

Faculty of Design

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## Caring for the future: The systemic design of flourishing enterprises

Jones, Peter and Upward, Antony

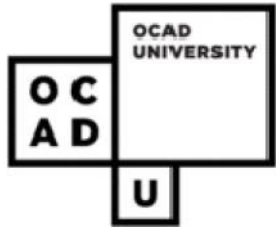
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# Caring for the Future: The Systemic Design of Flourishing Enterprises

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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



SSBMC

# The Flourishing Enterprise



# “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



*No environmental impact model*

*No value chain / supply impacts*

*No societal impacts, No triple-bottom line option*

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



# 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.

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

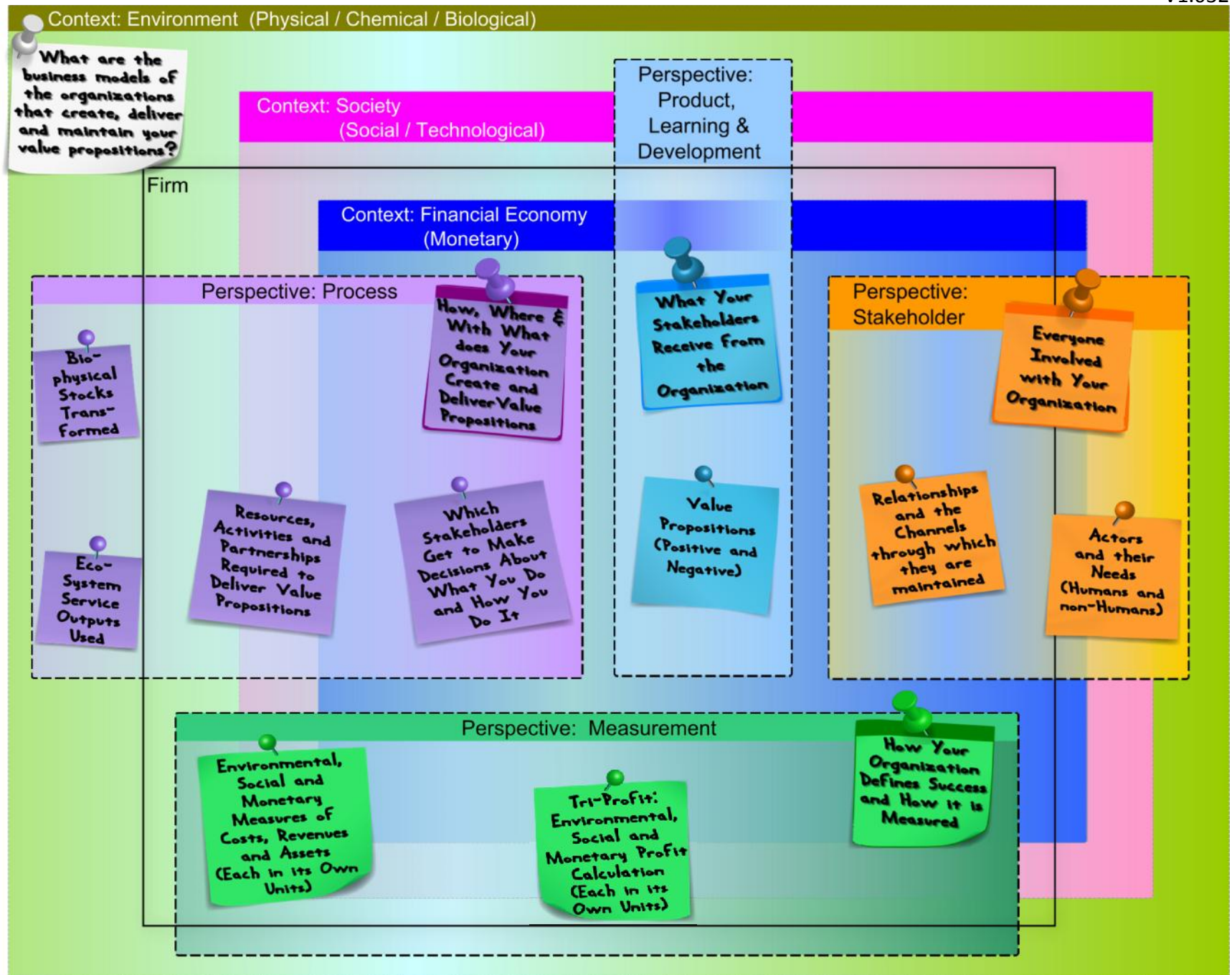
- Who it does it for, to and with
- What it does now and the future
- How, where and with what does it do it
- How it defines and measures its success

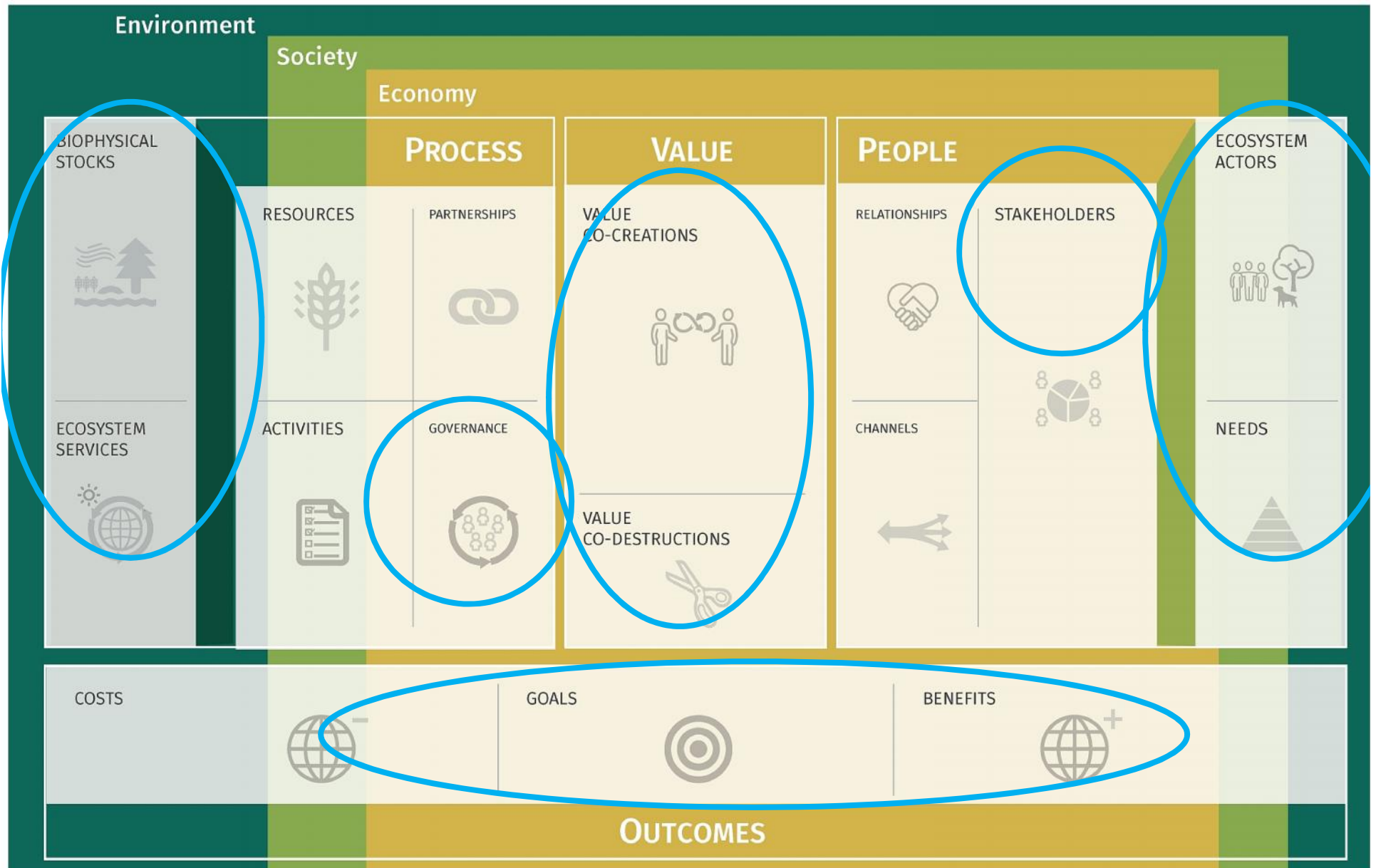
*Value is created* when needs are met via satisfiers that align with the recipient's world-view, and destroyed when they don't

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

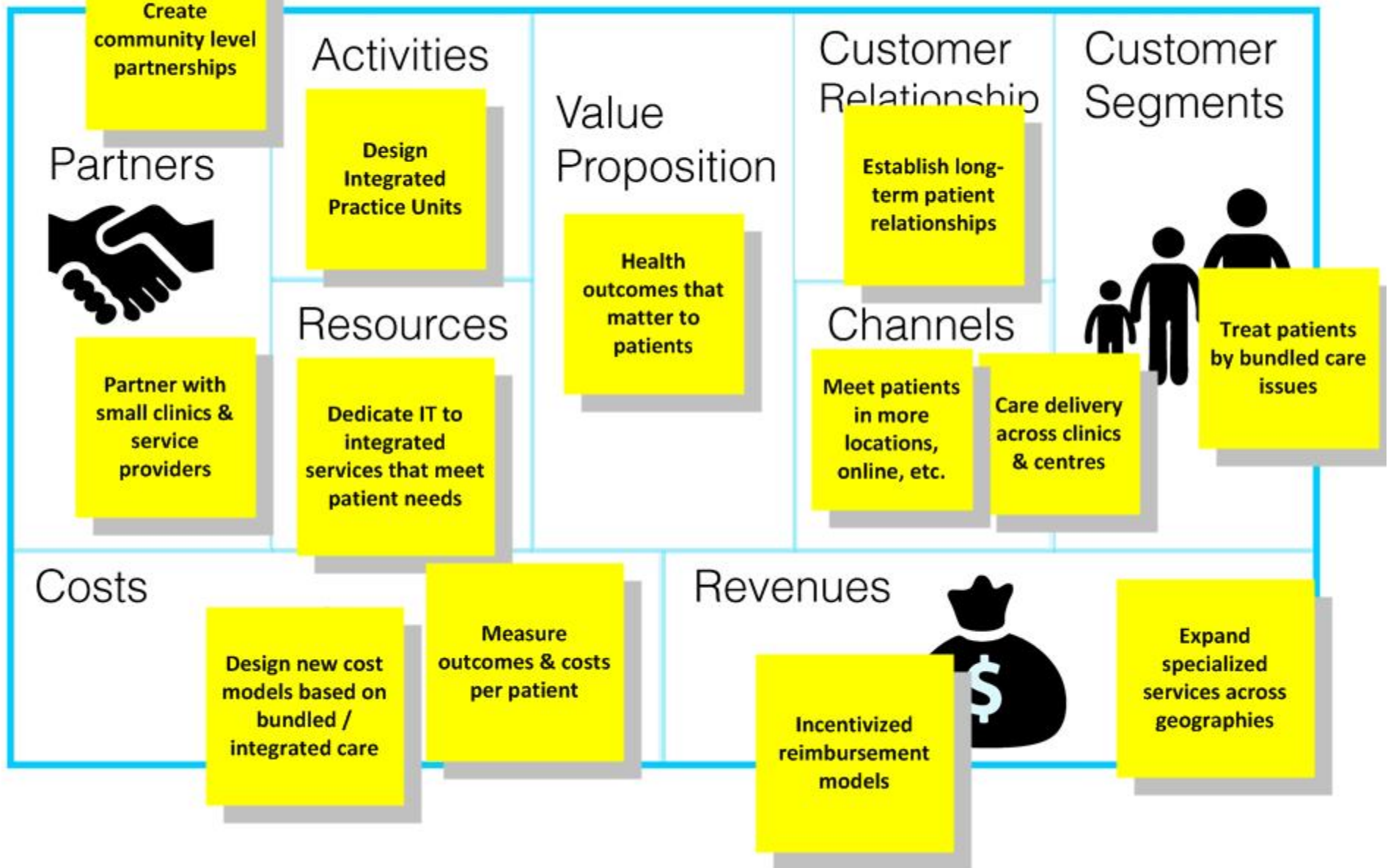
# Strongly Sustainable Business Model Canvas – 14 Questions

V1.032

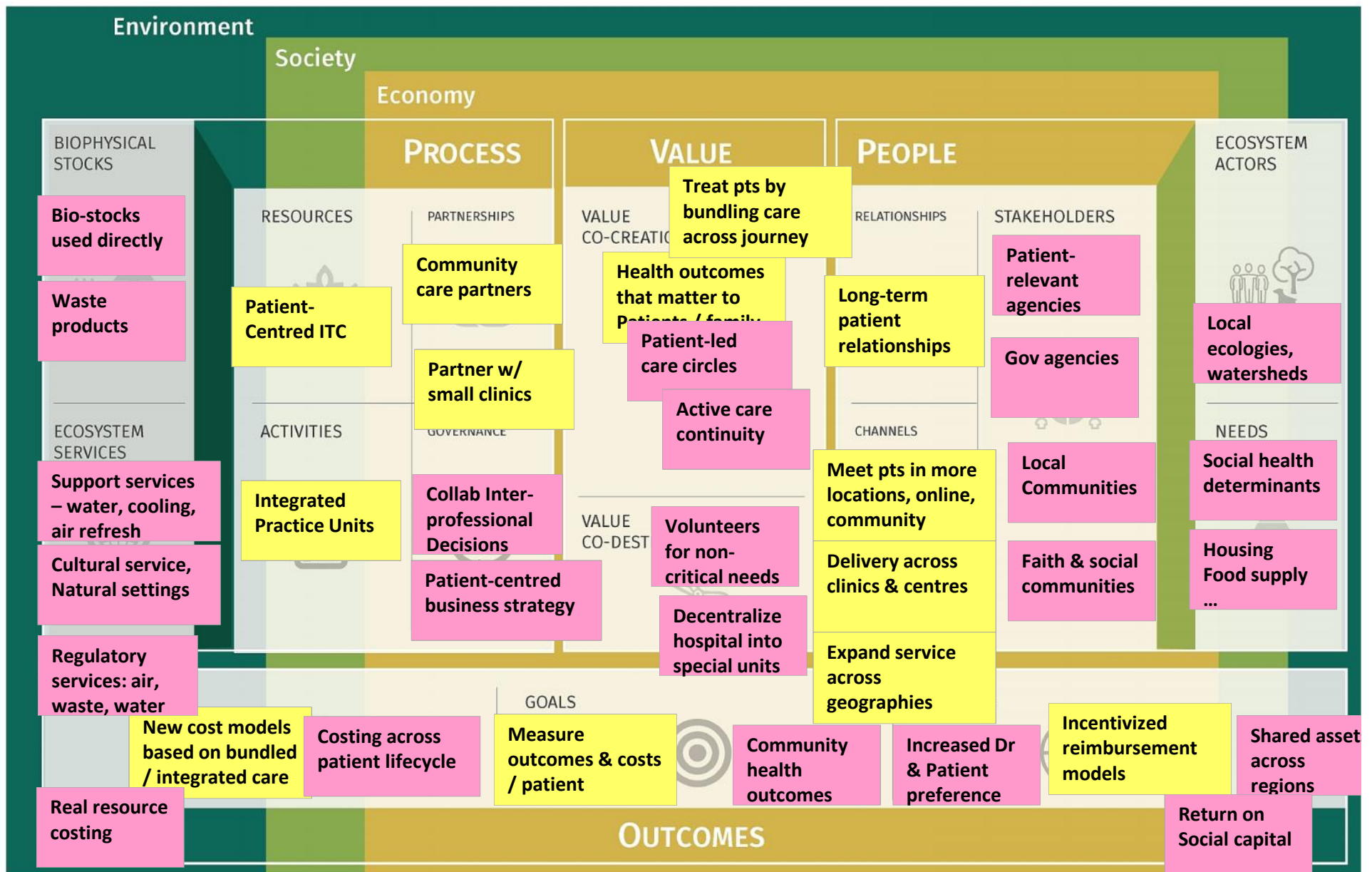




# A Shared Value Business Model using Osterwalder

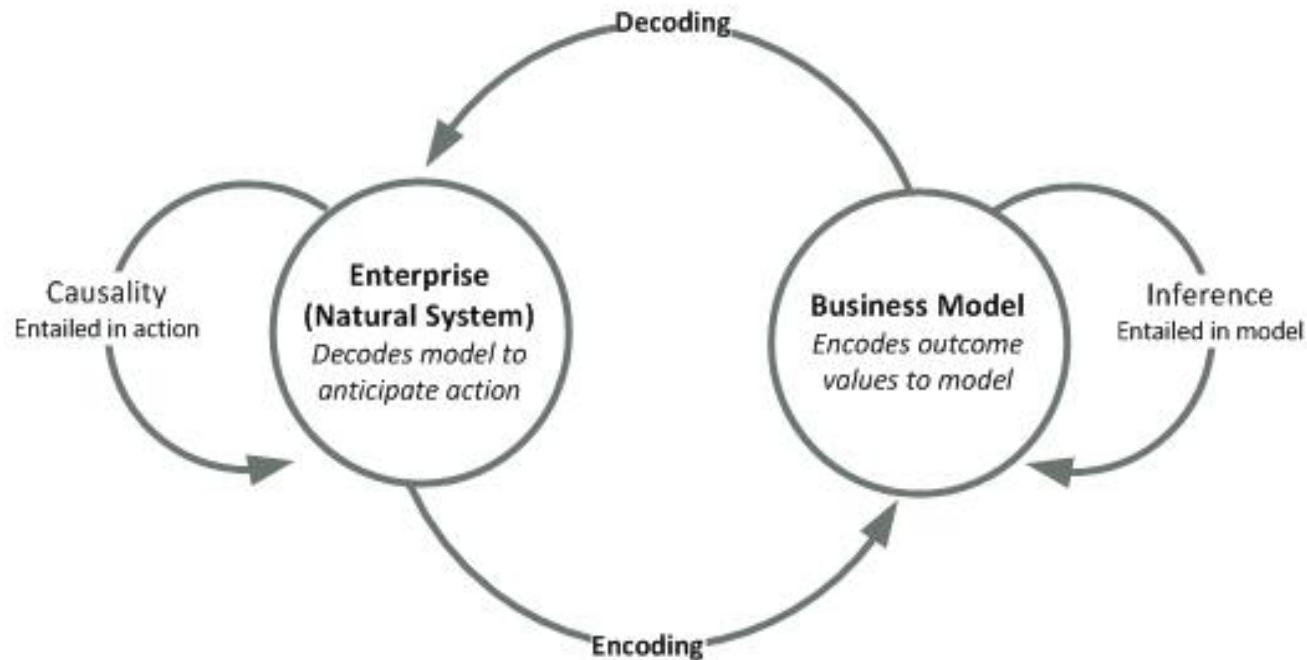






# Business Model as Formative Context

- 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.

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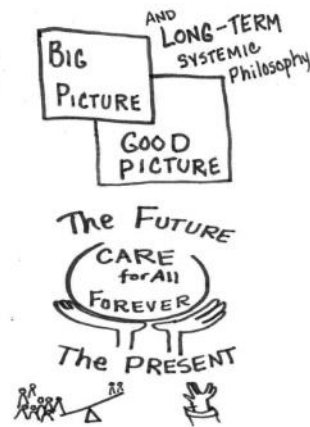


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Sustainability Business Architect and Principal,  
Edward James Consulting Ltd.

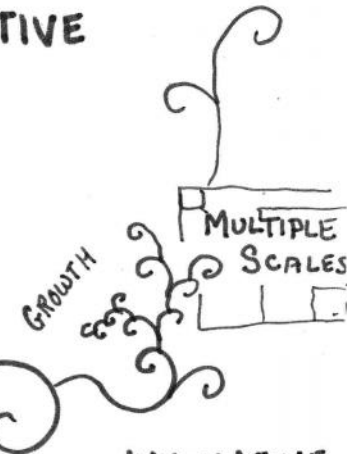
@aupward / Bio

Takk.



## EVOLUTIONARY ADAPTIVE BUSINESS MODEL

TRANSFORMATIVE  
CONNECTIVE  
UNFOLDING



ADAPTIVE  
LIFE CYCLE

TEMPORAL CYCLICAL



RETURNS  
TO  
ECOSYSTEM



INNOVATIVE  
SPINOFFS

SOCIALLY ADAPTIVE  
PROFITABILITY

REQUIRES  
PALIATIVE CARE FOR DYING BUSINESS MODELS

NEW

BENEFITS ALL  
GRACEFULLY  
RELEASE  
FAILURE

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