

# Sustainability as a commercial partnerships catalyst

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Ambitious heads of corporate responsibility will help create the cooperation deals of the future, says Toby Webb

Here's a prediction for you. Sustainable business strategies will one day soon encompass brand-to-brand partnerships that incorporate the needs of society with social and environmental concerns.

There are not many of these arrangements around so far, but more are on the way.

Brand-to-brand partnerships are not new. Some have succeeded in the past; many have failed. I'm suggesting the next generation of smart partnerships will use sustainability and social concerns as a framework to lock in long-term interests. These examples of cooperation may last where others have not. Collaboration may replace riskier mergers and acquisitions.

To make these brand-to-brand partnerships work, companies will need to focus on executive skills and knowledge development. Experienced managers will be needed to negotiate and manage successful cooperation with other companies. These arrangements will be long term and multifaceted. They will not just be about a three-to-five-year return on investment.

Let's say that a European or US retailer and healthcare company want to partner to offer their products together, to market both wellness products but also wellness services. These would be sold online and on the shop floor. The detail will be complicated.

What would the capabilities of the executives who negotiate this successfully look like? How would they gain those skills? How would they be tested in advance?

Importantly, how would a sustainability executive put the idea into the heads of those really senior executives who would make it happen, and gain their buy in and "idea ownership"? Those skills are much needed.

These are crucial questions. Here are some thoughts on how a head of corporate responsibility or sustainability could be a catalyst for commercial partnerships.

Board and chief executive buy in to long-term, broad-based partnerships with a commercial benefit is key. They will need to be fed the idea and take it on as their own. That might take some time.

A study on how, when and with whom such partnerships could work will be essential. Getting the funding for this could take some years. Collaboration with a business school or management consultancy to research the topic could help re-allocate existing budget as well as gain new money to pay for it.

## Who's driving?

Once boards and executives "own" the idea and opportunities are sought, the question of who in the business drives and manages partnerships arises. It's clear that whoever gets the job must understand both the business and the sustainability agendas.

Like most effective executives, they'll come from inside the business with many years of knowledge. But they'll need to understand bigger social and environmental issues. So picking out these executives years before they might be needed is vitally important. People who know the business can be trained in sustainability. Doing it the other way around is much harder.

Both executives and their top managers will also have to be shown that the dual business cases

must be understood. Traditional deals are all about “what’s in it for us?” Lasting and profitable partnerships will also be about “what’s in it for them?” and “how do we make sure what’s good for us in five years is also good for them?”

The concept of “them” will be complex: it will be not just about the partner brands but also about the society the arrangement serves.

The skills needed will have been honed both in the business and in emerging markets. So moving talent around is going to matter much more than it does today. Partnerships in China will be very different from any in the UK.

Equally, when EU, Japanese or US brands collaborate in their domestic markets, those arrangements will be entirely specific to the needs of those localised customers. The experience required to do lasting deals will be in many cases vastly different from those in, for example, India or Brazil.

Tolerance of the risk of failure will be vitally important. There will be some high-profile failures, there’s no doubt. No brand wants to become that business school case study or that ever-dredged-up example archived on web search engines. Chief executives and boards will have to be persuaded that the reward is worth the risk.

All of the above and more will need considering as big brands seek to collaborate, partner, and create a sustainable corporate ecosystem that works for two or more distinct parties but also for society.

Smart companies are preparing the ground now. They are spotting emerging and domestic management and creative talent. They are moving it around, even in and out of sustainability departments in short stints. Even across continents.

*Toby Webb is founder of Ethical Corporation and Stakeholder Intelligence. He teaches corporate responsibility at Birkbeck College, University of London, where he is undertaking a PhD in business strategy and sustainability.*

**Links:**

[1] <http://www.ethicalcorp.com/users/toby-webb>