



THE CHALLENGE OF THE TRIPLE BOTTOM LINE

The traditional idea of business performance is simple -- return on investment to the owners of the business. But in these days of transparency, resource scarcity and concerns for sustainability, business planning and performance must address the needs of a much wider set of stakeholders.

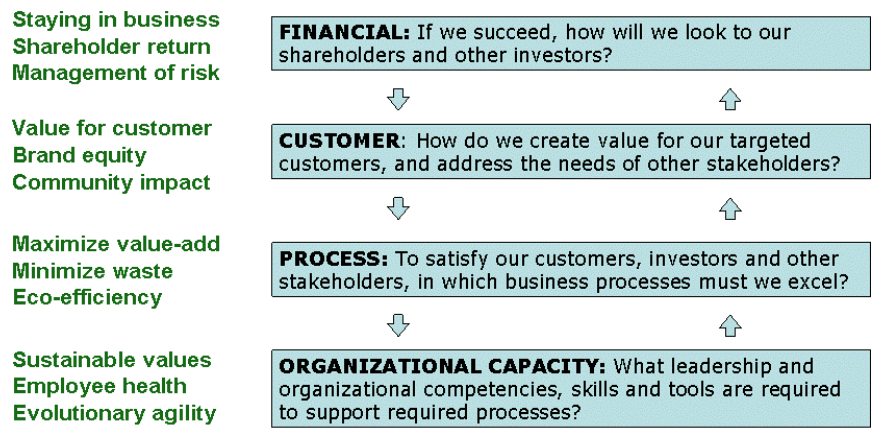
The Triple Bottom Line involves planning, managing, and reporting on business results in three areas:

- Economic: Sales, profits, ROI, cash flow
- Environmental: Impacts on air, water, waste, biodiversity, energy use
- Social: Product responsibility, community impacts, labor practices, human rights

A variety of reporting frameworks, such as the Global Reporting Initiative, have been developed to address the need for standards in Triple Bottom Line performance reporting. These frameworks have been supplemented with literally hundreds of "green" seals and certifications, often specific to certain products or industries.

These frameworks are helpful for creating sustainability targets. But they don't help you develop your competitive strategy. Metrics tend to involve either very generic outcome measures, like "total weight of greenhouse gas emissions", or very operational measures, like "spending on local suppliers".

What's missing is a link that lets a business make the connection between sustainability and competitive business success. That answers the question: **"How do we get there, and get there in a financially sustainable way?"**



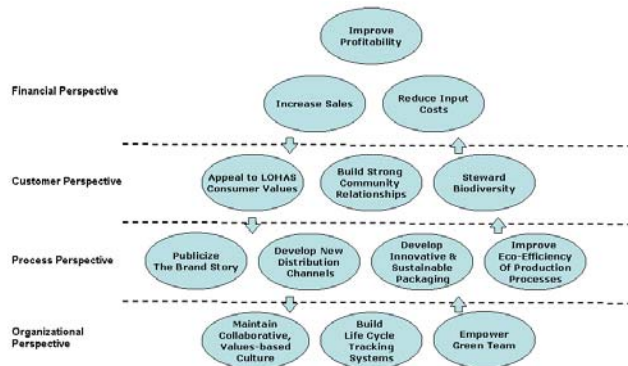
THE BALANCED SCORECARD

The Balanced Scorecard is a strategic planning and management system that can be used in any size organization to:

- Clarify and communicate strategy to stakeholders
- Align vision and strategy with day-to-day work
- Track progress on the big strategic goals that really matter
- Tie sustainability efforts to business success

Used by over half of the Fortune 500, it is a very powerful, holistic toolkit for fostering collaboration and transformation into a high-performance, sustainable organization. And, using commercially available software, the Balanced Scorecard can become a living dashboard that ties directly into operational and financial data.

The Strategy Map



The graphical Strategy Map breaks your strategy into SMART goals, and illustrates the link between Leadership and Culture, Eco-efficiency, Customer Value, and Financial Performance.

The Scorecard

3-5 Year Perspective			Annual Perspective				
Perspectives	Objectives	Measures	Target	Plans & Projects	Milestones	Account-ability	Resource Allocation
Financial	1. Improve profitability 2. Reduce input costs 3. Increase sales	\$/qtr \$/qtr \$/qtr	\$x				
Customer	1. Steward rainforest biodiversity 2. Build community relationships 3. Appeal to LOHAS values	Acreage protected Negative incidents Customer sentiment				
Process	1. Improve process 2. Develop packaging 3. Develop channels 4. Publicize brand	Life Cycle Analysis # stores Social network activity	Project X Project Y	Opex People
Organization	1. Empower green team 2. Build mgt system 3. Maintain culture	Completion of training IT milestones Culture survey	Project A Project B Project C Project D	Capex Opex People

← Strategic
Operational →

The Scorecard details how SMART goals translate into a holistic set of Measures and Targets for reporting and feedback. The Scorecard also includes a definition of the Initiatives, Accountabilities and Resource Commitments required to meet the targets, and bridges long term strategy with annual plans and budgets.

Contact Dan Montgomery at (720) 641-3048, email dan@resilient-strategies.com or go to www.resilient-strategies.com

Book Dan to speak about **Managing Your Business for Sustainability, Social Responsibility AND Profitability!** See www.resilient-strategies.com/speaking for more information.