

Beyond Reasonable Greed: Why Sustainable Business is a Much Better Idea!

By Wayne Visser and Clem Sunter (Human & Rousseau, 2002)



~ 8 THE FUTURE ~

Elephants In The Mist

Believe it or not, many cultures have linked elephants with the clouds; some myths even credit elephants with creating the clouds. This is probably because of their comparable size and colour and shape in thundery weather; but there may be symbolic elements as well. Clouds represent the mist that separates the formed worlds from the unformed. Clouds are also forever changing, forever shapeshifting. So it is also not surprising that elephants are associated with prophecy and divination. Add to this the belief in elephants' great memory and wisdom and we have a fitting symbol for our final speculations about the misty future of sustainable business in a shapeshifted world.

Dare one of us say it, but an excellent crystal ball to use when gazing into the future is scenario planning, using the 'foxy matrix' developed in *The Mind of a Fox* (co-authored by Chantell Ilbury and Clem Sunter). The four quadrants of the matrix move our thinking from (1) Rules of the game, to (2) Key uncertainties and scenarios, to (3) Options, and finally (4) Decisions. These will be explored now using the lion and elephant themes of the book.

8.1 Rules of the game

The rules of the game are the conditions that we are fairly certain will apply within the foreseeable future. They govern our behaviour and up to a point are beyond our control. Unlike the rules of sport which are conveniently written down in a rulebook somewhere, the rules of business are normally unwritten. At times, they are subject to intense debate – particularly when they change as they are doing at the moment. However, there are certain rules that never change such as the moral rules of the game. Many lion companies either ignore or fail to understand that business is as subject to the moral rules as an individual is. Nor are they sensitive to those changes in the rules which are taking place as a result of alterations in the environment around them.

We have identified seven rules of the game that underpin the world that is emerging through the mists of time. These are: (1) Spaceship Earth; (2) the demographic multipliers; (3) pervasive poverty, growing resentment; (4) declining ecosystems; (5) a techno-scientific boom; (6) the networked planet; and (7) a renaissance in values.

Spaceship Earth

Recalling Kenneth Boulding's 1960s metaphor, we live within an insular planetary system. The only external input is the sun's radiation. To all intents and purposes, nothing comes in and nothing leaves. There is no backup store of resources to tap into once our planet is all used up. And there is no 'away' for the waste and pollution that we create. We can try to hide it by burying it or diluting it, but it doesn't disappear; it just accumulates. For even with our technological wizardry, we cannot replicate the planet's ingenious processes. Up till now, this rule hasn't been a problem. We've got away with ignoring it because for most of the Earth's history the population has been relatively small and only a small proportion of that population has consumed resources at a rate which might cause a problem.

Now, Spaceship Earth is what we would call a 'showstopper'. It is literally a 'killer concern' because, by ignoring this rule, we are in danger of killing ourselves off as a species on this planet. The planet will survive, by the way. This may sound overly melodramatic but it is pure, measurable science: we are slowly poisoning ourselves on the one hand, and threatening the delicate equilibrium of various ecosystems on which we depend on the other. More about this in the key uncertainties.

The demographic multipliers

Population has a double whammy effect as a rule of the game. Obviously, a growing population puts more strain on limited resources, such as the environment, food and habitat. And, even with the most optimistic projections on declining fertility rates, the latent population growth that is already 'in the pipeline' will almost certainly result in a doubling of today's six billion people. That would be challenge enough for our Spaceship Earth, but it is only the first multiplier.

The second multiplier is tied up with the industrial lifestyle which developing countries are seeking to emulate, and which is highly resource intensive and extremely unhealthy, wasteful and polluting. What would happen if the one million pounds of annual waste generated by each American citizen were multiplied by six billion as opposed to 300 million? Or if on the same basis we extrapolated the \$100 billion that America spends to combat the harmful effects of air pollution, or the \$50 billion in health costs associated with their fast-food diet? Quite simply, if every country adopts these lifestyles, the environmental and social impacts will be catastrophic. The crazy thing is that America has to rely on the rest of the world not catching up with it in order to continue with the wasteful lifestyle to which it has grown accustomed.

Pervasive poverty, growing resentment

Poverty is a crisis of global proportions. Three billion people still live on less than \$2 a day, while more than one billion do not have access to proper food or clean water. According to the United Nations, worldwide poverty has got worse not better over the past 50 years. That's in absolute terms. Relatively speaking, the gap between the 'haves' and the 'have-nots' is also widening as we alluded to earlier. And being a complex issue, the problem is not going to go away at any time soon. For decades to come, poverty will remain the single biggest threat to social sustainability.

Poverty acts like a cancer in the human society: it eats away at the body from the inside out; there is no simple cure; and by the time it is usually recognised as a threat, it is already too late. Our current belief in 'trickle down' economics is like an ineffective, superstitious placebo. It may make us feel better for a while, but it hasn't rooted out the cause. It's as if we naively believe that if the privileged few keep eating ice-cream which happens to taste great, the good feeling will eventually spread to the less fortunate masses and just melt away the cancer. In practice, the reverse is happening. With the advent of mass media, the poor now know what they're missing out on and a sense of relative deprivation is spreading out like a shock-wave. Accompanying the resentment is something to which we refer later on: the access to weapons of mass destruction which the poor increasingly have. Combined with religious fervour, this whole mixture becomes pretty potent.

Declining ecosystems

Some of the facts previously mentioned in the book bear repeating here: we have lost over ten percent of the species that were living a few hundred years ago; the Earth is losing an estimated three or more species per hour, a rate one hundred to one thousand times greater than the average over the preceding hundreds of millennia; and conservation biologists are predicting that half of the diversity of life will be lost in the next century if the present rates of habitat destruction and disturbance continue.

Need more facts? In the past 50 years, the world has lost a quarter of its topsoil and a third of its forest cover. At present rates of destruction, we will lose 70 percent of the world's coral reefs in our lifetime, host to a quarter of marine life. In the past three decades, one-third of the planet's natural resources has been consumed. We are losing freshwater ecosystems at the rate of six percent a year, marine ecosystems at four percent a year. At the same time, we are starting to wreak havoc with our climate system. There is no longer any serious scientific dispute that things are getting worse, even in the ten years since the Rio Earth Summit of 1992.

On the other hand, a very powerful driving force behind modern business was introduced unwittingly by Peter Drucker, the American guru, when he invented 'management by objectives' in the middle part of the last century. Nowadays, MBO as it is known is at the centre of all strategic, operational and budgetary processes. You set objectives and then

you measure your performance against those objectives whether they are financial ones, production ones, marketing ones, etc. Because we naturally aspire to do better in the eyes of the people we fear and respect (for underlings read bosses, for bosses shareholders) our objectives tend to reflect this. We select targets which will lower costs, raise production and produce more profit. Nobody budgets lower profit unless it is due to factors beyond his or her control. Thus, while Drucker himself may be an open-minded and balanced individual, his product – MBO – has entrenched a culture of ‘more’ just when we need a culture of ‘less’ according to this rule of the game.

Worse still, MBO creates the impression that the future is certain and management is in control. The objectives must be attained whatever the future has in store. It’s rather like the pilots of an airliner having a flight plan and no radar system to indicate that the flight plan should be changed in the event of bad weather ahead. The facts we have quoted under this heading show that some really bad weather is about to be encountered if we don’t change course immediately.

The techno-scientific boom

The pace of scientific discovery and technological innovation shows no signs of abating. Whether it is mapping the human genome, building artificial intelligence machines, or cloning animal life, each new revelation sparks a whole industry of possibilities. We just need to look at how many mainstream career options today did not exist 50 years ago: VCR/mobile phone design and engineering, computer science, biotechnology, corporate environmental management, microelectronics, website design, contamination remediation - the list could go on and on.

In our struggle to cope with the whirlwind of change that surrounds us, we should resist the temptation to react like the Luddites of old – those bands of English artisans bent on destroying machinery in the early nineteenth century in the belief that all new technology was evil. The information technology revolution has reshaped our world forever; and wave upon wave of scientific breakthroughs in the twenty-first century will continue to toss and tumble us about, until we learn to surf each new change. The hope is that technological advance can create environmentally-friendly substitutes in the fields of materials and energy, so vital for people to improve their standard of living within the constraints of inhabiting Spaceship Earth.

The networked planet

Hand in hand with the spread of democracy around the globe, the planet has become a world wide web. The so-called information superhighway is a vast network of fibre optic cables, radio waves, micro-waves and satellite signals. Whether you are standing on the top of Mount Kilimanjaro or at the bottom of the Grand Canyon, a little black box called a cellphone can connect you with anyone else on earth. Or a web-cam can teleport someone live into your home for a chat, as if he or she were sitting across the coffee table from you.

This is the fishbowl reality of today's world – real-time, larger than life news about anything, anywhere; near-instantaneous duplication and dissemination of information; and cyber-societies of virtual relationships between like-minded people scattered around the globe. Commit any corporate sins against sustainability and there is nowhere to run, and nowhere to hide. On the other hand, if you are one person trying to make your voice heard, just plug into the Internet and go on a surfing safari. On the way, you will make lots of friends and learn all you need to know to make a difference collectively.

A renaissance in values

The social and environmental movements that have gained momentum over the past five decades are more than just a collection of events, or a passing phase of human introspection. In the process, our global society has been changing at its very core. We have seen the bubbling up of age-old values – like honesty and selflessness and compassion – in a shift that may prove with hindsight to be as profound as the triumph of democratic principles over dictatorial monarchy, or civil freedom over human slavery.

In essence, what the sustainability trend is in the process of doing is renting the veil on the hypocrisy of today's political institutions, economic ideologies, and business organisations, all of which exist within societies that proclaim the virtues of one or more of the great religious or spiritual traditions of the world. As in the children's parable of Snow White, the shift in values now underway in society is acting like that 'mirror, mirror on the wall' which sees beyond superficial appearances (like political speeches, economic mumbo-jumbo, and corporate values statements), and judges character solely on the basis of the actions of the person or institution concerned. We have moved from 'tell me' to 'show me'.

8.2 Key uncertainties

Key uncertainties are those variables that could go one way or the other; they are the pivotal points on which the future swivels. It is critical that we explore these because often their outcome depends partially on our choices and actions over the short term as well as longer term factors beyond our control. However, it is just as crucial to realise that the future contains 'unknown unknowns'. These wild cards come out of the blue and can make a huge difference. In other words, beware of placing too much faith in our powers of foresight. The future can always surprise us.

With the qualification just expressed in mind, we have identified seven key uncertainties: (1) willingness to share power; (2) the direction of innovation; (3) economic and trade policy developments; (4) political maturity; (5) the rate of environmental decline; (6) social unrest; and (7) lifestyle choices.

Willingness to share power

One of the things that made South Africa's transition to democracy so remarkable was that F.W. de Klerk was prepared to surrender his position of supreme power as President in the

interests of the country's future. He had the strategic insight to realise that holding onto power in a pariah state would, sooner or later, result in civil war and unnecessary bloodshed. The temporary power sharing arrangement negotiated between de Klerk and Nelson Mandela was the only sane solution, but it took great courage and vision to let go of control and begin to trust those formerly regarded as enemies.

Business faces the same dilemma. Either they continue to cling to their already awesome power and dominance in the world at the expense of future environmental and social sustainability; or they have the wisdom to start sharing that power – with Third World countries, with local communities, with environmental interest groups, and so on. The key uncertainty is the extent to which lion-minded businesses will realise that their current winner-takes-all course is a path towards self-destruction, and that power sharing is the only sustainable way forward. Equally, a key uncertainty overhangs the attitude of the West – particularly America – in promoting a more democratic system of world governance. Will the UN Security Council be modified with this in mind?

The direction of innovation

The techno-scientific boom is a rule of the game. What remains uncertain, however, is the direction that this spring tide of innovation is going to take. In the same way that nuclear energy can power whole cities while nuclear weapons can destroy them in seconds, we are increasingly faced with ethical choices in our use of technology. Some types of biotechnology can help clean up pollution, while other kinds increase the dependence of already marginalized farmers on multinational chemical companies. On the one hand more powerful personal computers, combined with faster Internet access, has enabled small business to carve out global niches in a way that would have been impossible 20 years ago. On the other hand, software development in procurement programmes has allowed large companies to rationalise the number of their supplies, which has resulted in many small companies being struck off the list.

To some extent, technology is neutral; the direction in which we develop and apply it, however, is anything but neutral. Consider the current debate on the pros and cons of genetically modified food, or the cloning of human beings, for example. Guided by the principles of sustainability, some of these dilemmas become less ambiguous. Expand the use of carbon-based fuels by subsidisation, or invest in renewable energy? The former is environmentally unsustainable, so the answer is obvious. Install high tech manufacturing facilities in a country with high unemployment, or support labour intensive methods? The former is socially unsustainable, so the solution is self-evident. Or at least it should be in the future. The uncertainty lies in the extent to which governments and financial markets and ordinary consumers are going to support this trend towards sustainable technology.

Economic and trade policy developments

Will we see economic reforms that put a cost on environmental degradation through eco-taxes? Or that help to lift people out of the poverty trap through basic income grants? Will

speculators be given free reign to wreak havoc with international markets and national economies, or will they be reigned in through 'Tobin taxes'? Will 'parallel currencies' be supported and promoted as a way of empowering local communities? How will we balance the interests of pension funds, life insurance companies and other institutional shareholders who need gains in the stock prices to run their businesses effectively against the need to create incentives for companies to become more elephant-like in their approach to all stakeholders? Will the monetary system be adapted to give greater access to capital to entrepreneurs and communities, or will excessively high interest rates and the overhang of foreign debt continue to thwart economic development in Third World countries? The difficulties experience by Argentina highlight how key this uncertainty is.

Likewise, the way in which the rules of international trade evolve will either support lion-like behaviour or be sensitive to elephants' needs. The World Trade Organisation smacks of an exclusive feline club – established by the already dominant players with only their own interests in mind. Will it pry open new markets no matter what the cost is to the vulnerable countries concerned? Or will it be counterbalanced by the fair trade movement which is more concerned with sharing the benefits of trade equitably and sustainably? On a different note, will sustainability-oriented certification and labelling schemes become part and parcel of the international trading system in order to allow trading partners to differentiate between lion and elephant companies?

Political maturity

If countries were children, we would not hesitate to tell some of them, in no uncertain terms, to stop their petty squabbles and temper tantrums, to cut out their selfish, brattish behaviour and to quit their senseless, destructive ranting. The disquieting flare-up of nationalistic, regional, cultural and religious rivalries is a key uncertainty that can destroy all the best intentions for a sustainable world. Whether it is Zimbabwe's troubles, the Middle Eastern conflict, Ireland's bloody sibling rivalry or the West versus Islam, the threat to social and environmental sustainability is very real.

To create a sustainable future, politicians and countries will need to grow up. They have to be big enough to put their ideological differences aside, to allow wounds of the past to heal, and to realise that the only viable future is one in which everybody compromises to keep the peace and share the prosperity. This may sound like starry-eyed, wishful thinking, but that's exactly how the political miracle brokered between Mandela and de Klerk in South Africa sounded in the early 1990s. Then again, as any parent will attest, children are a notoriously unpredictable lot, and some never seem to grow up!

In the global kindergarten, the possibility of some regional conflict getting out of hand – for example India and Pakistan ending up in a nuclear exchange – is considerable. We don't have the two 'teachers' that we used to have in charge of the 'classroom'. When a regional dispute arose during the old 'Cold War' days, America took one side and the Soviet Union the other and somehow they contained the situation. Even when we came close to nuclear war over the Cuban missile crisis, sense prevailed in the end. Nowadays,

America does not want to commit its young men to conflicts which have nothing to do with America's interests, Russia has troubles of its own and the United Nations is simply too weak and too stretched to cope. Against this backdrop nuclear proliferation continues unchecked, which means the boys in the classroom have some very dangerous toys.

The rate of environmental decline

The current decline of virtually every ecosystem on the planet is only in dispute by those who choose, usually for conveniently selfish reasons, to turn a blind eye to the overwhelming body of scientific evidence that is mounting up day by day. Facts and figures aside, it is common sense. Virtually every substance on earth is a potential poison – it is just a matter of concentration. In other words, there is a certain threshold beyond which almost all substances are toxic to life, including the human body. Since everything on earth disperses, but nothing disappears, our biggest problem is that persistent substances (like many chemicals and heavy metals) are steadily building up in our environment. It is only a matter of time before they become 'toxic'.

We are reminded of the African tale of the Earth Mother placing a fig tree into the care of a troupe of monkeys. However, the monkeys not only ate the fruit, they stripped the bark and broke off the branches as well. In other words, they went beyond reasonable greed. When the Earth Mother returned, the fig tree had withered and died and the skeletons of the monkeys lay scattered on the ground.

What is uncertain is the rate of environmental decline, and exactly when we will start to feel the system biting back – when crops yields will plummet; or fishing stocks pass the point of no return; or wild swings in weather patterns become the norm; or chemicals in the environment start manifesting as health defects in humans. The Natural Step calls these feedback loops "hitting the walls of the funnel". Another uncertainty is whether it will be too late to take corrective action by the time the problem becomes obvious. For instance, even if the whole world stopped emitting greenhouse gases tomorrow, we would still feel the effects of the damage already done for centuries to come. Will we be like the many species who perished in the last ice age? By the time they noticed the temperature change, they could not adapt quickly enough.

Social unrest

The past 100 years of industrial development have been building up to a situation of intolerable social inequity. The widening gap between the 'haves' and 'have-nots', now exacerbated by the digital divide, is a breeding ground for social discontent. We should be heeding the lessons of history. After all, how many popular revolts have been directed against unjust rule and too great a concentration of wealth and power? And yet, this is exactly the kind of situation we find in our world today: between the First and Third Worlds, between billionaire tycoons and slave-wage workers, between the *Wabenzi* (Mercedes-driving politicians) and their starving, unemployed constituents.

Are the anti-globalisation protests of Seattle and the terror attacks of September 11 merely a hint of what is to come? How much longer will the billions of poor people in Third World countries put their faith in the hollow promises of the 'trickle down' economics of globalisation? Can the materialistic goals of American free market capitalism ever be reconciled with the cultural traditions of the Islamic Middle East? We are at a critical stage in the world's history, somewhere just below boiling point, when a few degrees one way or the other could make all the difference – the difference between social unrest boiling over or simmering down.

However, there is something that moves social unrest straight up the uncertainty charts to a prime position: the change in the mathematics of destruction. It is now quite possible for some shadowy cult of extremely evil people to gain access to weapons of mass destruction – nuclear, biological or chemical. $E = mc^2$ is a genie which will never be put back in the bottle. Extremist cults and terrorist organisations will exploit social unrest as a launchpad for their evil deeds. Thus, a requirement for a peaceful world is a level of social stability which allows nations to cooperate in establishing an effective global intelligence network against such criminals.

Lifestyle choices

The simple illusion of lion-friendly capitalism that has kept most of the world under a spell for the past 50 years is that 'we can have our cake and eat it'. Even sustainable development is twisted by politicians to mean that more economic growth will solve our social and environmental problems. However, when US President George W. Bush pulls out of the Kyoto Protocol agreement on climate change because it will hurt the American economy, we are left in no doubt as to the illusion that we are asked to accept. A switch to an elephant economy will require short term sacrifices and investments that will only pay off down the line.

The key uncertainty is whether individuals and companies and countries will follow a path leading to sustainable lifestyles, or whether we will shun the short-term sacrifices necessary for long term environmental integrity and social well-being. How many of us will pay extra cash to have a catalytic converter fitted onto our car's exhaust? How many of us can afford it? Will our companies combat HIV/AIDS by making the required investment in educational programmes leading to behavioural change and the infrastructure required to deliver antiretroviral drugs to the community? Will our politicians eliminate perverse subsidies relating to unsustainable lifestyles and direct these towards social banking and renewable energy? There are a multitude of lifestyle choices that will shape our future.

8.3 Scenarios

Given the rules of the game and key uncertainties just described, we have chosen two contrasting scenarios to illustrate how the future landscape of business and the world could turn out. As mentioned already, the actual outcome will partly depend on the options we choose over the coming decade. The two scenarios are: (1) Oases in the Desert; and (2)

Plains of the Serengeti. Remember scenarios are stories of what can happen in the future – they are not forecasts of what is going to happen. Their purpose is to educate rather than prescribe.

Oases in the Desert

Oases in the Desert is where we end up if the lions continue on their path of ascendancy towards global domination. The scenario's oasis image points to pockets of plenty existing in the midst of a desert of deprivation. It is almost as if the excesses of water and lush greenery in the oasis have been sucked out of the rest of the landscape and accumulated at just a few spots. Some golf courses give one that impression! Generally, the scenario is the net result of the present lions' tendency to accumulate power and concentrate wealth in fewer and fewer hands (or should that be paws?). Additional consequences are that the majority of the world's population is pushed into a marginal existence and the natural environment is systematically degraded. Only the cats get fatter. Like black holes in astronomy, wealth becomes so condensed that it creates its own 'singularity of greed'. All the money that flows into the lions never escapes.

Those that are familiar with Frank Herbert's bestselling science fiction series, *Dune*, will have no difficulty imagining the scene. The story is set on the desert planet of Arakas, the sole source of spice, which is a mineral on which the galactic population is dependent. The mercenary tycoons that control the spice control the universe, and they're not about to share their accrued benefits of power, wealth and water with anybody else.

At first, the lion kings – individuals, businesses and politicians that have exploited the current global situation relentlessly for their own selfish gain – may revel in their opulence without concern. They will think that they are simply collecting their just reward for being superior players of the modern game of material gain. Most likely, their mesmerised fans will worship them as heroes. They will form exclusive clubs where only royalty is welcome, so that they can show off their treasures to one another, strategise about how they can shape the destiny of the world and reassure one another that they deserve everything they've got. Occasionally, they will fall out with one another and have trade wars, but they never allow these differences to jeopardise their overall control.

Their self-indulgent lives will lack only one thing – peace of mind. Because, as everyone knows, water is a priceless commodity in the desert. And if you own and control the water supply, all those billions that are dying of thirst in the desert will do desperate things to gain access to the fountain, or just to vent their stored up hatred – they may even commit murder! Therefore, security will become a primary and constant concern for lions. High walls, alarm systems, bodyguards, hidden vaults, police investigators, secret escape tunnels, private armies, you name it: they will install and employ them. But they will never feel completely safe. Lingering in the background will always be the fear of the next crazed suicide bomber or undetected anthrax delivery.

Of course, the lion kings will own what is left of the living environment – all the most pristine ecological reserves will be their exclusive playground. Their homes, their offices

and their vehicles will be fitted with all the latest technological wizardry to insulate them from the pervasive pollution and saturation of toxins that incessantly plague the masses. And yet there will still be some things that they just can't buy or own or control. The unpredictable weather patterns will continue to be an expensive source of irritation, as will the seemingly random collapse of shares in their portfolio when the company or the industry in which they are invested is implicated in the latest health scare, fatal accident or environmental disaster.

The era of the lion kings will not last forever and it will probably end with bang or a squelch. As the vast majority of the world's population sees the gap ever widening between their own poverty-ridden and environmentally-degraded existence and the insular wealth of rich executives, large multinationals and First World countries, a global mass protest movement gathers momentum and becomes increasingly volatile and violent, eventually making the kingdom of the lion king ungovernable. This popular discontent is exacerbated as ecosystems continue to topple like dominoes, and the most vulnerable populations begin to suffer the ravages of pollution-induced disease. Terror strikes against lion countries as well as lion companies become more common, fuelled by cultural and religious tensions. Ultimately, such developments lead to a chain reaction that descends into full-scale nuclear and bio-chemical warfare. A selection of oases meet their doomsdays ahead of schedule. You may recall our reference to butterfly wings causing the perfect storm if conditions are right – a tiny little thing triggering off a huge response. Maybe the few hundred vote difference in Florida in the last US presidential election will be responsible for the Third World War. Who knows?

Plains of the Serengeti

Plains of the Serengeti is where we head for if the lions realise that their game of domination has a no-win conclusion and voluntarily or begrudgingly begin shapeshifting into elephants. The scenario conjures up breathtaking images of the fertile plains of East Africa and the Great Rift Valley teeming with wildlife, all living in a state of dynamic harmony with each other and the natural environment. A rich heritage of biological diversity exists, with even the predators finding their rightful place within the larger community of animals. Hence, although competition still takes place in the society, it is tempered by the more pervasive co-operative tendency in Nature which ensures that a healthy balance is maintained. The smaller, more entrepreneurial animals flourish in this setting.

The trail leading to the Serengeti requires that at various levels of society, from the individual through to the community, from business through to the economy, from politics through to global governance, a consensus emerges regarding new rules of the game that are in everyone's collective interest, including criteria for ecological sustainability and minimum equity requirements for social sustainability. As a consequence of these new governance principles, the sixth mass species extinction and the poisoning of the

environment are halted and reversed, and the formerly marginalized and disempowered sections of the world's population are given a fair stake in global society and the economy.

Much of the success of the transition to a sustainable world has to do with the restructuring of the economy. The incentive mechanisms are redesigned in such a way that excessive accumulation of wealth and concentration of power are strongly discouraged, negative environmental impacts are prohibitively expensive and meeting social needs is a primary condition for operating at any level in the economy. Money still exists, but shapeshifts into a multi-tiered commodity with community currencies being created as and when required as a means of facilitating local exchange of goods. Modifications to the interest and discount rate mechanisms are devised, and speculation is heavily taxed. The main difference from the lion trail is that the economy is made to serve people and the environment and not the other way round.

Business still plays a critical role in the world, meeting people's needs with its products and services; but the power and influence that it previously had over global affairs is now subject to numerous social, environmental and ethical checks and balances. While an important purpose of companies remains the making of profit and the provision of a return to shareholders, their overall objective is widened to that of making a permanent contribution in the communities in which they operate. Work itself is seen as a means to an end, a 'space' in which people can develop their potential, express their talents and make a positive contribution to society. Survival is no longer dependent on having a formal job. Most places of work and living are digitally connected, with an emphasis on decentralising as much authority as possible to employees and providing them with congenial surroundings.

Among the fundamental principles that are embedded in society in this scenario are creative diversity, freedom with accountability and the philosophy of holism. Although the technological revolution has continued apace and has greatly assisted with meeting human needs and ensuring ecological sustainability, this has to be matched by a revolution in the outlook of humans towards their planet. The new wave of discovery will be focused on understanding the physiology and psychology of healthy living systems (including all levels of human interaction) and developing the personal and social skills to build these systems effectively. However, given the fact that the actual Serengeti is home to both elephants and lions, it would be wrong to typecast a scenario named after it as an elephant heaven devoid of all lions. You will still have highly competitive companies operating in the lion mode – but the rules of the park won't favour them anymore.

Put another way, the Serengeti scenario contains digital satellite television with the lions watching sport, CNN and Bloomberg, while the elephants prefer National Geographic and Discovery. But the younger generation will do more channel-hopping and hopefully obtain a more balanced view of the world than their parents.

8.4 Options

Having depicted the possible paths that the future can take in two mainline scenarios, we must now consider the options within the control of the principal actors which will increase or reduce the probabilities of either scenario materialising. While we will concentrate on the options facing companies, multi-level shapeshifting makes it essential to bring countries and individuals into the picture. At the business level, we have nominated the three options: (1) Catwalk; (2) Leophancy; and (3) The Charge of the Heavy Brigade.

Catwalk

The first option for companies is to continue down the Catwalk. In other words, it's business as usual with the lions on the prowl. Sustained pressure from shareholders and the sanctity of the profit motive will continue the drive towards greater efficiencies, the expansion into new markets and the accumulation of capital. Repeated mergers and acquisitions will be necessary to secure survival, until eventually global industries are dominated by just a handful of multinational corporations. In order to facilitate the unrestricted operation of global companies and their access to potential markets, initiatives like the World Trade Organisation and the Multilateral Agreement on Investments will be strongly supported. Any criticism of these global 'rules of trade' will be called foul-play and an attempt to resist the levelling of the playing fields (which are anything but level).

The concept of stakeholders will be acknowledged, but a strict hierarchy of priority will be applied. Directors, shareholders and financial institutions will continue to take precedence over any other group. Employees and customers get the attention they need to ensure the successful sale of the companies' products and services. Other groups, like government, communities, media and environmental or social activists will be treated as necessary evils, to be negotiated with or influenced as and when required. A minimum level of charitable work and social and environmental contributions will be maintained to project the public image of a responsible corporate citizen. However, should any business decision require a trade-off between economic returns and social impacts or environmental degradation, the colour of money will always win the day.

Corporate executives will rise to the status of kings in a changing landscape of growing disparity. For most business directors and line managers, their actions will remain within the boundaries of the law as they steadily accumulate great fortunes of wealth. Given the rules of the free market game, they will simply be regarded as extremely talented players who are collecting their hard-earned and well-deserved prize of gold. The plight of the world's poor and the steady decline in global environmental conditions will be seen as problems for government or the United Nations to take care of (after all, that's what taxes are for!). Despite the waves of layoffs as industries consolidate, technologies improve and efficiencies go up, Catwalk managers will continue to argue that their contribution steadily trickles down to benefit everyone. Whatever happens, they consider this argument unassailable.

To illustrate the Catwalk option further, corporate responses to the climate change debate have been truly revealing. The biggest animals in the pride – including BP Amoco, Chevron, Daimler Chrysler, Exxon Mobil, Ford Motor Company, General Motors, Royal Dutch Shell and Texaco – initially gathered together under the umbrella of the Global Climate Coalition. The express objective of this grouping was to dispute and discredit the scientific basis of climate change and the global agreement being formulated to regulate greenhouse gas emissions (the Kyoto Protocol). It comes as no surprise that these companies are massive emitters of greenhouse gases, and that any regulation of this source of pollution would be extremely costly for them to implement. Interestingly, some of these lions have since shown signs of trimming their whiskers, which is a fitting introduction to the next option.

Leophancy

Like sycophants, leophants want to be all things to all people – sucking up to the shareholders when it suits them and rolling over for the ‘greenies’ when circumstances demand. They have recognised that some of their lion traits are going to get them into trouble sooner or later and that elephants are beginning to gain favour in the world. As a result, they are just starting to test the water – introducing an environmental policy here, adopting a corporate governance code there, adding a few non-financial performance measures, setting up community forums. They are not yet bold enough to whip off their lion suits and dive right into the refreshing pool of sustainability. After all, there may be sharp objects lurking beneath the surface; besides, other lions might laugh if they discover that their roar is bigger than their ... well, you know!

Leophants feel a little schizophrenic, as a result of being caught between two worlds. Their sensitive radar systems are picking up large grey blobs in the distance, but the growl of lions much closer by resonates in their ears. On the one hand, they hear the muffled cries of angry special interest groups; on the other the ticking of the share price is difficult to ignore. They can feel their ears starting to flap, their nose beginning to droop and their incisors about to protrude from their mouth, but they are a little embarrassed or scared to come out of the closet. Although they are aware of a few lone elephants in the desert, they have seen prides of lion take down some of these brave pioneers. Better just to hide out in the shadows, hedge the bets and play it safe.

Becoming a leophant is not necessarily the easiest option. Like an adolescent tripping into puberty, leophant companies risk looking awkward and ungainly. Their management and staff feel that every decision is now riddled with paradox and uncertainty. Apart from this, if the economy, political scene and the financial markets are not shapeshifting at the same rate, there is always the danger of being heavily criticised by the Greek chorus of fund managers in the background. Hence, leophants often begin with small elephant-friendly actions, but cover them up by still growling loudly like one of the old macho pride. They feel an incessant compulsion to justify their every move towards sustainability by

saying that there is a business case for it, or that their actions are nothing more than good risk management.

Picking up on our climate change example, it has been fascinating to watch how some of the founding members of the Global Climate Coalition – such as BP Amoco, Ford, Shell and Texaco – have since defected. Following this change of heart, first BP and then Shell committed themselves publicly to reducing greenhouse gases, pioneered internal emissions trading systems and upped their investments in renewable energy. Likewise, under its new chairman Bill Ford, the family's motor manufacturing giant has suddenly become very vocal about its preparations for leadership in a post-fossil-fuel-based economy. Leophancy is catching on! Much of the inspiration for it comes from those that are less cautious in their approach to sustainability issues, and that brings us to our final option.

The Charge of the Heavy Brigade

Elephant jokes were all the rage in the 1960s. One went as follows: what do you do if a herd of elephant is thundering towards you? Answer: make a trunk call and reverse the charge! However, so as not to undermine our support for elephants we have to tell a lion joke as well. Van der Merwe was walking through the Kruger National Park with his friend Koos. Koos asks: "Why are you wearing the latest Nike running shoes with air-cushioning and ankle support?" Van replies: "Because I don't want to get eaten by a lion." Koos laughs and says: "But you won't be able to outrun a lion." Van looks at Koos who tips the scales at 100 kilograms and grins: "No Koos, all I have to do is outrun you!"

More seriously, the final option for companies is to blaze a trail for the sustainable future by wholeheartedly and unashamedly joining The Charge of the Heavy Brigade. Strength lies in numbers and the greater the number of companies that make the switch from lions to elephants, the less they will be dismissed as mavericks. One lonely elephant trumpeting in the bush is not enough! Moreover, the public will find it refreshing to have a growing constituency of corporate leaders driven by a sense of values, purpose and destiny. Their zealous mission will be to show that it is not only possible, but essential, to transform businesses into an elephant-friendly force in society – an agent of change for good. It is not uncommon for CEOs pursuing the elephant option to have had some kind of 'revelation' about how unsustainable the traditional business model really is. They suddenly 'get it'; and they realise that life is not so much about making money as making a difference. Then instead of shouting about their conversion from the roof-tops, they quietly go ahead and change their lifestyle accordingly.

One of the first actions of the elephant pioneer is to shut up and start listening. They quickly establish various mechanisms for comprehensively surveying and understanding the complex needs of their numerous stakeholders. They also put in place a series of indicators to track their corporate performance in terms of these needs. However, as they begin to tune their senses to the incoming infrasonic messages, they realise that good communication is often not about the 'letter' but the 'spirit' of what is being said in return. They also realise that dealing effectively with stakeholders only works if power is balanced

and shared. It cannot work if shareholders' selfish demands always take precedence over community or environmental concerns. Nor should customers' willingness to consume a harmful product or service necessarily imply that it should be produced and sold. Elephants will find that they are constantly required to revise their preconceived notions about the way that businesses should be run, and the valuable role that different stakeholder groups can play.

At the moment, the herd of fellow elephant-oriented companies is still relatively small. They therefore find themselves often mingling with NGOs and activists. This network of passionate comrades are their source of inspiration and 'insider' information. They give the company clues as to what issues are ticking time bombs and what products are hot prospects for a sustainable future. They act like a weather barometer, signalling how the mood of the sustainability debate is subtly shifting and what direction to head in to find sunshine and avoid the thunderstorms. Sometimes, these activist groups sit on corporate advisory boards or performance review panels. Elephant companies soon discover that their advice, more often than not, has its roots in a deep caring for people and the planet.

Returning to our climate change example, companies on the elephant trail actively support the phasing out of greenhouse gases and a shift to a hydrogen and solar economy. Not overnight, but over time. A case in point is OK Petroleum, Sweden's largest refiner and retailer of gasoline, who joined with twenty-four other companies to lobby the government to increase carbon taxes. This was partially due to the fact that OK had already shapeshifted far enough to design a low-carbon gasoline. But it was also because OK no longer sees itself as being in the petroleum business – it is a clean energy company of the future. Inevitably, the real elephant companies find themselves shifting their investments out of socially sensitive, environmentally-damaging businesses into more sustainable sectors and technologies.

8.5 Decisions

We don't know which option you will choose or what decisions you will make as a result of reading this book. But we can certainly offer you some tips. If you're a CEO, the best thing you can probably do is go through the line of reasoning that we've followed in this chapter at your company's next strategic planning session. This time, however, you get some unusual stakeholders to join you who might offer different perspectives on the future rules of the environmental and social game. Not just the generic ones that apply to business in general, but the specific ones that apply to your industry. You don't stifle the debate or try to steer it in the direction of your own vision. You just let it run where it will.

An alternative approach is to split your top management team into two or three small groups and ask each group to come up with their rules. It's amazing how different the results can be, leaving the CEO scratching his or her head that these people are in the same team supposedly playing the same game. Add in one or two outsiders to each group and the results can be even more surprising when they are compared in the plenary session. The prime purpose, of course, of putting the executive team through this hoop is

to get across to its leo-leaning members that there are rules beyond their control. They will get shocked by an electric fence if they go too far. Even the supreme CEO, Jack Welch, singed his whiskers late in life when General Electric's bid to acquire Honeywell was blocked by the European Commission. There are always limits; and business can be unusual at the best and worst of times.

As far as the key uncertainties are concerned, it is vital to emphasise that this is a 'blue sky' discussion and no uncertainty can be too wild to consider. Back in 1986, HIV/AIDS was classified by a South African scenario team as a 'wild card' that might affect the country's future. It quickly became a primary rule of the game. In other words, a faint dot on the radar screen may emerge as the biggest threat.

Scenarios function as a bridging mechanism between the external world you don't control and the internal one that you do. Their purpose is to synthesise all the information contained in the rules of the game and the key uncertainties into two or three simple stories that the mind can grasp when making a decision. Scenarios are the narrow part of the hour-glass. Using this principle, one of the two authors presented South Africans with a stark but easily understandable choice back in the mid-1980s: *The High Road* of negotiation leading to a political settlement or *The Low Road* of confrontation leading to a civil war and a wasteland. As CEO, you want to present to your colleagues a set of clear-cut scenarios that differentiate between lion and elephant behaviour and the consequences for the company.

The discussion of options available to a company is where the bottom of the hour-glass widens out again. It should be as 'blue sky' as the conversation about uncertainties. If anybody says that such-and-such an option is far too wild, you can perfectly reasonably retort that it's just an option with no commitment. Remember that options are not a wish list. Each one is a decision you can take and implement right now if you decide to select that option. Again, outsiders are a valuable resource in broadening the terms of the debate.

Lastly, you make decisions which we hope after all the arguments we have presented in this book will point you down the elephant trail. And just as you start down a hiking trail with that first step, don't be too ambitious to start with. The initial step taken by a company should be to establish a process which means that each subsequent step is chosen with the new philosophy in mind: that of being a 'sustainable business'. Like elephants in the mist, you will never know in advance where the trail ultimately leads. Sometimes you will take wrong steps and you will have to reverse direction to get back on the path again. On other occasions, a single step will take you around a corner where a breath-taking view awaits you. And when you look back over your shoulder, you will wonder how you managed to come so far. But if you take no steps at all, the future has a nasty habit of catching up with you.

8.6 Multi-level shapeshifting revisited

So, we are now at the conclusion of the book. As the young would say, we've given it horns – or perhaps that should be tusks! – in order to get a simple message across: our choices today will to a large extent shape our future landscape, whether it be *Oases in the Desert* or *Plains of the Serengeti*. Nevertheless, it bears repeating that our own choices as company executives and individuals are undeniably influenced by the direction of the choices being made at a political level. If the entire industrialised world takes its cue from the current signals coming out of America, it will be very difficult for anything but the lion-oriented scenario to emerge. On the other hand, should a critical mass of powerful countries or regions take sustainability more seriously, the elephant-oriented future starts to look more likely. But it cannot be overemphasised enough that the United States as the biggest animal in the park has to join the herd eventually. The worst outcome would be for America to turn from being a lion into a rogue elephant, thereby continuing to put its own self-interest above everybody else's but with a little more guile. We live in one world and the United States will never be a true winner if it is surrounded by resentful losers. Alas, there are plenty of the latter at the moment.

Our climate change example may be useful just once more here. With George W. Bush on its back, the American Jumbo withdrew for purely selfish reasons from the Kyoto Protocol – a multilateral agreement that had taken the world 10 years to negotiate and which America had already signed (but not ratified). We may look back on this showdown as a crucial turning point in history. If any one of the world's powerful nations had sided with the United States, the Protocol would have collapsed and set us back 50 years on the path to sustainability. But the entire world took a stand against America and for the Kyoto Protocol and a more elephant-friendly future. As the title of our book suggests, we do not expect humankind to dispense entirely with its selfish side. We will always want some measure of success in material and spiritual terms for ourselves and our families. But when an individual, a family, a clan or a nation pursues its self-interest to the point of unreasonable greed, the whole system risks collapse. We all have heard of the American dream: the idea that anybody can become a 'somebody' in the land of freedom and opportunity. That dream will end in tatters if it doesn't become more universally applicable – to anybody anywhere in the world.

Don't misunderstand us. America is not what is wrong with the world, but it can surely do better as the world's leading nation. To start with, it can help to create a win-win environment. But governments can't do everything. Ordinary people also hold the fragile destiny of our globe in their hands. Every time a person fixes a leaking tap, plants a tree, buys organic produce or switches off the lights when going out for the evening, he or she is helping the human race to shapeshift towards ecological integrity. And each time someone campaigns against human rights abuses, buys fair trade goods, or joins the neighbourhood watch, he or she is taking us just that little bit closer to social harmony. Individuals do make a difference, little things do count.

We believe we are passing on a timeless message wrapped in an enduring symbol. After all, Rome's renowned natural historian Pliny wrote more than two thousand years ago: "Elephants are receptive to love and renown and possess the virtues of honesty, consideration and justice to a higher degree than the majority of men".

Today, we find Twentieth Century Fox conveying essentially the same message in their recent blockbuster animated movie "The Ice Age". Only, the film uses slightly different words. The story tells of the journey of Manfred, the woolly mammoth and his furry companions – Sid the sloth, Scrat the sabre-toothed squirrel and Diego the sabre-toothed tiger – during the great pre-freeze migration. While Diego is secretly leading Manfred into an ambush where his fellow predators lie hungrily in wait, Manfred ends up saving Diego's life. Dumbfounded, Diego asks why he would do such an unselfish thing. "That's what you do in a herd", replies the surprised Manfred. Then, right at the end of the movie, Diego has the opportunity to return the favour by saving Manfred's life. Implying that he has managed to shapeshift beyond his selfish predatory instincts and adopt the more caring nature of an elephant, he shrugs off Manfred's gratitude by repeating back to him his own words of wisdom: "That's what you do in a herd!"

In a similar vein, we hope we have persuaded some of you to do the honourable thing and trade in your fangs for tusks.