

## Sustainability Game Changers

How innovators are breaking boundaries, shaking up traditional business models and achieving results

Thursday, October 21, 2010 – 4:00 - 5:00pm

### Speakers

- >> **Toby Heaps**; Editor and Co-Founder, Corporate Knights (Moderator)
- >> **Dr. Rafi Hofstein**, President & CEO, MaRS Innovation
- >> **Chris Jarvis**, Owner & Co-Founder, Realized Worth/ 3BL Media
- >> **David Labistour**, CEO, Mountain Equipment Co-op
- >> **Nicholas Parker**, Executive Chairman, Cleantech Group LLC

### Key Messages

- >> Collaboration in sustainability is vitally important to the future success of a business
- >> Canadian companies need to capitalize on CSR gains to obtain a first-mover advantage

### Worth Repeating

*“To really make an impression, you need to work with your competition... You’re going to need to collaborate at some point, and in some instances, it’s the only way forward.”*

- David Labistour, CEO, Mountain Equipment Co-op

*“The best goals are the ones that are set-up well. Our job may be to set up the play for the next generation.”*

- Chris Jarvis, Owner & Co-Founder, Realized Worth/ 3BL Media

*“We [Canadians] are uniquely equipped to generate ideas that are socially, environmentally and economically responsible. That is the Canada that exists, that’s the Canada project.”*

- Nicholas Parker, Executive Chairman, Cleantech Group LLC

### Summary

The panel discussion began with an introduction from the moderator, Toby Heaps of Corporate Knights. Heaps described a study of the 3,000 largest companies in the world which determined that these organizations are producing trillions of dollars in negative externalities (costs to society). The impact of the private sector cannot be dismissed and any advancement on environmental and social issues requires their participation and collaboration.

Dr. Rafi Hofstein of MaRS Innovation commented largely to innovations in the medical sector, and prefaced his discussion by stating that the same principles hold true for innovations in water and clean technology. MaRS

Innovation's role is to harness the intellectual property of Ontario hospitals and universities, select those innovations with the largest commercial and public benefits, and connect them with investors who will bring them to market. This process and organization would not have been possible without concerted and consistent collaboration amongst the medical/academic institutions, government and private companies.

Previously there was a chasm between promising research and development, which Dr. Hofstein termed the "valley of death." To bridge this gap MaRS Innovation recognized that the classical way of bringing academic ideas to market was no longer working, and that researchers needed to collaborate with business from the outset. Therefore, MaRS Innovation emerged as a new system of investing in research proactively and effectively became a "game changing operation".

David Labistour of Mountain Equipment Co-op (MEC) described the need for collaboration within his organization. Although renowned for sustainable practices, MEC is not a large player in the sporting goods industry. Consequently, Labistour recognized that MEC could not undertake sustainability alone. This is why Labistour believes that collaboration is vitally important, and that the successful businesses of the future will have to work with their competition to achieve sustainability in product lines. For instance, since current intellectual property laws prevent sustainable ideas from reaching the market, MEC has worked with other organizations to share intellectual property, allowing innovative goods to be used by more people.

Next, Nicholas Parker of Cleantech took the stage, emphasizing that "social responsibility is not good enough anymore - we need sustainable results." Parker explained that this is because as resource prices increase, the profit margins of consumer-facing companies are being eroded. In this changing world, successful companies are those that recognize the value of sustainable results. One example of a successful sector that has embraced sustainable results is cleantech.

According to Parker, although the cleantech industry is growing, Canadian companies only appear to engage in sustainable practices to manage risk. This means that Canadian companies are not capitalizing on CSR gains. Parker urged Canadians to stop waiting for the US to make the first move on the environment. Canadian companies need to act quickly to obtain the first-mover advantage, because if not, Canadians are "giving away the game".

Finally, Chris Jarvis of Realized Worth/ 3BL Media, described the capacity for social media to help companies in their sustainability journey. Jarvis explained that while social media is a useful tool, it can only reach its true potential if companies and individuals employ this tool to have meaningful conversations. Companies need to get away from having a one-way conversation with their consumers and employees, and instead they need to offer real value and connect with people. Jarvis argues that, too often, companies are concerned about controlling the "message" through social media. Constraining communication in this way does not bring about collaborative benefits. Therefore, companies need to remember to promote human relationships in their use of social media to create the change we need.

The discussion concluded with the panelists urging all businesses to embrace collaborative benefits in sustainability, and for Canadian companies in particular, to act on sustainability for a successful future.