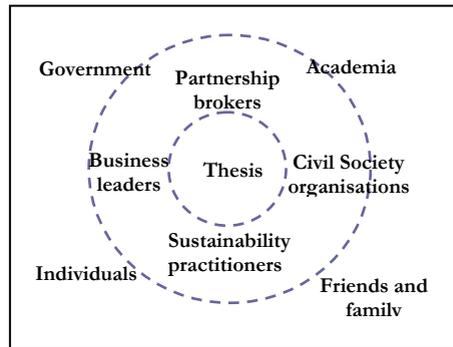


Figure 1.5: Thesis Stakeholders

As a way of painting a picture and connecting ideas, guide elements are scattered throughout this thesis to help with the reading of it. Box 1.4 explains these features.

Box 1.4: Guide Elements to Assist the Reader

<p><i>Case studies are used to bring to life key points being made throughout the thesis. More information related to each case study is shown in Appendix E (case studies are numbered). Some boxes are also used to highlight important points.</i></p>	<p><i>E1. Case studies are found in boxes like this throughout the thesis.</i></p>
<p><i>The story of partnerships begins in the Prologue and continues throughout the thesis. It is used as an analogy to describe the journey individuals, organisations and society must collectively take to move towards a sustainable future.</i></p>	<p><i>The story of partnerships is told in boxes like this.</i></p>
<p><i>These markers indicate which aspect of the nested system is discussed in a particular sub-section. Refer to Figure 1.4 for details of the nested systems in the research study.</i></p>	

2 Methodology

2.1 Research Design

The research design was informed by Maxwell's Qualitative Research Design (2005). Maxwell encourages explicit identification of five separate components of the research, and their interactions (see Figure 2.1). This model recognises that linear research design is not always appropriate, and instead reflects a systemic, interactive approach.

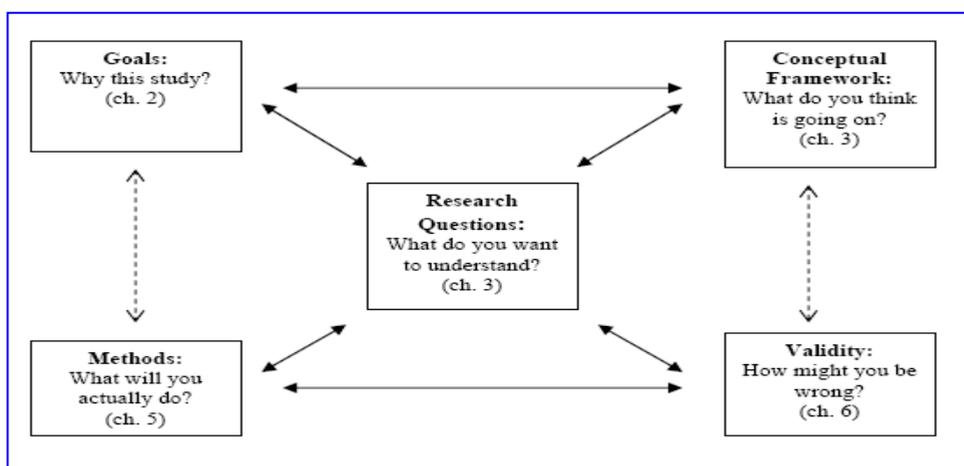


Figure 2.1: Model for Qualitative Research Design

A systemic approach recognises that both the 'subject' and 'object' of the research are affected in the process of inquiry, thereby acknowledging the hypotheses and researcher's understanding will evolve by interacting with the system in question. "...the questions we ask set the stage for what we find and what we find becomes the knowledge out of which the future is conceived, conversed about and constructed." (Ludema et al 2001).

In this thesis, this 'interactive' approach was extended through an action research project to develop theory through practical experience. As shown in methods informed each other in an overlapping manner, as should be the case for action research (McKay and Marshall 2001).

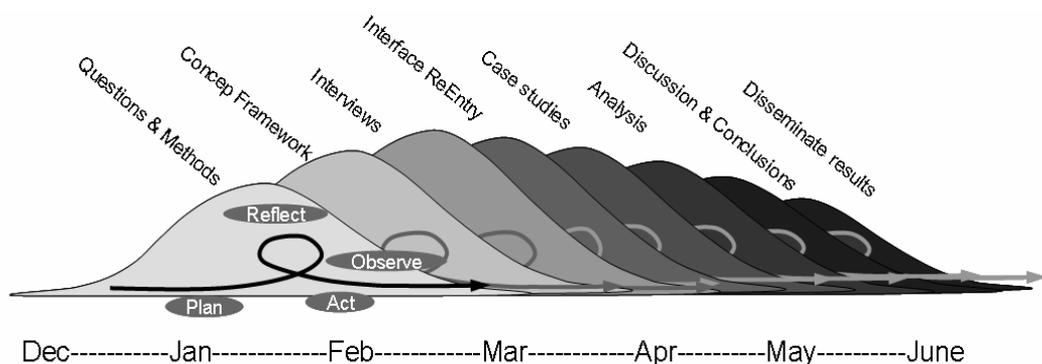


Figure 2.2 Stages of Thesis Research

Notes: Research stages were sequential but overlapping, with periodic reflection ensuring learning from one aspect informed our approach in another.

Each method added something different to the overall findings in this thesis and contributed to answering different research questions (see Table 2.1). Research questions were framed in alignment with the ABCD methodology (refer to Section 1.2) to distinguish between where we are today (the current practices and perspectives of partnering), factors driving change in society (emerging factors), where we want to be (a future vision for a sustainable society), and the appropriate steps to create successful partnerships that contribute to transformational change in society.

Table 2.1: Methods and Research Questions.

	1° - What ways?	2°a - Emerging factors	2°b – Current interactions	2°c Barriers / Opportunities	2°d – Vision
Literature	✓	✓✓	✓✓	✓	✓✓
Interviews	✓✓	✓	✓✓	✓✓	✓
Action Research	✓		✓	✓✓	✓
Case Studies	✓✓		✓✓	✓	✓
Dialogue	✓✓			✓	✓✓

2.2 Literature search

Objective, rationale and participants:

- This method served to ground the thesis in relevant research and frameworks already developed, and to integrate different ideas from a variety of sources (including our own experience). It was undertaken with some recommendations from peers, supervisors and interviewees.

Information collected:

- Brainstormed and synthesised key ‘areas’ in which we would search for information: ‘mutual benefit and meaningful relationships’, ‘network theory’, ‘sustainability and business’, ‘globalisation’, ‘case studies’, ‘social entrepreneurship and partnerships’.
- Identified, then systematically searched through various databases of books; journal articles; and online (conferences, research groups) using keywords relating to our brainstormed ‘areas’ and the names of key authors (e.g. networks, collaboration, partnerships, civil society).
- Relevant sources of information were documented, prioritised and shared amongst each other in MS word documents. This also served as a check-in to let each other know which lines of inquiry were the most fruitful. As literature was read, key points were typed into a common (MS Excel) reference database.

Analysis:

- The frameworks, ideas and case studies drawn from the literature were discussed during frequent meetings. ‘Big ideas’ and hypotheses were identified, and specific quotes were drawn from the reference database.

2.3 Interviews

Objective, rationale and participants:

- We interviewed 18 experts in sustainability and business (see Appendix C-1 for the list of people interviewed). The process for interviews was also iterative: we drew on academic, theoretical and practical knowledge from one dialogue to inform the next. Interviewees were chosen based on: mix of ‘sectors’, influential authors, and people practically involved in business-CSO partnerships or social entrepreneurship.

Information collected:

- We aligned our interview questions to the ABCD methodology as a way of mapping out which research question the responses helped answer.
- Based on the ‘areas’ of literature researched, we identified core themes related to our

research questions and organized a set of standard questions by these themes: global trends and network society, CSR and the future of CSR, interviewee experience, and leadership and the future of cross-sector relationships (see Appendix C-2 for sample questions).

- The interviews were used as a way to challenge our thinking and help us evolve through this process and therefore they did not directly answer our research questions.

Analysis:

- The interviews were recorded, and transcribed with documentation on how our thinking changed throughout the process. Once all the interviews were transcribed, key quotes and ideas were drawn from the interviews and clustered under the ABCD headings to determine the important themes (see Appendix C-3 for responses).
-

2.4 ReEntry Action Research Project

The action research project involved a search for socially oriented organisations in Scandinavia who could partner with Interface Europe in its ReEntry carpet reclamation project. The program, work undertaken and outcomes are explained in more detail in Appendix B.

Objective, rationale and participants:

- To identify partner organisations for the ReEntry program, provide first hand experience in the partnering process and the opportunity to explore a concrete example of a sustainability partnership.
- TNS France was engaged by Interface to fulfil a partnership brokering role for the ReEntry program across Europe. A partnership was formed between Interface, TNS France and Partnerships4SSD (the authors of this thesis) to focus on extending the ReEntry program to Scandinavia, under the remit of TNS France.

Action Research Process and Information collected:

- | | |
|-------------------------------|---|
| 1. Planning and Research | <ul style="list-style-type: none">• Understanding of ReEntry, Scandinavian sales & market profile• Familiarisation with ReEntry setup elsewhere in Europe• Planning, agreeing scope and research methodology. |
| 2. Research possible partners | <ul style="list-style-type: none">• Internet and preliminary phone calls to develop a draft list of contacts or leads and places to start looking for partners |
| 3. Short listing and calling | <ul style="list-style-type: none">• Contact possible partners, establish dialogue and review initial pros and cons with 2 to 3 short listed partners. |
-

-
- | | |
|--------------------------------|--|
| 4. Visiting / meeting partners | <ul style="list-style-type: none">• Meet with possible partners to discuss details / logistics and conduct interviews in relation to specific aspects of sustainability• Time permitting, Partnerships4SSD to facilitate a meeting with TNS France, Interface Europe and possible partners. |
| 5. Handover | <ul style="list-style-type: none">• Handover report and finalisation |
-

Analysis:

- Production of reports and other documents to integrate our theory with practice.
 - Dialogue and reflection on lessons learnt and how our theory evolved (Appendix B).
-

2.5 Case studies

Objective, rationale and participants:

- To draw lessons from documented examples of partnerships and use them to illustrate some of the results and discussion.

Information collected:

- Read books, reviewed websites and email lists, drew on past experiences, ensured that we had a good range of case studies from different sectors, illustrating different stages and types of partnering (see Appendix E for complete list of case studies).

Analysis:

- Case studies were assessed to determine if they provided useful insights and examples of key findings.
-

2.6 Dialogue and Reflection

Objective, rationale and participants:

- In addition to the formal interviews, we had open dialogues about our ideas and experiences with peers, colleagues, faculty and external collaborators. For example, useful insights were gained from attending a Business NGO Conference. A web blog was also established to communicate and post our evolving ideas.
 - This allowed us to further develop our ideas and document ‘logic in-use’ as we proceeded, rather than trying to reconstruct the logic afterwards (Maxwell 2005).
-

Information collected:

- Recorded the dialogues, used paper and whiteboards, created mind maps.

Analysis:

- Used lateral thinking exercises, experimented with different meeting styles ('boardroom', 'power', 'workshops') and settings (café, library rooms, walking).
 - Summarised and presented information in presentations and the thesis report.
-

2.7 Validity

Strengths of this research:

Structured & methodological approach :	<ul style="list-style-type: none">• Using a structured approach we were conscious of how our actions and questions might affect the validity of our results.• Our broader goals and specific research questions informed our choices, allowing our ideas and personal understanding to evolve while remaining focussed in the right area.
Collaboration:	<ul style="list-style-type: none">• We gathered complementary and overlapping information; drew on each others unique perspective, experience and skills; and held regular dialogues through our own partnership.
Peer review:	<ul style="list-style-type: none">• The research was peer-reviewed by colleagues.
Thoroughness:	<ul style="list-style-type: none">• Various sources and methods corroborated the information, giving us confidence that major ideas were not missed.
Action research:	<ul style="list-style-type: none">• We iteratively developed theory and practice.

Limitations of this research:

Time:	<ul style="list-style-type: none">• Limited to a five month thesis period.
External validity	<ul style="list-style-type: none">• Although interviews provided various perspectives, we did not have a representative sample of all stakeholders.
Bias:	<ul style="list-style-type: none">• Bias within literature was not taken into account: search did not explicitly include asking the opposite questions that might 'disprove' our hypotheses (i.e. how partnerships might (unintentionally) move away from sustainability).
Scope:	<ul style="list-style-type: none">• We were only engaged in the very early relationships building process of the ReEntry project. We did not see the full life-cycle of the relationships. This longer term perspective may have changed the way we view early successes.

3 Results

This section presents results compiled from interviews, literature, case studies and the ReEntry action research project. The presentation of the information is implicitly guided by the TNS Framework and our research questions (Section 1.3). The results are presented as they relate to:

- the changing social context ('system'), particularly in response to the ecological crisis noted in Section 1.1;
- current issues, strategies and practices of partnering;
- barriers and opportunities as perceived by those involved in partnerships; and,
- evidence of ways partnerships can contribute to a sustainable future.

The action research project is discussed throughout to reiterate and draw on findings from a particular partnership for sustainability and the main findings from the action research project are contained within Appendix B. Implications of all results are explored further in the discussion.

3.1 Understanding Changes in Society

To recognise the contribution partnerships can make to sustainability it is important to understand global social systems and the changes occurring within such systems. These changes determine the overall context for partnerships (e.g. why they form, the players involved, how they collaborate and their intent) and are explored in the following sections.

*The tribes
must
understand
they are part
of one society,
which is
dependent on
the island
ecosystems.*

3.1.1 The Paradigm Shift

Today many things indicate that we are going through a transitional period, when it seems that something is on the way out and something else is painfully being born. It is as if something were crumbling, decaying and exhausting itself – while something else, still indistinct, were arising from the rubble.

-Vaclav Havel, July 1994.

It was very clear from the research undertaken that the global society is changing rapidly and is on the verge of a new paradigm that will affect more than just partnerships. Sources overwhelmingly agreed that the changes are a response to emerging factors such as globalisation, the ecological crisis referred to in Section 1.1 and social, economic and political disorder. Many sources also noted increasing complexity and rate of change are making it harder to predict the consequences of our actions and in response new ways of working together are beginning to emerge.

The word ‘dying’ was used in several sources as a way to describe the transition occurring in the global society (refer to Table 3.1 for detail on the paradigm shift). “The deaths represent shifts away from us-versus-them, linear, hierarchical and brute power-driven ways of interacting” (Waddell 2005, 152). The new paradigm emerging revolves around a transdisciplinary, trans-sector approach to meeting the challenges and acting “responsibly for the future of the planet” (Waddell 2005, 151; Robert 2006, Max-Neef 2004).

Table 3.1: The Paradigm Shift

What is Dying	What is Emerging
<i>Reductionist approach: values objective, scientific, observable phenomena.</i>	<i>Systems thinking; valuing objective subjective, inter-objective, inter-subjective.</i>
<i>International structures.</i>	<i>‘Glocal’: balancing global and local forces.</i>
<i>Negotiation and consultation.</i>	<i>Co-creation and dialogue.</i>
<i>Hierarchy.</i>	<i>Networks.</i>
<i>Power and control through systems.</i>	<i>Power as knowledge & control through goals and values.</i>

What is Dying	What is Emerging
<i>Money is value.</i>	<i>Life is value.</i>
<i>Wealth is tangible: physical & natural resources.</i>	<i>Wealth is intangible: knowledge, creativity and reputation.</i>
<i>Environmentalism.</i>	<i>Sustainability.</i>
<i>Competition and confrontation.</i>	<i>Collaboration.</i>
<i>Reactive & proactive stakeholder relations.</i>	<i>Interactive stakeholder relations.</i>
<i>Zero-sum game: win or lose.</i>	<i>Positive-sum-game mentality: win-win-win.</i>

Sources: Carstedt 2006; Danaher 2006; Elkington 1998 and 2006; Powell 1990, 2004, Waddell 2005, 152; Waddock 2006; Werbach 2006, Robèrt 2006, Thompson 2003.

Some sources highlighted the importance of this paradigm shift coming from within people’s hearts through interpersonal connectivity, and referred to this as a ‘metanoia’ (shift in mind), or transcendence towards a higher purpose (Senge 1990). Others felt that though valuable, we do not have time for ‘incremental relationship building’ (Werbach 2006). One interviewee suggested that “unfortunately systemic changes don’t come from what people decide they want, but from depression...or even war...that’s what really forces people to think new thoughts” (Elkington 2006). A point on which most sources agreed is the magnitude of the challenges is such that no one sector or organisation has the capacity to meet them on their own (Drucker in Schubert 1998; Zadek 2004, 91; Elkington 2006).

3.1.2 Sectoral Functions

Partnerships between sectors of society are a way to integrate sectoral functions and co-create a better ‘system’ together. As such, it is first necessary to differentiate between the respective roles of each sector individually to allow us to determine the ways in which their functions can be integrated (Waddell 2005, 84). Most sources depict three sectors that comprise the core functions of society: the state sector (government), the business sector and the civil society sector (UN in

Who are these tribes and how are they different?

Kramer 1998; Waddell 2006)⁹. Some key characteristics of each sector are outlined in Table 3.2, drawing on a functional definition of the sectors rather than ‘profit’ versus ‘non-profit’ definition.

Table 3.2: Functions and Attributes of Different Sectors in Society

Function / Attribute	State Sector	Business Sector	Civil Society Sector
Primary Concern	Political Systems	Economic Systems	Social Systems
Control Unit	Voters/Rulers	Owners	Members
Primary Power Form	Laws, Police, Fines	Money	Traditions, Values and In-kind services
Primary Goals	Societal Order	Wealth Creation	Healthy Communities
Assessment Frame	Legality	Profitability	Justice
Dominant Organisational Form	Governmental	For-Profit	Non-Profit
Operating Frame	Administrative	Managerial	Developmental
Relationship Basis	Rules	Transactions	Values
Temporal Framework	Election Cycles	Profit-reporting/ Business Cycles	Sustainability/ Regeneration Cycles
Values	Power and Aggrandisement	Economising and Prudent Use of Resources	Community Relationships

Source: Waddell 2005, 83; Waddock 2006, 16.

Waddell draws on a large body of work to confirm that each sector has its own distinct logic and type of rationality (2005, 22; 94-6) and shows how most organisations are predominantly aligned with one type of sector (2005, 83). The different ‘logics’ of sectors give rise to different

⁹ The justification for three sectors (rather than two or four) has been explained in several ways. One way is relating it to observations that there are “three types of people” (Seigel and Horne in Waddell 2005). In this depiction, the civil sector is represented as ‘emotional’, the government as ‘mental’ and business sector as ‘physical’.

worldviews, values, concepts of time, as shown in Table 3.2. As an example, the managerial ‘operational frame’ of business emphasises the goals, and rewards entrepreneurial ways of achieving them, while for civil society it is important to have highly participatory processes to identify the goals and how to achieve them (Waddell 2005, 84). The same contrasts can be drawn out for many of the functions and values and can help explain the source of conflicts, and traditional ‘cultural clashes’ between sectors (Crane 1998).

E.11 The ARET process in Canada to eliminate toxics is an example of a cross-sectoral collaboration where all three sectors needed to be involved for the outcomes to be credible. The loss of CSOs from the process undermined the effectiveness of the program.

The attributes and functions of the respective sectors, and their different stakeholders give clues as to the challenges and opportunities for working together: e.g. business and CSOs might work together to achieve both healthy and wealthy communities (Blamey 2006). Ultimately the function of the sectors and organisations is to play some role in meeting the fundamental human needs of individuals¹⁰ (Max-Neef 2004).

3.1.3 Changing Roles of Sectors in Society

While the sectors generally perform distinct functions, another factor affecting partnerships is the changing role of the sectors in society. Nowadays, there is agreement that business is increasingly taking on a government role. As a result the source of funding for the civil society sector is shifting from government to business, thereby increasing the accountability and responsibilities of business (Schiller 2005, Knudsen 2005; Hodgson 2006). Changes to the influence of sectors, and the ‘governance gap’ also create demand for partnerships to fill the void (Schiller 2005; Beloe et al 2003, Chambers et al 2003).

Recently, there has been a rapid growth in the number of CSOs around the world and some see this as a direct response to the increasing influence of

¹⁰ Max-Neef defines fundamental human needs as subsistence, protection affection, understanding, participation, leisure, creation, identity, freedom (Max-Neef 2004). He has since spoken of adding a tenth need: transcendence.

the business sector (UNDP 2002). Another change is the increasing numbers of CSOs that are developing their own subsidiary business arrangements in response to fiscal constraints (Beloe et al 2003; Hodgson 2006; Dubb 2005). Some interviewees strongly believed that CSOs should remain not-for-profit in their overall purpose and noted that although CSOs are increasingly structured like businesses because they face the same challenges (Zadek 2004, 45), “this is not the ideal situation and not necessarily a positive trend” according to Hodgson (2006).

Clearly, the expanding influence of the business sector and CSOs and the increasing commercialisation of CSOs, will affect partnerships between these two groups.

3.1.4 Mutual Benefit

The exchange of value for mutual benefit is considered to be the essence of partnerships (Tennyson 2003). However, a shift in how value is measured (and hence how mutual benefit is defined) was observed by many sources. The traditional form of exchange is in monetary terms,

E.10 Organisations such as Commonweal Inc and Time Banks UK created complementary currencies to recognise different types of value that can be created. The currencies can co-exist with national currencies.

but there is a growing trend and sophistication of exchange such as ‘in kind’ services, skill sharing, reputation, and access to decision-makers (Greyson in Partnerships WA 2003). The role each sector plays in society and the fundamental human needs they help meet can be translated into the type of ‘value’ they create, and it is likely that this value (rather than monetary value) becomes the currency of exchange in partnerships.

ReEntry partnerships gauge mutual benefit in non-monetary terms. For Interface the benefit is ‘closing the resource loop’ and better connecting with society, whereas the partner achieves a social mission (refer to Appendix B).

Further insight into the types of value created and exchanged can be gained from the case studies in Appendix E.

3.1.5 Individual Values

The research also showed that the values of individuals involved in partnerships have a significant effect on the partnership, and on societal change. It is important to note that while organisational values can be generally defined based on sectoral boundaries, individuals working within the sectors are not defined by those values. Individuals can have values typically associated with a sector other than that within which they work, and can be active in and represent all three sectors at once e.g. through volunteering outside work, and being an elected official (Grace 2005; Danaher 2006). With this in mind, Waddell (2005, 83) describes the dangers of promoting one sector or its values over another, and shows it as analogous to promoting a group of people, or aspects of a person over others.

The individual values of tribesmen are not dictated by their tribes' values

Interface founder and CEO Ray Anderson explicitly refers to the driver for moving his organisation towards sustainability as an 'epiphany'

There is a strong interactive relationship between the level of development of the individual and the organisation, and some question the recent focus on organisational rather than individual capacity building (Lister 2000). Numerous authors point to the fundamental role of personal transformation¹¹ in organisational development (Waddell 2005, 88; Hancock in Stott 2005; Goepfert in Stott 2005). This supports the case for the significant role of individuals in shifting society towards sustainability, and "perhaps we will require many more personal transformations before global transformations become possible" (Debold 2005).

3.1.6 Transformational Change

Understanding the change process itself is critical to intelligently examining the factors that might affect transformation through partnerships. Transformational change implies not just a 'switch' but a more profound shift in the identity and behaviour of the person or organisation to a higher

¹¹ Personal transformation involves not just changing behaviour but also the beliefs and assumptions and world views that guide the behaviour.

level of development. Figure 3.1 shows some theories and descriptions of change processes and is provided to give a better understanding of the process of ‘transformational’ change.

There are additional factors that affect the change process: the cultural / societal context, characteristics of the change to be adopted, and the presence of ‘change agents’ explicitly aiming to facilitate the transformation (Rogers 1983; AtKisson 1991). Barrett (in Debold 2005), Ballard (2005), Doppelt (2003) discuss factors affecting the success of change processes and ways to facilitate more effective and long-term transformation for sustainability. Recommendations from these authors have guided some of the analysis of the role partnerships can play in sustainable development.

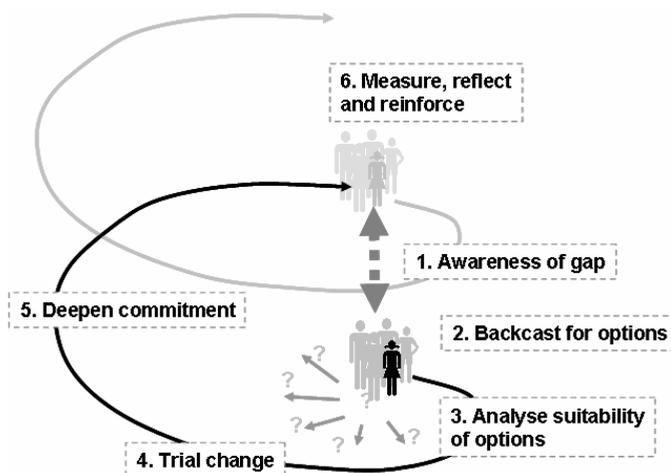


Figure 3.1: The Change Process, Transcending to a New Level

Notes: This is a depiction of a change process from being unaware of the need or opportunity to develop to having been transformed through adoption of new values and behaviours. The diagram is based on a synthesis and simplification of work by a variety of authors (Rogers 1983; AtKisson 1991; Prochaska 1997; Kurz 2002; Duxbury 2003; Lundholm and Richard 2005).

3.1.7 Summary of Factors Affecting Partnerships

In the previous sections we have presented evidence of factors affecting partnerships. These are summarised as follows:

- Socio-ecological sustainability is a major global challenge that can only be addressed by partnerships and collaboration across societal sectors;
- The global society is on the verge of a paradigm shift that is leading to new ways of interacting and making collaboration a competitive advantage;
- Partnerships between the sectors are based on, or support the functions the sectors and organisations within sectors provide (i.e. mutual benefit);
- The traditional sectoral functions and boundaries are becoming less clear, and this affects partnerships in many ways;
- The measure of value provided through partnerships is changing; and
- While the sectors may have specific functions and values the importance of individual values in transformational change should not be ignored.

These factors set the context for further exploration of partnerships, beginning with current practices in partnering.

3.2 Current Practices in Partnering

In today's society partnerships are common place, although the actors, purposes, partnership types and outcomes are diverse. This diversity is explored below to allow later assessment of their contribution to transformational change towards a sustainable society.

3.2.1 The Rise of Partnerships

A significant number of sources highlighted a proliferation of partnerships in recent years (in particular, Tennyson 2003). Zadek (2004, 91) explained this current partnership boom as an outcrop of the paradigm shift (Table 3.1) and a “world too complex and interdependent, and resources too scarce for any one institution or sector to effectively respond to today’s business or wider challenges and opportunities.”

*The tribes begin
to collaborate*

Partnerships have the potential to meet many sustainability challenges by (Tennyson, 2006):

- Addressing the growing number of socio-ecological issues not able to be dealt with by one organisation or sector alone;
- Accessing a wider range of resources (skills, financial etc);
- Achieving greater reach and scale in terms of operations, organisational mission and impact;
- Integrating economic, environmental and social priorities;
- Focusing on sustainable solutions; and,
- Providing opportunities for innovation.

However, a lack of understanding of partnership concepts was a commonly cited reason why some fail: “There is a remarkable discrepancy between the comet-like career of the idea of partnerships in policy circles on the one hand, and the vagueness and misunderstandings surrounding this phenomenon in the real world on the other” (Ellersiek 2005). In addition, classification of partnerships in the literature is non-standardised and the confusion over terms may explain the difficulty expressed by many in making sense of the partnership phenomenon (by way of example, refer to Appendix D for a list of 20 different names given to cross-sectoral partnerships).

3.2.2 Issues addressed and Partnerships Types

E.7 Employee volunteering can be an end in itself, not just a means: it is a real investment in employees skills, builds social capital, and engages people throughout the organisations.

The issues currently being addressed by sustainability partnerships are diverse and include both ecological and social sustainability issues. Examples include biodiversity, climate change, deforestation, management of fisheries, renewable energy, poverty alleviation, value chain management, labour

E.2, 6. Omidyar's and Skoll's funding programs are considered philanthropy, but are also strategic. They support organisations that do good work and have the capacity to make a difference on a global scale

standards, land degradation and waste management. A list of the major issues addressed by official UN partnerships for sustainability is provided in Appendix D. The issues have been categorised against violations of the TNS sustainability principles (for explanation of the principles refer to Appendix A).

In addressing these issues, the literature described a range of partnerships types currently being employed. These include: corporate philanthropy, cause-related marketing employee volunteering, co-branding, joint service delivery, consulting, alliances and single issue partnerships. Table 3.3 shows some of the types, purposes and partnerships and how they address violations of the TNS sustainability principles. A more extensive list is included in Appendix D.

ReEntry partnerships contribute to addressing violations of sustainability principles III and IV by avoiding waste going to landfill and providing social benefit.

Table 3.3: Ways Partnerships Contribute to Sustainability.

Sustainability Principle				Type of partnerships and examples (business / CSOs)
I	II	III	IV	
				Individual
		✓	✓	Volunteering on environment projects e.g. UK legal firms / Groundworks.
			✓	Social marketing e.g. Safeco / Bend Fire Department.

	✓	Health, safety and labour standards e.g. Chiquita / Rainforest Action Network.		
✓	✓	Fair Trade certification e.g. Starbucks / Conservation International.		
Organisation				
	✓	Provision of health services e.g. mining companies / mining communities.		
✓	✓	✓	✓	Guidelines for investment & finance e.g. Equator Principles.
	✓	Certification for sustainable practices e.g. Forestry Stewardship Council / IKEA.		
✓	✓	✓	✓	Reporting standards e.g. GRI / various.
	✓	Industry collaborations e.g. PVC Industry in UK / The Natural Step.		
✓	✓	✓	✓	Joint lobbying for legislation. E.g. Climate Group, various stakeholders.

Amongst the many drivers and types of partnerships, a general evolution can be described. Traditional partnerships took place along the lines of a donor-recipient relationship. In recent years, more collaborative, mutually beneficial styles of partnership have become popular, where both parties join their resources to achieve common benefits.” (Blagescu 2005 2; Tennyson 2006). This shift appears to be related to the new paradigm emerging (Table 3.1) which necessitates development of an organisation’s learning and strategies. Further detail on the evolution of partnerships is included in Appendix D.

3.2.3 Organisational Development

Every organisation has distinct visions, values and cultures that inform their strategies and goals (Mintzberg et al 1998). It is therefore important to understand these attributes of organisational development, and how their approach to strategy leads to different partnering preferences and perceptions of barriers and opportunities.

Zadek (2005) outlines five stages of learning for organisations - Defensive, Compliant, Managerial, Strategic and Civil – and concludes that by the civil stage an organisation recognizes the enormity and complexity of sustainability challenges and will engage in all parts of society to address them. A representation of these stages in relation to the un-sustainability ‘funnel’ is shown in Figure 3.2. The cycle of learning that leads to development

E.13 Nike has evolved through stages of organisational learning in dealing with labour standards in its factories. From an initially defensive position, they now lead alliances to create new international regulations.

through these stages is shown in Figure 3.3, highlighting how partnerships (i.e. engagement with external stakeholders) are critical to this process.

Being open to transformation, an organisation can define new relationships with other parts of society and capitalize on emergent opportunities. Table 3.4 demonstrates how the stages of learning and development of an organisation can affect the partnering process. Understanding these stages helps partners assess each other and understand what level and type of engagement is appropriate, and which partners are good matches.

Table 3.4: Organisational Learning and the Partnering Process

Factor					
Phase	No Growth	Engaged	Involved	Integrated	Transforming
Organisational Learning	Defensive	Compliant	Managerial	Strategic	Civil
Leadership	Lip Service; Out of Touch	Supporter; In the Loop	Steward; On Top of It	Champion; In Front of It	Visionary; Ahead of the Pack
Business Strategy	Avoid Responsibility	Improve PR Image	Assign Core Management to Solve Problems	Be Responsible & Profit on a Competitive Edge	Promote Collective Actions to Address Society's Concern
CSO Strategy¹²	Force Change: Confrontation and Challenge - "Sharks"	Produce Change: Work Inside an Industry - "Orcas"	Promote Change: Bring Business into CS Spaces - "Orcas" & "Sea lions"	Promote Change: Bring Business into CS Spaces - "Sea lions"	Facilitate Change: Collaboration and Joint Work - "Dolphins"
CSR Stage¹³	Beginner - No Policy	Firefighter - Piecemeal Involvement with CSR	Concerned Citizen - Commitment in Theory	Pragmatist - Aware and Moderately Involved	Proactive - Corporate Citizenship

Sources: Austin 2000, Rondinelli et al 2001, Elkington 2005; Grace 2003, Googins 2005; van Herel 2005; Waddell 2004; Zadek 2005; Michaelis 2006; SustainAbility 2006.

¹² For an explanation of the animal descriptions of CSO strategies refer to Section 3.2.4.

¹³ CSR strategies are explored in Section 3.2.5.

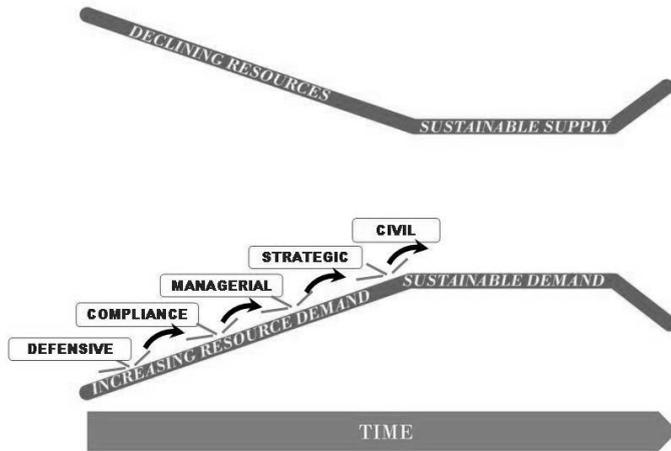


Figure 3.2 Five Stages of Organisational Learning

Notes: Zadek's (2005) stages of organisational learning are superimposed on the 'funnel' of declining resources and increasing resource demand to highlight how an organisation can move from reactive attitudes to external pressures (e.g. direct NGO action, boycotts over unfair labour practices, environmental degradation, pollution, product-related health issues etc.) to proactive sustainability policies and stakeholder engagement.

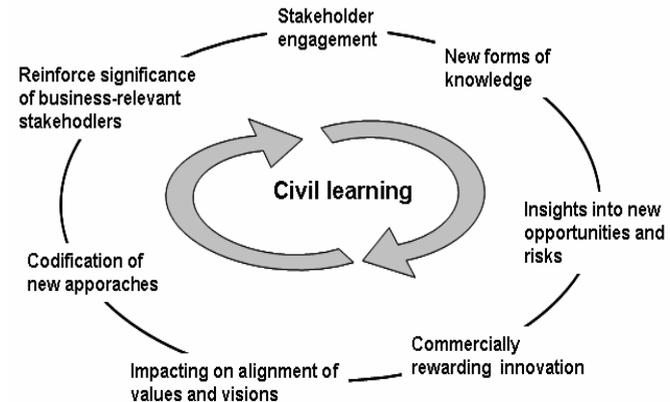
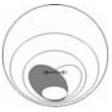


Figure 3.3 Civil Learning for Organisations

Notes: Engagement with stakeholders (including cross-sector collaboration in the form partnerships) can play a critical role in organisational development. Organisations practicing 'civil learning' can reap the greatest benefits from stakeholder engagement.

3.2.4 CSO Perspective on Partnerships



It was reported in literature and interviews that CSOs directly interact with businesses to advance their social mission, and do so in ways ranging from adversarial to collaborative. A few sources categorized CSOs (based on the different strategies they employ) as “preservers, modifiers, protestors and scrutinizers” or “orcas, sharks, dolphins and sealions” (the various characteristics of these animals are reflected in the CSO strategies). This serves to highlight whether the CSO forces change through confrontation or facilitates change through collaboration and joint work (Ählström and Sjöström 2005; Beloe et al 2003; Waddell 2004). Table 3.4 above demonstrates how these strategies align with business perspectives and the partnering process.

Some civil society tribesmen are willing to cooperate with the business tribe, while others would rather fight.

E.15 The Rainforest Alliance developed its ‘Better Banana Project’ in 1991. Soon after, Chiquita recognised the value in engaging external auditors to certify its processes and developed a partnership. This alliance has evolved and is leading the industry.

Some CSOs (e.g. Amnesty International) deliberately avoid relationships with business (or government) as part of their strategy (Zadek 2004, 83; Maruca 2006). Others feel that CSOs “have no option but to sell sustainability on the back of a business-friendly approach,” but this might “convolute the message of developing a societal case for sustainable development” (Porritt 2005, 245).

When CSOs do engage with business, they usually have a bigger cause or strategy in mind, and therefore, can rationalise changing their tactics on a case-by-case basis. For example, some CSOs have successfully used confrontation and collaboration at the same time to expedite the process and engage business faster (Danaher 2006; Lovins 2006, Zadek 2004, 81). However, from a business perspective, a CSO that constantly changes tactics might be perceived as ‘schizophrenic’, and this can undermine the trust

E.1 When WWF approached Tembec to certify one of their forests, Tembec suggested they certify all of them! The trust that developed through previous small partnerships helped them work through the challenges to achieve their mutual goal.

required to engage in partnerships (Elkington in Waddell 2004, 8; Robèrt 2006).

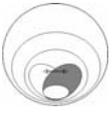
Most evidence suggests there are generally less CSOs taking the adversarial, confrontational position and more taking a collaborative position (Hodgson, 2006; Beloe et al 2003). This trend towards cooperation may be the result of businesses changing, and the reduced need for society to move beyond pressure-based civil regulation or ‘extreme activities’ facilitated by CSOs (Blamey 2006; Zadek 2004, 56). While collaboration is now seen as generally more effective (Carstedt 2006; Lovins 2006), interviewees and others also highlighted that the ‘blaming’ and ‘watchdog’ roles are still important to force the change process of businesses (Hodgson 2006, Elkington 2006, Robèrt 2006).

As the numbers and diversity of CSOs have increased, so has their relative power and identity as perennial organisations. Some suggest that the sector has not fully recognized its potential value or the ways that cross-sector partnerships can be an opportunity to transform internal operations as well as develop empathy, cross-cultural understanding and respect for other’s skills and competencies (Hancock in Stott 2005). For example, CSOs may be able to leverage change by using the value of their global brand (Maruca 2006), by having technical competencies that businesses lack, by having networks that already promote collective projects, and by using their skills to effectively organise protests or create desired change.

E. 12 Alcan has committed to awarding an annual \$1 million dollar prize to a CSO that most exemplifies the principles of sustainability. The explicit reasons behind this award are to increase the capacity of CSOs to build the networks and strategic thinking required for global sustainability.

All of these opportunities indicate that as more CSOs engage the business sector, there are many niches that partnerships can fill (Beloe et al 2003; Austin 2006, 1; Maruca 2006; Steffen 2006). However, as with any business interaction, there are risks to partnering and these are discussed in Section 3.3.

3.2.5 Corporate Perspective on Partnerships



The research findings suggest most partnerships are forming as a result of business drivers. In particular, changing societal expectations are forcing businesses to operate at a higher level of ethics and incorporate sustainability into their practices (Zadek 2004, 56; Rhoades 2006; Hinzl 2006). According to Knudsen (2005) there are four main factors driving business to become a social actor by partnering with CSOs: 1) with globalisation (liberalisation, technology, ‘reach’) comes increasing responsibility; 2) as corporate scandals have become increasingly common, there is growing demand for transparency in business; 3) in response, the role of CSOs as ‘watchdogs’ is increasing; and 4) governments have limited capacity to continue providing welfare as health costs grow, so people are turning to business for its provision.

Some corporate tribesmen have made friends with the civil society tribesmen

With all these drivers, “corporations cannot achieve social good and maintain their core logic by themselves; they must link to partner organisations” (Waddell 2006). Businesses need to find the right CSO that can “keep the company under pressure, but also recognize the role of that business” (Elkington 2006).

Evidence from a recent Business-NGO conference suggests that businesses are motivated by brand reputation and respond when it is attacked. Many are now engaged in laudable CSR projects but few have a clear understanding of sustainability.

Within large corporations, partnerships with CSOs tend to fall under the banner of Corporate Social Responsibility (CSR) or corporate citizenship. Some sources highlighted that there are differing opinions about whether CSR is (1) connected to sustainability and (2) an appropriate way to measure corporate responsibly.

MacPherson (2006) claimed CSR is good for creating dialogue and is a ‘prompting mechanism’ or trend to make companies aware of these issues, but this is contingent on who and how the engagement is done. Porritt claims there is “every reason to be extremely cautious about today’s unbounded enthusiasm for CSR” given it is often a “rag bag menu of nice add-ons that never really interrogate their core business model” (2005, 243).

Overall, the perception is that CSR-driven partnerships are reactionary responses to outside pressures and such partnerships have not made it into mainstream business planning. For example, Zadek (2004, 17) cites a number of case studies of companies who do laudable projects in the name of CSR, but are all serious underperformers when it comes to being more sustainable or responsible.

However, CSR strategies are continuing to evolve and there are various depictions of the ‘waves’ of CSR evolution (Chambers et al 2003; Waddell 2006). Zadek (2004, 73) describes this evolution in terms of three generations of questions: corporations move from asking whether CSR activities affect the bottom line, whether responsible companies will prosper in the future and finally whether the activity will likely make a significant contribution to addressing the growing levels of poverty, exclusion and environmental degradation.

A recurrent theme from the business perspective is how competitive are such collaborative approaches. Hartman (in Stott, 2003) describes a reinforcing loop of cooperation and competitiveness, and how cooperating with a wide range of stakeholders can overcome current constraints and change the work environment. These approaches will provide a mechanism to move from a “licence to operate” stance to a “licence to co-operate” role (Hartmann in Stott, 2003).

In addition, this shift from a competitive and aggressive approach to collaboration is not just about moving to higher levels of development. It is about a genuine realisation that “I am connected to the other...and treating them better without expectation of any reward is the right thing to do”, *and* if we are all connected, then helping the other helps me (Wilber in Cacioppe 2004). The attributes of the emerging network economy (heavy reliance on relationships to stay in business) mean it is also pragmatically and financially in an organisation’s ‘enlightened self-interest’ to collaborate (Robèrt et al 2004).

E.14 London-based charity AntiApathy partnered with eco-friendly boutique shoe manufacturer Terra Plana to produce a range of 99% recycled trainers. Together, they need to address the same global supply chain and labour standard issues as those faced by corporations.

3.2.6 SME Perspective on Partnerships



CSR is usually only considered a ‘corporate’ phenomenon and is rarely mentioned when referring to small and medium enterprises (SMEs). However, SMEs represent 90% of enterprises, and account for 50-60% of employment (White 2005, Fox 2005). Thus it is essential to consider the role of SMEs in societal transformation, and examine their perspective on partnerships.

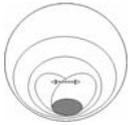
Many see the opportunities for SMEs to have sustainability practices as an integral part of their business models because these types of organisations are likely to be a key force in a networked, sustainable future (Johansson 2005; Danaher 2006; IBM 2006, Elkington 2006; Steffen 2006). Draper (in Hopkins 2001) saw that SMEs are already primed to work with social and ecological challenges because they have a “heightened requirement for good, multi-skilled employees, strong personal relationships and successful local engagement”. This evidence links strongly to the rise of social entrepreneurship, and the emphasis on the role of SMEs in developing countries where the impacts of unsustainability are most immediate.

Although SMEs face many of the same requirements as big corporations (because they are participating in the same global value chains) they clearly have fewer resources to deal with the challenges (Jorgensen 2006 and Knudsen 2006). From the SME perspective, partnering may be difficult because it takes a lot of a SMEs time, can be hard to incorporate into their projects, and it is difficult to use it as a marketing advantage. Yet SMEs can make a significant contribution to SSD and Fair Trade labelling (Appendix E, E.4) is one example to show it is possible.

3.3 Barriers and Opportunities in Creating Partnerships

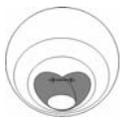
This section will explore more explicitly the barriers and opportunities for creating partnerships that have been identified while exploring current partnering practices.

What are the challenges for the tribes in working together?



Barriers and opportunities were identified at individual, organisational and societal levels.

At the individual level, barriers and opportunities relate to skills, personal values and world views, and being open to transformational change. Some of these individual-level barriers and opportunities manifest themselves at the organisational level, and because of the importance of individuals in societal transformation, they are revisited in more detail in the Discussion.



At the organisational level, the perception of whether something is a barrier or an opportunity is largely dependent on whether it is viewed from the CSO or business perspective. Sectoral functions and attributes and individual organisational strategies

(refer to Section 3.2.3) accounted for different perceptions of barriers and opportunities. A number of common factors were identified as being relevant, including:

- Accountability
- Competitiveness
- Reputation
- Influence
- Markets & Stakeholders
- Organisational culture
- Organisational strategy
- Resources
- Skills and expertise
- Creativity

The CSO and business perspectives on these factors (whether they are perceived as barriers or opportunities) are shown in Table 3.5 and 3.6 respectively.



At a societal level and in a broader context, barriers and opportunities to partnerships were split into the three elements described below and summarised in Table 3.7:

- **Changes in society** – the emerging factors described in Section 3.1 appear to inhibit the formation of partnerships in some instances, and encourage them in other cases.
- **Achieving the Paradigm Shift** - partnerships that create change must overcome the inertia of ‘business as usual’ but can draw on new opportunities created in the paradigm shift.
- **Managing the process** - there are difficulties in creating something new and managing the particular circumstances of each partnership. Yet advantages are also perceived.

Table 3.5: Barriers and Opportunities for CSOs in Partnering

Factor	Barriers	Opportunities
<i>Accountability</i>	Business demands greater CSO accountability and measurement of CSO effectiveness.	Operate at higher standards.
<i>Competitiveness</i>	Competition amongst CSOs (might get attacked by other CSOs).	Competitive advantage over other CSOs.
<i>Reputation</i>	Risks to image, reputation and credibility.	Increased relevance, scale & impact through public recognition.
<i>Influence</i>	Risk of co-option, selling out and loss of autonomy.	Global reach through stronger networks and ability to force change. Credibility in eyes of policy-makers.
<i>Markets & Stakeholders</i>	Traditional activism support base may be eroded.	Expand new ‘ethical’ markets. Address governance and service provision gap.
<i>Organisational culture</i>	Lack of professionalism.	Personal commitment and passion inspires change in others.
<i>Organisational strategy</i>	Collaboration not part of strategy.	Adopting a collaboration strategy can lead to greater influence.
<i>Resources</i>	Risk of becoming dependent on business. Lack of time.	New funding source from business to replace dwindling government sources.
<i>Skills and expertise</i>	Difficulty in communicating and managing relationships; lack of partnering, management and business skills.	Access to business management & technical expertise.
<i>Creativity</i>		Co-create innovative solutions with multi-stakeholder dialogue.

Sources: Ählström 2005; Beloe et. al. 2003; Elkington 2006; Elkington in CCSR 2005; Dubb 2005; Waddell 2005 and 2006; Rondinelli et. al. 2001; Lister 2000; Knudsen 2006; Salamon and Schubert 1998; MacPherson 2006; BSR 2005; Porritt 2005; Schiller 2005.

Table 3.6: Barriers and Opportunities for Businesses in Partnering

Factor	Barriers	Opportunities
<i>Accountability</i>	Unwillingness to 'share secrets' due to risk of bad publicity.	Operate with higher moral integrity.
<i>Competitiveness</i>	Competition to partner with specific CSOs, who may not be best suited. Partnering for wrong reasons can limit success.	Competitive edge – new markets / services in the face of globalisation. Stock price stability through perception of organisations who partner being lower risk.
<i>Reputation</i>	Bad publicity if things go wrong. Engaging in partnerships for superficial / wrong reasons can be detrimental.	Enhanced reputation from corporate responsibility. Capitalise on association with trusted brands.
<i>Influence</i>		Stronger networks and credibility.
<i>Markets & Stakeholders</i>	Breaking new ground is difficult.	Generate market pull through new products and services developed. Expand the customer base.
<i>Organisational culture</i>	Old paradigm thinking / resist change. Difficulty institutionalizing relationships. Not being aware of cultural differences.	Moving from stakeholder management to stakeholder dialogue. Increased motivation, satisfaction and commitment of staff.
<i>Organisational strategy</i>	CSOs not considered key stakeholders. Perception that business knows best. Failure to recognize that in a network economy, collaboration is required to achieve goals.	Collaborate to head off confrontation. Predict future political and business agendas. Aligning the business case for sustainability with the societal need. Partnerships as a new form of leadership.
<i>Resources</i>	Costs, higher priorities, lack of time, perception that business puts in more resources than CSO, logistics of relationships.	Tap into local knowledge and grass-roots connectivity.
<i>Skills and expertise</i>	Perception that CSOs are unprofessional. Difficulty management relationship; lack of partnering skills.	Access to information (CSOs are where much expertise now lies). Learning opportunities for staff – new skills and competencies Recruitment – links with potential recruits.
<i>Creativity</i>	Fixed procedures can inhibit creativity.	Develop and test solutions, participate in the creation of new rules.

Notes: Includes aspects relevant to both corporates and SMEs.

Sources: Austin 2000; Hopkins 2001; Blamey 2006 ; Elkington 1998, 330; Kotler and Lee 2004; Lane 2006; Porritt 2005, 45; Hinzl 2006; Robèrt 2006; Carstedt 2006; Maessen et. al. 2004; Waldron 2006; Tennyson in Canadian Business Social Responsibility 2005.

Table 3.7: Barriers and Opportunities for Partnerships at Societal Level.

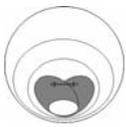
Barriers (-)	Opportunities (+)
Dealing with Changes in Society	
- <i>Businesses and/or CSOs taking on role of governments may not best address societal need.</i>	+ <i>Increasing need for responsibility and accountability met by partnerships.</i>
- <i>Inequality/power imbalances between partners can constrain innovation, success and effectiveness.</i>	+ <i>Emergence of global voluntary governance system and new 'rules' through partnerships.</i>
- <i>Legislation drives real change, but partnerships can be used to suggest that voluntary means are sufficient.</i>	+ <i>Potential for partnerships to link big players to local level through the supply chain.</i>
Achieving the Paradigm Shift	
- <i>Complexity of system makes action and decision-making difficult, more so with multiple stakeholders.</i>	+ <i>Can be more effective towards achieving goal (if not more efficient) through collaboration.</i>
- <i>Traditional thinking (old paradigm); Resistance to evolving a new culture and new collaborations.</i>	+ <i>Partnerships encourage holistic perspective, systems thinking and cross-fertilisation.</i>
- <i>Always difficult to break new ground and be leader. Effort required and Inertia can constrain action.</i>	+ <i>Can involve stakeholders to better develop and test innovative solutions.</i>
- <i>Value of partnerships can be hard to quantify or measure in monetary terms.</i>	+ <i>A way to redesign commerce - co-create new markets & products (linking consumer demand/social values through partnerships).</i>
- <i>Partnerships can be less efficient than other ways of addressing single issue. And many partnerships focus on incremental changes & single issues rather than systemic innovations.</i>	+ <i>Communication of societal shifts and fostering cultural change through expanded networks. Spread new ideas through combination of business marketing & reputation / trust of CSOs.</i>
Managing the process	
- <i>Collaboration politics are difficult to manage when you have different groups with competing interests.</i>	-/+ <i>Opportunity to consciously manage conflicts between mandates of public agencies, interests of business and the values of civil society groups.</i>
- <i>Cultural differences (organisational and geographical) can contribute to lack of trust between organisations and individuals.</i>	+ <i>Diverse teams have better, broader solutions: networks and collaborations are increasingly seen as source of innovation rather than individuals.</i>
- <i>Confusing and fragmented marketplace for partnerships.</i>	+ <i>Draw on each other's strengths and complement each others skills throughout.</i>
- <i>Time-consuming nature of managing the partnership life-cycle and reaching agreement can hinder action..</i>	+ <i>Higher order interaction than pure cooperation or competition, and better for societal outcomes.</i>

Sources: Drucker in Schubert 1998; Elkington 1998; Austin 2000, 14; Arts 2002; de Bruijn & Tukker 2002; Khoday in Stott 2003; Barabasi 2005; Blagescu, 2005; Bendell 2005; Canadian Business Social Responsibility 2005; Dubb 2005; Johansson et al 2005; Blamey 2006; Porritt 2005; Hodgson 2006; Jorgensen 2006; Robèrt 2006; Stott 2003; SustainaAbility 2006; Waddock 2006; Waldron 2006.

3.4 Considerations for Partnering

A review of the barriers and opportunities perceived from both business and CSO perspectives in the previous section shows clearly that partnerships are poorly understood (often barriers are not anticipated and opportunities not realised). This section presents some oft-cited ‘guiding principles’ and key considerations in the partnering process that will ensure partnerships are more likely to be successful.

3.4.1 Characteristics of Successful Partnerships



Partnerships are not an end in themselves, “rather a means to achieve the respective goals of individual partners” that they would have not been able to achieve otherwise (Blagescu 2005, 5). The success of a partnership depends on number of factors and the some of the most important factors identified in the research are shown in Table 3.8.

What are the key factors for bringing the tribes together?

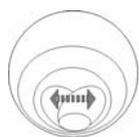
Table 3.8: Important considerations when Partnering

Partnership Characteristic	Why it is important to consider
Mutual Benefit	<ul style="list-style-type: none"> • Both parties achieve respective goals. • Helps build and improve both parties’ networks. • Utilises each other’s strengths & skills (not only monetary benefits).
Personal Connectivity	<ul style="list-style-type: none"> • Critical for maintaining long term relationships. • Enhances both individual and organisational transformation.
Accountability	<ul style="list-style-type: none"> • Improves external responsibility for decisions and actions. • Improves internal responsibility for organisational mission and values. • Ability to quantify value generated through partnerships, measure progress.
Integrity	<ul style="list-style-type: none"> • Be able to deliver what you promise; define specific, realistic objectives . • Both parties share responsibilities for successes and failures. • Builds trust and mutual respect. • Be clear about competencies & resources available.
Transparency	<ul style="list-style-type: none"> • Education about each partner’s stakeholders and interests. • Credibility when making financial decisions. • Each organisation’s roles and responsibilities are understood .
Shared Vision & Creativity	<ul style="list-style-type: none"> • Agreed upon goals and objectives from the beginning. • Value-driven engagement based on long-term vision for organisations. • Sets boundaries and explicit rules. • Think laterally about opportunities & ways to create value. • Be flexible to emergent opportunities & risks.
Commitment &	<ul style="list-style-type: none"> • Adaptability along different stages.

Willingness to Transform	<ul style="list-style-type: none"> • Maximise opportunities to be innovative & imaginative. • Ownership, power & commitment are shared by the organisational partners.
Evaluation of Process & Communication	<ul style="list-style-type: none"> • Brokering or mediating to ensure mutual understanding. • Honest, forthright communication. • Understand the 'language' of each partner / common language. • Evaluate effectiveness of partnership; learn from mistakes; sharing lessons. • Create a 'story' for both partners to tell (benefits for reputation too). • Recognizes the value of diverse strategies.

Sources: Elkington 1998; Cavanagh in Schubert 1998; Austin 2000; Rondinelli et al 2001; PartnershipsWA 2003; Blagescu 2005; Schiller 2005; Chapple 2006; Danaher 2006; Elkington 2006; MacPherson 2006; Salazar 2006; Waddock 2006; Waldron 2006.

3.4.2 Partnering Process



The characteristics of successful partnerships highlighted above build upon a careful understanding of the partnering process. Many partnerships fail due to a lack of attention to this process. Tennyson (2003) highlights a number of basic considerations for partnering that are often overlooked. These include:

If the tribes are to cross rivers and climb mountains they must learn how to get along and share their skills for the benefit of everyone

- Having the right skills¹⁴;
- Using appropriate language (being aware of sectoral differences);
- Developing the right management approach to the partnership (e.g. centralised, de-centralised or management by mandate styles); and,
- Understanding the partnering cycle and being systematic in planning and managing the partnership throughout; the key phases and considerations identified in each phase are shown in Figure 3.4.

¹⁴ Common partnering skills include: active listening, imagination, negotiation, mediation, facilitation, ability to synthesize information, personal engagement, administrative skills, patience, understanding, coaching / capacity-building, evaluating and reviewing.

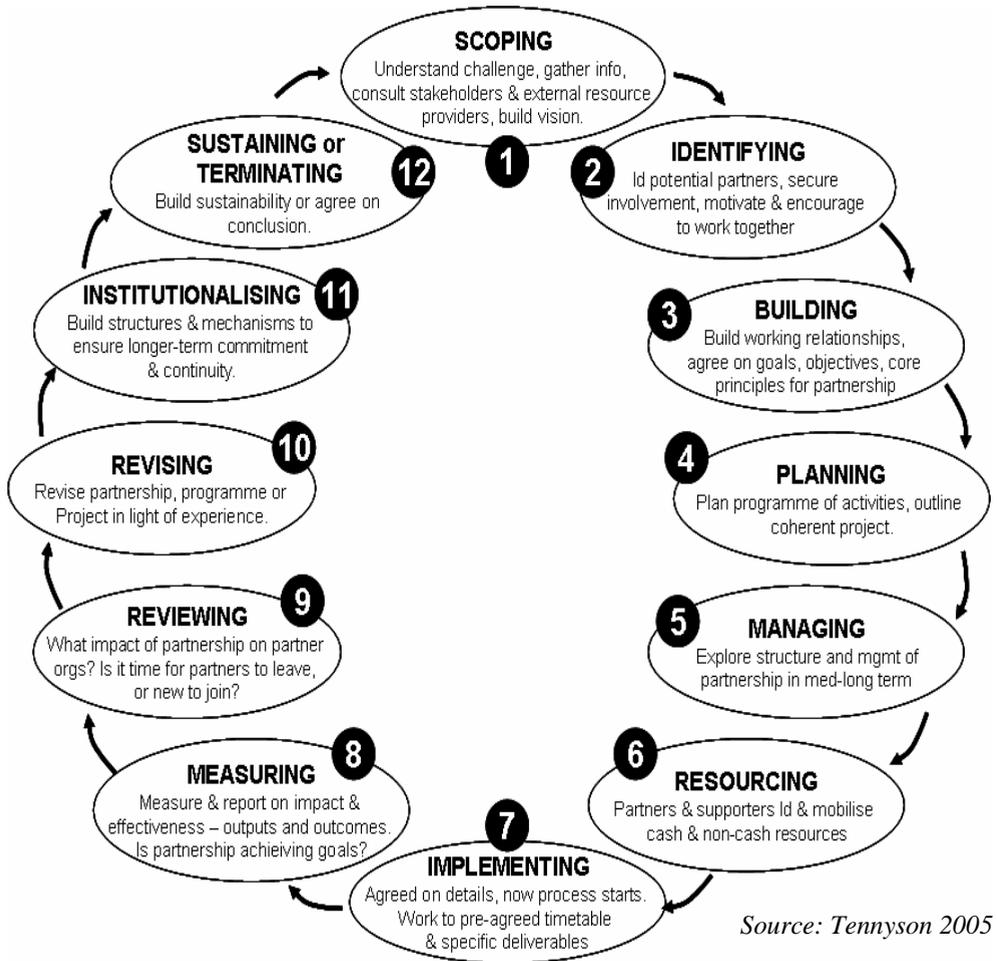


Figure 3.4: Phases of the Partnering Process

3.5 The Future of Partnerships

Defining the components of a sustainable future was difficult for many interviewees and rarely well-articulated in literature. Many commentaries forecasted from the present, rather than backcasted from a vision of the future, and this led to predictable rather than desirable ideas on what the future holds. A number of sources highlighted three main ways to develop long lasting change for a sustainable future: 1) individual transformation and connecting people in different sectors to what they believe in; 2) new legislation to create incentives for proactive behaviour; and 3) reinventing industry. “What we need is more opportunities, more entrepreneurship so there is an integration across traditional disciplines” (Blamey 2006; Lane 2006). This reasoning is clearly relevant to partnerships and points to possibilities for their future evolution.

*Co-creating
novel ways of
working
together*

When thinking about the implications of visions, a few sources discussed the importance of transforming CSR so that it will be seen as an “integrated, strategic commitment to becoming genuinely sustainable, over time” (Porritt 2005, 243). Blamey (2006) also emphasised the need for organisations to think ahead of current demands and pressures: “at some point businesses that are really engaged have to take a deep breath and decide which is the best path to take and that path is not always shown by what society in general is demanding.”

Table 3.9 represents commonly cited aspects of visions for the future and the implications for partnerships. The ideas were generated from a number of sources and were combined with the TNS sustainability principles to provide general characteristics at societal, organisational and individual levels (see Table D-3 in Appendix D for more detail on what different sources said as a vision for a future sustainable society).

Table 3.9: Implications for Partnerships in a Sustainable Future

Aspect of Vision	Implication for Partnerships
<i>Society</i>	
<ul style="list-style-type: none"> • Cyclical, restorative and sustainable economies. 	<ul style="list-style-type: none"> • Address violation of sustainability principles. • Value created through relationships, knowledge and services.
<ul style="list-style-type: none"> • Network society. 	<ul style="list-style-type: none"> • Partnerships will be common. • New ways of working together. • Help global businesses connect locally.
<i>Organisations within Society</i>	
<ul style="list-style-type: none"> • Distinct sectors. 	<ul style="list-style-type: none"> • ‘Watchdog’ roles still important. • Cooperate and draw on each other’s strengths when necessary.
<ul style="list-style-type: none"> • Classification based on function, what human needs they satisfy and their service to whole society. 	<ul style="list-style-type: none"> • New market and partnering opportunities. • Focus on societal and organisational benefit.
<i>Individuals within Organisations within Society</i>	
<ul style="list-style-type: none"> • Alignment between personal, organisational & societal values. 	<ul style="list-style-type: none"> • Provide opportunities for individual expression of values.
<ul style="list-style-type: none"> • Enlightened citizen behaviour. 	<ul style="list-style-type: none"> • Creates markets and political support for sustainability; expands opportunities for sustainability partnerships.
<ul style="list-style-type: none"> • Fulfilment of human needs (see Footnote 5). 	<ul style="list-style-type: none"> • Greater human capacities facilitate more effective partnering.

4 Discussion

This discussion analyses the results and explores their implications with regard to our research questions.

4.1 Overview

4.1.1 Revealing the Gap

This research focused predominantly on the ways in which partnerships can contribute to the societal transformation necessary to move from our current unsustainable society towards a sustainable one. This required investigation of emerging societal factors affecting partnerships, where partnerships are today, barriers and opportunities for partnerships, and our vision for partnerships in a sustainable future (our secondary research questions).

By looking at the current practices in business–CSO partnerships we saw they are becoming common and are occurring for a myriad of reasons, and in a variety of forms. We also observed that not all organisations are suited to partner, not all partnerships are successful, and not all successful partnerships address sustainability issues or have the potential to transform society. In short, our analysis of the evidence in the results has revealed a gap between what is happening today and the contribution partnerships could make to a sustainable future (Section 3.5).

4.1.2 Being Strategic about Societal Transformation and Partnering

“To think strategically about cross-sector collaborations, you must have a framework that enables you to envision strategic options.”

(Austin 2000, 39)

The tribes need to know where they are going first if they intend to reach their goals.

Recognising the gap between *what is* and *what could be* the contribution of partnerships to societal transformation, we present the following observations:

- In the near future, we see the exciting potential for partnerships to be used more strategically to enable societal transformation towards sustainability. Yet partnerships are merely a tool to achieve a larger purpose and the need to be strategic is not just limited to the use of partnerships. We believe being strategic about sustainability will become the modus operandi of the 21st century and this will accelerate transformational change as more organisations synergise their efforts. In the results, we identified some major drivers that will force organisations to internalise sustainability considerations into their core business strategy, and in turn, redefine and align organisational visions with sustainability. The primary driver behind this is the paradigm shift which is associated with the evolution of the structures and cultures of global society, increasing complexity demanding collaboration to be effective and the closing walls of the ‘funnel’ (the socio-ecological crisis described in Section 1.2).
- The planning framework we use to strategically guide organisations towards a sustainable future incorporates backcasting from basic principles for socio-ecological sustainability (the TNS Framework). The ABCD methodology is a way to ‘operationalise’ this approach and clearly demonstrate how business strategy and sustainability can be linked through an organisational vision¹⁵. Backcasting from

¹⁵ We define an organisational vision to include a core ideology (core purpose and core values) and strategic goals.

the organisational vision (which is developed with the sustainability principles in mind), allows organisations to prioritize measures and develop a strategy and implement an action plan that will move the organisation towards their vision (refer to Figure 4.1).

- An organisational strategy aligned with sustainability is a prerequisite for making partnerships strategic. Partnerships should be formed within an organisation’s core business strategy to ensure they contribute to the organisation’s strategic goals. The ABCD methodology can also be applied directly to a partnership to ensure the shared goals of the partnership align with sustainability.

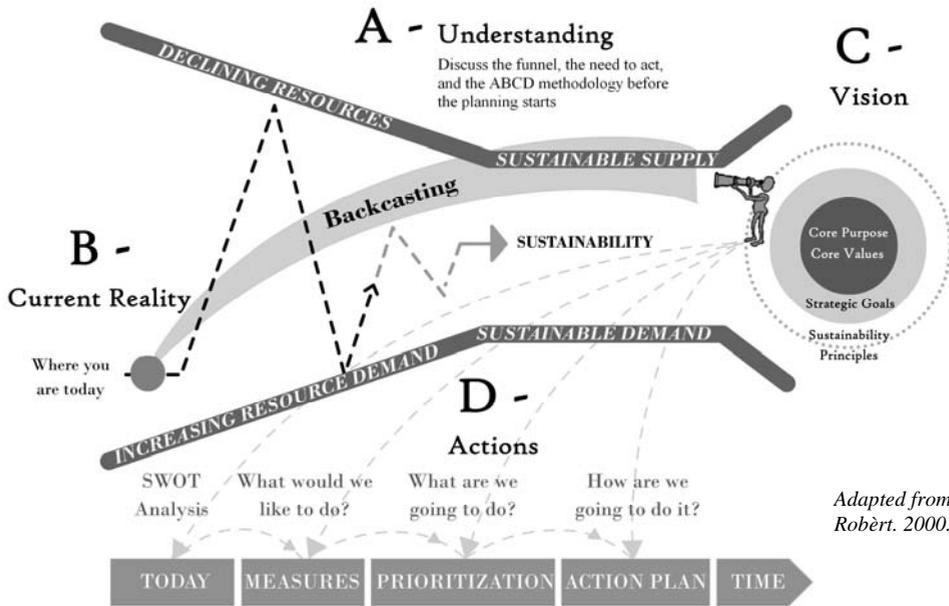


Figure 4.1: A Tool for Backcasting From a Vision of a Sustainable Future.

Notes: The TNS sustainability principles are used to create and align an organisational vision with sustainability. With a vision in mind, a strategy can be created to work towards the vision, and sustainability. Developing the vision and strategy requires undertaking an analysis (SWOT) of the organisation’s position currently with regards to the sustainability principles, prioritizing measures to eliminate over time violations of these principles and preparing an action plan to move towards the vision. Partnerships should be developed within the overall strategy to ensure they align with the organisation’s strategic goals. The ABCD methodology can also be applied specifically to or within a partnership (e.g. Step C becomes the shared vision for the partnership).

To summarise, using partnerships strategically to address sustainability and contribute to societal transformation implies that: 1) organisations will have an organisational vision aligned with sustainability 2) strategies in line with sustainability principles to achieve that vision 3) partnerships, being a tool to reach success for organisations, will be developed within their strategic plans; and 4) successful partnerships will themselves incorporate the sustainability principles into the partnering process and outcomes.

Ultimately, each organisation needs to assess how they use partnerships to achieve its goals. However, the following questions can provide some guidance for an organisation assessing if a partnership is a strategic action to move towards sustainability:

Is the partnership...

- worthwhile and efficient, for the partners, and society?
- helping to eliminate violations of the TNS sustainability principles?
- effective at achieving clear goals and adding value to other actions (synergies)?
- creating value that one partner could not create alone?
- important and/or urgent relative to other possible actions?
- taking a long-term view and building foundations for future steps towards the goals (i.e. 'what next?' is answerable)?
- effectively contributing to societal transformation for both individuals and the collective, affecting both values and actions?
- well-planned, yet able to deal with emergent successes or failures?

4.1.3 Answering the Research Question in Two Parts

The question of whether partnerships can (usefully) contribute to transforming society towards sustainability (our primary research question) must be answered not only from the perspective of the individual organisations, but also from the perspective of our whole society. Understanding success as 'win-win-win' means organisations must not only ask 'what can we do for each other' but also 'what can we do together for the benefit of society and the biosphere.'

Our analysis of the results yielded a complex set of considerations which we divided into two parts: 1) the basic requirements for developing successful, strategic partnerships 2) what partnerships can contribute to transformational change in society. This distinction reflects an understanding that in order for cross-sector collaborations to be a positive force in the societal shift towards sustainability, these partnerships must first be successful.

When discussing partnerships at the practical level (Part 1; Section 4.3), we emphasize the details and mechanics of partnering specifically for businesses and CSOs. When discussing the strategic contribution of partnerships at the societal level (Part 2; Section 4.4), we noted that these points are relevant for many sectors and levels of society, including government.

4.2 Part I: The Art and Science of Partnering

In order for any organisation to achieve the most out of cross-sector partnerships, it must think strategically and consider the “why, what, whom, when and how of creating, developing and managing relationships.” (Austin 2000, 15).

The partnering process, as described in the results, is both an art and a science. The art is in the relationships, negotiations and dialogue; the science is in the planning, strategy and evaluation. Both aspects are relevant throughout the partnership cycle: from planning through doing, to analysing and evaluating.

The early stages of partnerships (e.g. scoping, identifying, building etc.) are critical for determining the impacts beyond the boundaries of the organisations involved, and how the collaborations contribute to sustainable development. For this reason, it is not enough that a partnering guide moves straight from a general discussion of sustainability to the intricacies of the partnering process. An explicit step is required to examine the strategy of the individual organisation to see ‘in what ways’ partnering may help achieve its strategic goals, and how the partnership may be a good move towards a sustainable society.

The organisation also needs to consider whether the individuals within the organisation are connected to its strategy and share the company's vision. We propose that organisations take on a more proactive and participatory approach where sustainability considerations are part of the strategic planning (as noted in Section 4.1). A strategic and organisational review can clarify whether an organisation is ready to partner, the purpose of the partnerships, and decide an appropriate process for partnering.

Incorporating an SSD perspective in the early stages of the partnering cycle (e.g. scoping, identifying and building stages) will increase the likelihood of measurable contribution towards sustainability. Adding this strategic approach may meet the needs expressed by those currently involved in partnering. For example, a respondent to a recent Ethical Corporation (2006) survey suggested: "if they don't know what success is, how are you going to measure progress towards it?"

4.2.1 Overcoming the Challenges of Partnering

Assessing the value and challenges in partnering involves considering all the factors from the relevant perspectives. A number of practical, strategic, organisational and societal barriers to successful partnering were identified in the results (Section 3.3). Based on our practical ReEntry experience and other evidence, it's clear that when too many obstacles or risks stand in the way of a partnership, then the partnership is likely to fail.

However, with the motivation of contributing to sustainable development, and a strategic approach, many barriers can be turned into opportunities (Figure 4.2). A backcasting approach is especially powerful in shifting an organisation's perspective on barriers. This inherently positive perspective allows an organisation to imagine how obstacles can provide the greatest learning and development opportunities on the road towards sustainability.

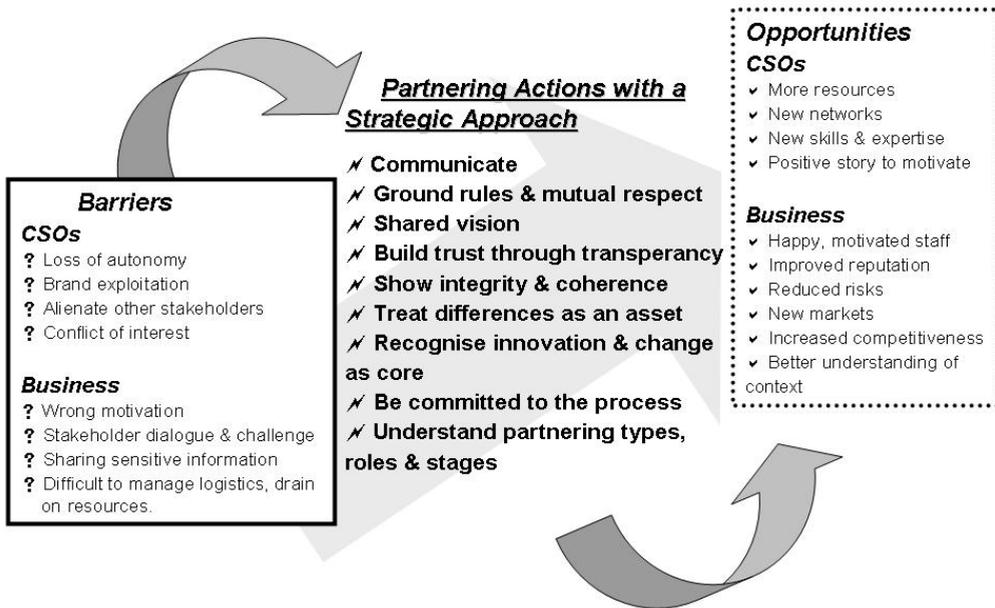


Figure 4.2: Turning Barriers into Opportunities with a Strategic Approach to Partnering

Some key areas where mastering the art and science of partnering can turn barriers into opportunities have been identified in the results and were grouped under the following headings: accountability, competitiveness, reputation, influence, markets and stakeholders, organisational culture, organisational strategy, resources, skills and expertise and creativity (see Section 3.3).

Through our own partnership with Interface, the importance of trust, personal connectivity, delegated authority and the power of networks were clearly demonstrated.

Differences in *organisational cultures* and values can become an opportunity, as a deep re-alignment of values by partners is often required to address sustainability issues. The necessity and degree of alignment of values in individuals and organisations depends on the type of partnership and depth of change expected (Table 3.4). This shift can be created through confrontation, but is more likely through a step-by-step approach with a CSO acting as a ‘critical friend’. A certain level of alignment, or openness to change is

necessary for communication to be possible and for shared goals or values to be defined.

Building trust and transparency is associated with *reputation* and *accountability* and it can be a real opportunity to become more accountable to other stakeholders (Zadek 2004, 50). Personal connectivity enables the trust needed in change processes, but there is a risk of over-emphasising relationships between individuals who may be unrepresentative and “on the fringe of the norms and values of the organisation” (Lister 2000; Goepfert in Stott 2005, 16). Through engaging widely within organisations this risk can be turned into an opportunity to maximise learning, encourage transformation in individuals at all levels, and build institutional accountability (Goepfert in Stott 2005, 16; Zadek 2004, 42; Bendell 2005).

Taking a wider and more holistic view of an organisation’s role and stakeholders can turn barriers related to *markets and stakeholders*, *competitiveness* and *organisational strategy* into opportunities. This shift can turn the current shortfalls of CSR (often compartmentalised, lacking direction and reactive) and evolve the approach into one focused on true sustainability and creation of value beyond the boundaries of the organisation. For example, Interface’s ReEntry program is explicitly aligned with its vision, core purpose and sustainability principles. Through this strategic, holistic approach, Interface is demonstrating how to stay ahead of legislative change, and develop competencies and products in areas where the market is rapidly growing.

Related to the *skills and expertise and creativity* factors is the opportunity to use partnerships to develop leadership, facilitation, brokering and innovation skills. These, and others, are key skills in the ‘art’ of partnering, and can equally be applied to relationships with other stakeholders or within the organisation. An additional skill that will become increasingly useful for sustainability is the ability to measure and evaluate the benefits beyond the economic bottom line and value created through partnerships.

4.2.2 Guide to Partnering Effectively for Sustainability

This section provides some practical guidelines for those wishing to partner for sustainability. Partnerships are a way for organisations to learn, develop and transform, but the most practical reason to engage in them is as a means to achieve the respective goals of individual partners that they would have not been able to achieve otherwise (Blagescu 2005, 5).

Several literature sources recommend strategic guidelines or ‘rules of thumb’ for successful partnerships: Austin 2000¹⁶; Rondinelli et. al. 2001; Cavanagh in Schubert 1998. As a way of combining our findings with those already documented, we offer a Guide to Effective Partnering for Sustainability. Figure 4.3 highlights seven key areas for action and evaluation that we believe are critical to successfully partnering for sustainability. We have named these the seven P’s of sustainability partnering: partnerships, people, planet, profit, purpose, process and perspective and this simple representation can act as a quick refresher of the concepts, considerations and actions that underlie successful partnerships.

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¹⁶ For example, Austin identified Seven C’s of strategic collaboration: Connection, Clarity of Purpose, Congruency of values, strategy and mission, Communication, Creation of value, Commitment and Continual Learning.

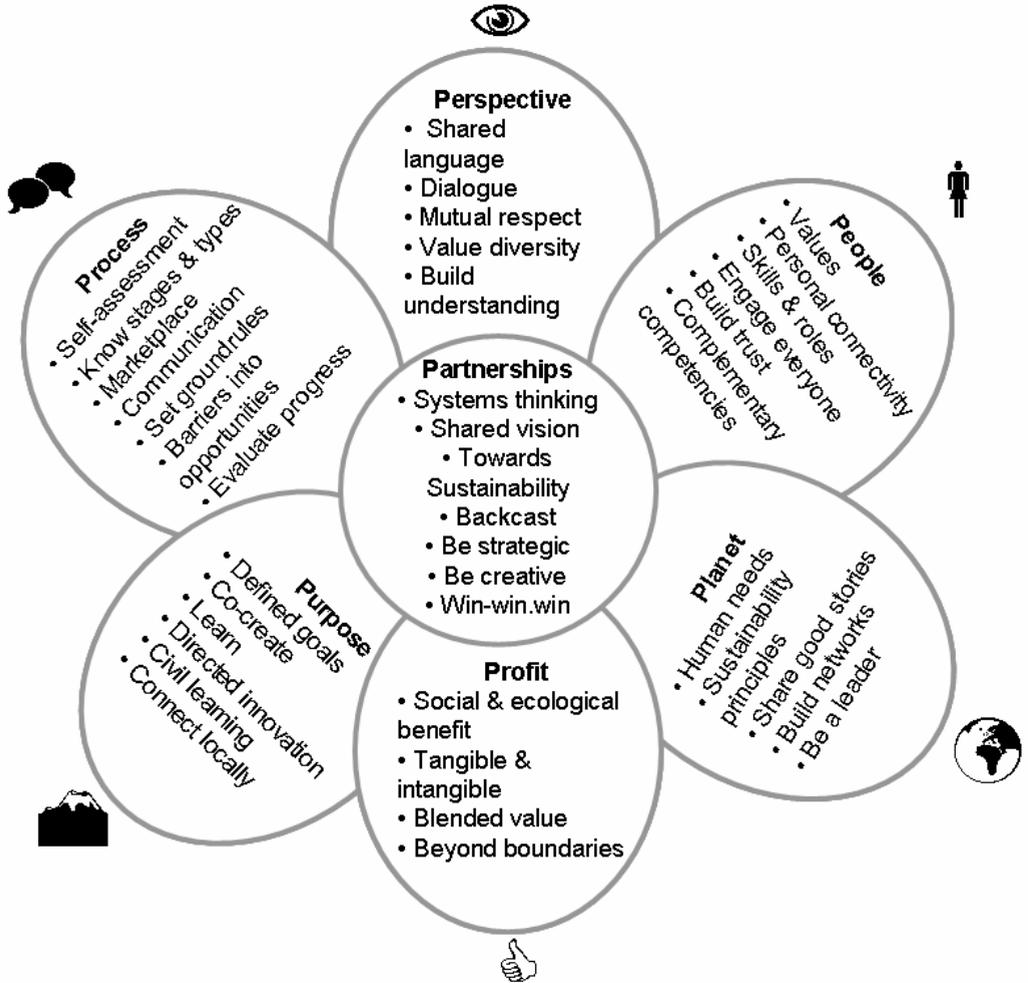


Figure 4.3: The Seven Ps: Practical Considerations in Partnering for Sustainability.

Notes: This figure summarises a number considerations for practical partnering. More information can be found in the *Partnering Toolbook* (Tennyson 2003), the *Brokering Guidebook* (Tennyson 2005), and *The Collaboration Challenge* (Austin 2000).

4.3 Part II: How Partnerships can contribute to Societal Transformation

It is clear from the gap between current reality and the vision of a sustainable society, there must be profound change at the societal, organisational and individual levels to reach sustainability. The profound change must affect behaviours/actions and worldviews/values. Partnerships can be seen as a tool for both aspects of transformation. Partnerships create the space for dialogue while also maximizing effective actions towards sustainability.

In this section we highlight the specific ways in which partnerships contribute to the development of organisations, and to societal transformation. Partnerships can be a means of change in many ways, but here we focus on how they can facilitate individual transformation, competitive advantage, co-creation of the future, synergistic outcomes, the utilisation of the values and functions of different sectors, the creation of new rules, and new models for business.

4.3.1 Transformational change in organisations

To contribute to sustainable development, deep changes must occur within organisations to align organisational purpose and values with sustainability. Figure 4.4 is a depiction of stages of organisational development showing how the evolution in organisations contributes to sustainability. This model builds on the explanation of change presented in the results (Section 3.1.6) and emphasises the transformation occurring in organisations today. Each of the stages is correlated with a shift from different fragmented perspectives to a holistic understanding of the role of the organisation in society (Barrett 2005). The role of individuals and cross-sectoral partnerships is noted as being critical to integrating such holistic perspectives and re-orienting the purpose of organisations to facilitate movement up the developmental ladder.

E.7 Employee volunteering has shifted from a means to enhance reputation and publicity for business, to being driven by a desire to invest in social capital and develop the organisation's people. The outcomes connect employees, businesses and communities.

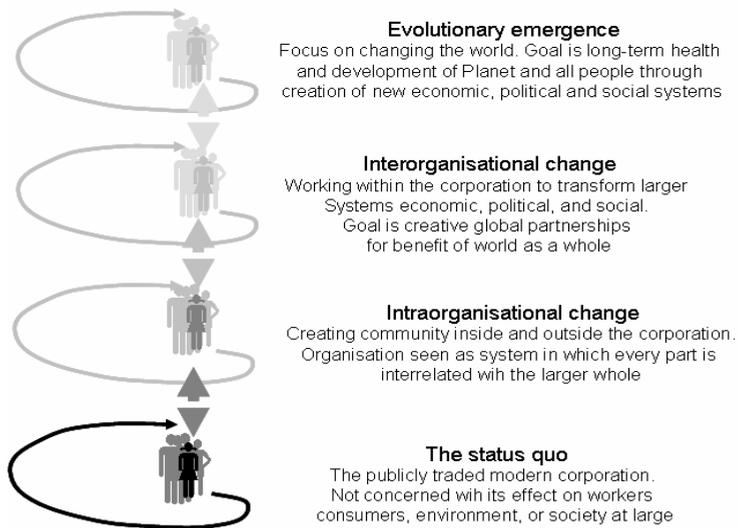


Figure 4.4: Contribution of Organisational Change to Sustainability.

Notes: Adapted from Barrett (2005).

As we have shown, the movement of organisations up the development ladder is occurring at different rates in society, leading to a range of development stages across organisations, in all parts of society. A similar spectrum occurs amongst individuals. These observations lead us to the conclusion that transformational change in society will come from many areas – from internal and external interactions of organisations, from within traditional thinking and new paradigm thinking, from scientific and spiritual perspectives, and from individual and collective actions.

E.5 In 2006, Wal-Mart CEO Lee Scott announced that his company would share all the good sustainability ideas they developed with their competitors, and pursue regulatory and policy change to incentivise renewable energy.

Figure 4.5 depicts the changes occurring within society as individuals and organisations become increasingly aware of the paradigm shift and the resulting need for collective and strategic action to achieve sustainability. Organisations still in the ‘cylinder’ paradigm are likely to view sustainability as a small concern and either continue to act alone (quadrant 1) or see sustainability as discrete ‘issues’ and attempt to respond through

ad-hoc partnering (quadrant 2). Other organisations may be aware of the funnel paradigm but are still trying to act alone and forge ahead as enlightened sustainability leaders (quadrant 3). Ultimately though, more organisations will need to recognise the collaboration imperative of this new paradigm and engage in strategic partnering to create synergistic, innovative and meaningful solutions to big-picture, complex sustainability problems (quadrant 4). This depiction of organisational development highlights the importance of assessing your partner and may go some way to explaining the current problems with partnering (e.g. when partners don't fall into the same quadrant there may be problems)

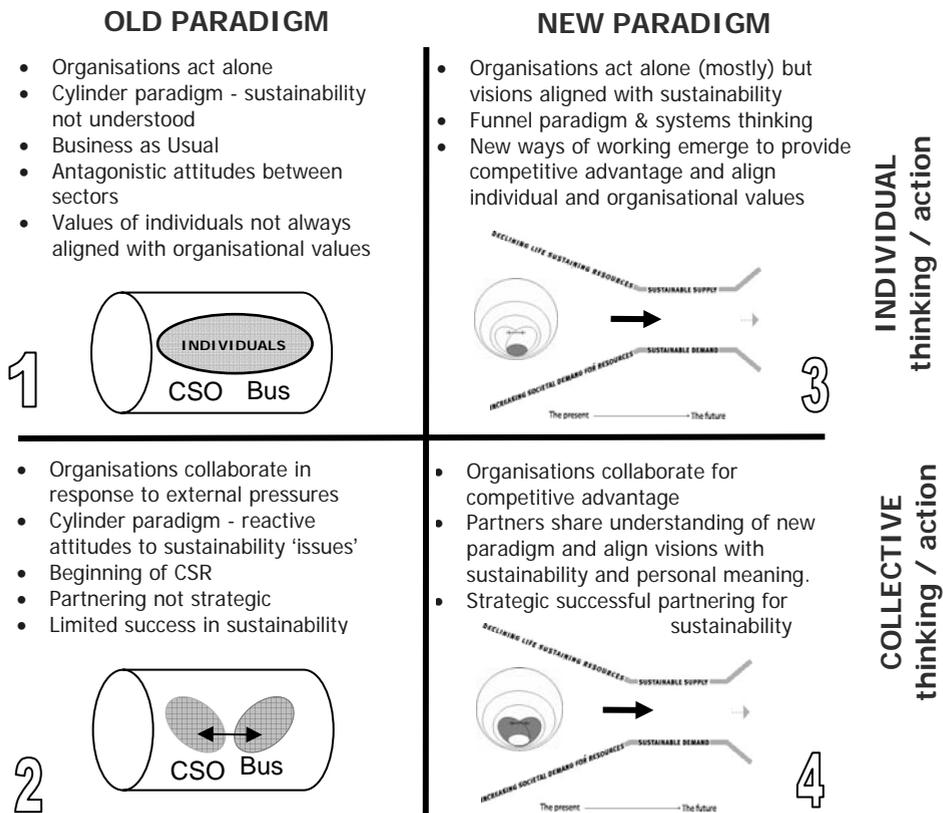


Figure 4.5: Collaboration and the Paradigm Shift

Source: Quadrants Adapted from Wilber 2000.

4.3.2 Individual Transformation

Societal transformation cannot occur without the transformation of the individuals. For instance, businesses “...contain people with ideals who may come face to face with violations, and must ultimately force their companies to act of their own volition rather than be shamed into action by world opinion” (Sir Geoffrey Chandler in Elkington 1998, p331).

For employees in the business sector, partnerships offer opportunities to integrate their ‘personal’ and ‘professional’ values, ideals and interests. The attractiveness of this integration is a driver for partnerships: an organisation can be a magnet for higher quality employees who are interested in working in an environment that allows them to take pride in integrity and show leadership.

As an individual or organisation engages in sustainability and wants to build trust, you have to show integrity and be prepared to ‘walk the talk’ from purchasing policies to transport choices.

Partnerships that directly engage individuals in many parts of organisations (e.g. employee volunteering) can tap into latent enthusiasm and leadership, and can encourage integrity and transparency (e.g. external auditing and certification). Participation in partnerships allows individuals to undertake concrete actions, and also creates the opportunity for dialogue. For example, Porritt (2005 102) describes how individuals in CSOs can be surprised at the depth of commitment to sustainability some business people express in dialogues. This in turn can lead to individuals re-thinking how they work together to change constricting structures and systems.

Furthermore, any employee or volunteer in the partnering organisations is also a citizen who consumes, votes, and likely contributes to society in some voluntary capacity. An understanding that all people play multiple roles points to the risk in taking the ‘sectoral’ definition of organisations’ values and functions too far; and highlights the potential for partnerships to facilitate connections and relationships across areas of interest.

4.3.3 Collaboration for Innovation and Competitive Advantage

As we move from a physical-resource based economy to a focus on knowledge and intangibles, networks will become more important relative to markets and hierarchies. The focus will shift from individual organisations to socio-economic networks and from enterprises to endeavours (Gilbert 2005; Waddell 2005). Participation in these networks of relationships can offer measurable advantages in terms of efficiency, competitiveness, learning and innovation in the emerging dynamic and complex contexts (Jones et al 1997; Hagedoorn and Duysters 1999; Chen and Chen 2002).

In this context, organisations can be reconceived as “nothing more and nothing less than its primary relationships” (Waddock 2006, 6). Therefore, for a sustainable organisation the quality of relationships will be *the* key factor in creating value and maintaining advantage and being effective (Maessen et al 2004; Zadek 2004). The focus on creation of value outside the boundaries of the organisation depends on good relationships and reputations that demonstrate high levels of transparency, accountability and internal coherence (Austin 2006). All these are critical qualities that are developed through cross-sectoral partnerships and dialogue.

Partnerships that span the boundaries of sectors and organisations also encourage a transdisciplinary approach to knowledge creation. As organisations embark on the partnering journey, they are making long-term investments in the expertise of current employees and embedding themselves in relationship-based networks instead of product-based networks (Hawkins 2005, 85).

Some of the potential ReEntry partners referred to related organisations in other parts of the country as ‘compe-colleagues’, reflecting their shared interest in re-using waste, but competition for business.

Accessing outside perspectives through these networks provides organisations with new challenges and insights that encourage innovation. For example, with current practices that decrease natural resources faster than the earth can replenish them, it is no longer sufficient for organisations to be innovating in ways that create novel or more efficient products for increasing consumption. Now the imperative is for innovation to be directed

towards a system that more effectively and efficiently meets the needs of the growing population *within* the carrying capacity of the biosphere (Johansson 2005).

The evidence collected demonstrates that cross-sectoral partnerships are a powerful way for organisations to build this capacity to innovate, and therefore will be more likely to survive in a rapidly evolving system. To explore the evolution of complex systems, Kiuchi and Shireman (2002) looked at the rainforest and other ecosystems as analogies for organisations and society. Their conclusions show that with increasing complexity, survival and continued development of the system is based on interdependence, cooperation, emergence and synergies. So partnerships can be seen to not only offer a means for organisations to do what is best for themselves, but also what is best for the society: exactly the type of alignment required in a sustainable future.

4.3.4 Synergistic Actions

To create the societal transformational change required for sustainability, solutions must synergistically achieve multiple goals. Partnerships with a shared vision can achieve outcomes more effectively than organisations acting alone, and overall help move the whole community towards complying with multiple sustainability principles. Case studies in Appendix E (E.3 and E.5) show how the economic and social benefits for all stakeholders can be clearly measured.

In the results we identified a range of partnerships and observed that the most sophisticated partnerships are working beyond current CSR indicators that separately evaluate economical, social and environmental components. For example, partnerships like those in the ReEntry program are integrating all three into a synergistic solution. Partnerships can also be synergistic across different levels as well as activities, making an impact at the individual, organisational, societal and global level.

The ReEntry partnerships are a good example of synergistic actions. They minimize waste to landfill, help disadvantaged people with training or employment, support local green enterprises, improve Interface's reputation, and connect an international company to local areas.

Identification of synergies requires a rethinking of organisational boundaries and removal of internal barriers to innovation, which can be the most difficult part of partnering (Hawkins 2005, 165). It can also be the most rewarding if it occurs at the initial phases of partnering, and internal conflicts within organisations are dealt with to facilitate a shared understanding of the vision and better outcomes.

4.3.5 Complementary Functions and Values

Cross-sector collaboration can improve the effectiveness with which organisations use their knowledge and skills, by complementing them with those from other organisations. If done well, they can utilise the key expertise and resources of each organisation, manage potential risks, “identify opportunities for cost and time efficiencies,” and support and develop new markets or services (Hawkins 2005, 212). The act of utilising each other’s functions to successfully engage stakeholders and employees can be a strategic internal action, and create a competitive advantage in the market.

As described in Section 3.1.2, each sector has distinct logic, functions and values, and Waddell (2005, 155) explains how the dominance of any one sector results in flawed governance systems. We think that the distinction between sectors will remain important in a sustainable future, but that new ways of integrating the functions will continue to emerge. For example, greater social benefits may be seen by alliances and networks; businesses will be able to emphasise the value they bring to society through organized and professional help rather than monetary means or material items. These ideas also facilitate the transition into a cyclical economy based on knowledge and services.

Figure 4.6 shows how, although sectors may still exist, the focus might be on what human needs are satisfied, and the integration of the different types of value created by each sector (see Section 3.1.2 for a description of the nine fundamental human needs developed by Max-Neef). For example, if our understanding of ‘profit’ no longer refers to private financial gain and instead refers to total socio-ecological benefit it is conceivable that all sectors will be ‘for-profit’.

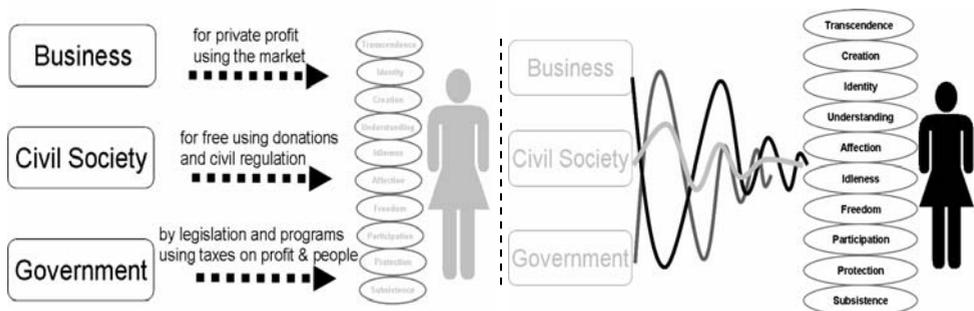


Figure 4.6: The Focus Shifts from Sectors and Means to Ultimate Ends.

Notes: The left-hand diagram shows strongly defined roles for different sectors based on the structures and means they use to deliver products and services to meet people's fundamental human needs. The figure on the right shows blended value created to meet needs, where the need met is more important than which sector is delivering it. The fundamental human needs are defined by Max-Neef with the addition of the 'transcendence' need by the authors.

Partnerships are also paving the way for creation of blended value in single organisations, as depicted in Figure 4.7. Partnerships often directly give rise to new social enterprises, and are also being used to accelerate the development of the field of social entrepreneurship. These collaborations aim to create social value, and but on a scale that makes a real impact. Such endeavours are envisioned as: 'glocal' in scale; co-operative or collective in structure; and centred around endeavours rather than enterprises. The latter occurs because the most important characteristics are related to flexibility and *effectiveness* in meeting people's needs rather than optimisation of industrial-scale *efficiency* (Gilbert 2005; Johansson 2005).

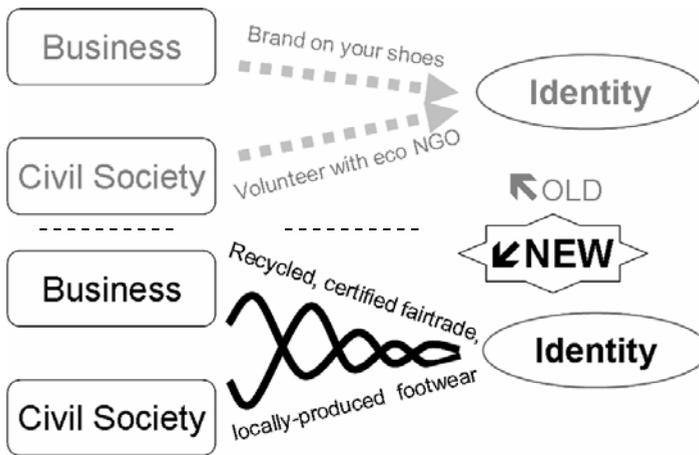


Figure 4.7: *New Ways to Meet Needs and Create Blended Value.*

Partnerships can also go right to the heart of models of production and consumption. Rather than a business dealing with civil society objections once services or products are in the market, there is potential to invite stakeholders into the identification of the need and design stages. Integrating sustainability and partnerships into the re-design of commerce is a long way from having a separate department to deal with sustainability issues (e.g. CSR), and is undoubtedly the direction in which the changes need to go.

4.3.6 Creating New Rules and Governance

A fundamental question when investigating cross-sectoral partnerships is assessing the relative merits of voluntary and regulatory approaches as a means of achieving sustainability. The facts based on environmental outcomes of changing business practices show the need for a regulatory approach. Examining the underlying logic (e.g. market will reward the ‘good’), drivers (e.g. civil regulation) and mechanisms (e.g. competitive edge) also suggests regulation is necessary (e.g. in Doane 2002; Zadek 2004, 57; Bendell 2005; Westgaard 2005). Given the urgency of the sustainability challenges we face, voluntary measures may have had their chance. As one interviewee put it: “the time for pissing about is over” (Hodgson 2006).

If regulation is required, there are ways partnerships can actually prevent it taking the form of legislation: for example, building relationships while actually performing poorly; reducing pressure for legislation by being seen to be self-regulating; and legitimising the current approach to globalisation, undermining effectiveness of challenges to this development model (Zadek 2004, 93). From a backcasting perspective, there are few other mechanisms that have as much potential to create new rules and organisations for global governance, other than through the voluntary beginnings in these partnerships and alliances.

‘Private’ and ‘defacto’ rules and standards developed through cross-sectoral alliances are increasingly common, especially beyond national boundaries (e.g. GRI, see Appendix E, E.16, Fairtrade, Equator Principles) (Arts 2002; Khoday in Stott 2003; Jorgensen and Knudsen 2006, 6; SustainAbility 2006). Businesses and CSOs are not only collaborating to create rules with a high level of legitimacy, but also to enforce them. Enforcement and encouragement can often include measures such as capacity building and technical assistance and shows interesting possibilities for transfer of knowledge across scales and boundaries e.g. between SMEs in the ‘south’ and CSOs in the ‘north’.

While setting and enforcing new rules is critical for sustainability, another perspective stresses the power of innovation and creativity created through voluntary arrangements: something less likely to occur with regulation (Blamey 2006). Waddell (2004) also paints a picture of a "new type of global collaborative organisation where groups of civil society organisations band together with corporate (and sometimes government) stakeholders in an issue of common concern to develop effective responses”.

These perspectives all point to a need for both regulation and innovation to address the challenges we face. If partnerships are successful at the practical level, and successful at going beyond transforming organisations or industries, they have the potential to influence the economic and political systems, and the worldviews that give rise to them (Dixon 2006, Porritt 2005). Given this, what will likely arise, and what partnerships will accelerate, are new systems and governance structures that more effectively integrate the sectoral strengths.

4.3.7 Co-Creating the Future

Whether through conscious and strategic actions, or by simply reacting to circumstances, every individual, organisation and sector within society is co-creating the future. For us to collectively take strategic steps from the current reality towards a sustainable society, a shared understanding of sustainability is required.

This development of a shared understanding to guide collective actions requires dialogue. Partnerships provide the means and personal connectivity for dialogue between different individuals, organisations and sectors. To not understand other organisations' aspirations reduces the probability of both organisations' visions being aligned. This in turn reduces the probability of that vision being realised; and increases the probability that any changes in the 'system' (context) will be unexpected and perceived negatively.

Through cross-sectoral dialogue these risks and uncertainties can be turned into opportunities. An organisation can effectively gain 'foresight' by understanding the issues facing other sectors and the future those sectors are striving to create. Organisations collaborating with those from other sectors can then position themselves to anticipate and even influence the issues and aspirations of society as a whole rather than just reacting. Figure 4.8 is a visualisation of this process of dialogue and co-creation.

By understanding that sustainability is *fundamentally* a characteristic of a system, not of an individual component, one can appreciate the importance of this process. An individual organisation can only really contribute to sustainability as one part of the set of nested systems that comprise society and the biosphere. It is an appreciation of the whole - society within the biosphere - which really give meaning to the term sustainability.

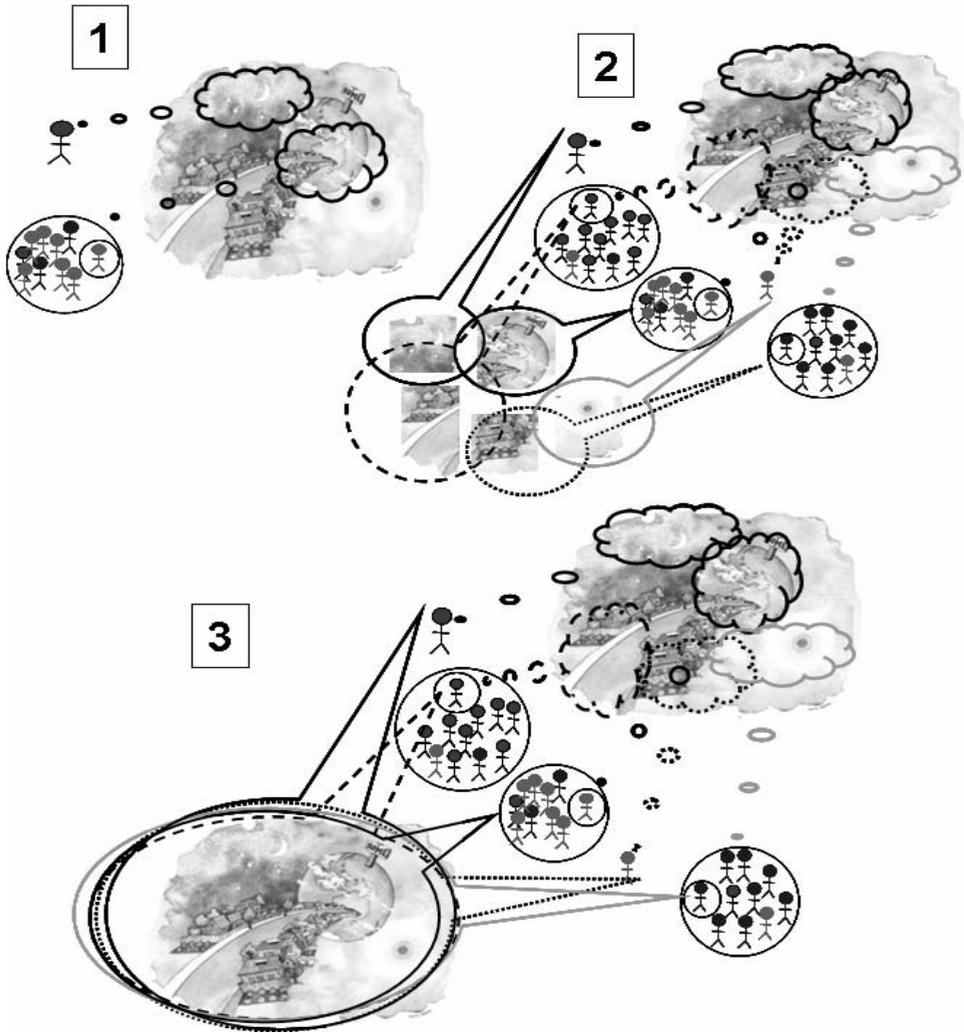


Figure 4.8: From Imagination to Dialogue and Co-creation.

Notes: The figure depicts a shift from (1) a situation where individuals and organisations imagine the future in isolation from each other (2) to a situation where all parts of society collectively discuss the future (3) eventually leading to agreement on a shared vision that can be co-created.

5 Conclusions

The combined influence of social and ecological upheaval, new technologies, economic globalisation, and increasing complexity affects the way in which different sectors in society interact. One way of acting effectively in this changing environment is through cross-sectoral partnerships. This thesis sought to explore partnerships between businesses and civil society organisations, and the ways in which they can contribute to transformational change towards a sustainable society.

Partnerships were shown to have the potential to facilitate effective actions toward sustainability, and to drive the evolutionary development of organisations and individuals. There are barriers to partnering such as organisational culture, resources, stakeholders, values and strategy. However, these factors do not dictate why partnerships may not contribute positively to societal change. Instead, the discrepancies within partnerships can be attributed to two main reasons: 1) the lack of the skills and understanding of how to partner successfully, and 2) not having a clear vision of success to determine strategic steps for organisations (and how partnerships may fall within such a strategy).

In relation to the first point, analysis of the evidence revealed several recurring characteristics of successful partnerships. Through practical experience of the action research project and the literature, we explored and developed guidelines that can help an organisation develop successful partnerships. Organisations wishing to partner can do so through consideration of questions relating to: partnerships, people, profit, perspectives, process, purpose and planet (the seven Ps). Further elaboration of these aspects was made in the results and discussion sections.

The second point addresses the observation that many organisations currently partnering are not taking a strategic approach based on a shared understanding of basic requirements for sustainability. Our research demonstrates that it is essential for individuals and organisations to co-create a sustainable future together and recognize the impacts of their current actions and decisions. The tools and methodologies developed by The Natural Step are presented as a framework that partnering

organisations can use to maximise both their own and society's benefits as they develop strategies for sustainability.

An effective and strategic approach to partnering can contribute to societal transformation and creation of a sustainable future through:

- creating reasons and opportunities organisations to evolve;
- providing opportunities for individuals to develop;
- implementation of synergistic actions;
- utilising different organisation's (and sectors) strengths;
- encouraging new ways for organisations to co-create social, ecological and economic value; and
- creating new governance structures and policies.

For individual businesses and CSOs, this thesis provides guidance to understand how to assess and initiate cross-sector partnerships as a means to achieving their strategic goals, and exploiting the latent potential of mutually beneficial relationships. In addition, this knowledge can encourage sustainability practitioners to pursue partnerships at the local, national and international level as a means for accelerating the shift in paradigms and actions required to bring forth a sustainable future.

For researchers, there are many intriguing questions further investigation:

- How can partnerships and social entrepreneurship both create and measure 'blended' sustainable value?
- How can organisations of all types in all sectors explicitly focus on meeting human needs in a sustainable manner?
- How can civil governance structures emerge from multi-sectoral collaborations and how can they be used to re-orient the current system towards a more sustainable model?
- What organisational scales, structures and systems are most appropriate to develop a new combination of sectoral functions and values and enhance a 'network society'?
- What specific issues are relevant to cross-sectoral partnerships for sustainability between business and government, and government and CSOs (beyond the scope of this study)?

Epilogue

The Business and Civil Society tribes appear to be learning how to collaborate and have set off on a journey together. But after making some progress they begin to realise that even their combined resources are not enough to reach their shared goals. They must also collaborate with the Government tribe and this brings new challenges with it, though the skills and resources they have shared with each other will surely help.

Through understanding the 'rules of engagement' the three tribes can appreciate each other's perspectives and draw on their complementary skills. Seeing the 'bigger picture' gives them all a better understanding of the need to work together for the benefit of the individuals, tribes, society and the island ecosystems.

Using a compass, the tribes can determine an appropriate direction to head towards Mount Sustainability. However, they are still far from the goal and are battling the momentum of their own destructive habits from the past. Now though, instead of focusing on the individual problems, they can have intelligent dialogues about co-creating the future and developing strategies to realise their shared visions.

As they continue their adventures, they will surely face many more challenges together. Perhaps they will even realise it is not the destination, but the journey they take together that is important.

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Appendices

Appendix A: The Natural Step Framework.....	A-1
Appendix B: ReEntry Action Research Project.....	B-1
Appendix C: Expert Interviews.....	C-1
C.1 People Interviewed	C-1
C.2 Sample Questions	C-2
C.3 Summary of Responses and Quotes.....	C-4
Appendix D: Additional Information and Findings on Partnerships D-1	D-1
D.1 Issues Addressed by Partnerships	D-1
D.2 Types of Partnerships.....	D-2
Appendix E: Case Studies	E-1
E.1 CSO helps create market and commercial advantage.....	E-1
E.2 Strategic philanthropy for social entrepreneurship	E-1
E.3 Mining companies improve profits and community wins	E-2
E.4 NGO certification to aid small suppliers	E-3
E.5 CSO enabling rapid transformation of global leader	E-4
E.6 Partnerships for Social Entrepreneurship	E-4
E.7 Employee volunteering on the rise	E-5
E.8 Social Marketing for safety and profit	E-6
E.9 Collaboration to encourage entrepreneurs	E-6
E.10 Innovative ways to exchange value	E-7
E.11 Involving stakeholders to maintain credibility	E-7
E.12 Strategic philanthropy for a better world	E-8
E.13 Evolution through CSO engagement	E-8
E.14 Unlikely partnerships and new markets.....	E-9
E.15 Independent certification and new rules	E-9
E.16 Collaboration for global governance	E-10
Appendix F: Work Process and Tools	F-1
F.1 Statement of Partnership	F-1
F.2 Process Tools.....	F-2

Appendix A: The Natural Step Framework

The Natural Step Framework relies on the concept of 'backcasting from basic principles for socio-ecological sustainability', which includes 4 'system conditions' for socio-ecological sustainability that define 'success' in the system (individuals, organisations and society within the biosphere). The system conditions can be operationalised into sustainability principles to assist create an organisational vision.

The Four System Conditions:

In the sustainable society, nature is not subject to systematically increasing ...

1. ... concentrations of substances extracted from the Earth's crust;
2. ... concentrations of substances produced by society;
3. ... degradation by physical means;

and, in that society...

4. ... people are not subject to conditions that systematically undermine their capacity to meet their needs.

An Organisation's Sustainability Principles:

Our ultimate objectives are to eliminate our contribution to...

1. ... systematic increases in concentrations of substances from the Earth's crust.
2. ... systematic increases in concentrations of substances produced by society.
3. ... systematic physical degradation of nature.
4. ... conditions that systematically undermine people's capacity to meet their needs.

Guidance on how an organisation can put each of the ultimate objectives into practice:

1. This means substituting certain minerals that are scarce in nature with others that are more abundant, using all mined materials efficiently, and systematically reducing dependence on fossil fuels.
2. This means systematically substituting certain persistent and unnatural compounds with ones that are normally abundant or break down more easily in nature, and using all substances produced by society efficiently.
3. This means drawing resources only from well-managed eco-systems, systematically pursuing the most productive and efficient use both of those resources and land, and exercising caution in all kinds of modification of nature e.g. over-harvesting and introductions.
4. This means checking whether our behaviour has consequences for people, now or in the future, which restrict their opportunities to lead a fulfilling life, by asking whether we would like to be subjected to the conditions we create.

Appendix B: ReEntry Action Research Project



Interface Europe ReEntry Program ReEntry Scandinavia Project Report

June 2006

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Table of Contents

1	Introduction	3
1.1	Overview.....	3
1.2	Background.....	3
2	Project Scope.....	6
3	Work Undertaken and Results	7
3.1	Overview of Work Undertaken.....	7
3.2	Outcomes from Partnership Meetings.....	8
4	Recommendations and Conclusions.....	10
4.1	Challenges for ReEntry Partnerships	10
4.2	Lessons Learnt from the Partnering Process	11
4.3	Communicating the Sustainability Message	13
4.4	Recognising the Partnering Cycle.....	14
4.5	Societal Impacts of ReEntry	18
5	Acknowledgements.....	19
6	References	19

Tables

Table 1.1	Partnership Objectives for Interface and ReEntry Partners.....	B-5
Table 2.1	Project Details.....	B-6
Table 3.1	Assessment of a Potential ReEntry Partner.....	B-8
Table 4.1	Challenges Related to ReEntry Partnerships.....	B-10
Table 4.2	The Partnering Cycle and Implications for the ReEntry Program.....	B-15

Figures

Figure 1.1	ReEntry Model Europe.....	B-5
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1 Introduction

1.1 Overview

This report summarises work undertaken by Partnerships4SSD¹ in collaboration with Interface Europe and TNS France². The report documents the learning outcomes from an investigation of ways to expand Interface's ReEntry carpet reclamation program to Scandinavia, including an extensive search for potential ReEntry partners for Interface.

The report serves a dual purpose of documenting the action research undertaken for a thesis on partnerships for sustainability between businesses and civil society organisations (CSOs) and providing a final project update to Interface Europe and TNS France. Recommendations for the ReEntry program are drawn from direct experience and theoretical research into partnerships for sustainability.

1.2 Background

To set the context for some of the findings and recommendations in this report, a brief background on Interface and the ReEntry program is provided below (cited in Anderson 1999, through our direct experiences with Interface and as otherwise indicated):

- Interface is the world's largest manufacturer of modular carpet tiles and is widely referred to as a leader in creating new models for sustainable business (Hawken et al. 1999, Hargroves and Smith 2005).
- Interface's vision is to be the first company that, "by its deeds, shows the entire industrial world what sustainability is in all its dimensions:

¹ Partnerships4SSD is a collaborative venture formed during master's level research on strategic leadership and partnerships for strategic sustainable development (SSD) at Blekinge Institute of Technology, Karlskrona, Sweden.

² TNS France was hired by Interface Europe as a consultant to coordinate the roll-out of the ReEntry program to different countries in Europe.

people, process, product, place, and profits – by 2020 – and in doing so become restorative by the power of our influence” (Interface 2005).

- Interface uses The Natural Step Framework, including ‘backcasting from sustainability principles’, to set a vision and develop its strategic goals³;
- The ReEntry program is part of Interface’s strategic plan to move towards Mount Sustainability. It addresses two of the faces in Interface’s strategic plan – Front 4: Closing the resource loop; and Front 6: Sensitivity hook-up (connecting with people and place).
- The ReEntry program involves waste management partnerships with local community-based social enterprises to identify re-use opportunities for used carpet tiles (avoiding waste going to landfill) and provide social services (such as employment or skills training for disabled/unemployed people).
- It is a voluntary initiative by Interface, who has seen trends in legislation and the increasing prices for waste going to landfill, and used this as an opportunity to create a niche for entrepreneurial, community-based organisations with a social mission.
- The ReEntry program is a transitional business strategy to assist Interface in the shift from a linear industrial model to a cyclical model and achieve its 2020 vision. Interface is using the ReEntry program to address current waste management issues in the best way possible, while moving towards a model where all carpets are 100% recycled. The interim ReEntry model is shown in Figure 1.1.
- Partnerships within the ReEntry program recognise the importance of mutual benefit when both parties’ objectives are realised (see Table 1.1)

³ Interface uses the analogy of climbing to the summit of ‘Mount Sustainability’ to describe its journey to becoming a sustainable enterprise. The seven faces (components of its strategy) of the mountain are 1). Zero Waste through QUEST; 2). Benign Emissions; 3). Renewable Energy; 4). Closing the resource Loop; 5). Resource efficient transportation; 6). Sensitivity Hookup; and 7). Redesign of Commerce.

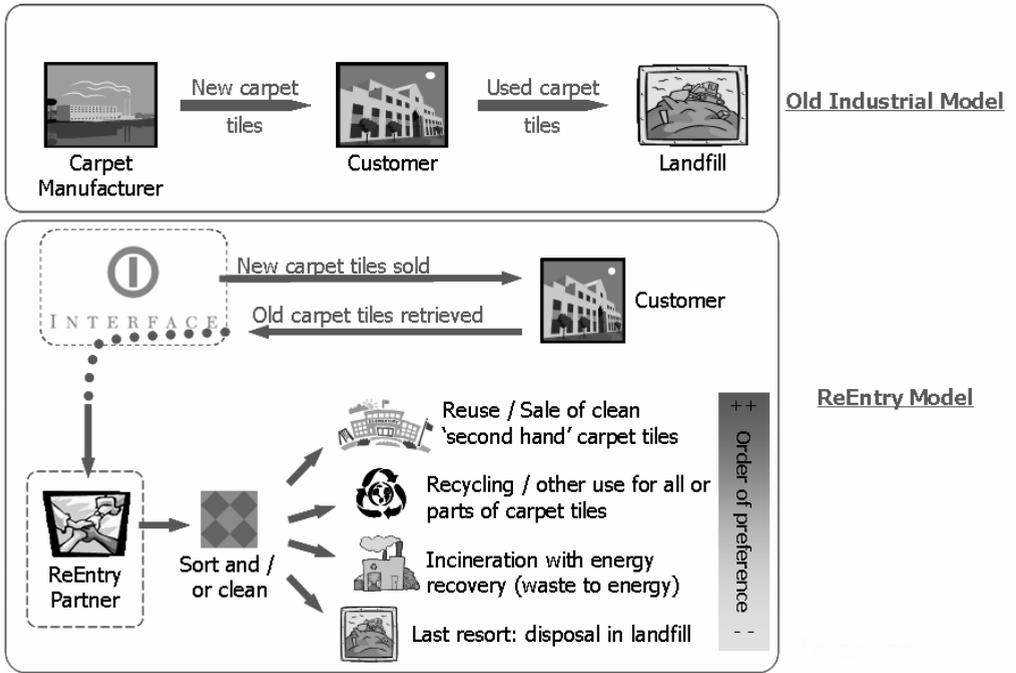


Figure 1.1 ReEntry Model Europe.

Table 1.1 Partnership Objectives for Interface and ReEntry Partners

Organisation	Objective
Interface:	<ul style="list-style-type: none"> • To close the resource loop • To connect with people and place • To create a social story that Interface can convey to its clients and stakeholders
Partner:	<ul style="list-style-type: none"> • To fulfil a social mission • Enhance current operations with a new business opportunity

2 Project Scope

The main details of the project and work stages are described in Table 2.1:

Table 2.1 Project Details

Aspect	Details
Who:	Partnerships4SSD (thesis researchers), working as partnership brokers in collaboration with TNS France, on behalf of Interface Europe.
What:	Identify potential partners for ReEntry Scandinavia; gain experience in the partnering process; learn about a leading sustainability partnership.
When:	February – June 2006 (within academic research period).
Where:	Scandinavia with 3 priority areas – 1. High – Copenhagen. 2. Med - Norway (Oslo, Stavanger) and rest of Denmark (e.g. Aarhus). 3. Low – Gothenburg and Malmö.
Why:	Dual objectives: 1) help Interface expand ReEntry program 2) Learn by doing – practical work to inform / test academic findings.
How:	Phone calls, internet searches, interviews with Interface and TNS France contacts, meetings with Interface sales staff, site visits, meetings with potential partners.
Stage	Activities
1. Planning and Research	<ul style="list-style-type: none"> • Understanding of ReEntry, Scandinavian sales & market profile. • Familiarisation with ReEntry setup elsewhere in Europe • Planning, agreeing scope and research methodology.
2. Research possible partners	<ul style="list-style-type: none"> • Internet and preliminary phone calls to develop a draft list of contacts or leads and places to start looking for partners.
3. Short listing.	<ul style="list-style-type: none"> • Contact, establish dialogue and asses 2-3 short listed partners.
4. Visiting / meeting partners	<ul style="list-style-type: none"> • Meet with possible partners to discuss details / logistics and conduct interviews in relation to specific aspects of sustainability. • Time permitting, Partnerships4SSD to facilitate a meeting with TNS France, Interface Europe and possible partners.
5. Handover	<ul style="list-style-type: none"> • Handover of information, report and finalisation.

3 Work Undertaken and Results

This section documents the work undertaken and the status of the search for ReEntry partners in Scandinavia.

3.1 Overview of Work Undertaken

The work undertaken included:

- Developing a ‘sales pitch’ and supporting documents to engage potential partners via phone and email (including a presentation to partners in English);
- Contacting 61 organisations in three countries in the partner search;
- Identifying potential partners through:
 - Municipal, national and European agencies and networks;
 - Second hand furniture and charity stores;
 - Social and environmental programmes;
 - Personal contacts;
 - Web searches; and
 - Design schools, building and architecture organisations.
- Short-listing six ‘warm leads’ in Denmark, six in Norway, and one in Sweden for further research, contact and / or elimination; and
- Visiting one partner in Denmark and a scoping to visit potential partners in Oslo. The outcomes from the visits are discussed in section 3.1.2.

A number of supporting documents summarise the work undertaken including 1) a final overview presentation of the project; 2) a presentation for potential partners explaining the ReEntry program, and 3) the final status of each warm and hot leads at the conclusion of the research period [NOTE: Attachments made available to Interface only].

3.2 Outcomes from Partnership Meetings

Denmark

In late May 2006, a preliminary meeting was held in Denmark with a potential partner (Organisation X)⁴ identified through the partner search. Although there were potential drawbacks there were also a number of things made this potential partner interesting enough to pursue. These criteria are shown in Table 3.1.

Table 3.1 Assessment of a Potential ReEntry Partner

Aspect	Details
Positive Indications	Open to learning; excited by the possibility of a new market.
	Customer focus; “We play together with our customers to achieve mutual goals” (Heinzl, 2006).
	Vision in line with sustainability: to be the leader in Denmark of waste management by improving the life cycle of waste products.
	Warehouse storage and reprocessing equipment – potentially an intermediary between Interface and local scale social organisations.
	Already collaborates with its competitors – ‘compe-colleagues’ – which suggests it is open to transformation and the benefits of partnering.
	Organisation X hosts a social reinsertion programme (Vivo project) run by the local municipality. People requiring special help are employed to sort of recyclable household garbage and clothes.
Did not have a fixed idea of what to do but was willing to explore and be creative.	
Potential Drawbacks	A for-profit business.
	Social story may be difficult to generate.

Following the meeting, both Interface and Organisation X seemed very interested in pursuing a partnership together as shown below:

⁴ The name of potential partners has been withheld from this publication.

From Organisation X perspective:

“It was a great meeting and I hope that together we can find a partnership solution, beneficial for all”.

From Interface perspective:

“...we agree that it seems like a very good idea to keep on exploring the possibility of partnering together on ReEntry in Denmark/Scandinavia.”

Unfortunately, Organisation X subsequently decided not to continue with the partnership given that the company was heading towards some major organisational changes. However, the possibility still exists that there may be an interest in the ReEntry program, and communication will continue between Interface and Organisation X.

Norway

A scoping visit to Oslo was undertaken in early June 2006. Only one of the potential partners could be contacted and was available to discuss the ReEntry program. A short meeting was held with the Managing Director of this organisation to discuss the possibility of carpet tiles being used as a raw material for its environmentally friendly insulation products. While this remains a possibility, the organisation is currently testing a proven material mix and is aiming to finalise this before investigating a ReEntry partnership. Samples were provided and it is recommended that contact be re-established in 3-6 months time to gauge preparedness and ongoing interest.

4 Recommendations and Conclusions

The recommendations in this report relate to both the specific findings of the partnership search and broader findings from research into partnerships for sustainability that may be useful to consider in the evolution of the ReEntry program.

4.1 Challenges for ReEntry Partnerships

The challenges for the ReEntry program, both in relation to the program in general and the partner search we conducted are presented in Table 4.1. The information within the table was deduced from unstructured interviews and conversations with Interface Europe and TNS France, and direct experience and observation. The explanations and comments show the range of practical issues that may need to be considered in the ReEntry partnerships as well as other partnerships for sustainability.

Some themes emerging from the ReEntry experience relate to the time and resources required for partnering such as commitment, connectivity and communication (internal and external to Interface). Context specific issues included the difficulty of finding or creating new markets for the re-used or recycled carpet, local culture and entrepreneurial interest, and understanding the local organisation’s priorities, visions, strategies and capacity. Above all, the major challenge in the establishment of ReEntry Scandinavia was the language barrier which made it extremely time consuming and difficult to communicate effectively.

Table 4.1 Challenges Related to ReEntry Partnerships

<i>Viewpoint</i>	<i>Observations</i>	<i>Explanation / Comment</i>
Interface Europe	Difficult to manage local programs centrally.	May influence management style.
	Approach is different in each country.	Local circumstances must be understood.
	Costs and logistics are a major factor that determines viability.	A return on investment is required, but it is not always financial.
	Market challenges – no second hand market.	Difficult to solve yesterday’s problems (waste). New solutions required.
	Partnering is time consuming.	Be aware of this and consider the rewards of

		perseverance.
	Difficult to develop buy-in for Interface employees and sales people.	This creates confusion in understanding, commitment and resources available for the ReEntry program in each country.
Partnership Brokers (authors)	It took a long time to familiarise with ReEntry.	It is important to understand how ReEntry fits into Interface's overall sustainability strategy (Section 1.2.2).
	We were uncertain of ReEntry program aims and objectives.	Brokers need to be clear about the aims and rationale for partnerships.
	We were two steps removed from Interface (contact via TNS France).	Be aware that personal connectivity is important to build trust, transparency and accountability.
	Difficult to create a compelling vision that potential partners could buy into.	Emphasises the importance of finding partners interested in sustainability and working towards that vision themselves.
	Language barriers and difficulty finding the right people to talk to.	Connecting with people in their own language is likely to be more fruitful.
	Many organisations did not appear open to new creative possibilities.	It takes time to develop new markets and have people think 'outside the box'.
	Within Interface, understanding, commitment and resources varied between departments.	All organisations are faced with resource challenges.
Potential Partners	No direct contact with Interface, so potential perception that Interface is not committed.	Personal connectivity is required to build trust, which must be a consideration.
	Have to think 'outside the box'.	It is important to agree on ultimate objectives to provide only the basic framework without constraining creative outcomes.
	Not expecting to have a 'dialogue' when phone rings.	Communications skills are required.

Sources: Blamey 2006, Richard 2006, authors' experience.

4.2 Lessons Learnt from the Partnering Process

Given the challenges we faced finding ReEntry partners and reflecting on what we could have done differently, we believe there are a few key areas to focus on to improve the ReEntry partnering process:

- Clear understanding of the scope at the beginning of the project:** This relates to knowing how many partners and what countries will be targeted throughout the process. With the time constraints and language barriers we faced, we perhaps 'spread ourselves too thin' and it may have been better to focus on one or two countries and not three. It would

also have been good to firmly define the timeline (or allocate hours) for the searches in each country rather than prolonging our search when we were unable to identify partners in the time available.

- **Understand the local context:** This is a critical factor in determining how the ReEntry program could operate in each country. For example, we perceived that in Scandinavia, although people are environmentally conscious, they are also design-conscious and therefore perhaps less willing to purchase second hand carpet, thereby making a resale market difficult to find. Furthermore, we discovered that Swedes have an aversion to carpet in general, and in all three Scandinavian countries, waste disposal and social insertion programs already exist and are quite often handled by municipal authorities who may be prevented from bilateral partnering with businesses directly. A further observation is that the Scandinavian countries are known for their community dialogues to solve societal issues, and these could be exploited to come up with new solutions to Interface's approach.
- **Determine what industries/organisations to focus on from the beginning:** This helps with targeting different types of organisations and creating a new market for this program. A number of avenues that could be further explored such as design schools. While this may not be a strategy for disposal of large volumes, this could promote awareness and PR opportunities for Interface and will help address Interface's wider sustainability goals by raising awareness about redesigning industrial processes.
- **Consider the management approach to ReEntry partnerships and how this affects the choice of partners:** Interface highlighted the difficulty of a multinational corporation connecting locally and centrally managing multiple partners, and it may be possible for Interface to find alternative approaches to deal with these issues. For example, as with Organisation X, Interface may be able to partner with 'for profit' national businesses who are in a better position to connect locally (and who can still provide a social story for Interface) than a multinational organisation (i.e. Interface) attempting to do this directly.
- **Have a list of basic questions to assess potential partners:** The search for partners can be time-consuming. A simple checklist to rate their

apparent enthusiasm, social story etc. after the first contact may mean the search can be narrowed or abandoned more quickly. However, given the context (new, innovative, partnership) it is hard to know what may come from organisations or contacts that initially seem unsuitable.

- **Have promotional material and information about the ReEntry program in different languages ready to send to partners before calling:** This is critical for relaying the sustainability message, creating a clear vision for potential partnerships, and getting organisations excited about this new business or social opportunity. Interface's marketing department could contribute to the preparation of such documentation to ensure a consistent message is transmitted.
- **Spend the time to reflect during the partner search:** Using a mind mapping program or keeping a clear diagram of the flow of connections between organisations, the conversations with those organisations, and interested contacts, enables the researchers to reflect on their strategies. For our search, we could have used our diagrams more to help us see the connections between countries or different organisations.

4.3 Communicating the Sustainability Message

Through our thesis research we have come to the understanding that in order to have successful partnerships for sustainability (like the ReEntry partnerships) it is essential to 1) communicate the sustainability message, 2) understand how partnerships contribute to sustainability, 3) have partnerships as part of a larger strategy to move towards sustainability and 4) be knowledgeable of characteristics and processes of partnering.

The ReEntry partnerships are far ahead of many other types of partnerships the business community is engaging in (particularly under the banner of Corporate Social Responsibility) since Interface is already a leader in addressing sustainability and the ReEntry partnerships are part of a wider strategy (and address at least two aspects of that strategy).

With this in mind, and from direct experience, we believe it is essential to engage partners on the big picture sustainability visions by building on shared values, being creative and being courageous. These factors we highlighted in many reliable literature sources (e.g. Tennyson, 2003).

While Interface may be aware of these factors it is crucial that those involved in brokering the partnerships are aware of this so that potential partners are engaged in conversations about these topics, and the right partners are identified. For instance, since ReEntry is part of Interface's overall strategy to be a sustainable enterprise by 2020, it is important that Interface and its partnership brokers have this objective in mind when looking for partners. A potential partner who may not fit the 'ideal' requirements for ReEntry may have a novel 'out of the box' solution. For example, organisations such as Organisation X, who may not fit the conventional ReEntry partner mould, may come up with their own solutions leading to a rethink of how ReEntry works. Therefore, it is important to communicate the sustainability objective and not focus solely on whether a potential partner has the logistical capacity for the ReEntry program. We believe this 'bigger picture' approach will make the ReEntry partnerships stronger and help fulfill Interface's long term goals.

4.4 Recognising the Partnering Cycle

From our research it was noted that many partnerships fail due to a lack of attention to the partnering process. The Partnering Initiative⁵ has documented the lifecycle of partnerships and identified 11 stages fitting within four main phases of partnerships. The four main phases are 1) scoping and building; 2) managing and maintaining; 3) reviewing and revising; and 4) sustaining outcomes (Tennyson 2003). We feel that identifying where the ReEntry activities fit within these categories will allow for more systematic consideration of all issues critical to the success of a ReEntry partnership. Table 4.2 outlines 11 stages of the partnering process, and highlights some considerations for the ReEntry program.

The Partnering Initiative has produced a suite of guides to partnering (e.g. The Partnering Toolbook and The Brokering Guidebook), which we recommend to those involved in planning, brokering and implementing partnerships.

⁵ <http://www.thepartneringinitiative.org/index.php>

Table 4.2 The Partnering Cycle and Implications for the ReEntry Program

Stage	Description	Implications for ReEntry
SCOPING & BUILDING		
1. Scoping	Understanding the challenge; gathering information; consulting with stakeholders and with potential external resource providers; building a vision of / for the partnership	<ul style="list-style-type: none"> - Consider taking a Preliminary Risk Assessment - Consider language, market issues and cultural differences (e.g. the drivers for sustainable practices in small and medium size enterprises or NGOs, are different to the drivers and motivation for Interface). - Consider who could play a cultural ‘mediator’ role to facilitate effective cross-sector communication - Ensure the legislation in the location is understood - Competitors and existing recycling schemes - Be conscious of avenues that are being used to find partners; think outside the box and look for alternative approaches - Ensure there is a strategic approach to sustainability issues. - Wider announcement to interested parties through advertising, call for expression of interest, a design or re-use competition etc. - Consider creating a new market vs. finding an existing market (involving the arts / design / building industries). - Consider the possibility of involving the community and asking for their advice on how to do the ‘right thing’ and improve this program
2. Identifying	Identifying potential partners and - if suitable - securing their involvement; motivating them and encouraging them to work together	<ul style="list-style-type: none"> - Use a Partner Assessment matrix. - Consider ways to gain a better understanding of partners motivating factors and values e.g. by undertaking a survey of each partner. - Consider using tools to assist in asking appropriate questions (e.g. see the Partnering Toolbook, Tennyson 2003 or Austin’s Seven C’s of Strategic Collaboration). - Share Interface’s vision for sustainability and create a vision for the partnership to spread the sustainability message - Try to emphasize and build on the excitement of doing something positive and novel.
3. Building	Partners build their working relationship through agreeing the goals, objectives and core principles that will underpin their partnership	<ul style="list-style-type: none"> - Survey Interface and Partner to agree on goals, objectives and core principles. - Consider using a Partner Coherence Assessment Questionnaire (Partnering Toolbook). - Consider transparency and sharing information about interface’s operations and the carpet life cycle - Consider expanding the dialogue amongst stakeholders (e.g. customers, contractors, suppliers).

Stage	Description	Implications for ReEntry
4. Planning	Partners plan programme of activities and begin to outline a coherent project	<ul style="list-style-type: none"> - Logistical issues - Consider a Joint Risk Assessment for Interface and ReEntry partner. - Consider the need for a legal contract, or will other forms of agreement be sufficient. - Seek to agree early on potential for gate fees, other ways of ensuring financial viability.,
MANAGING & MAINTAINING		
5. Managing	Partners explore structure and management of their partnership medium to long-term	<ul style="list-style-type: none"> - Partners should not be too vulnerable to market changes, nor too dependent on Interface e.g. should have other means of maintaining an income. - Evaluate the management styles for Interface when dealing with the ReEntry program (e.g. how teams are arranged, the level of communication required, and mechanisms for learning). -Think longer term, connecting the partners to each other and / or working with competitors on an industry wide carpet recycling scheme.
6. Resourcing	Partners (and other supporters) identify and mobilise cash and non-cash resources	<ul style="list-style-type: none"> - Ensure appropriate resources in place and financial channels are opened in advance.
7. Implementing	Once resources are in place and project details agreed, the implementation process starts - working to a pre-agreed timetable and (ideally) to specific deliverables	<ul style="list-style-type: none"> - Agree on a timeline - Use a trial / testing phase - Be clear on the deliverables
REVIEWING & REVISING		
8. Measuring	Measuring and reporting on impact and effectiveness - outputs and outcomes. Is the partnership achieving its goals?	<ul style="list-style-type: none"> - Evaluation process involving Interface and the Partner Organisations. - Consider bringing all ReEntry partners together to look for ways to improve each partnership and learn from mistakes. - Ensure that attempts are made to qualify difficult to measure impacts e.g. social impact, change in culture.

Stage	Description	Implications for ReEntry
9. Reviewing	Reviewing the partnership: what is the impact of the partnership on partner organisations? Is it time for some partners to leave and / or new partners to join?	<ul style="list-style-type: none"> - Consider resources, values, culture. - Is partnership transforming both parties – Interface and ReEntry Partner? - Is the partnership 1) effective 2) beneficial and 3) appropriate in terms of a) Impacts of their partnership project on society b) Value of the partnership to the individual partner organisations c) Actual costs and benefits of the partnership?
10. Revising	Revising the partnership, programme(s) or project(s) in the light of experience	<ul style="list-style-type: none"> - Revise on the basis of review outcomes.
SUSTAINING OUTCOMES		
11. Institutionalising	Building appropriate structures and mechanisms for the partnership to ensure longer-term commitment and continuity	<ul style="list-style-type: none"> - Look for ways of strengthening the relationship.
12. Sustaining Or Terminating	Building sustainability or agreeing an appropriate conclusion	<ul style="list-style-type: none"> - Either way, document the lessons learnt from the partnership

4.5 Societal Impacts of ReEntry

In our research we identified that partnerships contribute to transformation towards sustainability at individual, organisational and society levels. Partnerships connect individuals, unite organisations with shared visions, and help society adapt to global changes (i.e. the sustainability challenge).

ReEntry partnerships are connecting individuals and organisations, but we believe this program also has the potential to influence other businesses and organisations beyond the direct interaction with ReEntry partners. For example, Interface can instigate the creation of a new network of waste managers which could unite all the ReEntry partners in different countries. This network could benefit large companies like Interface by reducing the time required to scope and manage the partners and by creating a market for recycling or reusing carpet. This larger network would also make ReEntry partners more resilient as the market shifts and changes by receiving waste materials from different companies besides Interface, and by capitalising on innovation and support of others.

From the preliminary meeting with Organisation X it became apparent that Interface is not the only organisation to be thinking about ‘connecting the dots’ on waste management issues. This supported our research finding that organisations will need to collaborate with their competitors and Organisation X is doing this already. It is interesting to note the possibility of Interface connecting locally to social enterprises through intermediary national waste businesses such as Organisation X. We feel this ‘industrial ecology’ approach has merit and may help address the difficulties with centralised management (i.e. fewer direct partnerships).

It is also foreseeable that Interface’s ReEntry partners could force greater industry-wide collaboration amongst carpet manufacturers by approaching other manufacturers to ensure a regular supply of raw materials to their own operations. Clearly, if Interface is to maintain a competitive edge it will need to balance this with the collaboration imperative and we see this as just the next extension of Interface’s current way of thinking:

“If you decide to run a [business] model based on relationships, you’re faced with an imperative to work for the benefit of others – for this generation and generations to come” (Interface Flyer 2005).

5 Acknowledgements

We would like to thank Renaud Richard (TNS France) and Ed Blamey (Interface Europe) for their advice and guidance and the opportunity to ‘learn by doing’ through the ReEntry program.

6 References

For a complete list of references used in the associated thesis refer to:

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Appendix C: Expert Interviews

C.1 People Interviewed

Table C-1: People Interviewed

Name	Organization	Relevant Experience
Adam Werbach	Act Now Productions	Former President of Sierra Club, “Death of Environmentalism” Speech.
Allan Jorgenson	Copenhagen Centre for Corporate Responsibility	Researcher on the changing role of business in society, SMEs, and sustainable development.
David Waldron	Blekinge Institute of Technology	Lead award-winning initiatives to make Whistler a sustainable community.
Ed Blamey	Interface Europe	Sustainability Director for Interface Europe, formerly also at Toyota, trained Ecologist
Eric Hinzl	Kennedy Jenks	Business Manager perspective of a company shifting towards sustainable actions
Charolotte Salazar	WWF-UK Sustainable Business Unit	One Planet Business Change Project and Innovation Partnerships. Formerly of EABIS.
Cyndi Rhoades	Anti-Apathy / Worn Again	Social Entrepreneur, former filmmaker, innovator of spreading sustainability through fashion and fun.
Dr. Göran Carstedt	Society of Organisational Learning (SOL) / TNS	Former President of IKEA North America, CEO of Volvo France and Sweden. Leading member of SoL global network.
Hunter Lovins	Natural Capitalism Solutions	Co-authored “Natural Capitalism”, Lawyer, started Rocky Mountain Institute, consultant.
James Austin	Harvard Business School	Authored “Collaboration Challenge”, research on strategic partnerships between business and NGOs
John Elkington	SustainAbility	Authored “Cannibals with Forks”, created first sustainability consultancy in Europe
Karen Lane	Sustainability Practitioners Association	Environmental Engineer, experienced sustainability practitioner and creator of professional networks.
Dr. Karl-Henrik Robèrt	The Natural Step	Founder of The Natural Step NGO. Winner of Green Cross Award, Blue Planet Prize and Laureate Medal for Social Responsibility.
Kevin Danaher	Global Exchange	Influential leader in fair trade initiatives, organiser of Green Festivals.
Mandana MacPherson	Used Rubber USA	Entrepreneur, professor at Stanford in sustainable design, former TNS designer.
Nicole Hodgson	WA Collaboration	Coordinator of a wide cross-section of CSOs driving sustainability in Western Australia.
Steve Waddell	Global Action Networks	Authored papers and books on NGO-business partnerships.
Wendy Chapple	ICCSR Nottingham University Business School	Lecturer and researcher in industrial economics, and CSR in the UK and international contexts.

C.2 Sample Questions

Global Trends and Network Society

1. It has been claimed that we are entering a new era where new ‘rules of the game’ apply (rapid change, increasing complexity, and electronic, borderless society). If this is the case, it seems apparent that business and society will need to develop new ways of organising and interacting. Do you have any thoughts on how these ideas might relate to business and organisational structures?
2. What are three current global trends you think most strongly affect the way business and civil society interacts?
3. How could relationships between civil society organisations and business contribute to sustainable development?

CSR and the future of CSR

1. Do you agree with this statement: “In recent years, partnerships between the business sector and NGO’s have shifted from confrontational to cooperative.” If yes, Why do you think that is? If no, how would you describe the relationships?
2. Globalisation has given consumers more access to information, and allowed businesses to have global impacts. This has resulted in an increase in both the responsibilities of business, and the level of scrutiny of their activities. CSR and non-financial disclosure are emerging trends that appear to be a response to this. What is your perspective on CSR and related initiatives? Do you think companies are moving in the right direction by using CSR?
3. What could be the next steps for those organisations at the leading edge of CSR?

Interviewee Experience

1. Throughout all your work experiences, can you think of a particular example where a partnership between a business and a NGO effectively promoted sustainable development in society?
2. In your work at ____, what have you learned to be the most effective ways to collaborate with different businesses and other organizations?
3. <When Appropriate> Do you have any ideas on how Interface could better connect with civil society through the ReEntry program while still achieving its stated aim of ‘closing the resource loop’?
4. What lessons (‘dos and don’ts’) have you learned from these practical experiences of cross-sector collaboration?

Leadership and the Future of Cross-Sector Relationships

1. Some examples of different types of partnerships between business and society are: philanthropy, cause-related marketing, and formal agreements with positive financial outcomes for both parties. Do you see these types of partnerships evolving and where do you see them heading?
2. ‘Social entrepreneurship’ has been getting a lot of attention and investment recently. Do you have any thoughts on the importance of this movement for sustainable development?
3. How do you see businesses relating to civil society in your vision of a sustainable society? Why?
4. As a business leader in the movement towards sustainability, partnering with social organizations may be an important part of your strategy. What would you do to ‘lead the pack’? What barriers might you identify in achieving this goal?
5. What are the best examples of collaboration you have seen/heard of that are leading moves towards a sustainable society?
6. In order to reach your vision of a sustainable future, what are the most important steps to take to head in that direction?

Open Discussion at the End

After the questions we have asked you, does anything come to mind that might be relevant to our thesis research? Anything to clarify or consider? Suggestions for further reading or case studies?

C.3 Summary of Responses and Quotes

The responses below were categorized under the ABCD methodology of the TNS Framework. The subheadings under each category represent clusters of information presented by the answers from the interviews. In other words, as a way of objectively looking at the information from the interviews, the subheadings were created after collating the answers to the interviews into one document. This identified themes the interviewees felt were important for the thesis and this helped present the results in a structured manner.

C.3.1 Understanding the System (A Category)

What is emerging/dying?

- Networking structure is growing. Vertical integration is not in anymore
- Institutions – growing distrust between leaders and led. Renewable Energy and the need to throw out the old ways...Information Technology – completely different ways we communicate, interact and live together
- If you look at the world, there are three things happening: (1) environmental destruction, (2) wealth distribution and (3) spiritual crisis turned money into a God
- We are in the middle of a paradigm shift...old paradigm of 500 years is money is value, God is on our side, violence...conquistadores, Columbus...New paradigm is life values not money values, non violent not violent and God does not take sides in conflicts
- We are in the transition...the old paradigm is dying...when the system is going down it goes through jet throws and that transition to green economies, social justice, no hungry children
- Cross-fertilization between different groups is important...breaking out of silos is the important thing... it is unity of diversity and that is a principle of nature
- I think what we will see in the next 3-5 years, we will see a rapid shift away from CSR to how do you actually build a new business model...a shift towards a much greater interest in entrepreneurial activity
- Human rights agenda has mutated extraordinarily over the last few years. Now saying it's a HR to have access to clean water, energy etc.
- Unfortunately systemic changes don't come from what people want, it comes from depression...or even war
- Communication has changed the way we learn and how you do business
- No one in this movement has the capacity to advise alone. A lot collectively can bring real business value as it transitions from the last to next industrial revolution
- Change agents act as symbols of bad conscious in old paradigm...their presence shows that there is something wrong in the old paradigm
- Like all trends...All these things ISO, CSR, SE etc, it is about how deep the funnel will move into the consciousness of people and create competency
- Cultural change can't be institutionalised. Cultural change must evolve through awareness of funnel... cultural change which comes form the hearts of people
- Trans-disciplinary and trans-sector dialogues are the ONLY way by which we can respond constructively to the challenge, but until that happens we must see 'the patient' (compare abstract approaches for trans-disciplinary cooperation on the one hand, and constructive learning dialogues around a clinical conference for 'Mrs Anderson' on the other).
- Long term relationships is important for transformation to society
- For sustainability to be achieved, it is about a shift in all of our actions ...not just about the policy, a business case

- We are still trying to create systems of successful interaction between different parts of society
- Problem of climate change is so serious that there is no time to work on incremental relationship building and change and build on that
- Environmentalism is a political movement not a cultural change movement. Sustainability has the possibility to be a larger umbrella...a new mode of thinking...system thinking...marketing branch or will come on to be something else

Business in Society

- That they are a part of the problem. And that anything they do has a causally related impact on ecosystems and their degradation.
- At some point businesses that are really engaged have to take a deep breath and decide which is the best path to take and that path is not always shown by what society in general is demanding.
- There are people at work in businesses and the products and services they create, when they step out of the business role and are in their daily lives are the people we are looking on to create the demand for those products.
- We need more options out there without price premiums
- Its function is create something that has value and then that value is destroyed through use... Cascade of value and destruction is the way in which monetary value is exchanged in the world
- Starting to reach tipping point where you make better profit saving nature not destroying
- Responding to the same set of challenges and a growing shift in the agenda. If you look historically...companies went on the defensive...compliance made...late 1980's early 1990's brief period of ?...but we are now getting into a new area. What companies are doing doesn't measure up
- Growing away from business case
- Look into the not so distant future, and what it means for current business model and what changes can be implemented

CSOs in Society

- NGO sector is where much of the expertise now lies
- Organizations that work with particular logic around giving value and rise to social relationships and building community, traditions

Different sectors

- Society is all the people, and people work, and business is part of that. It is in the same sense as separating human's from ecosystem degradation. That split between us as people and the rest of the environmental biotic systems around us, that divide is a problem in itself
- Chapple drop and will continue to push the boundaries. And will constantly be nudged by the NGO's to keep evolving.
- Probably easier starting an NGO because people have that common purpose of wanting to give. And the giving is what brings them together, whereas they are trying to build an organisation that offers something for people to take away
- Through internationalisation and money crossing borders has created the need for more partnerships and this intimate and constructive relationship
- Now we have institutions around the world without transparency...no one uncomfortable in business and so need an active communication with CS has never been bigger
- It is a mistake to think of institutions as groups (like universities or hospitals) as being within any one sector
- These three sectors are found around the world (except less in China and Middle East)...organizational manifestation of distinctions between us as individuals: Physically,

kinesthetically oriented to physical production (tend to fit in business sector). Concepts, rules, laws topology--Spatial (organisational manifestation is government). Emotional..feel right and learn by connecting with people emotionally (organisational manifestation is civil society).

History

- Fortune 500 in 1985 half are no longer around
- We need to look at history...we don't want to get stuck in a model...Corporations want that, but he world is changing.
- US focused...Pre1970 – birth of industrial age. – very little attention paid to effects of natural resource extraction and industrial process. 1970-1990 – Green Progress Era (Clean Water Act, Endangered Species Act, Clean Air Act, etc), ending in 1990 –not been a major legislative victory since that time (nothing since) -- recycling taken up by adversaries (local govnt) – Chevron considered “green” at that time Now in third phase – the waiting period or period of denial. Virtually no progress at legislative level since then. At civil society level (outside business) it is trendy, but people care less about these issues since 1990's...with business still in 1990's mode with recycling being the main focus, some progress but not really taken soup to nuts sustainability approach

C.3.2 Current Reality (B Category)

NGO Strategies

- Need for NGOS to do extreme activities is declining, businesses are already primed. New NGOS have formed to fill a gap where business are looking to work with orgs to positively change... opportunity to be very involved with business
- As you see companies forging their way ahead with this. The idea that you need to do extreme activities to get business to act has perhaps moved on a stage
- Confrontation doesn't work and cross border collaboration
- NGO strategy - If you get someone to like you, you'll get more from them
- NGO strategy - Defensive—beat the snot out of them
- NGO's very bad at the end game. They are good at starting the game and the middle war, but bad at the end game. (relates to opportunities?)
- Yes it is good to do both the collaborating approach and the defensive approach --be bad and beat them up and then also help them move forward
- Both watchdog and cooperative ones are required and useful
- NGO point of view... it is important for each to make up their mind if they are going to be a negative or positive agency...cannot be both
- We need both the blamers and helpers – it is in combination of two that support change in society
- WWF strategy is to present problem as well as solution
- Look at business from industry pt of view (whole system), explain in business language

Business Strategies

- Business starting to manage more locally rather than top down
- 2 key characters of transnational corporations: (1) not rooted to a place..no particular geography, (2) not green..systematically destroy the environment... Like cancer..let's grow and grow with no concern for environment..that ideology of growth creates a capital accumulation process that is destructive of environment and social communities
- You need to pick the right NGO. Some are highly professional but can be misled... Need to find an NGO that keep the company under pressure. But also recognise the business
- Before did not see benefit in moving in the sustainability direction, now can see that it is the right

thing to do as well as the smart business choice

- There is more emphasis on including sustainable development into projects because it is seen as how you do good business
- You operate and structure the business at a higher level of ethics
- If you do things the right way, then people are happier...if you pay people the right amount and give them proper safety that is the best business option
- Larger businesses are more productive – per employee they produce more value, so following that law a larger business would be more sustainable because their emissions per unit produced would be lower.
- Approach now taken is the 'business case for sustainability': franchise to operate, eco-efficiency to reduce cost, brand differentiation, attract and maintain the best talents, risk minimization
- Companies are working in times that are changing – peril, entrepreneurial
- It is about people in companies, not the companies
- CEO having personal epiphany (Walmart)
- Corporations cannot achieve social good and keep to core logic and good to society by themselves...they must link to partner organizations to achieve that
- Interface having a peer effect on WalMart -- a model is very important
- Cannot hire us to change you, you have to change on your own -- you need to change your executives, demand this, put in employee evaluations, and realize this is something you need to do not just because you are getting pressure or beaten, but that you see the business benefit of it... all these reasons have nothing to do with the environment (but personal change)
- Corporations are much better than NGO's at reaching the customers/audience.... If a company wants to get out to its customers, CSOs are not as useful in that
- People now looking for higher order desires to fulfill themselves --Hedonistic pleasures (better looking clothes, mountain biking, yoga) once basic struggles are met Corporations have facilitated this --the government is not involved in this

Role of SMEs

- Power imbalance is a problem small businesses
- Small buyers can play quite a large role if they have the key technology or knowledge.
- Through their networks and business organizations they might try system change
- Business case enables them to do something, but it is not the reason why they are doing it... they think is right... not doing it for money or for risk...that is the corporate way of thinking.
- SMEs becoming more global in outlook
- Small businesses, they are more keen to have regulation because all they want is a level playing field with less to worry about. SMEs like regulation as long as it is on a semi-global scale.
- SMEs are more community-based so are more sensitive to their impact on the local community.
- Commonly said is that smaller businesses are more flexible and innovative, and that is a social value.
- Start-ups are good –it is easier to do it if you start from scratch but you have cannot right off the big companies because they are only going to remain part of the problem
- Big business have a number of constraints – need to manufacture and grow in a certain way. so small business can inspire consumers to do something and that can change their attitude and then effect a huge ripple effect itself.
- Larger companies can handle materials more efficiently. SME's might need to partner to do this. Economy of scale
- If you want to push sustainability values out in the market, then new companies is good as well as capturing old companies too

Barriers for partnerships:

- Another risk, the NGO may itself become under attack from other NGO's. And if that goes wrong, you may lose that NGO's support in the future.
- NGO's can learn a company's weak spots. NGO's can choose a particular company to get access to information
- The system is not set up to pull you up on your hypocrisy. Government doesn't want to play that role and there is no funding for NGO's to do it
- Government has been taken over by business. More responsibility put back onto the private sector. So inevitably CSOs have to deal more with the private sector. Government letting go of its responsibilities.
- Bad governance is still the biggest problem.
- Much easier to make change from where she sits in the business world because you are known and respected and people listen to your advice. She knows that a lot of the people around her in the business world, as soon as you are labelled as an NGO you are considered a nuisance.
- The personal connection, and how the loss of that in corporations has contributed to the problems we are having
- You need to get a critical mass – which is often about 25 or 30% of the population. And then it will roll on, but to get that critical mass requires a lot of perseverance, hard work and support for those people that are sitting out there in alien territory.
- Paradigm shifts the hurdles are traditional thinking what was thought in the old paradigm
- Partnerships are superficial..they do not influence the big investments..how to make business with the developing world...more about communication than investments
- It is a risk for companies to be speaking to CS because it can be seen to appear good when the company is still doing bad things...only doing it for PR reasons and so they will get the NGOs off their back so they do not dare criticize them
- It is commonly believed, that business is about making money. It is not. Business is about organized and professional helping of people, and money is a means for that. But as long as you believe that it is all about earning money, at the cost of quality awareness for helping people and society, well then 'communication' (including marketing) becomes more important than content. It's like a tennis player who is only concerned about winning, but who does not care much about tennis.
- In NGO community there is the idea of my strategy is right and yours is wrong.
- Breaking new ground involves creating something new, which is difficult. Easy to fall back into the groove of what's been done in past. Resources – financial, human. Marketplace obstacles. Risk of becoming irrelevant, understanding consumer choices
- Split in Apollo and broke down (why he left) because so much time was spent on partner relationships, coalition politics, making sure no one was offended, instead of pushing forth a visionary agenda and "ruffling feathers" in the process
- Challenges are: coalition politics are difficult when you have all these different groups together (segmented issue groups: civil rights, labor groups, environmental groups)

Opportunities for partnerships

- It is an overlap with the interests in a partnership...the Green Festival is marketing for them by having the speakers sign books after they speak...they benefit, we benefit
- Many NGO's are highly networked. Companies that do this well...the ripple effect that goes out about a particular company and the people who work within it is going to be
- A business can learn the "touchy feeling" stuff from a NGO and how to be a corporate neighbour...A NGO can learn how to be more efficient in the way they operate their business
- If you have different goals beyond profit, your whole perspective on how to act and engage, your perspective is very different. We actually thrive off each other. The more it grows, the more it helps everyone

- Partnerships helps business to communicate those ideas and changes...Partnerships are Helpful because they will diffuse attacks from NGOs
- The true paradigm shift makes people really understand internally that business is here to help people...then you can go to CS and engage with them with smaller risk of doing it for marketing reasons only...say that you are not just about marketing...but it is in your heart and seen in your big investments, radical change in chemicals even putting some of the things you are doing at risk
- the value of companies has moved from material values (real-estate, machines and houses) to be completely linked to trademark. Makes them very vulnerable, which is helpful for creating change. Can link the companies to issues/scandals

Corporate Social Responsibility

- Sustainability is a deeper engagement than CSR, and he agrees with that
- If from Western part of world and talking about sustainability then there is a certain amount of hypocrisy in that.
- Chapple: Partnerships are a vehicle, a mechanism for CSR
- Business start off with what directly relates to operations and then moves on to bigger issues
- No generic business case for CSR because it is site specific, business specific and the visions of the firm
- Usually argued in terms of strategy, reputation, in terms of improving government-firm relationships. Environmentally is put forward as and minimising costs and risks.
- CSR separate but aligned concept (not always about sustainability)
- How you take ecosystems and move to a world of 10 billion and get them fed and employed..is a vast challenge and CSR is palliative and isn't really addressing that agenda
- The CSR movement is in a fuddle and is starting to deflate (predicted What will come next, what might drive that and how to lead the change)
- CSR is a prompting mechanism...People might be doing CSR because it is a trend...It is good to recognize what business wants to do and move business in that direction
- Its impact depends on if you have the money to pay for the reports and announce what you are doing
- Sustainability is to make different decisions to what you would have made at crucial points previously.
- Integrating all diff aspects of community into your decisions of how you should be a responsible business.
- "Hypocrisy is the first step to real change"
- In some organisations it gives a structure and focus for people to look at things. It does create dialogue. But in some other places its just branding, PR, potentially greenwashing and it falls into the realm of branding and in some ways it dilutes it for the others.
- Trends such as CSR, Social reporting. But they aren't deeply anchored in terms of conviction, just superficial trends which aren't reflected in competence in acting in mainstream business...more reactive
- In bus language, CSR = employee motivation, licenses to operate,
- What are the impact of the reporting to companies

Shared Values, Visions, Aligned

- More about working together and understanding the needs of both parties and making them clear at the part.
- It is about personal relationships which makes it a lot easier to construct the green economy
- Differing values, cause failure in relationships
- Long term sustainable partnerships need to be aligned...the core values need to be aligned
- Shared vision is difficult. We all have our own baggage and priorities. Its context specific

- Defining those entry points / different aspects into the bigger picture of sustainability is very important. We won't all see the big picture the same way
- One Planet is about getting stakeholders to see it from their point of view...through dialogue, positive experience, reviewing their own experiences, through conflicting evidence building process to allow stakeholders to take ownership of actions and realizing the importance of these issues and bringing it to their own world of understanding
- Yes and you need to nurture the individual relationships and not just focus on the mechanisms.
- Mostly window dressing because generally doesn't address anything but what is defined as 'environment' performance...very rarely travels into employee development

Characteristics of Partnerships

- Knowledge creation comes first, its very very important. Partnerships build trust, very useful in building social capital. In areas where there is instability, partnerships can help re-establish trust, build up networks, which is important.
- Main point is integrity (no bull shit) being able to deliver on what you promise...do not over commit and over promise...do not write checks you cannot cash There is going to be disagreements but if you have principle understanding that the procedure will involve honesty, forthright criticism if I have a problem, you can discuss it and have open channel of communication
- When I think of partnering, I think of it being mutual benefit between the two and no money involved in the beginning...just helping going both ways...maybe if the partnership were to be long term, financial gain could be involved
- Must be on the same page...must have knowledge about their business
- Personal connectivity is crucial
- If you want a long term relationship, you must spend a little bit of time getting to know the people...once you meet, you interact better
- You have to believe enough to have the perseverance.
- Believes what will drive a lot of collaboration and change is legislative change.
- Not far in the Zadek stages; At the moment, 70% compliant, 28% managerial, 2% up the other end. That's her general feel
- Partnership between business and consumer is very important and the NGO is the connector
- Businesses are working with NGOs cause they have to be seen to be doing it because of increased awareness. NGO's have realised they will get a lot further by helping rather than standing on the outside.
- Clear mindset of clear object that create powerful networks and create powerful relationships between business and CS
- The more transparency, the more agreement upfront, the more flexibility you have in partnership
- Some of relationships developed through dialogue...talking in own language to explore new models of business..find new ways to change and still have opportunities
- Example with GANs: If have sufficient time to get together they can do it quickly because they have shared organising logic, multi stakeholder, value local and global, all action oriented, diverse parties, very networked, parsimonious in resources, know how to leverage and create synergies with other organizations, etc
- The individuals are key... if you don't have the individuals relating to each other...and communicating in a real way, then those organisational agreements are really in jeopardy
- Deep personal commitment from awareness. Being in alignment with your values

Types of Partnerships

- Partnerships between business and NGO's and social entrepreneurship. It's a big trend. Popping up in schools all over the States.

Lessons Learned

- Create credibility, commitment and trust.
- Personally you have to be persistent, creative, imaginative willing to take lots of insults and believe something is here...HAVE FAITH
- Get things done, make real progress before it becomes just talk. People need to see actions
- Do a soft launch, don't have fanfare that exceeds the quality and content...people will see through that. Stick to your knitting, do things well and the publicity will follow

C.3.3 Vision for the Future (C Category)

C.3.3.1 Different Sectors

- What we need is more opportunities, more entrepreneurship from society to identify opportunities to bolt on to business in various ways to provide the businesses with a service and the entrepreneur with an opportunity.
- Local connectivity, reconnect with local social issues
- Wants to see integration across traditional disciplines
- It is about interconnectivity ...connect our sphere of influence to policy, which connects to consumer behaviour which connects to companies
- If we really want sustainability, then the lines will become blurred between expertise...CS expertise, government expertise and business ...become a general level of capacity across all sectors of society
- All the same and then lose value in distinctiveness...without distinctiveness, no incentive to form partnerships and build relationships
- We are still trying to create systems of successful interaction between different parts of society
- A real shift to understanding that we are all in it together so how do we make it work together
- Basis of global network is that we need all the strategies and there is an order in which we need these strategies and let's learn how to work together to create change
- Concept of co-production / co creation is very important. Creating spaces where different organisations are stewarding/involved in different aspects of production
- Line really breaks down between the two

C.3.3.2 Business

- Create value out of resources, without destruction. That is the idea about becoming a provider of services rather than just a product
- Needs to provide leadership as well as opportunity and be seen by people in society as something they trust as a product or service
- What about creating institutions that operate on different principles...not on principle of scarcity...should operate like a cherry tree...works in abundance...biomimicry
- Economic model is the honey bee...it helps the flower and does not hurt the flower
- In future, I believe there will be a CSO (chief sustainability officer) position at each company
- It is not so interesting what you do as a business, rather how you do it
- Doing sustainability business assessments in the same way that we do environmental assessments now

- Smart companies will start engaging all of their stakeholders so they understand what the challenges are and efforts are...reinventing all of industry
- Sustainable business does not need to define if it for profit or non profit it will be restorative of human and natural capital inherent in what it does
- By the activities it engages in, it will add to natural capital of planet and increase human well being
- Smaller governance and movement towards localisation
- Companies through dialogue learn to help society. .that be the main focus of these companies
- Qualities we know...quality of process not product.. whatever end comes out is where the value is
- To suggest that commercial enterprise needs to be small to function seems simplistic, but that is how he feels (but natural systems are huge)

C.3.3.3 Social Entrepreneurship

- Still need to produce things. Still in development terms, far more to be made from cleaning up existing markets rather than relying on social entrepreneurship. But that soc entrepreneurship can be an important driver in inspiring other SMEs

C.3.3.4 Civil Society

- Inevitable that CSOs will follow more business-like models since government funding is ever-diminishing
- A critical friend... conscience role of community
- NGOs have to simply become even better in engaging companies in a practical way.
- I think they have to think about how they can streamline their expertise to allow SMEs to benefit from it

C.3.3.5 Government

- Will need to pay more attention to government. What is their tax policy? Medium term implications for government will be undermined.
- Need planned partnership between business and government on sustainable development. Businesses will certainly play a key role in developing countries. Need greater leadership be local governments.
- What I see in the future, we must have new legislation to fit the new culture...the new culture must fit the State

C.3.3.6 Partnerships

- Trust, transparency and respect and collaboration
- You don't want the relationship to develop such that there is an unhealthy dependence.
- Evolutionary approach compared to the revolutionary approach: That requires the market to accept those new ideas. And that comes back to us as individuals, taking the leap of faith in accepting new ideas. And buying new products
- We need a world populated with more SME's. And that's linked to education
- Once the agents have changed the company, then you need to maintain momentum you will need active partnerships to maintain that movement
- Mutual trust maintained by action...CS must see that it means it by their actions
- When trust comes, then the dialogue comes like in a marriage....all by actions.
- Innovation partnerships
- GANs, 4 dimensions: one dimension moves from data to wisdom in action, one dimension moves from individual to societal, one dimension local to global, one dimensional first to third order change.
- Moving towards happiness projects is important because "happy people don't destroy the planet"

C.3.3.7 Society -Transformational shift (Individual and Organisational Changes)

- To make long-lasting change the individuals need to believe in and be connected to whatever they are working towards.
- Local identity is increasingly important
- Field of understanding of wrong-doing needs to expand
- Iterative, change the individual and organisation together. Starts by realizing that something is not working at one level.
- But to apply 3rd order change outside system boundaries (ie pilot to real life) requires that the real system in society also had 3rd order change.
- In order to get that focus on environment we have to change from within first.

C.3.3.8 Next steps for CSR

- Only solution is to find partners outside the industry. Start from outside in. End users. What is the purpose of your product? Apply SC's. Will definitely need to have external cooperation.
- Psychology: once you start to say the right things (ie we care about people, social standard is the same as money), then something happens.
- Executive management program...integrating change strategies into people's work lives
- Sustainability in a different manner...understanding your impact on individuals, your impact on groups and health of group, your impact on organizations and your social impact...any analysis related to these impacts

C.3.4 Strategic Steps (D Category)

- As emphasized letting loose and inviting people to co-create relevant to times we live in.... Co creating with suppliers then you get back to CSR.
- How do we get to a place to have a shared intention (Ghandi and King talked about this)...how do you get to global love..truly humanitarian where you love your enemy
- Set a new standard in sustainability in actual production (ex with Green Festival)
- Most companies have a strategic plan, but not all really use it a guide...if top management takes it seriously, then other will too
- How do we take that really broad definition and translate that to something meaningful. The difficult thing has been trying to find something that captures the imagination of all the stakeholders
- How does change around sustainability happen? That is where leadership needed. What is it going to take to make institutions do things differently?
- A dream team is an interim step... builds up capacity in own staff to get the knowledge it needed
- Shift to thinking about the networking of production instead of tightly controlled by one legal entity
- Interesting new ways to organise businesses (Shell in Africa example)
- We will need to do shocking, taboo bursting efforts now which will require very deep personal connections to people who are your allies
- Agenda challenge (big) – deciding what we actually want -- you'd think we'd know that, we really don't. When we define what we want, we define material goals
- Higher order post material goals; create an agenda on that, focus on happiness. Eg health care, clean water
- Psychology – key qualities of happiness is (1) hedonism (great food, wine, sex). (2) being in the flow (in your strength), (3) service to others (helping others), Hedonism burns the brightest but lasts the shortest amount of time...The other two are effective for being happy for long periods of time
- Distinguish between strategy and tactic. Strategy is unifying a whole bunch of tactics...unify tactics into strategic plan

Appendix D: Additional Information and Findings on Partnerships

D.1 Issues Addressed by Partnerships

Table D-1 Issues addressed by partnerships for sustainability

Issue Area	Violation of Sustainability Principles			
	I	II	III	IV
Agriculture	X	X	X	X
Air pollution / Atmosphere	X	X		
Biodiversity			X	
Biotechnology	X	X	X	X
Changing unsustainable patterns of consumption and production	X	X	X	X
Chemicals		X		
Climate change	X			
Desertification			X	
Disaster management and vulnerability				X
Drought			X	X
Education				X
Energy for sustainable development	X		X	
Forests			X	
Gender equality				X
Human settlements	X	X	X	X
Industrial development	X	X	X	X
Land		X	X	X
Marine resources			X	
Means of Implementation (Trade, Finance, Technology, Transfer, etc.)				X
Mining	X			
Oceans and seas		X	X	
Poverty eradication				X
Rural development	X	X	X	X
Sanitation			X	
Tourism	X	X	X	X
Transport	X	X	X	X
Waste management	X	X	X	X
Water		X	X	X

Source: adapted from United Nations 2006.

D.2 Types of Partnerships

Table D-2 Types of Partnerships

Name for types of partnerships	Description
<i>Philanthropy</i>	Philanthropic partnerships are generally relatively low-commitment relationships. The business 'gives back' something to society through donation of cash, equipment, prizes, pay-roll deductions, matching of employee's donations. The donations may often be given to organisations that have little to do with the service that the business provides e.g. a car manufacturer donating to a sporting club. Philanthropy can be very strategic though, as shown by some of the case studies. Business may also donate anonymously to philanthropic causes for various reasons.
<i>Resource exchange</i>	Business can provide in-kind contributions premises, specific resources, or employee's time, skills and expertise. This is a higher level of engagement than philanthropy and can include rewards and incentives, and training / education programs for employees. This type of partnership often engages more individuals within the organisations, and depends on assessment and utilisation of complementary skills. These sorts of exchanges can be very fruitful in terms of building new networks and relationships that may lead to social or technical innovations.
<i>Commercial collaborations</i>	Commercial collaborations that build on the trust of the CSO brand, and raise money for the CSO's cause involve more of a commitment than philanthropy or in-kind resources, but does not generally engage as many parts of the organisation. Activities may include marketing affiliations, licencing of logos or brands, donation of a portion of sales to a cause, joint fund-raising.
<i>Targeted support</i>	Often a business will co-create or support a specific project in a specific location, or specific area of joint interest e.g. sponsorship of particular biodiversity or habitat protection programs, or even research collaborations. The actual exchange may be purely monetary, or may include some in-kind support. This is a moderate level of commitment for the partners, as the project may run for a number of years. These partnerships also have potential to leverage even more resources from third parties.
<i>Certification and standards</i>	CSO certification and auditing of business practices is increasingly common, as CSOs have the integrity and independence that the market is demanding. Organisations doing this sort of work include Fairtrade, Rainforest Action Network, Forestry Stewardship Council and Marine Stewardship Council may often have limited direct interaction with the businesses (and may not directly receive funding), but value is definitely created and exchange in the relationship. In some cases the external standards may be jointly developed between two partners that have identified a need. The level of commitment for both parties is medium, and can lead to some deep changes in values and behaviours as the respective parties gain insight into each others challenges.
<i>Joint service</i>	Partnerships to provide a unique service, are increasingly common, especially in areas such as health and community development. Examples include provision of infrastructure where government is unable to do so, public health campaigns (e.g. for clean drinking water), and regeneration

	of geographically-defined areas. Here we have also included collaborations to promote a particular change in citizen behaviour e.g. corporate-sponsored social marketing and environmental education and awareness campaigns.
<i>Management alliances</i>	These types of partnerships require a high level of commitment, as the respective parties cooperate to improve core aspects of each others operations. Often CSO can provide specific advice and expertise to assist the business in product development, internal auditing and evaluation, eco-accounting systems, waste and energy reductions, life-cycle analysis, materials substitution, strategic planning and change management. These arrangements are often similar to commercial arrangements between firms, but the CSOs are often acutely aware that the real value of the work with firms is in creating a wider change in that industry or society to achieve their social mission.
<i>New social enterprises</i>	These enterprises may arise independently of business and CSOs, but many have their roots in partnerships. Examples include worker-owned co-ops, non-profits generating income through business (e.g. Red Cross / Salvation Army). This area of partnership is expanding rapidly and incorporates the capacity of business to generate profit to fuel expansion, with the commitment of CSOs to create social value. Interface ReEntry is a progressive form of this type of partnership.
<i>Progressive Alliances and Global Action Networks</i>	These types of collaborations are specifically aimed at creating effective solutions and change at the systems level. Together, business and CSOs may seek to develop public policy and governance frameworks that will facilitate sustainable development e.g. for climate change. Businesses must have a highly developed sense of the contribution it can make to sustainability beyond the boundaries of the organisation. Ellersiek has a detailed classification of these types of relationships, which can be also be called Transnational Advocacy Networks, Civil Partnerships, Multisectoral Networks and Multi-Stakeholder Processes.

Note: based on Rondinelli 2001; Dubb 2005; Grace 2003; Partnerships WA 2003; SustainAbility 2006.

Appendix E: Case Studies

E.1 CSO helps create market and commercial advantage

Involved: WWF Canada (CSO). Tembec Canada (Forestry and Wood business). Also Home Depot and Forest Stewardship Council

Aims: WWF - increase sustainable forestry. Tembec - sustainable forestry at profit, new markets.

Summary: WWF and Tembec had worked on small projects together, and already built trust. WWF approached Tembec to FSC-certify one of their forests, Tembec came back and asked about certifying all of them. Complementary skills were an important part of the relationship: Tembec had no biologists; WWF had many biologists and ecologists.

- They set one, clear, tangible goal to work towards.
- WWF worked within Tembec, and on the ground with their employees to facilitate progress.
- WWF knew a lot about FSC certification (they helped create the standards), and also helped develop a market for FSC certified wood at Home Depot.
- There was commitment of key people, and communicating to all Tembec employees was still a challenge.
- Both organisations open to change.

Source: CCSR 2005, 14.

E.2 Strategic philanthropy for social entrepreneurship

Involved: Omidyar and various CSOs and Social Enterprises e.g. Green Media, America India Foundation.

Aims: Omidyar – fostering individual self-empowerment on a global scale.

Summary: Established in June 2004 by Pierre and Pam Omidyar, the Network derives its focus and values from Pierre's experience as founder of eBay.

Omidyar funds for-profits, nonprofits and public policy efforts that promote:

- * Equal access to information, tools and opportunities
- * Rich connections around shared interests
- * A sense of ownership for participants.

They believe issues are best addressed by the people who face them, and fund citizen-driven models that enable individuals to pursue what matters most to them. Approach is to focus on the how, rather than the what. Omidyar Network is developing a diverse portfolio that fosters individual self-empowerment across the economic, political and social realms.

Partners include:

American India Foundation: devoted to improving social and economic conditions in India by mobilizing resources in the US for impoverished Indian communities.

Green Media Toolshed: enables nonprofits to mobilize the time and interest of volunteers in the development of shared information resources, allowing those organizations to achieve greater collective impact.

Source: <http://www.omidyar.net/corp/partners.shtml> (accessed May 2006).

E.3 Mining companies improve profits and community wins

Involved: Minera Las Cristinas, CA (MINCA) in Venezuela; Integrated Coal Mining Limited

Aims: Healthcare project in Venezuela; a livelihood assessment and trust-building pre-mining

Summary: Tables were used to describe the relative costs and benefits of engaging in the partnerships.

* For the MINCA example, healthcare centre construction was part of the mining companies' commitment to local communities. The outcomes achieved involved investment of money for management, construction and facilitation costs; but the measurable benefits far outweighed expenditure through savings on lobbying, leveraging other investments from companies and government. The intangible benefits included improved reputation and relations with surrounding communities, marketing and competitive advantage, lessened social liability (licence to operate), and more cost-effective healthcare for future community-based employees.

* For the ICML case, the building of trust and partnerships during initial stages through workshops, training, MOUs and field visits cost less the \$8000 US. The estimated savings and benefits were over \$280,000 based on shared costs for various processes, reduced expenditure on community development budget, and lower cost of infrastructure through a partnerships approach to construction and maintenance. Numerous additional benefits included reduce reputation risk, reduced community dependence and economic and social capacity building in the local community.

Source: Warner and Sullivan, 2004.

E.4 NGO certification to aid small suppliers

Involved: Fairtrade Labelling Organisations (FLO) International.

Aim: To improve the position of the poor and disadvantaged producers in the developing world, by setting the Fairtrade standards and by creating a framework that enables trade to take place at conditions respecting their interest

Summary: National members of FLO International, encourage industry and consumers to support fairer trade and to purchase the products. Products carry a Fairtrade Label, as the independent consumer guarantee that producers in the developing world get a better deal. Crucial to FLO's transparency and credibility is participation of traders, producers and other stakeholders in governance. At the triennial FLO Fairtrade Forum, producers and traders elect their representatives.

Fairtrade labelling began over 40 years ago. Started as a partnership between non-profit importers and retailers in the North and small-scale producers in developing countries, who at the same time as struggling against low market prices and high dependence on intermediaries, were looking for direct outlets into the European market. Over the years, more and more alternative trade organisations (ATO's) were created in different countries, often closely related to world shops being established by groups of volunteers. These ATO's set up networks of 'world shops', selling products of disadvantaged producers from developing countries, and also informing people about the current trade system, where small scale producers find it extremely difficult to survive.

Same ATO's are still very important in 'informing the public', but do not always reach the mass market of supermarket shoppers. This led to the birth, eleven years ago, of the concept of a Fairtrade Label. The Fairtrade Label's main aim for products is to be sold in supermarkets as well as in the world shops, since the fair trade products can be distinguished from conventional ones through the Fairtrade Label.

At present, there are 20 Fairtrade Labelling Initiatives under FLO-International. There are Fairtrade Labels on dozens of different products, based on FLO's certification for coffee, tea, rice, bananas, mangoes, cocoa, sugar, honey, fruit juices and footballs. FLO is constantly expanding and should soon include other fresh fruit, wines, nuts, oils and in the years to come more non-food products as well.

Source: <http://www.fairtrade.net/sites/aboutflo/faq.html#c> (accessed May 2006).

E.5 CSO enabling rapid transformation of global leader

Involved: Walmart, Marine Stewardship Council, Global Aquaculture Alliance, Aquaculture Certification Council

Aim: To become a sustainable company, and leverage wider change. Aims of CSOs are to facilitate sustainable use of natural resources.

Summary: Lee Scott (Walmart CEO) had been personally engaging with NGOs and civil society, and really listening. He was particularly motivated when he saw that Walmart's employees could make a positive contribution in times of need (e.g. post-Katrina cyclone).

Walmart shifted from defensive attitude to issues to seeing that they 'represented gateways for Walmart to become the most competitive and innovative company in the world'; "No distinction between 'being a responsible citizen and a successful business". Started to view environmental degradation as Katrina in slow motion, and see the opportunities. Suggested that they would share all the good ideas they came up with, including with their competitors. Included pursuing regulatory and policy change to incentivise renewable energy. Committed to finding mutually beneficial partnerships with the communities they serve.

Wal-Mart has taken the uncharacteristic step of turning to third parties to provide both the environmental standards, and the certification that suppliers are meeting them. Shrimp they are working with Global Aquaculture Alliance and the Aquaculture Certification Council. Wild-caught fish is a partnership with MSC.

Some commentators suggested Walmart's moves may represent the "First sustainability strategy that can actually achieve sustainability" and that "Sustainability will be THE competitive advantage in 21st Century".

Source: <http://walmartstores.com/Files/21st%20Century%20Leadership.pdf>; Dixon 2005

E.6 Partnerships for Social Entrepreneurship

Involved: Skoll, SustainAbility

Aim: Accelerate the development of the field of social entrepreneurship by building bridges between social enterprises, businesses and financial markets

Summary: Unique /private partnership. Specifically, the award of \$1 million will fund: • Production of a co-branded "state of social enterprise" survey on the contribution of the social enterprise sector; • White papers and workshops on bringing best practices within the social enterprise arena and wider business community to the scale needed to meet the UN's Millennium Development Goals, and; • Building awareness of social entrepreneurship through research with the business and financial communities on the scale of social markets and the contributions made by social enterprises

Source: <http://www.SustainAbility.com> (accessed May 2006).

E.7 Employee volunteering on the rise

Involved: Many organisations. Examples include: Groundwork Trusts (UK); Landcare, Coastcare (AUS); Employees in the Community; Business in the Community's 'Cares' Programme.

Aim: used to be reputation and publicity; now shifting to investment in social capital, human resources development and social investment.

Summary:

"Employee volunteering should be perceived as an end in itself and not a means to an end"

Showed that this is the fastest growing corporate citizenship activity.

EV encourages social cooperation, reciprocity, enhances social trust, norms of generosity and resource exchange. It has potentials for mobilizing resources locally, nationally and globally, and building business-community partnerships. We recommend it as one way of manifesting corporate citizenship especially when integrated to the core business strategies. For companies to continue using EV to further corporate citizenship or as a CSR agenda, they will need to be seen to be 'socialising the capital' that is engaging the community organizations and employees extensively in EV activities and not 'capitalising on the social' that is to be seen to take advantage of them. Employee volunteering should be perceived as an end in itself and not a means to an end. For the latter, the motives should be clear to all actors so that they are not suspicious of the others intentions. We call for companies to involve different stakeholders in EV deliberation process, engaging them in mapping out community needs and being transparent and communicate openly. The spread of EV activities is equally important. Efforts should be made to have programmes in every site companies have operations and not the bulk of activities centred in their headquarters. These initiatives we believe are bound to build and strengthen trust and the goodwill actors show towards each other in EV relationships.

Table 2 lists benefits for:

- Employees: team-building, relationships and networks, leadership skills, learn about communities they work in, inner satisfaction, fun.
- Community: professional skills and experience, hands-on support, exposure to business world, new networks and relationships, volunteers as role models, leverages further resources.
- Company: motivated staff, reputation, product innovations, understand local community, networks and relationships in company.

Source: Muthuri et al 2006.

E.8 Social Marketing for safety and profit

Involved: Safeco Insurance and Bend Fire Department (Oregon)

Aim: Reduce frequency and damage of wildfires

Summary: In the aftermath of fires, Safeco offered money to Bend Fire Department. Instead of buying fire equipment that could save one home, they decided to embark on a joint public education program. After getting estimates of different options for the program, they actually funded the most expensive one because they saw they could leverage far greater impact.

Fire-fighters and volunteers helped with the advertising by putting up billboards, material were used during community meetings, started an annual clean-up day. Funding of campaign continued, and also attracted more government money for the specific campaign, but also for the region to deal with wildfires.

Two further examples in the same article are re: using water wisely campaign conducted by home depot and government campaign, and ; Boys' and Girl's clubs of America and Crest re: dental care in poor areas.

Source: Kotler and Lee 2004.

E.9 Collaboration to encourage entrepreneurs

Involved: Informnorth plus many partners

Aim: To publish a magazine that would stoke the fires of self-development and entrepreneurship

Summary: Former senior manager of media organisations partnered with a range of public, private and voluntary sector organisations to publish information "Helping you to help yourself through enterprise, self-development and entrepreneurship". Concentrates on the most deprived areas of Europe in Northern Britain. Used a range of organisations as brokers, including Business in the Community. Some contribute sponsorship, others articles, grants, distribution. Found partners through formally identifying them, but best leads were often through recommendations and social networks. "Everyone's aware that if we work together we can get so much more done and that's really the kind of ethos behind this magazine. We can't go off and do everything ourselves but by working with the right partners over the long term, we feel we can achieve a lot more."

Source:

[Http://www2.commonpurpose.org.uk/home/civilsociety/skills/partnerships/action/publishing.aspx](http://www2.commonpurpose.org.uk/home/civilsociety/skills/partnerships/action/publishing.aspx) (accessed May 2006).

E.10 Innovative ways to exchange value

Involved: Commonweal Inc, Lyndale community, Mall of the Americas

Aim: Win-win proposition: businesses gain new customers and improve profitability, non-profits attract more volunteers and stretch their dollars at little cost, and communities have a way to utilise their underutilised human resources to solve local problems.

Summary: Dual currency system where national currency and complementary currency work together. All businesses have spare capacity to deal with peak seasons or hours. To utilise this, they can accept complementary currency as part of the payment e.g. 50% complementary currency instead of 2 for 1. Complementary 'community service dollars' are issued to NPOs who pay their volunteers with them. CSDs automatically self-destruct

after being redeemed. This allows people with more time and less money to participate in the economy. Increase customer traffic without having to cannibalise their normal dollar-based clients. Non-profits are big winners because they can increase their volunteer activities, and they get more recognition by being part of this program. Allows members to blend two lifestyles together (job and their work). And society benefits through a number of functions that would not happen at all or would have to be subsidized by taxes.

Source: Lietaer, 2001.

E.11 Involving stakeholders to maintain credibility

Involved: Multi-stakeholder Collaborative Roundtables (MCRs) involving environmental and labour NGOs, professional associations, industry groups and government.

Aim: Eliminate emissions of PBTs and other toxics.

Summary: MCRs as a new way to collaborate, based on failure of market and regulation. Failure identified in Brundtland report and at Earth Summit (1992), and partnerships called for. MCR seen as a mechanism of self-regulation for industry: 'voluntary pollution prevention initiatives'. NGOs left, self-regulation should not be expected as direct outcome of such initiatives however, they can contribute to achievement of environmental objectives by industry members. Could not reach consensus on the mandate of the Accelerated Reduction/Elimination of Toxics (ARET) group and the role the Federal government should play in it. NGOs expected more. Both NGOs and industry expected government to play a lead role, but that is not really aligned with the idea of a multi-stakeholder process where everyone should be equal. NGOs leaving left a vacuum, and reduced credibility. 'Will not be perceived as credible no matter what we do until there are environmental groups participating in ARET': diversity needed for credibility. Had diverse and irreconcilable positions on many issues: need a political as well as 'rationalist' 'scientific' perspective. Should not expect consensus on specific issues as the detail of regulation. Need regulatory approach, or at least the threat of a regulatory approach to leverage action. MCRs can be seen as a forum for transformation of cognitive frameworks ('mental models').

Source: De Bruijn and Tukker 2002, 237.

E.12 Strategic philanthropy for a better world

Involved: Alcan, Forest Stewardship Council

Aim: To support NGOs who are doing all the 'leg work' for sustainability.

Summary:

"We're also aware," says Engen, "that if we don't work together with other sectors, we won't accomplish very much in the way of sustainability on the global level" - Travis Engen CEO of Alcan.

Alcan sustainability prize, 1 million dollars annually to non-profit that most exemplifies the principles of sustainability. "The story of the prize and its first recipient highlights effective practices for identifying useful cross-sector networks, facilitating ongoing relationships, and thinking more strategically about sustainability-of organizations, their environments, and the planet as a whole." "In terms of global sustainability," says Engen, "nongovernmental organizations (NGOs) are the ones doing the legwork. We want to help them continue their work and to do it even better." He also notes that while companies have developed effective ways of dealing with their customers, others in their industry, and those important to them in the political world, "NGOs often lack the permanence, and in many cases, the scale of these other counterparts. So engaging with NGOs is something that business typically has not had great ability in doing. One reason that we launched the prize was to address that broad question of learning more about NGOs and how we can interact and partner with them." "Simply offering like-minded people the opportunity to get together, says Gagnier, "makes magic happen. During the presentation ceremony, for example, the CEO of the World Wildlife Fund said to me, 'I've never seen this many senior leaders of NGOs in the same room with corporate leaders at the same time.' The prize did that."

Source: Carole Schweitzer. Association Management Washington: Jun 2005. Vol. 57, Iss. 6, p. 46-52 (7 pp.)

E.13 Evolution through CSO engagement

Involved: Nike

Aim: Reduce attacks on its brand

Summary: Business model based exclusively on outsourcing. Early 90s attacked especially because of high profile brand. Eventually responded to criticisms with action to introduce labour codes and external audits. Early audits were one-offs, and audit little experience or credibility. Introduced specific departments for supply chain mgmt and corp. responsibility. Continued failure to address problem identified that it wasn't the supply chain that was the problem, it was their whole approach to business. Their short-term goals (that effectively incentivise corner-cutting by suppliers) did not match their long-term strategy to manage brand value. Balance between 'building tomorrow's business success without compromising today's bottom line'. Now, faced with the challenge of improving its

responsible practices, but in a more competitive environment, they are arguing for regulated international labour standards which will offset any competitive disadvantage Nike would incur if it were to go it alone. Signed Global Compact in 2000. In 2004 convened meeting of high-profile players from international labour, human rights and environmental movements at headquarters...from target of attack to convener of erstwhile critics....and conversations were broader than just Nike. They are also involved in alliances to explore how to address the challenges of an era where import quotas into the

US market were about to end. Alliances in a position to advise governments and agencies about how to manage transition.

Source: Zadek, 2004.

E.14 Unlikely partnerships and new markets

Involved: Anti-Apathy and Terra Plana

Aim; Anti-apathy is a London NGO that aims to encourage discussion on sustainability issues, through running entertaining evening events in a relaxed setting.

Summary: The owner of Terra Plan shoes, already addressing sustainability issues through its product lines, attended an Anti-Apathy event one evening and was so impressed he approached them to see what they could do together. The collaboration started using recycled materials from the UK to make 99.9% recycled 'Worn-Again' shoes in China, and helps fund Anti-Apathy's work. Despite early concerns about producing in China, Anti-Apathy's perspective has been transformed. The line of products is also expanding to sources material locally from Asia; produce a line of shoes made by people affected by AIDS in Africa, and a line of shoes made locally in the UK from local materials. A further partnership may evolve with carpet company Interface to re-use used carpet as part of the shoes (a side outcome of the authors' partnership with Interface).

Source: Rhoades 2006; <http://www.antiapathy.org/wornagain/> (accessed May 2006).

E.15 Independent certification and new rules

Involved: Rainforest Alliance and Chiquita

Aim: Improve standards and conditions for workers; doing the right thing

Summary: Working to ensure farms meet independently verified labour and environmental standards. Bold and so far lonely move in South America where labour orgs have been demanding change for a decade. Rainforest Alliance certifies under 'Better Banana Project (BBP)', started it in 1991. Interestingly, company identified need for this through education and awareness rather than a reputational catastrophe. Outcomes are clear: better standards, wages, conditions for workers, increased productivity. Inspectors are brought in from a network of NGOs linked to rainforest alliance. Benefits for Chiquita too: many retail customers in Europe would not be doing business with them if they did not have an agreement like this. Even without this, would have still done it, because are

committed to doing the right thing. Helped align company behind a clear performance standard. Additionally, ground-breaking agreement with unions re: consultation and oversight of compliance with ILO standards. Joined Ethical Trading Initiative (ETI), an alliance to better human rights and business ethics.

Source: Waddock 2006, see also <http://www.chiquita.com> (accessed May 2006).

E.16 Collaboration for global governance

Involved: Business, civil society, labour union federations, intermediating groups e.g. research organisations

Aim: Change norms, rules to achieve SD; CSO goal - businesses accountability; Bus goal - global standard for reporting, proactively deal with risks from activities

Summary: GRI aims to overcome limitations or other forms of reporting (by convening multi-stakeholder dialogue, culture of intense learning and experimentation) and explicitly achieve sustainability goals. Not dominated by one stakeholder, focus on process of making reporting a reality rather than predefined goals. Presence of NGOs critical to creating legitimacy and generating the momentum and change that business or government schemes lack. Originally focused on environmental concerns. CERES (NGO) acted as a steward for the process. Politics and science mixed right from the start. Important innovation of intermediating organisations who act as bridges between sectors (research orgs and professional associations). Governments not members, but provide support.

Source: Waddell 2005, 50.

Appendix F: Work Process and Tools

F.1 Statement of Partnership

The thesis research was undertaken in a truly collaborative fashion. The main elements that distinguish the different roles played are noted below:

Team development: Early on we collectively developed processes for working together, leading different components and reviewing each other's work. We each took turns running meetings and leading different tasks.

Research design and methods: Andrew took the lead with development of the qualitative research design and methods with review by Miriam and Richard.

Literature Search: We each undertook research in different areas with Andrew being the most prolific reader.

Interviews: Miriam was the primary contact for expert interviews. All three of us transcribed interviews and took notes with Miriam and Andrew undertaking the bulk of the work. Miriam was responsible for compiling the main findings from interviews.

Action Research Project: Richard led the ReEntry project and all three of us worked extensively on it, targeting different geographic regions for partner searches.

Case studies: Andrew identified and prepared case studies.

Presentations: We each took a turn preparing presentations and collectively presented our findings at peer review sessions.

Project Management and Communication: Richard led with project communications (project updates), updating the website and general project management (timeline etc). All three of us were involved in these activities.

Written report: We each took turns writing, editing and reviewing sections of the report on a rotating basis with workloads equally spread. Richard was responsible for final collation and editorial review.

Signatures:

Richard Blume:



Miriam Karell:



Andrew Outhwaite:



Partnerships4SSD

F.2 Process Tools

The following are some process tools used to plan and execute this collaborative research venture:

Project Timeline:

Recycled Business Cards:



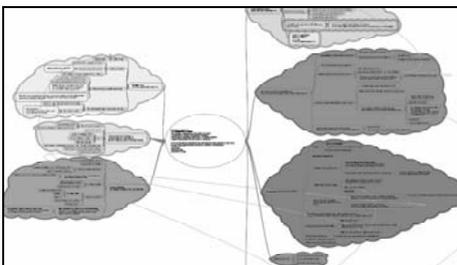
Brainstorming:



Project Blog:



Mind Mindmapping:



Contacts and Referrals:

