

Caring for the Future: The Systemic Design of Flourishing Enterprises

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reDESIGN

The Resilience of *Sustainability*

The term has lost impact & meaning.

For 3 decades we've anchored on *sustainability*.

- Since Bruntland Commission (1987)
- Sustainable *Development*
- Ecological *Modernization*

Consider these enablers of the status quo.

See *Ehrenfeld (2000)*

Can we sustain “Sustainability?”

Another feature that makes the Brundtland concept of sustainability development problematic is that there is no way to ascertain whether or not the momentary state of the world is sustainable, i.e., whether the desired conditions will be present in the future. Sustainability is essentially not assessable other than to observe that the present world is, indeed, a flourishing place. Unsustainability, on the other hand, can be observed in the present and is a characteristic of our modern mode of living. Our knowledge of the rules that govern the transformation of the present to the future is doomed to be insufficient to allow us to determine whether the present conditions can or will persist into the future. Thus sustainability cannot be reduced to some deterministic set of characteristics and rules.

A Foundation for Speaking of Flourishing

Strong vs Weak Sustainability

- Non-substitutability of natural capital w/ others
- Emerged from Ayres (1998) & others criticizing the lack of progress from sustainable dev
- Few examples of strong sustainability in 90's, & as applied to business, considered improbable.

- Aim for compatibility with *The Natural Step (FSSD)* & anchor in bio-physical sciences
- Living systems theories of (Allen et al) *supply-side*
- Socio-ecological systems & ecological macroeconomics

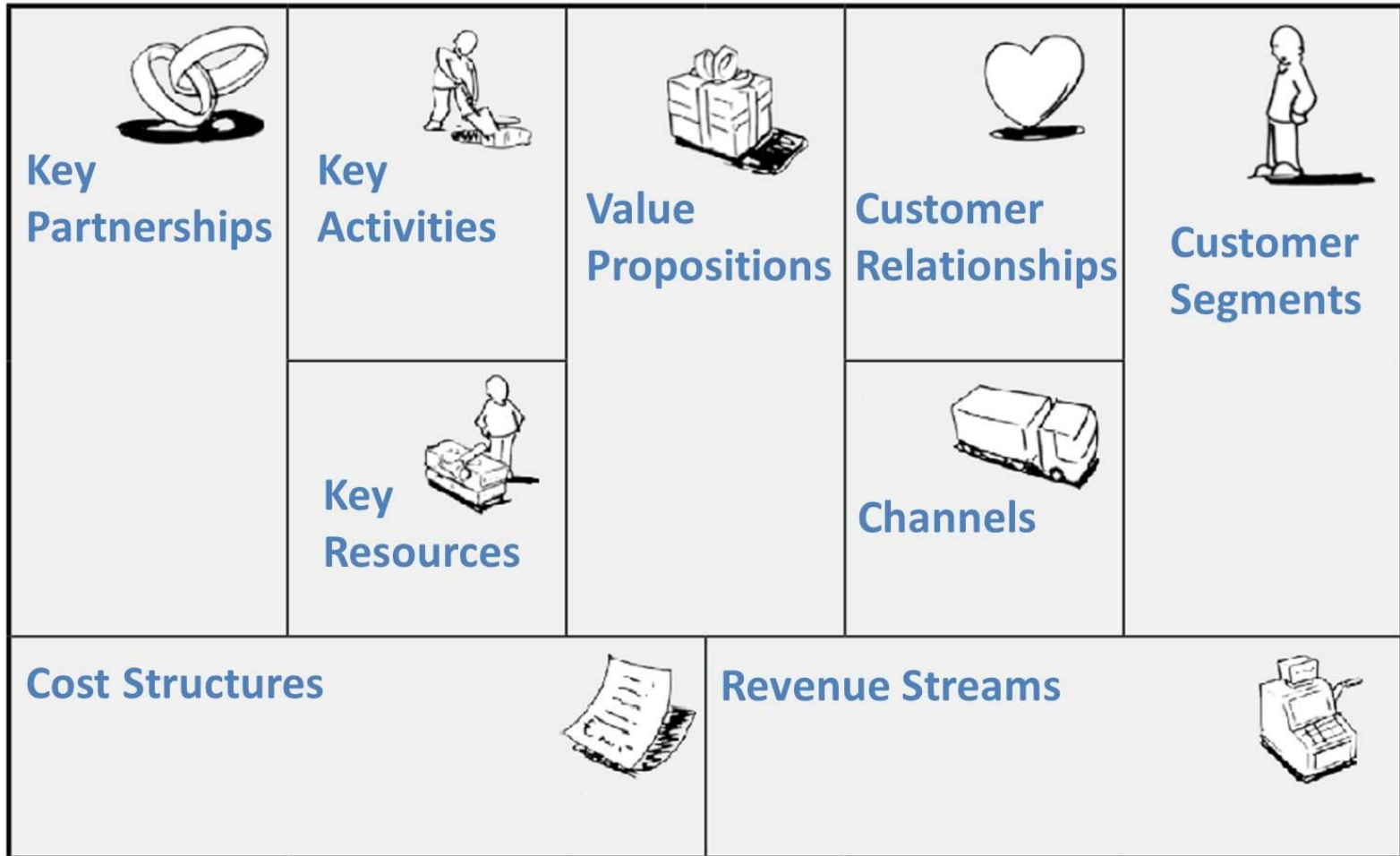
“More sustainable” business models

- Product/Service Systems (Vezzoli, et al)
- Dematerialized product/services
- Circular economy / Supply-waste ecosystems
- Collaborative consumption
- Public-private incentive models
- Regional mutualism / Start-up safety nets

Best cases include -

- Interface (circular carpet model)
- Patagonia, Timberland,
- Unilever

Business Model Canvas



Osterwalder & Pigneur. (2009). *Business model generation*.

No environmental impact model

No value chain / supply impacts

No societal impacts, No triple-bottom line option

Upward's research led to ...

1

Understand the Natural and Social Science of Sustainability

Defined the gaps in Osterwalder's Ontology of profit-first businesses, based on the science

2

Designed an Ontology of *Strongly Sustainable Business Models*

3

Co-designed **Strongly Sustainable Business Model Canvas**, a visual design tool, structured by the Ontology, and tested:

1. **Against standards of sustainable business**
2. **Formally with 7 experts and 2 case study companies**
3. **Informally with dozens of others:**
Business people, professors, students

Revising Definitions...

Necessary, but not sufficient

“A Business Model describes the rationale of how an organization creates, delivers and captures value [in monetary terms]”

Value = the perception by an actor of a need being met; measured in aesthetic, psychological, physiological, utilitarian and / or monetary terms.

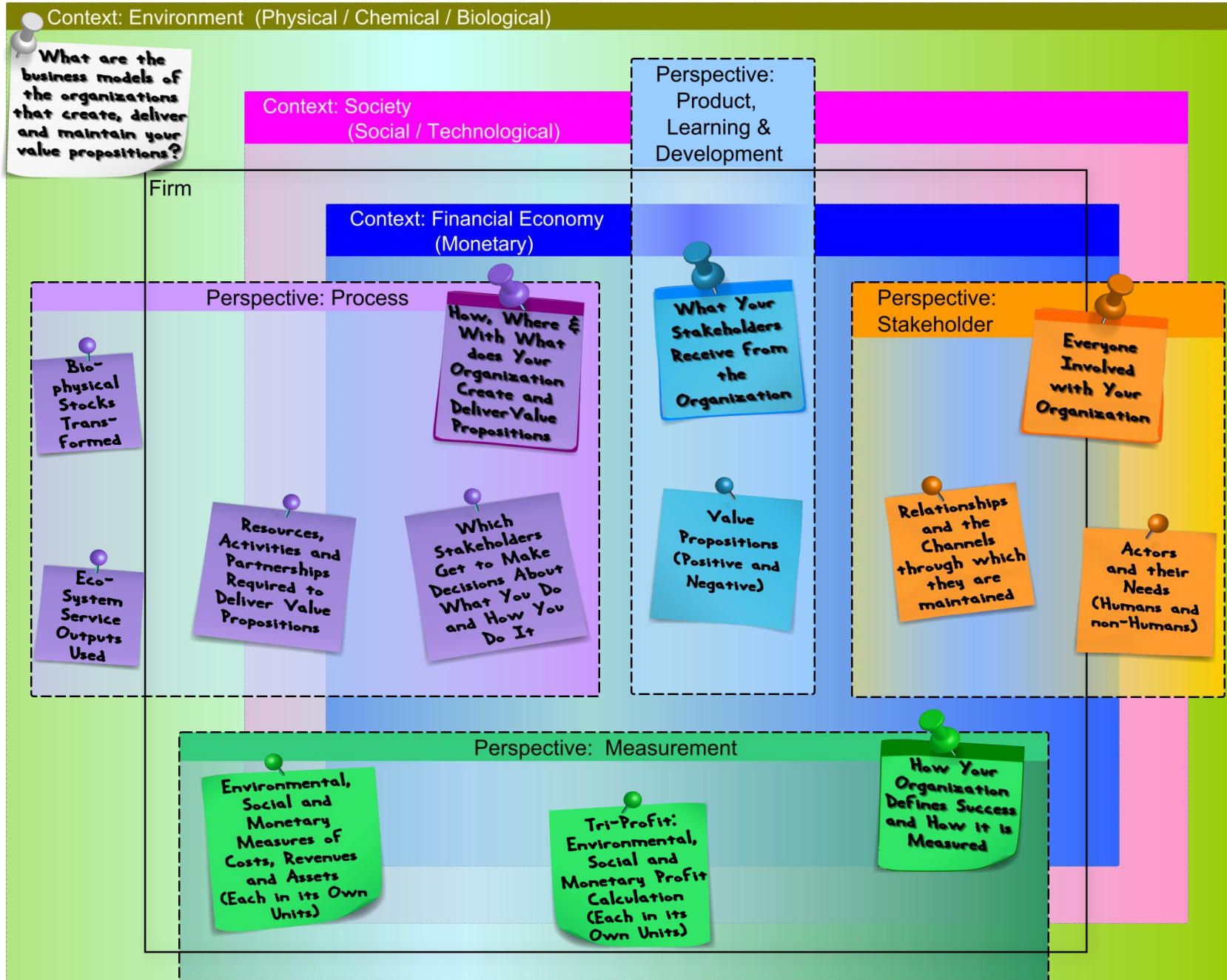
Value is created when needs are met via satisfiers that align with the recipient's world-view, and destroyed when they don't

A Business Model = the logic for an organization's existence:

- Who it does it for, to and with
- What it does now and the future
- How, where and with what does it do it
- How it defines and measures its success

A description of how an organization defines and achieves success over time.

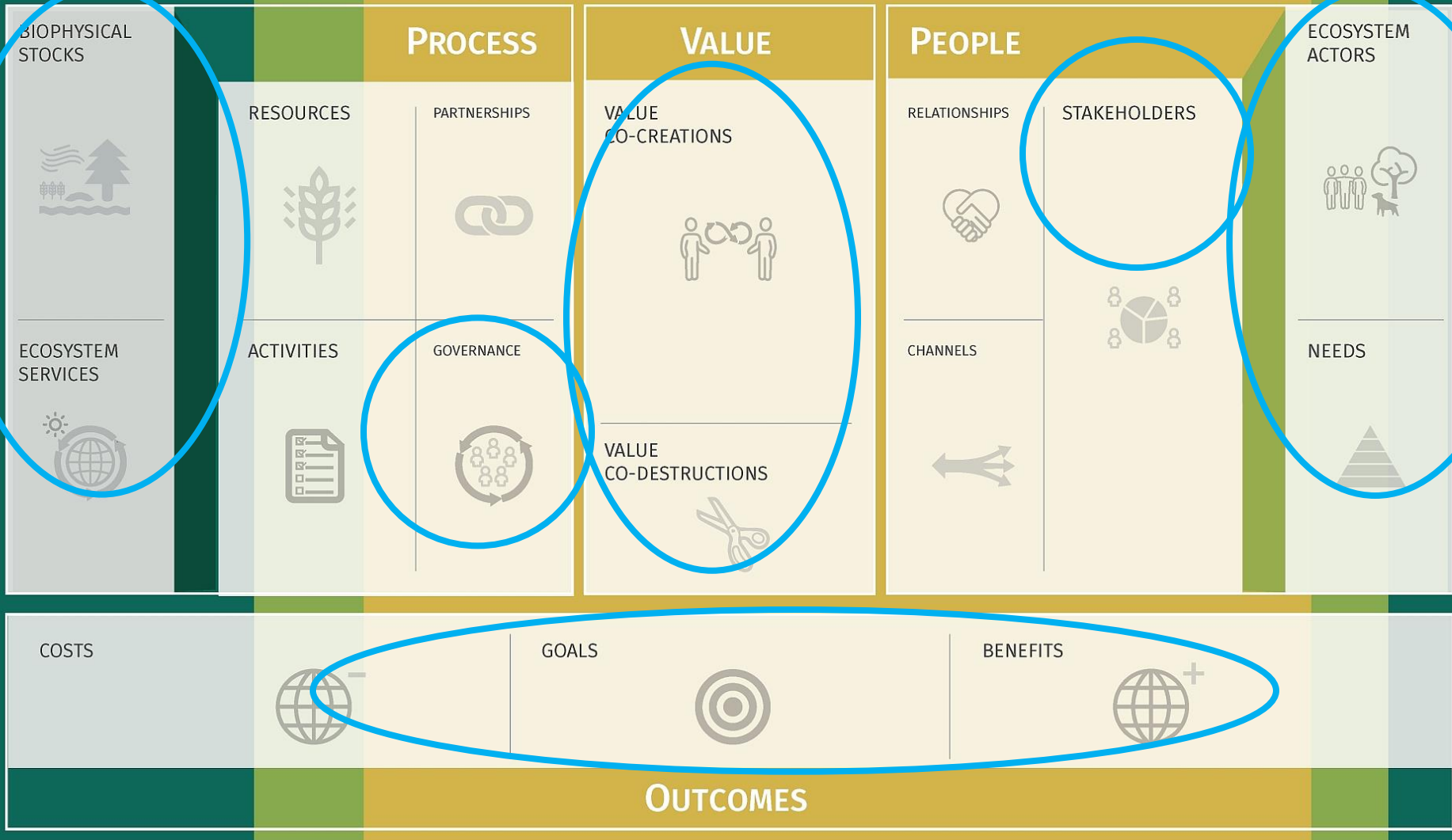
Strongly Sustainable Business Model Canvas – 14 Questions



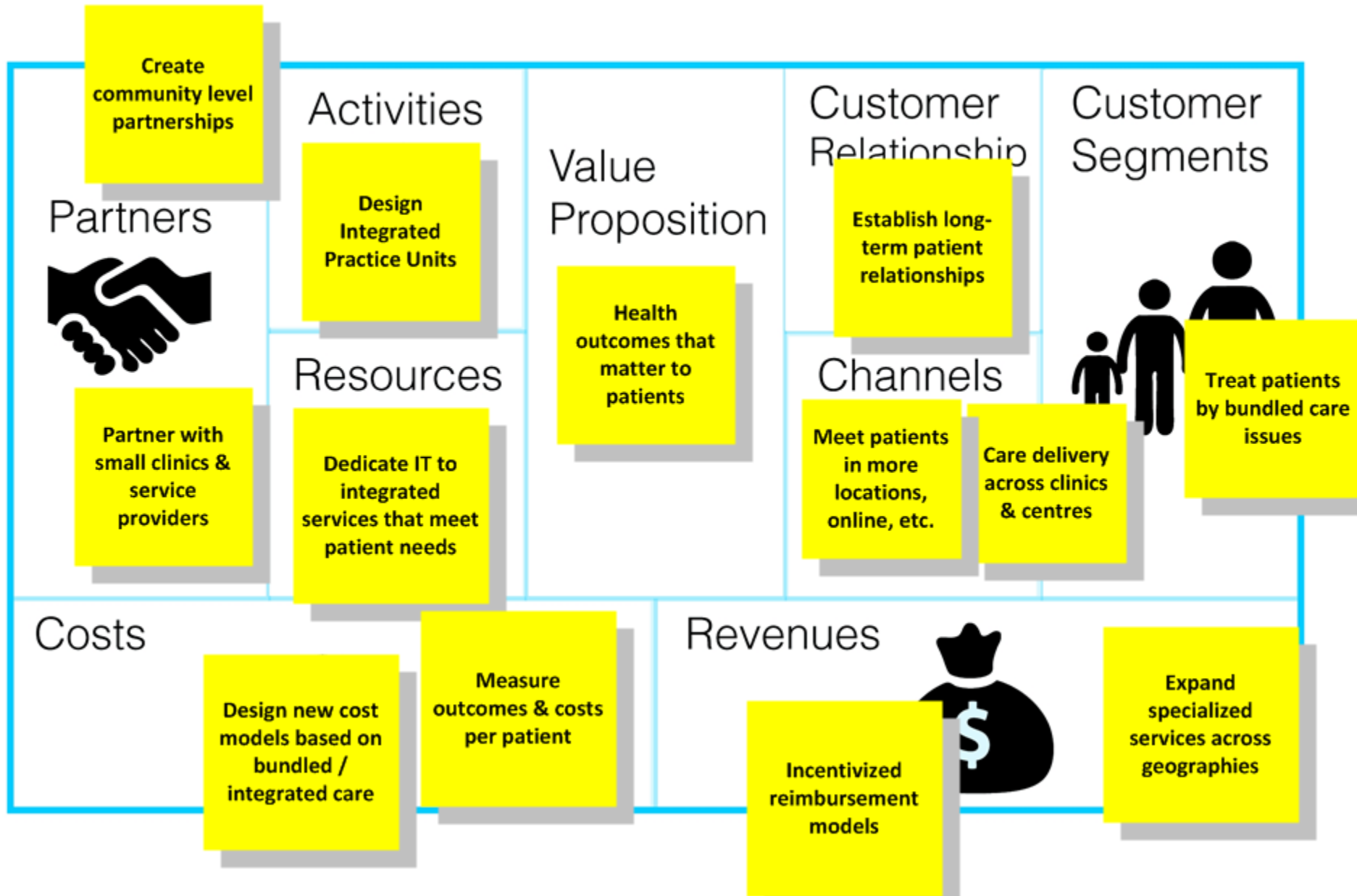
Environment

Society

Economy



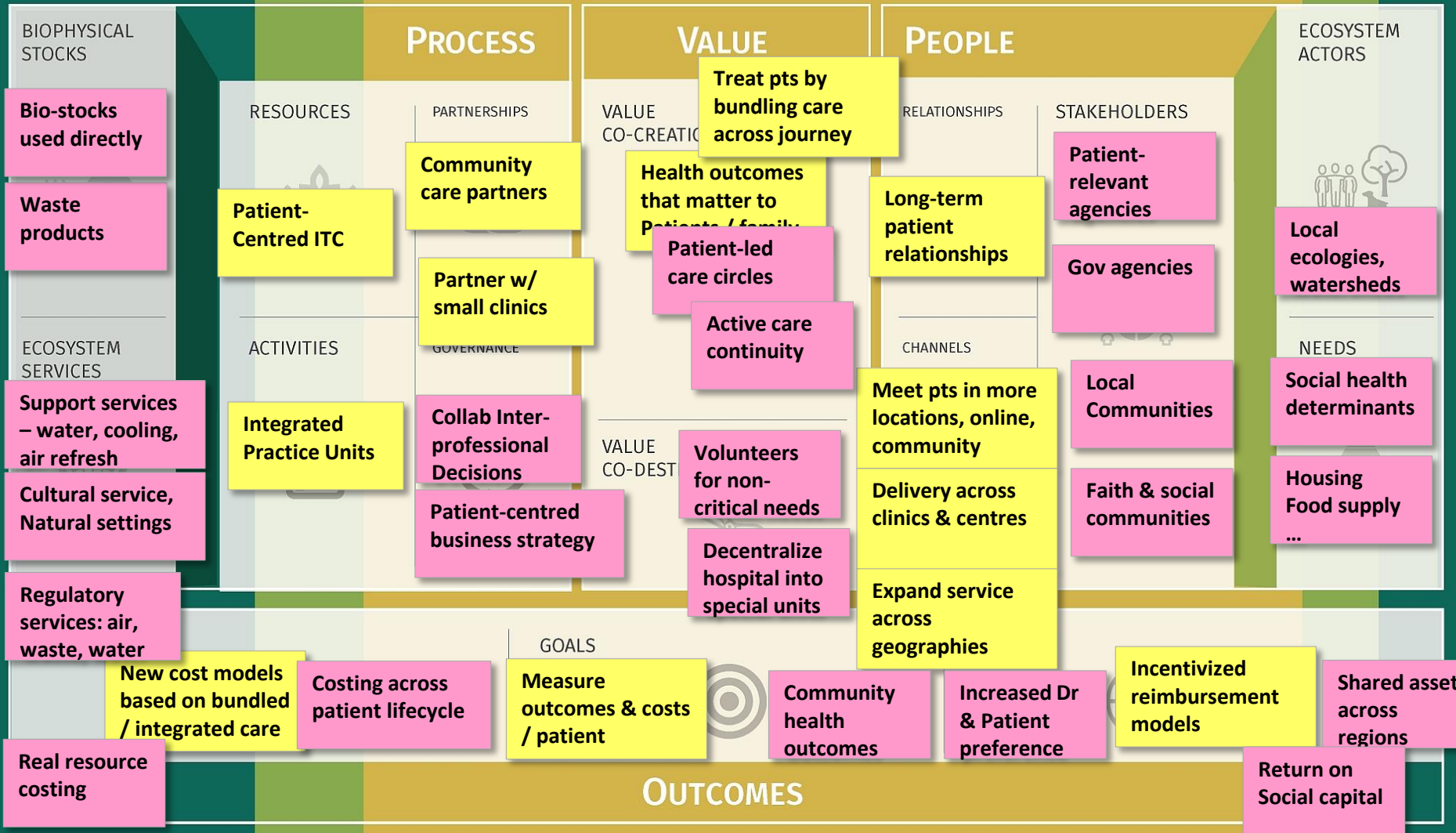
A Shared Value Business Model using Osterwalder



Environment

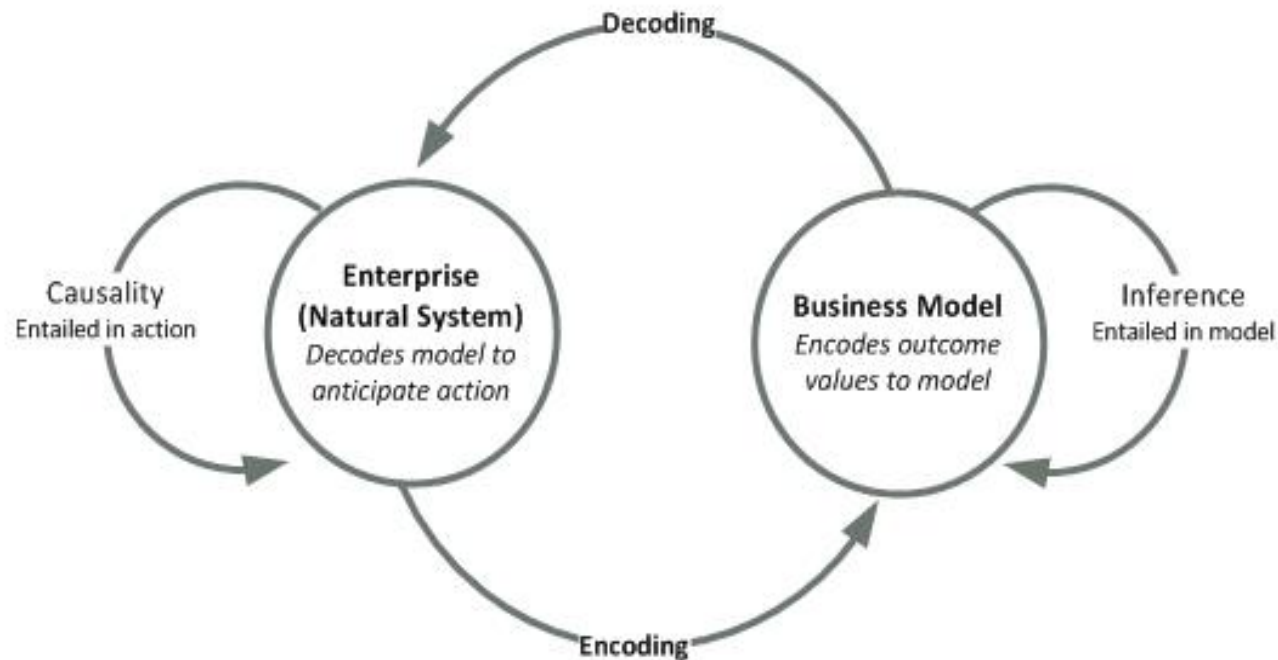
Society

Economy



Business Model as Formative Context

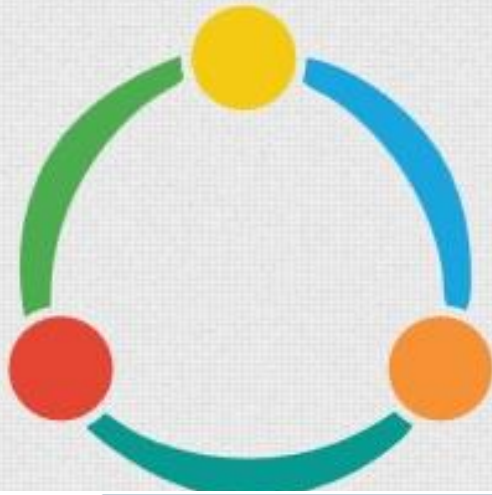
- BM explicitly represents value system & mental model
- New BM design offers scope for reclaiming values
- As anticipatory system, feed-forward loop



Business Model Designs the Enterprise

- Novel models are not *simulatable*
- Causal entailments (rel to environment) too complex
- Anticipated outcomes guided by updating model with feedback information (encoding)
- & updating new decisions with updated decoding.

- New view of a flourishing “enterprise”
Living system model of firm & entire value network in bio-socio-eco-cultural contexts, within planetary limits



THE THIRD GLOBAL FORUM FOR BUSINESS AS AN AGENT OF WORLD BENEFIT

FLOURISH & PROSPER

Dare to Flourish: A Practical Guide for You & Your Organization



John Ehrenfeld
Executive Director of the International Society for
Industrial Ecology



B Corporations: Using business as a force for good



Bart Houlahan
Co-Founder, B Corporation



Stephen Davies
Managing Director, Transformation by Design
Business Consultants Inc.

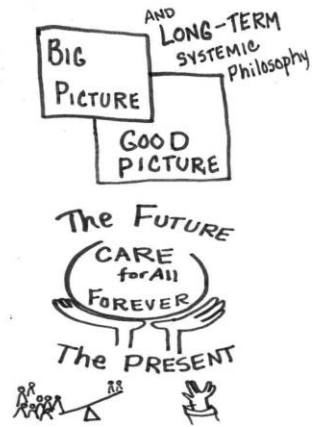
[@XformByDesign](#) / [Bio](#)



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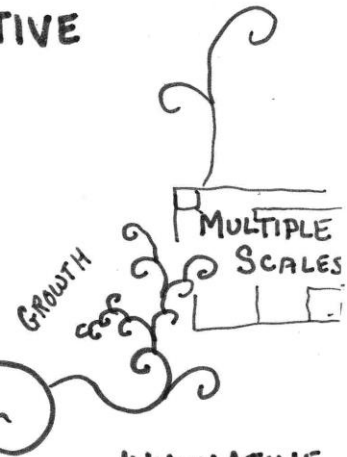
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Takk. Questions & Discussion?



EVOLUTIONARY ADAPTIVE BUSINESS MODEL

TRANSFORMATIVE CONNECTIVE UNFOLDING



ADAPTIVE LIFE CYCLE

TEMPORAL CYCLICAL



INNOVATIVE SPINOFFS

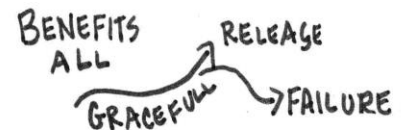
RETURNS TO ECOSYSTEM



NEW

REQUIRES PALIATIVE CARE FOR DYING BUSINESS MODELS

SOCIALLY ADAPTIVE PROFITABILITY



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