

# LSF 2010 – Lugano Sustainability Forum 2010

## Competitive advantage when going sustainable

ANA JAVORNIK, INES VAN KALDEKERKEN\*

*From 2nd to 4th of November 2010, AIESEC Lugano is holding together with its partners a conference entitled Lugano Sustainability Forum 2010. The forum aims to bring together business professionals, academics and students that would discuss some of the most important current trends in sustainable business practices. In order to avoid debating too general questions, the forum is divided into sessions that address specific dimensions of sustainability and competitiveness. Even though the Forum is first of its kind in Lugano academic environment, it is planned to be first of many student-initiated events that professionally addresses the emerging CSR trends.*

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### 1. What is LSF 2010?

The idea for LSF 2010 – the Lugano Sustainability Forum – was initiated by Master and Bachelor students at Università della Svizzera Italiana and Franklin College and is being managed by members of AIESEC Lugano. The reason for the initiative was originally an aspiration to organize a professional conference with constructive output where business practitioners and academic researchers would share their knowledge and experience related to sustainable business practices with students and broader audience. Especially so because this specific topic needs input from different environments, as that is the only way to make it really useful as a bridge between society in large and business practices.

It is maybe interesting to mention that project leaders of the Forum were also inspired by Clinton Global Initiative University, a movement organized and supported by former U.S. president Bill Clinton, which is trying to encourage individuals and associations around the globe to ‘make a commitment, make a difference’. It is inspirational when one sees its project not only in the local context, but as part of broader movement, in a larger global context.

Different issues within CSR areas are going to be addressed at Lugano Sustainability Forum 2010:

- (1) Sustainability in business in relation to the competitive advantage that it can bring to companies
- (2) Future career opportunities in CSR fields
- (3) The role of social networks in CSR projects

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\* Ana Javornik, Università della Svizzera italiana (USI), Via Giuseppe Buffi 13, CH-6904 Lugano, E-Mail: ana.javornik@usi.ch, Forschungsschwerpunkte: Sustainability, Corporate Social Responsibility, Strategy. Ines van Kaldekerken, Università della Svizzera italiana (USI), Via Giuseppe Buffi 13, CH-6904 Lugano, E-Mail: inesvk@t-online.de, Forschungsschwerpunkte: Sustainability, Corporate Social Responsibility, Strategy.

(4) The “triple-bottom-line” of sustainability (referring to Dyllick 2002).

The chosen topics present an insight into new emerging perspectives on CSR - not only into new opportunities in business practices, but also into new findings in academic research (e.g. how communication in social media leads to new forms of CSR practices).

For audience it can be an interesting opportunity to compare theoretical viewpoints and concrete real-time practices on a same subject. There is one topic in particular where the parallels between theory and practice are going to be drawn. That is the topic of competitive edge that sustainable business practices can bring to business activities. The goal of that session, named Business Sustainability (as also the goal of the Forum in larger perspective), is to find out how does sustainability contribute to successful business practices and companies’ development and what kind of competitive advantage does it bring to those that apply it.

## 2. CSR and Business Ethics

One may ask why AIESEC students would be so interested in the CSR field that they would want to organize a conference about it. It is however not difficult to notify that sustainability is one of the most challenging areas that exists nowadays. Even though not a new trend<sup>1</sup>, it certainly is a growing one, far from being mature and well established and even further from showing signs of being erased from business agenda of tomorrow. Future careers of marketing managers, communication officers and top managers relate to CSR and that is the reason for engagement of young people.

Furthermore, the intensive debate about where CSR starts to become a myth and barely lip-service used in PR departments and where it still remains a real framework for corporate and social progress, is the one that future researchers and prospective leaders have to find an answer to, if they are to fit well into future business environment and add value to it.

However, the aim is not to interfere endlessly in the debates if CSR is just a lip-service or not. By doing that, one would risk focusing on early stages of CSR and not really on the concrete benefits that CSR can offer now when the concept of sustainability has finally overcome its first labour pains and has created some kind of must-have label for most of companies. It is therefore of bigger value to analyze cases of good practice, identify the success factors and point out what could be generally applied or maybe done better, rather than just criticizing companies that are using fictive CSR reports.

Of course there are many examples where so-called sustainable practices remain bare practices of ‘how to write a good annual reports’ and far from shiny example of how to make real contribution to the society. It is important to establish definitions and criteria of what is a genuine sustainable business. Such kind of work has been done by

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<sup>1</sup> The idea of social responsibility appeared in the beginning of the 20th century in US, when corporations started to be criticized for its overwhelming power and anticompetitive practices. A few business executives started to engage into responsible practices toward larger audiences and overcame the belief that business only purpose is to make profit. (Lawrence et al. 2002 : 61)

the blooming institutionalization of CSR<sup>2</sup>, which publicly reveals the successful innovative practices where companies contribute to the society at large and exposes those that are particularly bad in doing so. Such third-party collaboration, increasingly represented by the important role of NGOs and recently established authority of similar non-profit associations bring unavoidable obligations for companies that they must become more transparent and straightforward if they do not want to risk scandals.

As always, certain level of skepticism is welcome. At the same time as CSR should not be viewed only as a newly invented fiction whose goal is the preservation of big profits, these business trends and new obligations should also not be considered as a revolution in capitalism. CSR is a new tool that has power to introduce certain new points to the itinerary of companies' activities. However, the profit is still remaining the most important target of companies, because business of business is business, as Milton Friedman put it. CSR is not changing that deeply rooted philosophy of capitalism. But it surely is introducing new possibilities of how to do that - in the way that not only CEOs get benefits, but also society at large (Crook 2005)

### 3. Sustainable Development and Competitive Advantage

Public concern about social and environmental issues increased steadily in the past decade. Therein anchored is the human need for stability and continuance in the long-run. It is not surprising that public concern was therefore able to transform profoundly the competitive field, compromising both opportunities and risks for corporations. Businesses recognized that they were held accountable for any of their actions that affect people, their communities, and their environment (Post et al. 2002: 58).

Amongst its economic responsibilities, a business has ecological and social responsibilities as well. Corporations had to acknowledge the fact that economic sustainability is no sufficient condition for the overall sustainability of a corporation (Dyllick et al. 2002: 132). Sustainability was also often equated on the business level with eco-efficiency or 'going green'. But sustainability is definitively more than just about the environment. According to Dyllick et al., all three dimensions of sustainability are relevant: economic, environmental and social sustainability.

This encompasses the need to react to public concerns in different ways, not only concentrating on environmental issues, but also on social issues that affect society. Different sustainable strategies are thus used by corporations to differentiate themselves from competitors and eventually gain competitive advantage. CSR strategies are also used to reduce operational risk and therefore to obtain cost advantages over their competitors. Such a proactive approach is seen to be better than a reactive one, as it is simply more practical and less costly (Sim 2003: 54f). According to Heidbrink and Seele, therein lies a "manifest business point, that CSR is reasonable of doing business. CSR is risk-management" (2007: 12). A company has to deal with the risk of losing

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<sup>2</sup> "The signs of the victory are not just in the speeches of top executives or the diligent reporting of CSR efforts in their published accounts. Corporate social responsibility is now an industry in its own right (...). Most multinationals now have a senior executive (...) explicitly charged with developing and co-ordinating the CSR function. In some cases these executives have been recruited from NGOs" (Crook 2005).

reputation, trust and therefore clients and with them its market share. Contrary, CSR is therefore helpful to improve its reputation. Certainly this is not the only reason for a good reputation, but “in times of media democratization by webbased social communication platforms a failure is traceable and visible for almost every stakeholder” (Heidbrink et al. 2007). Thus, sustainability has today become a core management issue.

#### 4. LSF in the context of master programs at Università della Svizzera Italiana (USI)

Apart from different corporate communication specialization areas at USI, Corporate Communication students address in many areas the CSR and professional ethics. Also Marketing and Management students engage in topics around corporate sustainability, CSR and ethics. The unique option USI offers its students to specialize in this field is a “Minor in Corporate Social Responsibility”. When that Minor chosen, student would dedicate half a semester to obtain the required level of the knowledge in CSR. The courses required are CSR, Corporate Governance, Global Corporate Communication, Ethics in Corporate Communication and Cause-Related Marketing (USI 2010). Placed in this educational environment, LSF 2010 offers an additional discussion arena around sustainability and CSR. Such a conference is a great opportunity for students to meet people with professional or academic background in this field. Besides their studies at USI, the forum will offer students additional valuable experience, enabling them to improve their knowledge base and to be prepared for one of the key challenges in corporate management – sustainability.

#### 5. Future implications of the LSF for action

Importance of engagement is something that corresponds to sustainable practices. Therefore, goal of future business leaders should not just be the organization of a conference for their colleagues and broader audience. The goal should rather be to pass on a consciousness that getting involved into important topics and spread them around in the environment is the start of making an impact. The organizers will hand over the infrastructure that has been established, to the following generations that will know how to bring in new insights. Apart from these general long-term goals, there are two visions in particular that have big potential to bring unique value to Lugano Sustainability Forum.

One is to define the real focus, the ‘specialization’ of the conference, its unique feature. As one of the universities where Forum is taking place, is highly specialized in Communication, the Forum’s organizers should use that potential and direct the future development of the Forum into bringing together outstanding *communication* practices in CSR. That would bring LSF unique competitive edge and differentiate it from numerous CSR gatherings.

Secondly, the real step forward can be made when concrete sustainable outputs can be incorporated into happening. These can be: workshops on sustainable consumerism with concrete suggestions for the participants, broader student engagement in sustainable campus activities, and participation of students with their own contribution in a special section of the Forum. That can be one way to avoid the trap of CSR: future pro-

professionals and academics should not be taught how to make nice speech contributions. They should engage into what CSR really is:

“...a genuine attempt to discover the requirements of community and help companies be more responsive to social needs.” (Summerville 2001 : 107)

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