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
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

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

- Value Proposition
- Business Model
The System Dynamics Model

Input ➔ Transformation ➔ Output

Infrastructure

Natural capital ➔ Closed-Loop Product Life Cycle ➔ Inventory

G3: GOING GREEN GLOBALLY
School of Business, University at Albany
Strategic Sustainable Systems

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

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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 31\textsuperscript{st} – Questionnaire due from the client; Project broadly defined and scoped
- Early April – \textit{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?