

The Business Reference Group for Sustainability (GRES)

Integrating Sustainability in Brazilian Business

THE PROJECT AT A GLANCE:

Issue: Sustainability
Geography: Brazil
Duration: 2009--2010
Co-Convenors: Instituto Ethos

Impacts: Leadership Development; new parameters for inclusive local development in Brazil; new cross-organisational collaborations and relationships; systemic initiatives for improved sustainability in businesses across the project, with 13 companies participating.



HUMAN
CAPITAL



SOCIAL
CAPITAL



INTELLECTUAL
CAPITAL



PHYSICAL
CAPITAL



Business Reference Group for Sustainability (GRES)

Integrating Sustainability in Brazilian Business

The Context


Home to São Paulo, the seventh-largest city in the world with a population of almost 20 million, as well as the largest portion of the Amazon rainforest of any country, Brazil is a hotspot for innovative thinking about sustainable development.

In this context, the Ethos Institute in São Paulo (www.ethos.org.br) has been working for over a decade on promoting socially responsible business in Brazil and engaging companies to become

partners in the construction of a fair and sustainable society. Its 900 members account for annual revenues of approximately 30% of Brazil's GDP and employ roughly 1,2 million people.

It is safe to say that Ethos has contributed greatly to putting socially responsible business on the map in Brazil. Meanwhile, in a 10-year reflection of the organization completed in 2008, a central observation was that while much had changed in the thinking and attitudes of the corporate sector, sustainability had not yet truly made it into the core of Brazilian businesses to the point where it was influencing central business decisions. To address this challenge, Ethos launched an innovative three-phase programme called GRES (in English, the Business Reference Group for Sustainability).

GRES was designed to advance sustainable business through innovation, collaboration, and leadership development. It built on foundation-laying work by eight pilot companies, which through 2008 worked on identifying critical themes in sustainable business. This process resulted in the formation of two working groups: one on the development of sustainable products and services, and the second on the impact of companies on the local communities in which they operate.



In 2009, Ethos invited Reos Partners to co-design and facilitate the second phase of GRES, which would be designed as a year-long Change Lab to collaboratively foment sustainability practices in the Ethos member companies. Thirteen major Brazilian and international companies joined this second phase: Philips, Natura, Itau-Unibanco, Whirlpool, BASF, FIAT, Maggi, AngloAmerican, Alcoa, Fibria, Copel, AES Brasil, and Samarco.

The Process

Convening

One of the most interesting aspects of the GRES Change Lab process was its convening model. The original plan had been to create a space for companies to dialogue with each other. Ultimately, each company was asked to invite in two stakeholder organisations to participate not only as stakeholders of the inviting company but also as stakeholders of GRES as a whole. The idea was that by drawing on the diversity of perspectives present in the system as a whole, the process would be better able to produce real and lasting results.


During the first workshop, the participants from member companies collectively mapped out their systems and identified their respective stakeholders,

which included local community members, suppliers and clients, NGOs, international organisations, local governments, and others. They then decided as a whole which organisations to invite to the process. Each company, in collaboration with Ethos, then invited the participation of its two external stakeholders. The companies funded the participation of two employees and two people from stakeholder organisations.

The organisers interviewed both the stakeholders and the company participants as part of the convening process. The purpose of these interviews was to establish relationships, create a shared understanding of the process, and ensure that the process would reflect participants' needs and aspirations. The interviews provided rich material for the process design, allowing the Reos and Ethos team to see and understand the subtle terrain of the social system and the participants.

The Innovation Process

Once the multi-stakeholder group was formed and the two working groups were created, the Lab itself began. During this phase, GRES organised a series of residential workshops within the framework of the working groups.



On October 26-28, 2009, 60 participants met at Rancho Silvestre in Embu, São Paulo, for the first residential workshop. In this gathering, they started building relationships, exercising their capacities for perceiving with an open mind and an open heart, and mapping their “learning agenda” for the process moving forward.

Over the course of November, each participant then joined at least one of four “learning journeys” to different destinations. In parallel to these visits, participants organized and conducted dialogue interviews with additional stakeholders who represented voices missing from the group. On November 26, the two working groups came together again for a “synthesis workshop” to share their learnings to date and start mapping systemic connections related to their respective themes. Here, the participants worked on understanding the underlying patterns, structures, and mental models behind the challenges they observe on a daily basis. This view of the full system made clear the need for collaboration between companies and stakeholders. This insight was exemplified when at the end of the workshop, one stakeholder said that she had truly discovered her role in the process, and that “we are all here for a reason”.


The second residential workshop was held February 3-5, 2010. The activities included mapping leverage points, a retreat for reflection in nature, and a process of generating ideas for innovative initiatives.

Prototyping

Out of the second retreat, a number of initiatives emerged that were subsequently “prototyped” through four one-day workshops. In these workshops, the different initiative groups presented their ideas to each other and received feedback from their peers and stakeholders. These workshops were each hosted by one of the participating companies. In several cases, the companies offered a learning journey in their location or invited a speaker on a specific topic relevant to the group. The goal was for the group to continue to receive stimulus and inspiration from direct encounters with relevant projects and ideas. In between prototyping workshops, each initiative group was given assignments to ensure that progress was being made between the sessions.

Senior Management Touchpoints

In December 2009, GRES organized a touchpoint session with company presidents and sustainability directors for them to meet the group and see their work. Participants presented the program, an overview of the process, and the results to date. In



June, after the prototyping workshops, participants organized in- company presentations with senior managers to report on progress and receive input and feedback on the ideas and initiatives.

Coaching

Over the course of the Lab, Reos facilitators offered participants three telephone coaching sessions. Each session was structured around a set of questions, but facilitators adapted the conversations to the participant's needs. The coaching sessions focused on the participants' involvement in GRES, covering topics such as how to improve their contribution to the group, how to overcome the challenges in bringing learnings back into their companies and communities, how to prioritize GRES among other responsibilities, and how they might reflect on their learning process. The coaching was an important element of the work, which enhanced the group's productivity.


Results

The Reos involvement in GRES ended with the completion of the innovation process, when participants had designed and tested their initiatives. The sustainable products and services working group

decided to work on two collaborative initiatives. The local inclusive development working group decided to have separate initiatives for each company with their stakeholders, because of the localized nature of the topic. In addition to the individual initiatives, they co-created a set of "parameters" for local inclusive development to guide their initiatives.

Ana Veloso from FIAT Brazil later reflected:

"GRES was a very important initiative for me as a professional and for FIAT. It managed to bring diverse and important actors together, and it had aspects both of capacity development and of stimulating effective cooperation. The second phase was the richest, because we managed to dialogue with a larger group of people and in alignment with the original proposal. The Reos methodology was very rich – we managed to get real participation from the people who were there and to bring new proposals back to our company. What most helped us were the structured conversations and exchanges with other companies, that weren't random and also weren't benchmarking conversations, they were conducted methodologically so that we could together perceive our critical challenges and opportunities as companies. This is what happened with the concept of just and sustainable cities which ended up being our prototype initiative (Sustainable



Betim). This took shape through GRES, and we managed to practically implement it in the company, based on the new approaches to local development which we processed in the GRES group. The protocols, questions, and stimulus provided by GRES helped us to mature the idea and be able to implement it.”

Reos often looks to four different types of results in our work: the initiatives, the relationships, the capacity development, and the insight. Some of the initiatives continued, such as the FIAT one, and others fizzled. The relational innovation was highly significant, as companies and stakeholders built new relationships, which several companies described as unprecedented.

According to a post-evaluation with the client, the biggest impact was the leadership development of the participants, and the insight produced. This insight was embodied in various reports and in the parameters developed for local inclusive development.

Lessons


GRES worked with a group of companies with very different objectives and different local focuses that made collaboration difficult. The Ethos project leader observed that the companies that participated in the

Lab were individually oriented and didn't have cooperation as an explicit objective. Participating companies also did not have much experience engaging their stakeholders, so doing so through the Lab was new territory for them.

Understandably, the relationships between the convening business groups and the nonprofit and government sector participants gave rise to some interesting power dynamics within the group as a whole. Reos facilitated exercises and dialogues aimed at naming these differences, so that they would not be taboo in the group. This worked well, but even so, the model of having companies invite their stakeholders into the process led to a persistent power dynamic that was difficult to overcome completely.

The coaching was an important element that led participants to contribute more effectively during the workshops. It also supported their personal development and ability to lead and influence change in their organizations.

Participants from the companies found their participation in GRES difficult to integrate into their core objectives and day-to-day work. In many cases, the participants struggled to reconcile their busy agendas with the time they needed to dedicate to



GRES. In future projects, it would be important to ensure that companies consider participation as part of their delegates' responsibilities, and not in addition to all their other tasks.

Designing the project in phases was a challenge. Phase 2 ended with the prototypes still in the ideas phase. There was then a lag before phase 3 started, which was held only by Ethos. Reos found this to be a fragile point in the process to step back. Either the initiatives needed to advance more quickly, or the process needed to have been contracted and designed from the beginning to include starting implementation of the initiatives. Several good ideas fizzled because they were not yet sufficiently resilient or didn't receive the energy and resources required for them to be tested.

In addition to the initiatives that were implemented; some internal company practices were improved and redesigned to incorporate sustainability; and some ideas are beginning to have a larger impact on the community as a whole. New relationships were formed, leading to other areas of collaboration. Many participants reported that they learned and gained a lot from their participation in GRES, some even changing their career paths as a result. Ethos continues to promote socially

responsible business, and the participating companies continue to work on their sustainability challenges, in some cases increasingly in collaboration with other stakeholders.

For more information contact Mille Bojer at bojer@reospartners.com