

November - how sustainability can create value for your brand



HOW SUSTAINABILITY CAN CREATE VALUE FOR YOUR BRAND

Forum for the Future was founded 18 years ago as a not-for-profit organisation for solving complex sustainability challenges. The difference between their approach and that of other charities was that they partner with businesses to form collaborations that create lasting change and increase ROI.

Sustainability wasn't high on the agenda for many companies in 1996. Unilever was the first to recognise the value in sustainability, partnering with Forum nearly 18 years ago. Today, Forum for the Future helps many multinationals and brands to identify trends that are changing business such as demand outstripping supply, seismic shifts in the global economy, and the explosion of digital.

Sally Uren, CEO at Forum for the Future, explains why businesses need to take sustainability seriously and how collaborative partnerships can create a 'win, win' for both businesses and consumers. In fact, recent studies show that organisations with clear sustainability policies outperform competitors in terms of stock market and accounting performance – 'meaningful brands' beat the stock market by 120%.

Find out how some of the world's most successful multinationals and brands are collaboratively taking on sustainability and securing long-term profit while making the world a better place.

“ The future isn't something that happens to us, we can create it. ”

Sally Uren, Guest Speaker



Our Guest Speaker:

Sally Uren, Chief Executive at Forum for the Future

Sally Uren is the CEO at Forum for the Future, a global not-for-profit partnering with businesses and governments to solve complex sustainability challenges across multiple sectors including food and energy. She has worked with some of the world's leading multinationals and developed initiatives for brands and organisations as diverse as Unilever, BUPA, Kingfisher, Tesco, Ecover and The Forest Stewardship Council.

At this month's Honey Buzz, an exclusive round-table discussion hosted by Honey Creative at Soho House, Sally talks to brand owners and senior executives about the challenges businesses will face in the future, how brands can lead consumers

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and create desire around sustainability, why R&D is one key to sparking sustainable innovation, and how businesses can create external conditions for change.

If your organisation is interested in talking to Forum for the Future about solving challenging sustainability issues together, email Martin Hunt, Head of Networks and Partnerships: m.hunt@forumforthefuture.org

The Buzz evening highlights...

1. Consumer demand is outstripping supply

“In the next 40 years we will have to produce as much food as we did in the last 8,000 years.”

Jason Clay, WWF

This is a major challenge because we have a growing global population and an economy that is built around us consuming more ‘stuff’. We are quickly approaching the point of ‘peak oil’ and ‘peak water’, in fact, peak everything, making it critical that consumers adopt a new normal. For instance, brands are investing millions in developing sustainable protein, but how can we create consumer acceptance or even desire for eating insects or lab-grown ‘meat’?

In other sectors, consumer demand for technology and goods such as mobile phones and automobiles is also outstripping supply – and planned obsolescence is exacerbating the issue. Brands like O2 and Apple are now leading recycling initiatives for mobile phones, but we should be striving for closed loop solutions and educating consumers to have a different idea about quality as distinct from incremental novelty.



Tweet it: *In the next 40 years we will have to produce as much food as we did in the last 8,000 years.* @honeycreative #honeybuzztalks



2. Power balance in the global economy is changing

“Trade between the SAAME countries, South America, Asia and Middle East is now almost twice that between the North America and traditional trading countries. Producers are no longer at the beck and call of the developed west.”

Sally Uren, Guest Speaker

The biggest area of growth for producers is in emerging markets like the Middle East and Asia. The US and Europe used to have priority with producers and manufacturers, but producers are increasingly more interested in Indonesia, Brazil and other growing consumer societies. People are lifting themselves out of poverty fast, increasing the global middle class and shifting the power balance in the world economy.

However, the economy also faces challenges from climate change and volatility through civil unrest – both are serious threats to the future of many businesses. Ecover recently conducted a study to better understand their future challenges and opportunities. They identified access to raw materials and supplies as being a potential threat to any business model based around supply chain in the future, and have successfully piloted the creation of a closed loop cleaning product in Mallorca, using nothing but the island’s own waste streams, renewable energy and university know-how.

Tweet it: *Access to raw materials and supplies could be a future threat to any business model based around supply chain.* @honeycreative #honeybuzztalks

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3. The explosion of digital forces businesses to be more transparent

“ Look at the beef scandal in the UK. My local Waitrose started putting signs up saying the beef was from such and such local farm, to reassure people ... It's about trust.”

Douglas Orr, Founder of Novastone



Of the world's 7 billion people, 6 billion have access to mobile phones but only 4.5 billion have access to sanitation. Something isn't working in our global economy if people can afford a phone but can't access safe drinking water. However, technology is completely disrupting traditional models and is being used to create change, forcing brands and businesses to be more transparent about their supply chains.

Subway experienced a backlash on social media when a mum in the US tweeted, "No more yoga mat chemical in our bread!" after she discovered that the preservative used in their white bread was the same chemical that is used to make yoga mats. Subway had to remove the ingredient quickly and at considerable expense.

There have been several cases of brands such as Subway and McDonalds being exposed for using dubious ingredients, but there are also positive stories of brands embracing digital to make a change. Harney Sushi makes their sushi with an edible QR code attached that takes you to a YouTube video of your fish being caught. If we know where our food comes from then maybe we will value it more.

Tweet it: Harney Sushi make sushi with an edible QR code attached that takes you to a YouTube video of your fish being caught. @honeycreative #honeybuzztalks

4. Brands have the potential to make sustainability desirable

“ Design needs to be used to empower the brand, then engage people to become advocates, which leads to proven sustainable growth.”

Lulu Laidlaw-Smith, Commercial Director at Honey

Apple has become synonymous with innovation. Steve Jobs once told an interviewer that he didn't base product development on consumer insight and he didn't even ask them what they want. Instead, he created desire for something people didn't even know they wanted. Brands are great at creating this desire and have the potential to make sustainability the 'next big thing'. How can they do this?

Method have developed a range of cleaning products made from sustainable ingredients and have created the video campaign #cleanhappy to create desire around the chore of cleaning. The videos show how a task that is often perceived as arduous can instead be easy, normal and fun ... but the focus is still on products that look good and work. They have turned the category on its head.



method.
PEOPLE AGAINST DIRTY®

“ Innovation is giving people what they want before they know they want it. What if the 'next big thing' made sustainability easy, normal and desirable? Brands are really good at creating desire. Why shouldn't it be them to make sustainability the next big thing?”

Sally Uren, Guest Speaker

Tweet this: Brands create desire. How can they innovate to make sustainability easy, a routine and desirable to consumers? @honeycreative #honeybuzztalks

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5. R&D can use tomorrow's challenges to spark innovation

“ R&D can actually become a brand. If you think of Tesco Labs as a different entity then we can experiment and try stuff and if it goes wrong then it doesn't reflect on Tesco. We don't have to worry about engaging the whole mechanism. It's innovation for innovations sake.”

Audun Clark, Head of Innovation Culture at Tesco Labs



We need to connect R&D to spark sustainable innovation. Ask them what life could be like in 2025 and what the future holds for consumers to inspire innovation and connect them within the organisation. A good example is Ecover's Glocal initiative in Mallorca. They now make soap from the 'waste' materials of olive and grape harvesting, using local knowledge to create a business that functions much like an ecosystem.

At Sony, the FutureScapes innovation process resulted in many concepts, including WandULar – a sustainable technology device that overcomes obsolescence in consumer electronics by developing devices that evolve with you over your lifetime thanks to a processing core, cloud downloads and hardware plugins. Some of the innovation ideas that came from this process actually entered the commercial pipeline, or still live on beyond Sony – such as the Internet of Things Academy (IOTA).

Tweet this: How can R&D spark sustainable innovation? Ask them what the future holds for consumers! @honeycreative #honeybuzztalks

6. Businesses can create the external conditions for change

“ Energy prices are going up for consumers, but most of the UK population don't take steps to reduce their energy bills because they feel disempowered. B&Q and other retailers, along with a wide range of civil society organisations, have decided to do something about this. The Big Energy Vision aims to change our relationship with energy, and boost the market for energy efficient goods and services.”

Sally Uren, Guest Speaker



We are seeing more businesses change the external context to achieve sustainable business success. Nike is now aspiring to be the first business in the world to be completely closed loop. Their search for sustainable clothing materials led them to collaborate with NASA to create LAUNCH – an initiative that helps to fast track innovation ideas that disrupt the materials and manufacturing system.

Closer to home, brands are partnering up to create a 'win, win' situation with consumers, helping them to reduce their energy bills through an ambitious coalition called The Big Energy Vision. Fuelled by a lack of trust in politics and the media, partners such as B&Q, John Lewis and Energy UK have joined up to create a shared messaging toolkit to communicate simple home energy messages to consumers.

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Tweet this: Brands are collaboratively harnessing sustainability through 'win, win' initiatives such as The Big Energy Vision and LAUNCH. @honeycreative #honeybuzztalks



7. Businesses can become problem solvers

“ Many businesses are becoming problem solvers, stepping into a vacuum left by Government inaction. Some are critical of this leadership, citing that businesses have no democratic mandate. However, in the face of urgent challenges, we should press every lever we have. ”

Sally Uren, Guest Speaker

The biggest challenge the Government faces in leading sustainability is that they operate as individual departments and there is a lack of continuity, long-term focus and collaboration between the main parties. At international level, multilateral agreements are a long process, with consensus from 196 countries needed to make global change.

Unilever and other companies are now stepping into that space and taking over in leading sustainability – and people trust them much more than they do the media or politicians! Can brands and education do more to change people's attitudes towards sustainability than politicians?

“ You have technological solutions but, without public understanding and acceptance, they mean nothing. This is what governments should be doing, but they aren't. ”

Douglas Orr, Founder of Novastone

Tweet this: Multinational companies are now leading sustainability and stepping in where government isn't. @honeycreative #honeybuzztalks

8. Some brands should say NO to technology

“ If the accountancy profession recognise the value of sustainability in contribution to the share price then that is the biggest nudge towards sustainability. ”

Crispin Reed, Managing Director Europe & UK at Fusion Learning

Heineken have recently started promoting sustainability through adverts encouraging responsible drinking and the consumption of less beer. This might seem counter-intuitive but it's not necessarily about selling more products – it's about the share of wallet. Could it be that they are prepared to sell less beer in the short term to be around in the long term? And can sustainability ultimately make them more profitable?

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The 2012 Harvard High/Low study by Eccles, Loannou & Serafeim examines 90 firms that voluntarily adopted environmental and social policies years ago and those that adopted none. They discovered that organisations that implemented sustainability policies outperformed the other firms both in terms of the stock market and accounting performance – in fact, ‘meaningful brands’ beat the stock market by 120%.

Tweet this: *Brands with clear sustainability initiatives perform better, beating the stock market by 120% @honeycreative #honeybuzztalks*

HoneyBuzz, is a monthly round table talk creating collaboration of marketers and business leaders to share learnings and create commercial growth.

Join us for an evening of lively and thought-provoking debate to drive the creation of commercial growth. Held at Soho House, you'll be sitting alongside other sector experts and senior industry figures bringing their own unique and thought-provoking insights and experience.

Interested in speaking at HoneyBuzz?
We're always on the look out for guest speakers with a different angle on brand and communications. If you're interested, please do get in touch.

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