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Developing Sustainable Business Leaders

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Developing Sustainable Business Leaders

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http://www.albany.edu/business/FTMBA_G3_index.shtml
Outline

• Introduction to “G3”
• The System Dynamics Model
• The G3 process and schedule
• Past G3 successes
• Future challenges
• Questions
What is “G3”? 

- A unique *integrative cornerstone experience* in the full-time MBA program:
  - Assign teams of MBA students to client companies at the end of the first-year
  - 12 intensive days to solve the complex sustainability issues they face
- High Value Added for:
  - MBAs
    - Curriculum closure and consolidation (skills)
    - Jobs! (resume, experience, internships)
    - Knowledge about one of the most vital issues of the day
  - UAlbany School of Business – Reputation, research, funding, community outreach
  - Our clients – Value of multifaceted team recommendations to help them with sustainability initiatives and a way to partner with the University

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**G3: GOING GREEN GLOBALLY**

*School of Business, University at Albany*
What is Sustainability?

• “Meeting the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland Report, 1987)

• “Green” is a double entendre that also refers to “sustainable business strategies and models”
  – For-profit businesses will only pursue strategies that lead to profit
Business is an essential component of the sustainability conversation.

Turning this kind of “green”

- Wind
- Solar
- Biofuels
- Energy Storage
- Fuel Cells
- Efficiency

... into this kind of “green”

Sometimes science is the easy part ... business is the tough part!
The G3 Compass

- **Natural Environment and Organizations (NEO)**
- **World Without Walls (WWW)**
- **Strategic Sustainability Systems (SSS)**
- **Ethics: Values, Integrity, Professionalism (VIP)**

- Value Proposition
- Business Model
The System Dynamics Model

- **Input**
  - Infrastructure
- **Transformation**
  - Productivity capital
  - Natural capital
  - Waste
  - Inventory
- **Output**
  - Closed-Loop Product Life Cycle
Strategic Sustainable Systems

- Capital Markets
- Investment
- Profit
- Goods Markets
- Substitution
- “Bads” Markets
- Natural capital
- Production capital
- Recovery
- Waste
- Replenishment
- Remediation
- Inventory

G3: GOING GREEN GLOBALLY
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What do we want students to learn?
Sometimes, results are counter-intuitive

- **Fallacy of the Infinite Resource**: Misleading signals to the market increases extraction and exploitation
- **Productivity Speeds Decline**: Technological progress that increases the efficiency with which a resource is used tends to increase (rather than decrease) the rate of consumption of that resource (Jevons Paradox)
- **Change Occurs Precipitously and Non-Linearly**: Threshold effects upon reaching capacity can be dramatic
- **Erroneous Forecasts**: Long delays for information (effects of waste take time to appear)
- **Correct investments in correct places ripples throughout the system**: Abundant opportunities to reduce resources for production processes, energy, by-products, transportation ... all of which are avoidable costs!
The G3 Process: 12 Days

A project for client companies

- 3 Presentations
  - Scope and Scale,
  - preliminary findings and recommendations
  - final and formal for clients and guests

- 2 Research “White Papers”
  - Global Best Practices applied to their client’s challenges

Supported by on-the-job learning, experts, hands-on experiences

- Theme-of-the-day: Energy, finance and innovation, regulation and public sector influence, science and technology
- Case Studies and site tours
- Individual coaching sessions w/ experts
- 100+ Hours per person of work
- ... all in 12 Days!
The Players

• 2 Managing Partners and a Director of Sustainability
• MBA Consulting Teams for Clients
• Team Coaches and Executive Life Lines (“T-CELLs”):
  – Business Coach (one per team)
  – Science Coaches
  – System Dynamics Coaches
  – Building / LEEDS Life Line
  – Sustainability Life Line
  – CEO and Strategy Life Line
  – Energy Life Line
• School of Business Faculty Members
• Guest Speakers
G3 is a Year-Round Commitment

- Fall – line up clients and coaches; develop tentative schedule based on feedback from last year
- Mid-February – Client orientation: Clients receive information packet and questionnaire; Begin gathering information their team will need; Begin conversations about what an appropriate project might look like
- By March 31st – Questionnaire due from the client; Project broadly defined and scoped
- Early April – *Teams Formed*: Assign clients
- Mid-April – Distribute completed client packets (binder containing questionnaire, forms, information, etc.)
G3 Schedule: 12 Days

Typical Week Day:
- Morning – Class: Guest Speakers and Experts
- Afternoon – Work, T-Cell meetings, Client meetings
- 5:00 – Status reports and Partner Briefings
- Evening - Work

Typical Weekend:
- Briefings with team coaches
- Strategy sessions with
  - Executive T-cell
  - Sustainability T-cell
  - LEEDs T-cell
  - Systems T-cell
- Writing papers and preparing presentations
G3 Schedule: Post G3

• June
  – Coaches’ de-briefing, continuous improvement, and planning for the next year
  – Meet with clients to get their feedback; future commitments
  – Survey and meet with focus group of MBA students
  – Begin to plan for next year!
Transformative Process: Students

Sample Student Outcomes:

• Internships at sustainability-related organizations: NY ISO, NYSERDA, National Grid
• Internships at Client companies: Price Chopper, SEFCU, AngioDynamics, Living Resources
• EPA-NYS Dept. of Environmental Conservation year-round internship
• Business skills and acumen
  • Understanding and Awareness
  • Interviewing and job success
Client Results

Student teams have developed:

- Paperless billing and statement programs
  - Including programs to change organizational culture
- Energy reduction programs through technology innovation
- Fuel reduction for customer fleet of cars through mapping innovation
- Alternative shipping material, moving away from toxic materials
- Data collection and analysis in support of GRI reporting
- Web interface and marketing campaign to reduce residential energy use
- Community gardening programs for adult residence housing for the mentally disabled
- Green market/product recommendations for sheltered workshop manufacturing

See [http://www.albany.edu/business/FT_g3_clients.shtml](http://www.albany.edu/business/FT_g3_clients.shtml)
Growing Pains and Challenges

• Perfect for current profile of FT MBA students
  – Adapting for Executive MBAs

• Expenses
  – Grant from National Grid offsets some out-of-pocket expenses

• Cross-functional and interdisciplinary
  – Great for students
  – Hard for faculty

• Research
  – Gathering data for future research
  – Building relationships for industry-based research

• Very labor intensive
Great Opportunities

- Students understand and appreciate an important, complex business problem
- Students are getting jobs and internships
- School of Business is partnering with industry
- Organizations are operationalizing sustainability ideas and focusing on future challenges
- Research opportunities are expanding
- Re-defining program for use in other academic programs
- Developing partners for industry-based conferences and organizational-based implementation
We are always looking for new ideas and partners!

Questions and Discussion?