

November Campus Sustainability forum discusses balance

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IIT's Sustainability Forum for the month of November was held on Friday 18 and it brought together environmental and business concerns for a unique discussion of the Triple Bottom Line. This approach to corporate decision opposes the traditional focus on profit/shareholder value by seeking a balance between profitability, social equality and environmental sustainability.

Festivities got underway with an organic lunch and a chance for students, faculty, staff and local business leaders to mingle. Joseph Clair, director of the Office Campus Energy and Sustainability (OCES), gave attendees a quick run-down of IIT's current sustainability projects, including announcing two university-wide sustainability contests that the IIT community can participate in over the spring semester—Recyclemania and Campus Conservation Nationals. Clair then smoothly transitioned into the main topic: the Triple Bottom Line. This approach to business decision making and management seeks to place businesses within the larger global system, making them responsible for environmental and social considerations, in addition to traditional profit concerns. One big issue was how to factor in costs related to environmental and social concerns. He raised the question of whether these are issues which companies need to take the lead in addressing or if this is a role for government to set policy and enforce societal priorities.

With the general issues laid out, Clair introduced the two speakers: Professor John Bilson, interim associate dean of the

Stuart School of Business, and Peter Locke, co-founder and managing director of TerraLocke Sustainability Consultants.

Bilson presented first, laying out an argument for taking a single bottom line approach (profit/shareholder value) as the best means to achieve environmental ends. He stressed that having multiple objectives is difficult for any organization and creates conflicts if environmental and economic concerns do not align. A more realistic approach, Bilson said, is to bring environmental concerns into the single bottom line, making sure that being profitable requires environmental sustainability. This can be accomplished through correct pricing, such as pricing resources at their true cost, taxes and through strongly enforced environmental regulations. Bilson further noted that the best companies in most fields are already environmentally conscious. However, he noted that based on stock market analysis, many green firms tend to over-invest in environmental management and achieve low returns. Bilson concluded that companies need to integrate environmental considerations into their decision making while maintaining a focus on profitability.

Locke, of TerraLocke Sustainability Consultants, presented next and described the importance of bringing a balanced triple bottom line approach to corporate decision making. There is a huge opportunity for businesses to bring value to shareholders and society as a whole by expanding their traditionally narrow focus on profits. Locke agreed with Bilson that companies need to price resources efficiently if they are to incentivize correct actions, but he also stated that people value things for which no monetary value exists, alluding to a structural flaw in the single bottom



line perspective. On a national and global scale, issues such as education, wage rates, population growth and CO2 emissions require coordinated actions focused on achieving multiple objectives—something for which the balanced triple bottom line approach is far superior. Locke put forward that companies have an opportunity and the responsibility to escape the current zero-sum game, with a focus solely on profits. Locke concluded that companies need to utilize a triple bottom line approach to decision making in order to create a prosperous and environmentally sustainable future for everyone.

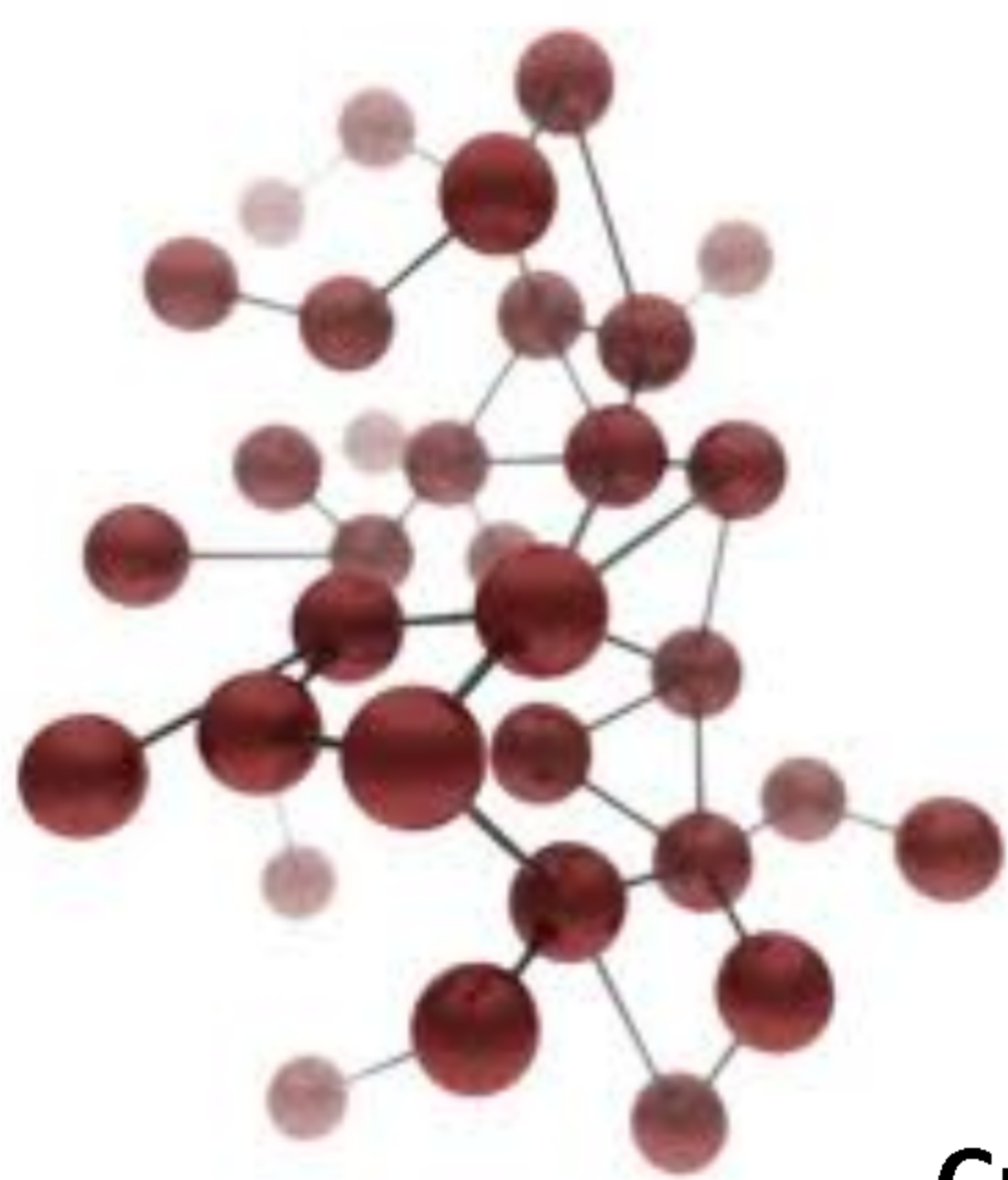
The presentations were followed by audience questions, including specifics on understanding barriers to triple bottom line thinking and valuing environmental components of brand equity. A question about company-led product recycling was handled by Bilson, who explained how government

regulation and pricing incentives need to be established to turn these issues into costs for companies and consumers in order to stimulate recycling. Locke responded to a question on how to measure environmental and social aspects by stating that there are many potential metrics, including greenhouse gas emissions on the environmental side and community involvement (time or donations) on the social side.

While the two speakers cogently presented each side of the debate, most attendees seemed to lean towards a balance of the two, as each side had merit.

The next Sustainability Forum, scheduled for on Friday January 27, 2012, will focus on how to balance government regulations versus sustainable consumption decisions as a means to achieve sustainability objectives. For more information, email the OCES at campussustainability@iit.edu.

Photo courtesy of Office of Campus Energy & Sustainability



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