

CHAIN REACTIONS

INNOVATION BRIEF

The role of ecological sustainability in the digital transformation process





ABOUT INNOVATION BRIEFS

CHAIN REACTIONS addresses the challenge for industrial regions to increase regional capacity to absorb new knowledge and turn it into competitiveness edge and business value. There is a strong need to help SMEs to overcome capacity shortages for innovation and integration into transnational value chains. The project aims at empowering regional ecosystems with the knowledge and tools to help businesses overcome those barriers and generate sustained growth through value chain innovation.

CHAIN REACTIONS regularly publishes INNOVATION BRIEFS presenting the rationale behind specific innovation drivers and illustrate them with practical examples. The present Innovation brief addresses the use of digital tools for a better company organization. CHAIN REACTIONS thanks hereby the author, Mr. Thomas Wolter-Roessler, for this contribution to the project's objectives.

THE ROLE OF SUSTAINABILITY IN THE DIGITAL TRANSFORMATION PROCESS

Introduction

When talking about transformation, the role of ecological sustainability has become more and more important during the last years. This means that the purpose for transformation of a company is no longer only staying competitive in the long run and ensuring growth. It is also about how we can combine prosperity of the economy in harmony with protection of our environment. We interviewed Sascha Bilert, CEO and co-founder of the consultancy sterneundplaneten who are currently making this the core of their work. When supporting their clients in the transformation process, they take into consideration the ecological aspects of transformation.



Sascha Bilert, CEO and co-founder of sterneundplaneten



CHAIN REACTIONS: Sascha, what does the term sustainability mean to you?

Sascha Bilert: My daughter Maira is 7 months old. She won't know what to make of the term for a while yet. But she will soon notice whether I treat the earth with care. She will notice whether I leave everything I touch in good condition. And whether I live only for the moment or also think of her and her descendants, she will notice that too at some point. That's what the term stands for.

CHAIN REACTIONS: You are co-founder of sterneundplaneten. As an agency for transformation, you have set yourselves the goal of helping people and organisations to develop into the best version of themselves. How do you integrate the issue of environmental sustainability into your work?

Sascha Bilert: On the internal organisational level, for example, we are working without an own office space and thus without travel routes. From the very beginning, we have focused on decentralisation and map all our processes and procedures virtually - not because of Corona, but because it simply makes sense ecologically and monetarily. On the client side, every project begins with the question of whether we are helping to make the world a better place. Here we are dealing with very concrete questions: What is the supposed ecological balance if we are successful? How does success affect the stakeholders outside the client? If this balance is negative for us, we do not start a project, no matter how appealing it is. At the same time, most of our projects do not focus on environmental issues, and that's okay. Our job then is to point out non-obvious influencing variables that are critical to success. For example, recruiting: What signal does your company send when an applicant has to travel 200 km for a personal interview? What monetary and ecological costs are associated with this?

CHAIN REACTIONS: How did you get the impulse to accompany organisations not only in their organisational transformation but also in their ecological transformation?

Sascha Bilert: Many of us used to work for corporations and helped to bring about large transformation programmes. But we realized that some of the companies we were working for did cause environment pollution e.g. through the products they are selling. I was annoyed because we were contributing to polluting the world with some companies. But we want to contribute to making the world a better place. And then more and more organisations approached us and wanted more than just factual and professional support - a support with excellence on the topic AND an ethical-normative foundation.

CHAIN REACTIONS: Where do you start when you accompany an organisation in becoming ecologically sustainable?

Sascha Bilert: It depends on the organisation - the times of best practices are long gone here, too. We have a principle: Power from within. This means that we believe in the power of the people within the organisation. And we need this belief because for an organisation to become truly sustainable, it is not enough to halve the number of printers or for everyone to go electric. That can be a contribution, but in most cases it is rather symbolic. We are often talking about changing business processes, turning the entire purchasing department inside out, possibly establishing new production processes, so a company will lose its entire market through legal regulation. Here, the collective intelligence of all is needed to get involved in such huge changes and to go along with them.



With our approach, we can start at all levels: management/divisions and even individual teams. To give you a concrete example: One of our clients in the energy-related services sector with several thousand employees initially had to clarify the question of whether hybrid working would make sense in one area. At the same time, there was the overriding goal of making the company CO2-neutral. We then linked both perspectives in a long-term process, analysed which advantages and disadvantages would result from the "hybrid working" scenario, i.e. working from home and on site, and supported this with data. The factor of CO2 neutrality was the decisive factor in switching to a hybrid way of working, because it quickly became clear what savings would result from the elimination of commuting, reduced space, lower energy consumption in the offices, etc. At the same time, of course, the maintenance costs for the company decrease, but there are also new questions about the lasting social effects, new leadership culture, etc. A nice example that economy and sustainability really go hand in hand, but also have many interactions.

CHAIN REACTIONS: How do you make sure that ideas for becoming more sustainable are implemented and leave the initial euphoric ideation stage?

Sascha Bilert: The opposite is the case. The euphoria comes later - in the beginning there are usually the bitter pills that have to be swallowed. We do not organise idea competitions with our clients. Ideas are not the problem and everyone has fun sticking colourful (digital) post-its in a fun workshop. The problem was and is implementation. That's why we set up all projects with our architecture in such a way that there is always implementation and nothing is created for the PowerPoint drawer. At the beginning we have massive resistance because personal belief patterns and whole business systems are in question. But when we seriously embark on the path of transformation, the euphoria increases. All our projects show exactly this course.

CHAIN REACTIONS: *So you approach the topic with a very positive attitude, namely that the companies and the individual employees really want this transformation towards ecological sustainability?*

Sascha Bilert: I personally and we as *sterneundplaneten GmbH* have a positive view of human beings, that's true. In the sustainable transformation, we naturally see that there are normative organisations: They orient themselves from a set of values along sustainability goals. Most of them, however, do this beyond marketing-speak - and that's okay. The employees do not have to believe in climate change, nor do they have to shop in organic supermarkets or live plastic-free in order to take the path that makes economic sense for the company. In the vast majority of industries there will be immense disruptions - not least regulatory ones. It is simply wise to look at what the market wants and adapt to it. If I, as a person, am also behind it, all the better.

CHAIN REACTIONS: Don't you sometimes see examples of organisations that want to advocate for climate protection outwardly, but then hesitate when it comes to concrete change?

Sascha Bilert: I can already see that in myself! We are human beings, and aspirations and reality sometimes diverge. Many of our German companies also have a triple problem. They see that the previous value creation structures are (still) profitable, the market requirements on the horizon have not yet been formulated in regulatory terms, and on the other hand, the costs for sustainable restructuring can already be quantified in real terms. So why strain your



own business today? The answer is, of course, as simple as it is trivial: because otherwise the change could sweep you away so quickly that there are no longer any options.

CHAIN REACTIONS: Can you please elaborate a bit more on why you think it makes sense for companies to embrace environmental sustainability from an economic perspective?

Those who don't, will have a very hard time as an organisation. We have three factors: market, employees and legislators. We have seen for years that the topic of sustainability is penetrating more and more areas. More and more customers react very sensitively to non-sustainable production conditions - this is especially important in the B2C sector. Likewise, more and more people in the role of employee do not want to come into conflict with their conscience. Who wants to explain to their children at the dinner table that their company contributes to the murder of polar bears? So it will become more and more difficult for non-sustainable companies to find good employees. And then comes the legislator: Climate neutral 2045- but how exactly? Those who change over early have a clear competitive advantage. For many, however, another aspect plays an economic role: the sustainability sector is still in its infancy - almost everywhere. Established companies that enter this field with real vigour can conquer the market relatively easily with innovations. So it's all about growth options.

CHAIN REACTIONS: As experts in organisational transformation, how can you advise your clients on environmental sustainability/resource efficiency?

Sascha Bilert: We believe that the experts are already there - in the company. We orchestrate the process so that such a complex entity can set itself in motion. The key is: participation. And where expertise is really needed within the company, we bring it in with a strong network.

CHAIN REACTIONS: Can you name the first steps you usually take together with your clients?

Sascha Bilert: In terms of sustainability? It's really super different. But inviting children has often worked well. Many of the managers have children who also have an opinion. If the company is open enough, we simply invite them to think about their mum's or dad's company with us. It's actually crazy that we don't always do that. More often, however, we start by taking stock: where do we stand today, what is our contribution to the climate goals, and so on. It's often not so nice when you work it out. And then: what is an attractive scenario for the future and how do we want to involve the employees. It doesn't work without very broad participation.