Note to readers*: The following paper is one of a series of 'ideas pieces' on selected subjects, the main purpose of which is to initiate discussion on the topic of focus. The ideas contained do not necessarily reflect the views of the organisations or individuals in the piece nor should it be taken to be a comprehensive assessment of the subject at hand.*

Although this paper is presented here in its original format, it should be noted that it was written as an independent effort on my part to engage people whom I considered 'parties of interest' to the idea of sustainability within the organisation that was then employing me and not as part of my then formal role. The responses to the piece ranged from support and encouragement, questions and additional observations, and to what might be considered as hostility to the article and my creation of it. In particular there was a level of angst to my suggestion that other more senior persons connected to the organisation might be interested in discussing the idea.

This paper was subsequently part of a presentation to the UNESCO sponsored conference 'Committing Universities to Sustainable Development' held in Graz Austria in May 2005. The feedback from attendees of the conference to the piece and the supporting PowerPoint presentation that discussed Value Systems and how to use them to engage employees to embrace sustainability, was overwhelming positive.

Locusts, butterflies and grasshoppers – Why 'Sustainability' is the only true competitive advantage Swinburne has. ( )

> "One day in a nuclear age
> They may understand our rage
> They build machines that they can't control
> And bury the waste in a great big hole
>
> Power was to become cheap and clean
> Grimy faces were never seen
> But deadly for 12,000 years
> Is Carbon Fourteen" (1)

INTRODUCTION

In reality, organisations are little more than an information pattern – an idea collectively held about a particular entity. The label 'organisation' acts as short hand reminder for a group of people with common shared working interests acting independently or together, whether in physical proximity or in isolation in an attempt to ensure the survival of the organisation so that they may derive some individual benefit from the activities undertaken by the organisation.

Most of us should be able to accept the definition ascribed to the label 'organisation'. My definition of an organisation provides a business corollary to Richard Dawkins' underlying premise for genes. The organisation is made up of individual people (a version of genetic material in genes) whose sole aim is '…*to ensure the ongoing immediate survival of the organisation so that they may continue to derive some benefit from it*'.

In 'The Selfish Gene' (2) Dawkins proposed that the aim of any successful gene is to ensure its survival into perpetuity by being able to make replicas of its self. Around a decade later the concept of 'memetics' emerged. Where biological material in the form of DNA formed individual genes, 'ideas' became the individual component of 'memes' and led to the study of how 'ideas' spread and survive. Although a challenge exists among the memetic community in finding an agreed definition, Klaus Chielen's Website (3) offers a worthy choice – "A meme is an information pattern which is capable of being copied to another individual's memory, mostly by means of imitation (though other techniques are possible as well) and which is subject to a selection process."

Sustainable Organisations might then be considered a collectively held idea about an entity combined with a collectively held idea about the concept of sustainability.

If both 'sustainability' and 'organisation' can be considered collectively held ideas, and if surviving successfully hinges on an ability to make replicas of oneself through imitation, then what type of behaviours might a university undertake in order to ensure its survival?

This paper aims to address the issue of survival of Swinburne University (SUT) by suggesting that the only option it has to guarantee its survival is to also ensure the survival of the environment of which it is a part and of the social group of which it is a member. In order to do that it must therefore embrace the idea of becoming a 'sustainable organisation'. I suggest that as a sustainable organisation it must attain sufficient level of financial profitability and viability and that this will emerge by leveraging a competitive advantage delivered by embracing the Triple Bottom Line (TBL) reporting framework and achieving exceptional levels of organisational outcomes across the three TBL 'legs'. Further I suggest that SUT should begin to see itself more as an organisation that resembles a business entity for it will provide an additional 'operational lens' by which we understand what is required of us to survive in an ever increasing competitive landscape.

Marcus Barber 2004©. Desiredfutures@netscape.net 613 9445 0289

I do not aim to list the multitude of activities that an organisation could implement as part of improving the reporting outcomes under the TBL framework or a sustainability orientated operational framework. Examples can be found in appendix 1. Instead I will look at the likely barriers to implementation of TBL and sustainability, for the best of intentions make little impact without appropriate action and handling the barriers is a critical phase for any entity.

Locusts, Butterflies and Grasshoppers - An Analogy of the Modern Enterprise

If given the choice to describe their business as one of three insects, a Locust, a Butterfly or a Grasshopper, I have little doubt that 98% of owners would select either the butterfly – elegant, fragile and bright; or a grasshopper – nimble, patient and able to leap obstacles. The butterfly, a delicate creature, struggles to exist in a hostile world, ravaged by weather; attacked by predators; open to starvation whilst doing little more than bringing colour to the world. The grasshopper (patient) adapts quickly to changing conditions and though open to predatory attack, has a skill set that the fragile butterfly lacks.

Yet the mirror of self-assessment in the business world is often a cruel friend. It deceives the business owner into thinking that its hops and flights are just strategic actions of survival. The way many businesses operate is rarely reflective of anything fragile and beautiful (a butterfly), nor patient but nimble (a grasshopper). For when you look closely at the lines of the wings you see in fact that they are powerful, built for speed and attack. The colour is more 'commando camouflage' and the legs are armed with sharp hooks that betray any so-called delicate step.

Most businesses are no more delicate creatures than concrete makes a soft pillow. The business in isolation may stand up as a potential butterfly, frail and fleeting, or as a grasshopper making strategic jumps from place to place. But businesses don't live in isolation and when swarming, businesses tend to act more like organisational parasites – locusts stripping the world bare.

The locust plague bares an incredible resemblance to the existing western worldview business model. Hundreds of thousands of individual units all trying to survive, gather on mass to compete for any and every resource they can. And this hustle and bustle of activity drives the group of individual businesses ever further into more frenzied activity.

Locust plagues stop through one of just two end outcomes:
1. Barriers like pesticides and 'mobile insect screens'. (Rarely successful)
2. Or the food runs out and they starve to death. (The norm)

Cessation of one means fewer resources are being consumed, easing the competitive drive. This easing means less urgency and that acts to calm the overall plague activity - consider this as form of 'shake out' in the marketplace where only those that can still 'fly', fly. The second ending results from consuming more than can be replenished in time to stay alive - consider this the recession or prolonged drought after periods of high growth.

The predominant western business model ensures that most businesses are far from delicate butterflies or agile but harmless grasshoppers. The predominant business model sets business against business in a fight for allegedly limited resources and the increased activity of one business leads to an increased activity by another. Soon all businesses nearby are engaging in the same unquestioned hunt to 'get their share' and the plague is born.

Tragically for the world, the average business is little more than a member of a locust plague.

Business Type	Operating Process	Activity Level	Survival Period (time)
Butterfly	Tread softly	Minimal	Short
Grasshoppers	Jump/Settle/Jump	Moderate	Medium to Long
Locusts	Rape & Pillage	Frenzied	Short to Medium

Thankfully though, a version of 'swarm control' emerged over the past decade and is gaining enough traction in the corporate arena that it has the ability to be a form of 'inoculation' against parasitic business practises. The antidote is found in the shape of Triple Bottom Line reporting.

What is a business and what are its aims?

Before we look at TBL and how it relates to SUT, we need to define the meaning of the word 'business.' How do you know if you have a business and is SUT actually a business or just an 'organisation'? The following is an excerpt from 'The Money Tree & How to Grow One – Creating Success in Your Business' that suggests that the aim for an organisation is to become a business and the only way to do this is by achieving the notion of 'true profit' via a 'win/win/win' outcome (financial/social/environmental) -

> '*Business* is what occurs when an entity makes available to a customer a service or product, and exchanges that service or product for purposes of profit. True 'Profit' comes under a banner of 'win/win/win'.

> - If the entity providing the service or product is the only party in a transaction that truly wins, then what you have is 'parasitic avarice'.
> - When the customer or recipient of the product or service is the only party in a transaction that truly wins, then what you have is 'charity'.
> - When only the provider of the product or service wins and the recipient of the product or service wins, then what you have is a 'decaying bureaucracy'.

> **Win/win/win occurs when the entity providing the product or service profits, the recipient of the product or service profits and the greater community affected by the product or service is a better place because of the way that product or service was made available to the marketplace.**' (4)

The first entity is financial only focused. The second entity is social only focused. The third entity focuses on its operating process in isolation of external outcomes and ignores its impacts elsewhere.

Can SUT be considered a 'business' in the sense that I have described above, or would it be more appropriate to call it a parasite, a charity or a decaying bureaucracy? It would be hard to fathom that only our customers benefit from what we do so that would rule out 'charity'. Likewise it would be unrealistic to say that SUT is the only party to the transaction that wins so that would rule out 'parasitic avarice' as a definition.

The remaining question then is whether SUT's operational practises enable a win/win/win or if it is in fact a bureaucracy. Given the relative recency of TBL as a concept and SUT's current modus operandi, (in that it is arguably a 'typical' bureaucratic designed entity thriving on historical beliefs of university operational practises) it would seem that 'decaying bureaucracy' might be an appropriate moniker for SUT. Bureaucracies by their very nature exist in environments where 'rules matter' and those rules determine what is appropriate or inappropriate behaviour, what is legitimate in terms of ideas and significantly, 'who' has the right to suggest changes, adaptations or

improvements for the way the entity operates. Bureaucracies perform a vital role – until they become operationally dysfunctional. Is SUT fully functional in the way it goes about its business of operation? (For that matter, does any other university?) The next step for SUT would be to recognise that the aim of every business is to survive successfully and in order for it to survive successfully it must make a 'true profit'. TBL is very much a profit driven business management process and will act as the guiding star to shift SUT from being a bureaucracy to being a business, thriving on win/win/win outcomes.

So what is Triple Bottom Line reporting?

TBL is the deliberate act of recognising three distinct yet connected themes – Economic imperatives; Social imperatives; Environmental imperatives. The essential benefit of TBL is to make an entity aware that financial considerations alone do not make for a sustainable business.

TBL measures an organisation's performance across three realms –
- Financial Results – are we making enough money to survive and develop?
- Environmental Impact & Considerations – What is the extent of our waste streams and contribution to resource replenishment?
- Social/Community Relationships – do we act ethically & treat society with respect and care?

The idea of TBL emerged from the concept of a 'Balanced Scorecard as developed by Kaplan & Norton who were seeking to develop a business model that could sustain long-term competitive advantage. Their own words clearly state the intention –

"The balanced scorecard retains traditional financial measures. But financial measures tell us the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation." (5)

Kaplan & Norton's model is a strategic management approach that aligns measurable indicators to an organisation's vision and strategy. (See appendix 2) Given that SUT could rightly be placed under the heading of 'Information Age Company', it would seem that TBL is an ideal process to implement.

The notional benefit of the process of 'business' is a financial return to the business owners by providing products or services that assist members of a community to solve a need or problem. In that exchange it is generally believed that all parties to the transaction gain an improvement to their overall living standards.

The meaning of 'to sustain' is to 'maintain overtime' or 'prolong'. The notion of TBL ties the drive for an improvement to living standards to the act a sustainability framework. TBL helps define what I call my 'Theory of Sustainable Societies' that states:

'Advanced societies seek and encourage ways for members of their society to improve the conditions for their current and future existence. Societies that attempt to maintain the status quo ultimately decay'

This Theory of Sustainability Societies addresses the drive for improvements to society; the need to improve both current and future prospects; and that 'standing still' is an unsuccessful strategy disabling the societies ability to 'sustain' (maintain) itself. Advanced societies continue to improve the living conditions for all members of their society.

The Theory of Sustainable Societies leads to my 'Sustainable Society Paradox' (6) that states:

'The degree to which a society can be considered 'truly advanced' is in direct INVERSE proportion to the size of their ecological footprint'

This paradox arises from the drive for advancement (often technical and consumption driven) against the size of the ecological footprint (7). Simply put, the bigger the society's demand on the environment and its resources, the LESS 'advanced' it can be considered regardless of whatever technical innovations may be present. The sustainable society paradox forces societies to truly question what it means to be 'advanced'. Having current quality infrastructure earned by destroying possibilities for future generations is NOT and advanced way of thinking and societies operating in this way cannot with all honestly, call themselves 'advanced societies'.

The challenge for societies then is to improve the quality of life of their constituents whilst minimising the negative impacts they have on the world they live in. Focusing on only one aspect of the equation means addressing sustainability in socially unacceptable ways. Typically either the quality of life does not improve and the society ultimately decays (witness the increasing social unrest in Saudi Arabia as the general population is unable to gain access to the wealth and resources held by a small ruling elite) or the living conditions do improve through an reckless use of available resources and the environment decays (seen in Australia & the US). TBL will help SUT address the challenge posed by the 'Sustainable Society Paradox' and guide it to being a leading positive contributor to an improved societal position for both the current and future people SUT impacts.

TBL Reporting – Why do it, who's doing it?

TBL has been embraced by an increasing number of major corporations around the world. A few years ago, TBL was considered a PR campaign. Nothing captures this notion better than the recent words of the CFO of Westpac Banking Corporation, Phillip Cronica who's ill-informed awareness typified many of the corporate sector – "Ethical and Environmental reporting is growing in importance – it is an essential part of reputational risk management". (8)

Of course one hopes that in a few years time if Phillip is reminded of those words he blushes heavy with embarrassment. That said, the apparent thinking behind Cronica's quote is accurate in terms of the corporate sector, in that the main reason to consider ethical and environmental reporting was because bad PR spelt trouble for sales and a potential loss of market share. Given the 'guerrilla' like tactics of Greenpeace's (9) early exploits, this corporate mindset perspective might be seen as perhaps a fair interpretation.

But TBL is much, much more than risk management of a company's reputation. TBL addresses the notion of Win/Win/Win mentioned earlier. At its core, TBL brings to the height of an organisation's awareness an oft-ignored truism – **'without a sustained and healthy environment, you have no customers and therefore have no profits.'** This truism places the onus of responsibility for survival back onto the organisation. It cannot take without giving back. It cannot

produce, without having an impact. It cannot survive without customers healthy enough to be able to purchase the products or services it wishes to sell. If you need further convincing, note the environmental and social impacts listed in Appendix 3.

John Petty, the National Vice President of CPA Australia spoke at the Strategic Business Management Symposium in August 2004. In his session on 'Towards Sustainability Management and Reporting', (10) Petty listed a number of Australian organisations that have embraced and continue to develop a TBL report:

WMC; Shell; Rio Tinto; Orica; Dow Chemicals; Alcoa; BHP; Thiess; Ford Australia; North; Placer; Delta Gold; Pacific Power; Western Power; Delta Electricity; CS Energy; SANTOS; AGL; Sydney Water; Melbourne Water; Brisbane Water; South East Water; SA Water; WA Water Corp; and last on his list was The Body Shop. Other 'aware' companies include Telstra.

What is important to note here, is that the resources industry far outstrips most other sectors with regard to embracing the idea of TBL - if you have anything to do with power generation, mining or water, you've probably embraced an acceptance for TBL reporting. Businesses from other sectors are beginning to move toward sustainability statements and focus and much more work needs to occur before the wider business community can truly be considered aligned to the notion of sustainability. Of course universities are essentially 'resource producers'. We produce the resource of knowledge which can expended, grown, depleted, lost, imported, exported and shipped around the world in various package states. SUT might care to consider it position as a resource creator and miner, refining a raw product into a consumer friendly end product. Perhaps it would be this 'reframing' of what it is that universities do that gets some of the Higher Education sector institutions out of their ivory towers and into the real world of pressing issues?

Petty also listed a few other interesting facts. In 1999 just 15% of the Top 100 companies in Australia produced any sort of environmental report. Many reported *separately* to their financial reports. By 2003 that number had grown to 85% of the top 100 companies and part of their overall business report. This acceptance, whether driven by a Cronica type view, or whether more appropriately reflecting awareness of a greater need for responsibility to the environment and social sphere, represents a major opportunity for Swinburne University.

TBL reporting also aligns with the notion of Corporate Social Responsibility (CSR) (11) that places an even heavier focus on ethical business practises. CSR as a mode of thinking fits under a broader umbrella supported by the United Nations that has been promoting its 'UN Global Compact' (12) suggesting ten key principles organisations will abide by. The principles cover four themes – Human Rights; Labour Standards; Environment; & Anti Corruption.

But even with the weight of the UN behind it, the western world business paradigm is just realising the underlying aims of the Global Compact. A study conducted by Blair, Bugg-Levine and Rippin of the consulting firm McKinsey, (13) discovered that as of September 2004 only 1800 companies had signed up to the agreement. More disturbing was the notion that of those that had committed to the UNGC, only 100 of them were located in the United States, arguably the biggest driver of business practises in the world. With this in mind, the world cannot wait for a reluctant US corporate sector to accept its role as sustainable business leaders.

Is TBL a Financially Smart Process?

The key thing to remember is that TBL is very much a business strategy. Where once business strategy was designed to answer the question 'how can we increase profits?' now a small 'strategy

modifier' has been added to the thinking. The aim today for many corporations is to answer the question 'How can we increase profits *by paying attention to TBL requirements*?'

CPA's COE research in March 99 (14) reported on the links between social & environmental performance and profitability. Benefits of implementing TBL reporting included:

- Reduced Risk and exposure to potential liabilities
- More efficient use of resources
- Development of new markets or products & services
- Enhanced reputation (increased brand awareness and acceptance)
- Increased loyalty of customers and suppliers
- Savings due to energy efficiency
- Savings through reusability of materials such as containers and packaging
- Stave off government controls or 'shut down' orders and regulation.

Board members too face increasing scrutiny for the actions. Given these benefits it is not hard to see why there has been a jump in the number of Top 100 companies using TBL. There is one factor I'd like to see included for current times –

- Increased loyalty of staff and better working environments.

The challenges on the horizon posed by an increasing lack of skilled workers means keeping employees happy and secured is both a quality and cost control measure that few companies should ignore. Organisations with better reputations and working environments (generated through such things as a TBL 'way') will be better placed than those without such a workplace

However Leigh Crocker from the Centre for Sustainable Development notes that there are some inherent problems with many organisations' approaches to implementing TBL frameworks –

"Most of the current focus is on the so-called triple bottom line that attempts to balance economic, environmental and social responsibilities. Yet it is the economic driver which continues to determine most business and personal decisions. Organisations and individuals continue to struggle to reconcile income generation with preferred operating conditions and/or lifestyles."

Crocker goes on to discuss what sustainability really is -

"At its core, sustainability is about becoming self-sustaining while staying connected and engaging positively through interdependencies with other systems: environmental, social, financial, spiritual, information etc. It is unsustainable when we cannot sustain ourselves or (when) our operations negatively affect other systems." (15)

Crocker's words (supported by the sluggishness of businesses to join the UN Global Compact) seem to reflect much that has already been stated regarding the entrenched view of the corporate sector as parodied by Tom Cruise's character in Jerry Maguire who screams "show me the money!" (16) The inherent financial focus of organisations is a clear limitation to the notion of TBL, however it also offers us a critical leverage point by which we can influence change.

How does TBL relate to SUT?

TBL relates to SUT across a number of domains – strategic market advantage, social expectations, opportunities for future growth and responsibility to future generations. The various actions we

could take will address social and future generational outcomes. I'm going to concentrate on a strategic market advantage and opportunities for future growth.

SUT might consider it has some sense of niche positioning from which to generate competitive advantage. Whilst it may have a DESIRE to demonstrate a competitive advantage through its key listed criteria (Industry Connected/Entrepreneurial & Innovative/Research Intensive) the reality is less palatable. Whilst we aspire to see ourselves as distinct from other institutions, many others could claim to have similar attributes to those we see as being our own.

The key then would be to make our attributes contextually different from those equally claimed by our major competitors. The TBL framework is a critical step in how we choose to define what we do and how we differentiate ourselves from the also rans. Critically if the shift towards embracing the TBL framework continues to grow, our use of the methodology would ensure that we stand apart (and ahead) of institutions claiming similar attributes.

The vision then is clear – to align all activities undertaken by SUT to encourage, develop and expand the idea of sustainability, profitability and responsibility through a TBL framework. As a simple 'Google search' will demonstrate, the enormous levels of research being undertaken in sustainability orientated products like solar cells, water reclamation processes, nanotechnology, battery design, food crops and more provide an abundance of future growth opportunities that SUT could tap into and benefit from.

Current TBL Capabilities

SUT already understands (through osmosis and deliberate decision making) the fundamentals of TBL. The awareness of the principles is underpinned by the operations of the National Centre for Sustainability and the new vision for a sustainable Swinburne underpinning the main pillars of teaching and learning, research and external engagement.

The Facilities and Services Group have been developing a much more environmentally strategic approach in terms of energy use, air conditioning and lighting and other activities geared to reduce our environmental impact.

Others have been involved in establishing special deals with water tank suppliers so that staff could purchase cheap rainwater tanks and our horticulture department is establishing itself as one of the leading Victorian suppliers of Australian native and low water usage plants.

Social Realm

The examples of sustainability in action would suggest that our social realm is already developed with a core group of people able to carry the message forward to the rest of the university. There is always room for more people to carry the message more effectively and further and the critical thing to note is that at this time, there is sufficient capacity internally for SUT to leverage. Initiatives like the 'Green Office Program' (17) (that is generating a significant number of specific actions for a more sustainable workplace) act not solely as catalysts for cost savings and waste reduction – they also encourage more people to actively participate in processes that improve the nature of how SUT operates under a TBL framework.

Environmental Realm

There is certainly room for significant improvement in SUT's awareness of its own environmental 'footprint' both in energy and other resources used and waste produced. Thankfully the National

Centre for Sustainability is leading the improved level of awareness of waste and actions to be taken in order to alleviate our approach.

The 'Sustainability Covenant' (18) to be signed with the EPA will be the first for a university in Australia. The internal benefits and publicity leverage that this will provide should be used to drive momentum further.

Financial Realm

If you read Campus Review, The Age or any of the other major papers as well as watch the odd news report, you could think that there is a financial crisis in the tertiary education sector.

I would like to suggest that there is no funding crisis at all in the tertiary education sector. What there is in fact is a crisis regarding the historical funding model. I'd like to suggest that it is the tertiary sectors' insistence in clinging on to a model of funding arguably well past its use by date that has led to the perception of a funding crisis. The historical model (emerging originally since the break from the church as sole font of knowledge around the time of Charles Darwin in England) is that governments paid for education in universities. The universities (through a scientific approach to learning) were leaders in the creation of new and beneficial knowledge (especially to business) and as such the government was happy to pay. The iterations since have refined the model that suggests careers for life at taxpayers expense, that knowledge resides solely in the minds of its experts (professorial types) and that few in society can match those at the 'pointy end' of the university leadership. I would argue that many universities appear to operate in a similar way to the church of the 1800's – that universities alone hold the right to knowledge and the common man (taxpayer) is to be treated with a degree of contempt. In such a framework, many universities seem to think that they can continue to draw funds from the public purse with no accountability for the quality of their teaching, their management practises or the ability to benefit the society as a whole.

Whatever your position – whether you agree that there is an existing funding crisis or whether you accept that the crisis exists only in terms of attempting to cling to an historical funding model, TBL offers a significant incentive to financial sustainability.

CPA Australia's list of the business benefits for implementing TBL has already been provided. Given that the research results are from one of Australia's leading financially orientated institutions, one must wonder why we've yet to embrace TBL. The answer is relatively straightforward – our mental models of the world neither understand the need for a shift nor see the concrete reasons for embracing TBL as a strategic imperative leading to ongoing profit and sustainability.

Creating a competitive advantage through TBL

The true opportunity we have is to embrace the notion of a long-term survival by creating a sustainable future and the critical leg of this process is through TBL reporting and sustainable operation.

From within this framework, SUT will lay claim to being the only university in Australia that gives its students a tertiary education in their chosen fields whilst also meeting the key aims of business, of the wider community and of the global environment.

Arguably no other university in Australia will be able to move into that space for considerable time and certainly those that follow will at best, add increasing awareness to SUT's position.

By learning from and aligning its strategy development to the needs of the community (staff, students, local businesses and residents near its campuses etc) and social network of which it is a member, SUT will be in a vastly improved position to move forward and sustain itself regardless of outside changes in its funding support.

Rather than attempt to develop a strategic plan in isolation of the community, incorporating a sustainability focus will bond SUT to the notion of industry focused, globally aware, innovative & entrepreneurial and student centred.

- We will be student centred because we will be focusing on the community into which students will enter when they graduate and our teaching will reflect this
- We will bond with industry because our research will focus on how to improve production and practises to enable them to be more profitable whilst using less resources and having a smaller environmental impact
- We will be globally aware because Australia, as the highest per capita greenhouse gas producing country on the planet, (19) must begin to accept its role as a global citizen and take the necessary actions to contribute to a healthy global environment.

Every student that goes through SUT will as part of their course, undertake a unit on Innovation, a unit on Strategic Foresight and a unit on Sustainability. These three foundational units match the TBL criteria – innovation fitting the economic field; foresight matching the social field; sustainability matching the environmental field.

Enabling the Transition – Models of Thinking

Whilst the *critical phase* for any organisation is conceiving the vision it wishes to strive towards, the most *challenging phase* for any organisation is in implementing the changes to the organisation's culture that will support it in achieving the vision. For the purposes of the remainder of this paper I will take it as a given that the organisation has managed to overcome the difficulties of its most critical phase and accepted that TBL is a vital step to ensure long-term business sustainability. We now turn to addressing the challenge of successful implementation.

Entrenched mindsets and actions; silo mentalities; self-interest and unrealistic expectations all act as barriers to successful transitions. These are typical occurrences of human behaviour according to Robert Herbold's book 'The Fiefdom Syndrome' who suggests that discipline (to the process of improvement); creativity (in designing ways forward) and enforcement (of measurables) are keys to ensuring that entrenched mindsets do not undermine an organisation's capabilities. (20) What Herbold ultimately addresses is the need for a different mind set to overcome organisational barriers. The two 'mental models' I introduce here aim to expand the way in which we consider TBL and sustainability implementation and their applicability for our future outcomes.

Ken Wilber's 4 Quadrants (4Q) (21) model gives us one way of identifying the mode of thinking about a particular subject. Wilber proposes that all thinking models are situated within one or more of four ways of 'viewing the world or self' and that failure to cater for all of the 4 quadrant spheres ultimately leads to a 'flattening' of the robustness of thinking. This flattening equates to limitations to the usefulness of strategy design for achieving desired outcomes.
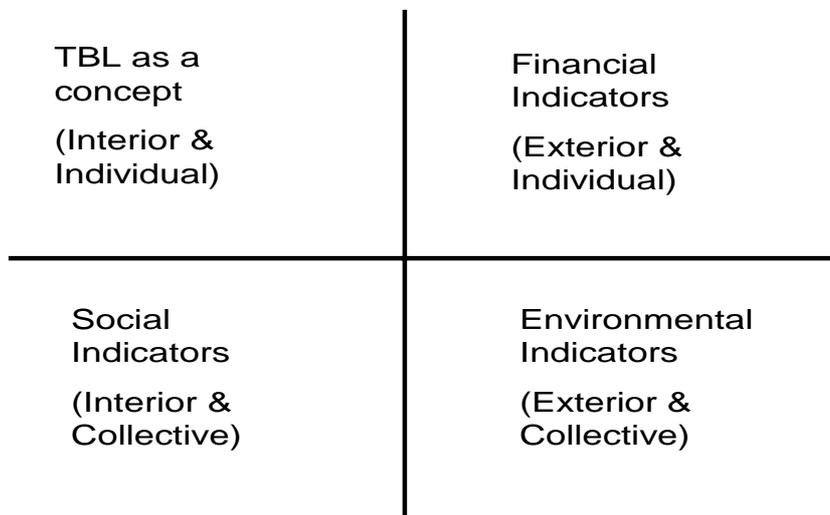
Wilber's model shows that perspectives of the world are 'interior & individual' (the organism's interior 'mind' capacity); 'exterior & individual' (the physical representations that make up self as in 'brain matter'); 'interior & collective' (how a society or grouping of entities conceives of itself as a society or group); or 'exterior & collective' (the physical representation of a society or group such as a city or a house).

The 4 domains require distinct perceptual filters. Most of the modern western industrialised thinking looks through the filter of 'exterior & individual' that is, a reliance on identifying concrete and 'real' things. This falls into the scientism paradigm of assessing an object by identifying all of its parts and declaring 'this is (x)!' Yet living entities (like organisations) are greater than the sum of their parts. An analogy here is useful – scientism is yet to dissect a frog and successfully put it back together to still be a frog.

Much of today's economic paradigm is reflective of a worldview that considers only the 'exterior & individual' factors as being relevant or worthy. The shift towards TBL by larger corporates is recognition that Environmental aspects like land degradation and global warming (exterior & collective) and Social aspects like ethics and governance (interior & collective) are being accepted as important considerations worthy of inclusion to the existing model.

Wilber's 4 Quadrants and Triple Bottom Line

As seen below, the components of TBL fit wonderfully into Wilber's model:

TBL as a concept (Interior & Individual)	Financial Indicators (Exterior & Individual)
Social Indicators (Interior & Collective)	Environmental Indicators (Exterior & Collective)

This simple diagram makes it clear that introducing TBL to SUT as a competitive advantage to ensure sustainability requires awareness of the paradigms that shape our thinking and interpretation of value. This model encourages us to cater to concepts and objects, as well as individual and shared interpretations. Arguably SUT's focus seems to be predominantly on the financial indicators and how they relate to performance, both in the past and future.

Value Systems (a.k.a Spiral Dynamics™)

Professor Clare Graves' (22) work on adult human values is arguably the most under-rated and latently powerful model of understanding the development of the human organism. The basic tenant of the model he devised is that the 'how' of human thinking is derived from the variations in the *internal capabilities* (mindset, experience, knowledge and understanding) and the *external environment* (life conditions placing demands of the entities' ability to survive).

The human values framework Graves devised was developed further by two research colleagues, Dr Don Beck (23) & Chris Cowan (24) into the Spiral Dynamics™ (SD) (25) framework which built on Graves' initial research. The end result is a core set of eight identified levels of thinking (Value

Systems sets) and we will assess six of those levels as we consider how a TBL framework could be embraced by SUT.

The key understanding gained from the Value Systems model is a conscious recognition that different human values exist to match different levels of complexity in the living circumstances we face. Research over the past 40 years has consistently shown that a more complex model of thinking about life's problems cannot emerge and be sustained successfully, until the essential problems posed by an existing set of life conditions have been resolved.

We will not explain Spiral Dynamics/Value Systems much beyond the brief summary provided other than to add that where the 4 Quadrants framework raises awareness to the type of focus a university might consider important, the Value System model also addresses the likely organisation challenges in terms of transition from one state to another more evolved one. So the 4Q acts as an assessment filter before implementation and Value Systems then provides the framework during the implementation phase of change.

SD Level	Approach system uses to try to resolve Life's Problems:
Two	Tribal bonding; seasonal adaptation; ancestry and elders act as guiding hands
Three	Impulsive action; Passionate & energetic; Fearless; Heroic challenges
Four	Obeys higher authority; 'Loyal soldier'; Maintains rules & systems;
Five	Works system to gain advantage for self; Improver & enhancer of system
Six	Collaborative & inclusive; Seeks diversity of opinion; Values people
Seven	Integrator of system components; Resolves multilayered problems

The table above gives a quick guide as to the favoured approaches by people when faced with problems appropriate to their day-to-day existence. It should be noted that people are rarely 'one level beings' and unlike typologies, people can and do change. The majority of SUT's actions suggest that there is predominance in the level four to level six range of thinking complexity.

The next table gives an indication of the types of benefits SUT will gain in using this type of thinking to incorporate TBL as a means for gaining a sustainable advantage.

Level	Advantage in using this level when embracing a 'sustainable' approach:
Two	Awakens our awareness to the 'magical' aspect of the environment
Three	Passion & energy; Willingness to take on difficult challenges
Four	Ensures compliance to mandated system; Dots I's and crosses T's
Five	Circumvents roadblocks; Innovation in implementation; Sees financial gains
Six	Humanistic approach addresses 'Social' reporting awareness and needs
Seven	Holistic awareness of factors in play; Places needs of system before self gain

Note how all levels of thinking complexity add value to the implementation phase of installing sustainability into the organisation. In addressing Wilber's 4Q, the favoured approach would typically be seen in the upper right – a focus on the exterior & individual perspective and this equates closely (though not wholly) to the SD Level Five thinking whose ability to manipulate systems derives from a desire to gain increasing benefits (often wealth) for self (it loves acronyms and executive summaries). Yet value can be derived from many levels in the organisation.

By bringing the 4Q model to the table we assess SUT's current TBL focus – the environment, the finances or the community? Asking the question 'which part of a Triple Bottom Line reporting framework is SUT paying the most attention to?' we bring into our interior & individual perspective, a focus of thinking that we may not have considered.

With the Value Systems model we can begin to address the available capacities for implementation as well as the types of responses we can envisage could emerge during the process that can cause delays and difficulties. Examples of some of the challenges and assets that a particular value system could bring can be found in the table below -

Level	Behavioural Limitation	Negative Example	Positive Example
Two	Closely connected to interest of own small membership cluster. Aims to 'protect' own patch and group. Senior members of cluster must be engaged and willing participants.	TBL challenges historically trodden paths. Senior member of cluster not involved in process undermines implementation by allowing team members to stick with old ways of 'performing functions'	Able to paint a rich and enchanting picture of the workplace following the implementation of a TBL framework
Three	Impulsiveness with no consideration of consequences of action can lead to jumping at an idea before it has been considered effectively	An opportunity related to TBL implementation is acted upon without complete understanding leading to an external partner being put 'offside'	Takes on challenges to drive through TBL despite all barriers. Highly creative and action orientated
Four	Obsession with rules for rules sake; Rigid and unwillingness to adapt to changing demands. Can refuse to embrace 'new rule structures' and may attempt to return to 'the good old days' leading to repetitive attempts at implementation	Failure to implement proper procedures leads to rejection of new system. Staff focus on what is wrong with new system and continually reject change as being in 'best interests' of organisation.	Clearly understands need for accuracy & efficiency of TBL implementation. 'Plays policeman' by ensuring old ways are no longer valid for use by reluctant areas
Five	May cut corners to 'feather own nest'; Manipulates rule system to gain personal advantage; Technical orientated – people treated as tools. Can circumvent policies perceived as causing delays	TBL seen as a distraction. Potential threat to positional authority and even personal financial outcomes leads to ignoring basic tenants. Focus is on how to manipulate parts of new system rather than whole system in order to gain for self.	Identifies roadblocks and designs strategy to overcome them. Strategic in selecting resources and allocating tasks to ensure that updated and enhanced processes deliver positive outcomes
Six	Collective orientation can lead to an unwillingness to take action; May ignore financial imperatives instead focusing on seeking 'equal consensus' rather than 'acceptance and moving forward'	Treats all opinions as 'equal value'. If 'anti' implementation of an idea, will seek continuous meetings, updates and surveys of staff opinions in order to prevent any true progress occurring.	Collects multiple opinions and able to represent all voices. Understands how to deliver message in acceptable way for all parties. Embraces idea of benefit for all
Seven	Outcome orientated – can dismiss consideration of others if believes for the benefit of the common good.	Uses aspects of organisation that provide most leverage in pushing through agenda that can	Able to see 'whole picture' and identify gaps to successful implementation.

		lead to short-term anxiety for staff.	

The list above requires close scrutiny. In change management programs, too often the process ignores inherent value that different modes of thinking bring to the organisation. The notion of 'best practise' at its core suggests that people should model the behaviour of the current leader in that behaviour set. Yet 'best practise' thinking ignores individual preferences and capabilities and worse, ultimately stifles all innovation and improvement.

For SUT, being aware of both the benefits and limitations that different Value Systems thinking provide, can lead to a TBL implementation process far smoother and a consolidation far quicker than what might otherwise occur. Value Systems thinking overcomes the barriers set in train through 'best practise' modelling. Best practise is NOT enough. It should only ever be used to play catch up but beyond that, new and ever improving modes of operation need to be deliberately sought, designed and implemented.

Where is the key leverage for SUT?

When you consider -
- The steps being taken by SUT regarding the area of Environment & Social responsibility
- The developing (but still limited) take up of TBL by the corporate sector
- The apparent focus on fiscal imperatives
- The desire for competitive advantage
- The existing mental models

It seems obvious that SUT's greatest leverage will come from within its approach to finance and it is the main function that needs to take a major leap in order for SUT to be able to embrace and benefit from the TBL management framework.

The Green Office project will deliver benefits in terms of environmental improvements and some fiscal savings. The steps undertaken by the Facilities and Service group are also leading to cost savings as well as power usage reductions benefiting the environment. The Sustainability covenant will boost our social reporting outcomes under a TBL framework and there are numerous other activities that feed into an improved outlook across the three domains.

And they will not be enough…

The Finance Department must be used as the fulcrum driving both internal AND external take up of TBL. SUT does not and cannot stand in isolation from the society of which it is a member. Its size and buying power also means it holds significant weight in the community - it also means it has a massive environmental footprint that impacts the environment. So the greatest leverage will come from changing the entrenched mindset SUT applies to business by introducing a 'sticks and carrots' approach to the very nature of services and supply.

I offer four targeted ideas that when enacted will increase the TBL management both internally and externally. These ideas are but a few potential examples available to the university to begin shifting its level of sustainability focus and engagement. The approaches represent a clear message of intentions and expectations for the university embracing a sustainable future. Importantly, they involve all stakeholders, from Senior Management to line staff, thorough to suppliers, students and the wider community. Implementation will not be without resistance. For these ideas to be successfully embedded, the Finance Department will form a partnership with the NCS whose expertise in conceptual and concrete steps for TBL reporting is critical. Together they will drive SUT towards embracing TBL and create for it a significant competitive advantage.

Idea 1 – The Finance Department will add say, a 25% premium to all unit invoices on purchases where suppliers do not provide SUT with their own TBL report, Globals usage statement (26) or environmental impact statement.

A department can continue to use a supplier that is yet to embrace a 'balanced scorecard' approach. However, they will effectively be hit by a further internal 25% cost of the invoice total as a penalty.

This leads to clear outcomes for the department – encourage existing suppliers to move toward a TBL framework in order to keep doing business with us; seek alternative suppliers that are willing to embrace a TBL framework; pay a fiscal penalty for continuing to use a supplier that is not embracing the notion of TBL. With the main drive for TBL coming from bigger companies, smaller businesses can gain a competitive advantage through access to contracts by large companies (even those using TBL as a marketing tool). SMEs without TBL or environmental impact statements won't be able to pitch for business.

Over a period of 3 years SUT will phase in TBL reporting only supplier purchases.

Idea 2 – Departments will pay a usage fee for all rooms that are under utilised.

Effectively the current process means that departments pay for using a room. This is a clear disincentive for maximising the expensive infrastructure that exists. Instead departments will pay a fee for every hour that a room remains under-utilised.

It becomes incumbent then on departments to maximise the available rooms they have. The number of empty rooms should drop and the need for increased space and new buildings will be reduced because departments will be penalised when they do not maximise the facilities at their disposal. Again if the hourly rate now charged is say \$10, underutilised space will attract a 25% premium. Increased costs will encourage departments to advertise to each other (and even external entities) the availability of rooms and space.

Idea 3 – Printer related consumables must contain at least 75% recycled components

The sheer volume of paper and printer cartridges used by SUT is extensive, expensive and waste producing. Clinging to notions of 'whiter than white' paper and 'brand new' printer cartridges no longer holds weight. The quality of many recycled paper and cartridges is excellent. Boxes of new paper and printer cartridges represent old habits tied to poor quality thinking.

This idea would require immediate implementation with the only variation occurring where suppliers cannot fill supplies of paper.

Idea 4 (a) – The Wakefield Street car park will be closed and converted into other useable functions or sold with the funds used to support the sustainability drive across SUT.

The suburban car park represents an acceptance that private transport is an acceptable alternative. Yet it seems obvious that expending enormous energy shifting anywhere between 1200kg and 3500kg for the purpose of moving around 80kg is an example of economic lunacy, not to mention an ongoing environmental disaster. Further, to shift that mass and then have it remain idle for between 6 and 10 hours is like creating a building the size of the AGSE and then using only one full classroom for one hour a day. If we wouldn't accept such waste for a school building, why do we encourage the same behaviour when it comes to automotive transport?

Removal of parking availability creates parking problems and these problems will encourage people to find alternative transport means. That is the result we want to create however we will offer a solution for staff and students as you can see in 4 (b) & 4 (c). As SUT seeks to expand its student numbers and teaching facilities, the converted car park will also provide a potentially cheaper alternative than the complete construction of a new complex.

Idea 4 (b) – SUT will provide a public transport allowance for any student living further than 10km from the campus at which they are enrolled.

The greatest users of the car park in Wakefield Street are current students. There are also some staff spaces and public spaces. By removing the car park and providing transport vouchers we send a further message – 'We want your help in embracing a sustainable future and we will support you in doing so'. For students living closer than 10km we will provide greater bicycle storage and shower facilities.

Idea 4 (c) – SUT will no longer enable staff to salary sacrifice car payments, nor will SUT supply personal company cars for staff members at any level of the organisation.

For the same reasons we close the car park, we need to address vehicle usage of staff. Company leased vehicles will be replaced by a small pool of vehicles. Senior staff members can 'book' a car for personal use during the day in advance of the time they actually need it. Staff trips to and from work and other meetings not on site can be made via public transport or taxi. Private vehicle payments will be replaced by public transport & taxi access support.

The New Strategic View

The type of strategic decisions we will take target the Value Systems thinking levels 4 through to 7. They also aim to cover more than one of the 4Q views of the world as well as introducing an understanding of what an 'advanced society' really means. The chart below shows how these strategic approaches look and where they are 'situated' with regard to perceptual filters.

Mental Models:	**Finance Strategies:**
•Triple Bottom Line	•TBL 'Tax'
•Value Systems	•Transport Support model
•Wilber's 4 Quadrants	•Printer Consumables
•Advanced Societies Law & Paradox	•Green Office Program
Social Strategies:	**Environmental Strategies:**
•Green Office Program	•Transport Support model
•Transport Support model	•Green Office Program
•TBL as social statement & supplier requirement	•Sustainability Covenant
	•Reduced Energy via F&S

The Finance/NCS team will be responsible for all communication to SUT with explicit support from the board and executive group to actively pursue and enforce the vision.

Conclusion

Is Swinburne operating as a butterfly, grasshopper or locust? Does it aim for 'true profit' or is it a bureaucracy? Does Swinburne really have a competitive advantage or is it one of many sharing the same 'space' in the marketplace? In its current guise it is simply too established to be a butterfly and not agile and careful enough to be a grasshopper. It does not yet achieve a win/win/win outcome so it is not yet a business. It is too small to be able to compete in more than a handful of niche activities and it is arguable if many deliver enough kudos for us to leverage. As for notions of 'distinctiveness', we are more of a 'me too' follower than a leader and if others follow Monash's TBL lead, even more so.

The upper echelon of the corporate world is embracing more advanced thinking models that understand the need for TBL reporting and if we are serious about ensuring our industry relevance, TBL and sustainability are essential notions to embrace.

Society is decidedly more 'green' and ethically aware than it was 10 or even 5 years ago. A shift towards greater environmental responsibility and socially acceptable business methods is merely aligning us with community expectations and ethical business performance. CPA Australia has provided some of the obvious benefits and there are pressing global issues regarding health and environmental disasters that must be considered.

We have the capacity across much of the necessary domains to be able to embrace the Triple Bottom Line philosophy and instigating the operational processes to achieve quality ratings in each of the domains. It has already been shown to make good business sense, so why the delay?

The delay comes from the mental models we are using and the failure to leverage the appropriate area of the University, even though those mental models are proving to be inadequate. The delay comes because those that set the leadership tone of the university have yet to accept what is required. By applying the SD and 4Q frameworks, I have provided a few ideas of how the Finance area can become the fulcrum for SUT to embrace and lead its entire stakeholder community toward improved results across the domains of financial, environmental and social responsibility. If we are aiming to improve our results (rather than take the myopic view of Westpac's Cronica that thinks TBL is limited to a reputational risk management approach) then let's improve our results across all domains of a TBL framework as a truly sustainable organisation.

Kaplan & Norton remind us that '…financial measures are inadequate' and show us that TBL can help us '…create future value through investment in customers, suppliers, employees, processes, technology, and innovation'.

Implementation will not be without challenge and angst. We can use all Value Systems to their best advantage to move the university forward. Let me go a step further – it will ONLY be through embracing the idea of a being a truly sustainable organisation that SUT can hope to survive as an entity and ultimately thrive as a business. The time for action is upon us.

References

1. '*We Work the Black Seam*' - Sting 1985; A&M Records; taken from 'The Dream of the Blue Turtles' album.
2. Dawkins Richard; '**The Selfish Gene**' - Oxford University Press 1976 (2)
3. Klaus Chielen's Website accessed 9/10/04. See http://memetics.chielens.net/definition.html
4. Barber, Marcus P – '**The Money Tree & How to Grow One – Creating Success in Your Business**' 1999 TBRB; 2003 Barber Books – www.barberbooks.com
5. Kaplan R & Norton D; '**The Balanced Scorecard – Translating Strategy into Action'**; 1996; Harvard Business School Publishing
6. © Marcus Barber 2002
7. The Ecological Footprint evolved from the work of Mathis Wackernagle that compares the level of consumption of an individual (or business or society) against the regenerative capacity of the planet. The common indictor is the number of productive hectares of land required to meet the consumption demand. For more information check the Global Footprint Network at www.footprintnetwork.org or check the World Wildlife Fund's 'Living Planet Report'.
8. Taken from the 2004 CPA Strategic Planning conference presentation by John Petty
9. Weyler, Rex; **'Greenpeace: How a Group of Ecologists, Journalists and Visionaries Changed the World**'; 2004, Pan Macmillan
10. '*Towards Sustainability Management and Reporting*' presentation made in August 2004 at CPA Strategic Planning by John Petty, Vice President, CPA Australia
11. See www.business-ethics.com CSR
12. The ten principles for the UN Global Compact can be found at www.unglobalcompact.org
13. '*The UN's role in corporate social responsibility*' 2004; Blair, Bugg-Levine & Rippin – McKinsey. A summary of the report can be found in the McKinsey Quarterly Number 4, 2004
14. COE Research report, March edition, 1999, CPA Australia
15. '*Taking Sustainability Mainstream*' – Centre for Sustainable Development 2004
16. 'Jerry MacGuire'- Tristar Pictures 1996
17. Details of the Green Office Program Initiative can be found at www.swin.edu.au/ncs
18. Details of the EPA's sustainability covenants can be found at www.epa.vic.goc.au
19. Earth Trends Data Tables – 'Energy and Resources' 2004. International Energy Agency
20. Herbold, Robert J; '**The Fiefdom Syndrome: The Turf Battles That Undermine Careers and Companies-And How to Overcome Them'**; Currency 2004
21. Wilber, Ken '**A Brief History of Everything'** 1996 Shambhala Press
22. Professor Clare Graves was a professor of psychology at Union College, Schenectady New York
23. Don Beck PhD is the co-founder of the National Values Centre (USA) and principle of the Spiral Dynamics Integral Institute
24. Chris Cowan is the co-founder of the National Values Centre (USA) and principle of National Values Centre Consulting (NVCC)
25. Beck & Cowan; '**Spiral Dynamics – Mastering Leadership Values & Change'** 1996, Blackwell Press
26. A Globals usage statement is based on the 'Global' currency unit equivalent to 1 litre of fresh water. See 'A Drop in the Ocean for Foresight Practitioners' – Barber M 2002

Other content assessed in the creation of this paper include:

Outlooks for the 21st Century – Sustainability & implications for organisations – Marcus Barber 2003
Global Energy Network Initiative – www.geni.org
Alternative Technology Association – www.ata.org.au

Notes

(i)   The heading and discussion of the concept of Butterflies, Grasshoppers and Locusts in this paper was arrived at in my own way. It has since been pointed out to me that Elkington had written a piece utilising a butterfly, grasshopper, locust and bumblebee analogy. Although I have not read that piece (nor any others referring to it) it is my understanding that my approach differs from that of Elkington in that my take is geared around the level of activity and survival rate over a period of time of any entity that operates in this way. Any other similarities are coincidental in nature and I welcome any dialogue on the matter if it is important for people to seek further clarification.

Appendix

1. Kaplan & Norton's Balanced Scorecard Management model