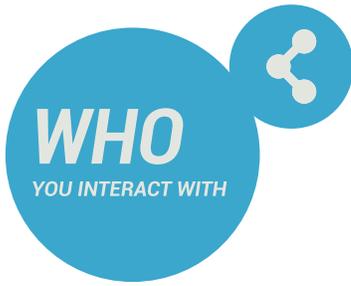


The Transformational Company Guide

Quality #16 - Multi-Stakeholder Collaboration

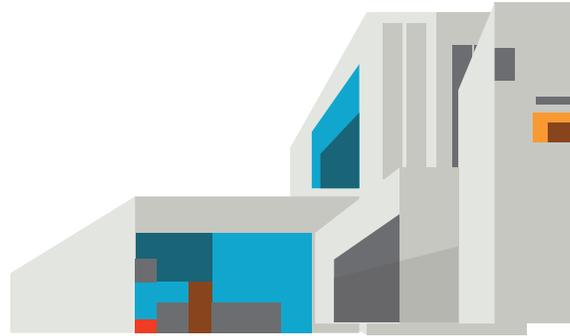


For more information on the new business leadership standard visit
www.cbsr.ca/transformationalcompany



Transformational Company Quality

16: MULTI-STAKEHOLDER COLLABORATION



Transformational companies lead and participate in multi-stakeholder collaborations to address and overcome systemic barriers and challenges.

WHAT IS IT?

Today's organizational and societal challenges are too big and complex to be addressed by companies acting alone. Systemic problems, such as rising income inequality, unemployment, ageing, talent shortages, obesity, water and resource scarcity and climate change will affect the viability of business and society and generate large scale issues requiring holistic and collaborative solutions. Corporate success is achieved within the context of a healthy, functioning ecological and social system – and can only be realized when multiple actors pool their capacities, expertise, knowledge, skills, networks and resources to achieve shared objectives. Leading companies understand that interdependencies create mutual reliance in which collaboration is necessary for progress and that multiple perspectives are essential to fully understand and address complex problems and their opportunities. They harness the complementary roles of the private, public and non-profit sectors to understand the significance and implications of sustainability trends and how these trends can be successfully navigated through broad collective action.

To enable positive, sustained change at a meaningful level, transformational companies work with diverse stakeholders, including suppliers, customers, governments, academia, competitors, industry associations, non-profit organizations and non-governmental organizations (NGOs), and others, in order to properly tackle challenges and discern opportunities. Multi-stakeholder collaboration involves bringing organizations together over shared challenges so the relationships necessary to create, accelerate and scale system-level solutions can be forged. Innovating with multiple stakeholders requires ensuring all parties gain value from it.

“Our approach to sustainability forms a cycle: we set aspirational goals; find collaborators, especially among our 200,000 partners, who can share their expertise and amplify our efforts; create innovative solutions; and use what we’ve learned to inform our next steps. With each revolution of the wheel, we expand our impact and engage our customers and partners in the journey.”

~Starbucks ([Source](#))

Leading companies are not bystanders to destabilizing social and environmental trends. These companies realize that they need to change the risk vectors at the source in order to avoid material risks to their corporate strategies and long-term futures. Rather than manage to scenarios of flat or declining business prospects, leading companies initiate, lead and champion multi-party efforts to confront sustainability challenges through collaborative effort. Companies positioning as for-benefit businesses tackle these intractable systemic problems as core to their social purpose.



WHY IS IT IMPORTANT?

Initiating, leading and participating in multi-stakeholder collaborations is an imperative for a business seeking to enhance long-term viability. Companies must reach out to others to help participate in and influence the social context in which they and their stakeholders operate and live. These are some of the benefits that await:

- Access external resources and expertise
- Share and reduce costs and risks
- Safeguard future supply of raw materials
- Build social license to operate and grow
- Enhance reputation and brand
- Create new products, markets and supply chains
- Attract and keep employees
- Avoid government regulation
- Maintain long-term business continuity

Most importantly, diverse sectors bring unique capacities which can be leveraged for mutual success. Non-profits, for example, can bring knowledge of the issues they work in, longer time horizons, start-up funding and credibility with sceptical groups. Governments bring scientific knowledge, incentives and policy tools to create an enabling environment. Academic institutions possess research and knowledge development capacity. Industry peers and competitors can contribute resources, knowledge and shared value chains. All have influence and channels to networks with the power to scale and accelerate more sustainable systems and business models.

HOW TO DO IT?

Key steps to launching a multi-stakeholder collaboration include:

- Internal assessment: identify the capability and readiness of your organization for collaboration

Conduct internal research to establish a fact base, deconstruct the issue, understand root causes, identify departmental leads and champions and research the stakeholder constellation. Breaking down the issue into chunks will help to identify natural internal owners and external partners. Prepare a business case and benefits analysis, determine the resources your company can bring to the issue, including dedicated personnel and secure executive level commitment.

“By working with non-governmental organizations, policy makers, competitors, our industry associations and others, we can tackle common challenges. We are helping advance a number of meaningful food packaging initiatives that will have a significant impact on the entire industry, such as analysis of the way our packaging “flows” through recycling facilities and where it eventually ends up, along with an assessment of the causes of current gaps in recycling services for our products in neighbourhoods around the US and Canada.”

Starbucks ([Source](#))



- Stakeholder recruitment: determine and recruit collaboration partners

Consider how to get the system in the room and ensure every relevant stakeholder group is included in the process. Finalize your list of who should be involved. Determine the stakeholder value proposition and prepare a plan to secure their active engagement. Recruit people in a position to make decisions for their organization.

The Philips Center for Health and Wellbeing runs multi-stakeholder think tanks on Livable Cities and Active Aging.

Source

- Vision governance: develop objectives and organizational structure

Develop a common vision, mission and objectives, ensuring that there is shared purpose, alignment of motivations and mutual benefits to be realized from the collaboration. Build agreement on goals, milestones, and measurable indicators of success. Develop a management structure that sets out roles and responsibilities, procedures for issue resolution, accountabilities and decision rights to achieve the collaborative objectives. It is important to collectively determine the rules of engagement, including access to information, confidentiality, and external communication protocols. Some collaborations pre-determine exit strategies for disengagement to ensure future separation is mutually respectful.

The Role of Backbone Organizations

Effective backbone support is a critical condition for collective impact. Backbone organizations are often essential to sustain and scale long-term systemic change and impact. Typically they:

1. Guide vision and strategy
2. Support aligned activities
3. Establish shared measurement practices
4. Build public will
5. Advance policy
6. Mobilize funding

Here is a resource to help you understand the value of backbone organizations in multi-stakeholder collaborations and collective impact: [link](#).

- Deliver: resource and implement a work plan

This step may involve conducting additional research, sharing best practices, identifying challenges and opportunities and prioritizing collective action. Develop a detailed plan and secure the resources for its implementation. Monitor, measure and report on progress and celebrate success. Include the goals of the collaboration in your corporate strategy and align incentives around their achievement.

Be aware that multi-stakeholder collaboration is not easy. It takes times, resources, leadership commitment and a long-term perspective.

M&S has set a goal to quantify and report on the wider benefits from their social and environmental partnerships by 2016.



WHO IS DOING IT?

Click [here](#) for an example of a company initiating multi-stakeholder collaborations to tackle system issues in its value chain.

WHERE CAN I GO FOR MORE INFORMATION?

- Collaborating for a Sustainable Future, GlobeScan and SustainAbility
<http://www.sustainability.com/library/collaborating-for-a-sustainable-future#.VMK6bP54rYg>
- Joining Forces: Collaboration and Leadership for Sustainability, MIT Sloan Management Review, The Boston Consulting Group and the UN Global Compact
<http://marketing.mitsmr.com/PDF/56380-MITSMR-BGC-UNGC-Sustainability2015.pdf?cid=1>
- Shaping the Future: Solving Social Problems through Business Strategy, McKinsey
<http://cecp.co/research/benchmarking-reports/thought-leadership/shaping-the-future.html>
- Corporate Responsibility Coalitions: The Past, Present, and Future of Alliances for Sustainable Capitalism, David Grayson and Jane Nelson
<http://www.greenleaf-publishing.com/productdetail.kmod?productid=3764>
- Partnership Brokers Association
<http://www.partnershipbrokers.org/>

