



MIT Sloan School of Management **Leading in Sustainability**

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Making the case



Sustainability: a management issue

- **Business opportunities**

- 60% of surveyed telecoms, chemicals, healthcare, & energy firms see top-line benefits to sustainability-driven innovation; 43% see further bottom-line benefits
- Integrating sustainability into business strategy and product/process design is next for firms already seeing reputation, brand value, and market benefits
- Example: GE Ecomagination, a multi-billion dollar initiative to create products and solutions that benefit society and GE. "It's pretty exciting when making the world a better place for your children's children can also be profitable"—Julie Taylor, manager of commercial development programs for GE.

- **Firms are exploring new modes of corporate citizenship**

- including BP, du Pont, Home Depot, HP, Novo Nordisk, UPS, Walmart
- Environmental startups on the rise
- “the growth rate of new nonprofits now exceeds that of private business formation and government expansion”—James Austin (2004)

- **Governments and firms addressing the consequences of global warming & many other sustainability issues.**

Making the case



Vast resources at MIT

- MIT Leadership Center
- MIT Public Service Center
- Global Entrepreneurship Lab
- Social entrepreneurship (15.963)
- MIT Joint Program on the Science and Policy of Climate Change
- Share a Vital Earth (SAVE), MIT Students for Global Sustainability, and other student groups
- Net Impact/other MIT Sloan student groups
- Earth System Initiative
- Design that Matters
- IDEAS competition
- MIT Poverty Action Lab
- Program in Science, Technology, and Society
- Media Lab
- Environmental Information Technology Group
- Dept. of Urban Studies and Planning
- D Lab: Introduction to Development
- Engineering Systems Division
- Technology and Public Policy Program
- MIT Entrepreneurship Center, including Global Venture Creation Network, \$50K Global Startup Workshop, Entrepreneurship Society
- Deshpande Center
- Lemelson-MIT Program
- MIT International Development Forum
- Lab for Energy and the Environment
- Global Business School Network
- MIT Program on Human Rights and Justice
- Energy Research Council
- Alliance for Global Sustainability
- Many faculty: e.g., Jerome Connor, Woodie Flowers, Susan Murcott, John Ochsendorf, Amy Smith, Xavier de Souza Briggs

Competitive landscape



Innovation at other B Schools

- **30% of Net Impact MBA students surveyed said their programs were doing a disappointing job in the area of sustainability**
- **4% of faculty published on these topics in leading journals in '03 & '05**
- **Top ten schools offer an average of 50 courses with social and environmental content, more than double the average of others**
- **In top 30 schools, social and environmental topics are addressed in 25% of the core vs. 8% in other schools. Sloan not in top 30.**
 - New Wharton course “Entrepreneurship and Social Wealth Generation,” students develop business plans that address a social problem
 - Stanford rated highest in the recent “Beyond Grey Pinstripes” survey
 - Global Social Venture Competition partners Berkeley, Columbia, LBS with Goldman Sachs Foundation
 - University of Washington offers new Global Social Entrepreneurship Competition
 - Growth in MBA pro-bono consulting, at e.g. Yale, Michigan, Notre Dame, Tuck, Irvine
 - LBS: portfolio of five new courses, from CO₂ emissions mgt. to social entrepreneurship
 - Berkeley and Michigan have significant centers for business and sustainability
 - Yale and Michigan offer dual degrees with environmental studies
 - GWU: MBA concentration in sustainability; Colorado: concentration in business and society
 - Applications to BU’s Public and Non-Profit Management program doubled since 2000
 - Bainbridge Graduate Institute offers MBA in sustainability, plus open-source course material

Source: WRI & Aspen Institute, Beyond Grey Pinstripes 2005: Preparing MBAs for Social and Environmental Stewardship, 2005

Program options



Options for structuring a program

- **Add new electives and SIPs**
- **Add a concentration or certificate (c.f. Stanford, GWU, CU)**
- **Partner with existing innovative activities: Leadership Center, G-Lab, Entrepreneurship Center, 50K**
- **Leverage relationships with external organizations and companies to define internships, research projects, etc.**
- **Leaders for Manufacturing model: a separate program**

Next steps



How to proceed?

- **Expand market research**
- **Connect with MIT and Sloan faculty, staff, students with overlapping interests**
- **Tap alumni base, exec ed partners, corp. friends**
- **Run some experiments (SIPs) beginning Spring '06**
- **Develop new courses in partnership**
 - with MBA students, e.g. work with clubs
 - with other parts of MIT
- **Map out new projects and internships that address environmental/sustainability**
 - involve faculty in teams with students
 - develop links to existing structures & courses
- **Implement a community service requirement for all Sloan students**



Backup and extra info

Making the case



An area of opportunity

- **Energy, environment, sustainability are growing concerns for companies, governments, and the non-governmental sector**
- **B Schools are moving into this area**
 - More business schools (54% in 2005, up from 45% in 2003 and 34% in 2001) offer courses in ethics, corporate social responsibility, and environmental sustainability. MIT Sloan does not make it to list of top 30 schools.
 - Net Impact doubled in recent years; now 104 chapters, over 11,000 members.

Source: WRI and Aspen Institute, Beyond Grey Pinstripes 2005: Preparing MBAs for Social and Environmental Stewardship, 2005

Making the case



Are we missing the call?

“To be competitive, corporations need to recast social and environmental problems as business growth opportunities. Top-ranked [business] schools are leading the way in providing students with the skills that are becoming increasingly valuable to business’ bottom line, including searching for innovative technologies and entrepreneurship opportunities around climate change, water scarcity, labor issues, and poverty alleviation.”

**—Jonathan Lash,
President of World Resources Institute**

Competitive landscape



Stanford as a comparison

- **Rated highest in the recent “Beyond Grey Pinstripes” survey**
- **Over 30 electives on ethics, corporate social responsibility, environmental sustainability, international development, social and environmental entrepreneurship and public and nonprofit management. These concepts are also integrated throughout the core curriculum.**
- **25 percent of the 2004 graduates earned a specialized Certificate in these areas in addition to their MBAs**
- **Students take over 200 summer and full-time positions with nonprofits and public agencies. Two significant subsidy programs: Stanford Management Internship Fund and the Loan Forgiveness Program**
- **New/expanded Center for Leadership Development and Research, Center for Global Business and the Economy, and Center for Social Innovation**
- **Each year, the 15% of first-year MBAs that go for the Public Management certificate choose a public management topic that the whole class explores in depth for the following academic year**

Potential courses



A possible portfolio of MIT Sloan courses

- **Global awareness—basic “global citizenship” information about socio-economic, ecological, other issues**
 - **Environmental entrepreneurship and innovation—theory, models, case studies; issues of scale and dynamics**
 - **Project/Lab courses—field/action based**
 - **Green marketing**
 - **An ecological view of product, policy, and process design**
 - **Social entrepreneurship (e.g., 15.963)**
 - **Navigating change in the public and non-profit sector**
 - **Toolkit for the future—reflection skills; assessing personal and business opportunities; thinking about happiness; systems thinking in practice; networking; leadership development**
- > Strong existing platforms to build these capabilities (e.g. G-lab, Leadership center, entrepreneurship program, 50K, etc.)**