

SUSTAINABLE STRATEGIES AND NEW BUSINESS MODELS

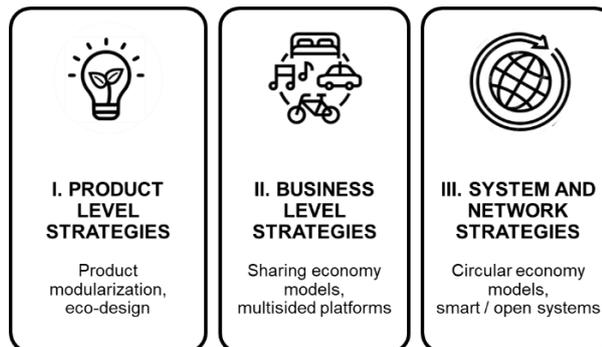
Course code	GRAB007
Level of studies	Graduate
Number of credits	6 ECTS; 36 class hours, 124 hours of self-study, 2 hours of consultation
Course coordinator (title and name)	Kristina Maikštėnienė, MSc (Applied Mathematics), MA (Financial Economics), MBA (Strategy and Marketing) e-mail: krimai@ism.lt
Prerequisites	Undergraduate diploma
Language of instruction	English

THE AIM OF THE COURSE

"No one ever solved a problem with old thinking: when you get into a hole, you don't keep digging. This applies to fixing our broken and destructive economic model".
Paul Polman, Co- Founder and Chair of IMAGINE, Former CEO Unilever

Businesses are facing a perfect storm at the intersection of climate change, energy crisis, resource scarcity, and economic restructuring. With increasing demands for societal contribution, business-as-usual is no longer an option. As is often the case, new risks create new opportunities. Managers that approach the risks through innovative and non-incremental thinking will come up with the solutions that help meet the needs of society while delivering returns to shareholders. For that, it is critical to reassess traditional strategies and learn to question some of the linear business model fundamentals.

Current course challenges such pure incrementalism, and familiarizes students with impactful sustainability strategies at three levels (classification inspired by Bocken et al. 2020):



Students will analyze the drivers, triggers, and economic thinking in each of the abovementioned strategy domains, and (importantly!), managerial mind shifts needed to move towards higher levels of sustainability.

While conceptually rigorous, this course aims to be solutions driven, providing both academically sound and practically applicable insights. Using cases, industry speakers, short quizzes, and a group project, students will sharpen their ability to critically debate complex and systemic sustainable strategy formation issues from an informed position.

LEARNING OUTCOMES

Course learning outcomes (CLO)	Study methods	Assessment methods
CLO1. To understand how companies can address sustainability challenges while simultaneously building a successful business.	Lectures, readings, case studies, self-study, in class discussions, reflections	In-class tests, team project

CLO2. To challenge incrementalism in company's sustainability actions and to develop mental models for the different levels of impactful sustainability innovation.	Lectures, readings, case studies, self-study, in class discussions	In-class tests, team project
CLO3. To develop ability to see relationships among multiple, often conflicting, issues in supporting the necessary transition towards a sustainable economy.	Lectures, readings, case studies, self-study, in class discussions	In-class tests, team project
CLO4. To appreciate key managerial mindset differences for traditional and sustainable business strategies.	Lectures, readings, case studies, self-study, in class discussions, reflections	In-class tests, team project
CLO5. To demonstrate critical analysis and communication abilities, especially in the context of complex and systemic issues, and apply systems thinking to real-world business problems.	Lectures, readings, case studies, self-study, in class discussions, reflections	In-class tests, team project
CLO6. To demonstrate understanding of the complex decisions faced by managers in business, government, and non-profit organizations.	Lectures, readings, case studies, self-study, in class discussions	In-class tests, team project
CLO7. To be able to develop business case for sustainability.	Lectures, readings, case studies, self-study, in class discussions	In-class tests, team project

ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating will lead to a report to the ISM Committee of Ethics.

QUALITY ASSURANCE MEASURES

The lecturer will apply multiple teaching methods to keep the students engaged in the topic. Continuous student feedback will be invited and accommodated to improve class experience. Students are encouraged to e-mail the lecturer between the respective classes for any assistance or clarification needed.

COURSE OUTLINE

Session	Topic	In-class hours	Reading assignments ¹ (due <u>before</u> each class unless noted otherwise; Case preparation should always be your first priority)
1	Introduction to Sustainable Strategies and New Business Models. Revisiting the concept of strategy - and how it relates to sustainability. Ecosystemic approach to strategy and strategizing. <i>Course requirements and study group formation.</i> Slide Deck²: Introduction to Sustainable Strategies and New Business Models.	4	<u>No advance reading required before</u> the first class. <u>After</u> this class, please read the readings posted in e-learning site.
2	 Product Level Strategies: Product Modularization. Lecture and discussion of real-life cases. Slide Deck: Product Level Strategies: Product Modularization.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
3	 Product Level Strategies: Eco-design. Lecture and discussion of a case. Slide Deck: Product Level Strategies: Eco-design.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
4	 Business Level Strategies: Sharing-economy models. Lecture and discussion of a case.	4	<u>Before</u> this class, please read the CASE and the readings posted in e-learning site for this day.

¹ Because the course deals with rather dynamic knowledge domain, certain proportion of the lecture and discussion material for the course may be updated and/or delivered just-in-time (uploaded to e-learning or indicated for downloading from the Internet). Students should be committed to follow e-learning system and observe uploaded course material on daily basis.

² Students can download slides from e-learning system after each corresponding lecture (in pdf format).

	Slide Deck: Business Level Strategies: Sharing-economy models.		
5 	Business Level Strategies: Multi-sided Platforms. Lecture and discussion of a case. Slide Deck: Business Level Strategies: Multi-sided Platforms.	4	<u>Before</u> this class, please read the CASE and the readings posted in e-learning site for this day.
6 	System and Network Level Strategies: Circular Economy Models. Lecture and discussion of a case. Slide Deck: System and Network Level Strategies: Circular Economy Models.	4	<u>Before</u> this class, please read the CASE and the readings posted in e-learning site for this day.
7 	System and Network Level Strategies: Smart / Open Systems. Lecture and discussion of a case. Slide Deck: System and Network Level Strategies: Smart / Open Systems.	4	<u>Before</u> this class, please read the CASE and the readings posted in e-learning site for this day.
8	Team project presentations and discussions	4	<u>Before</u> this class, please prepare to present your group's case and prepare to actively participate in class discussions as per course project requirements.
9	Team project presentations and discussions	4	<u>Before</u> this class, please prepare to present your group's case and prepare to actively participate in class discussions as per course project requirements.
		Total: 36 hrs.	

FINAL GRADE COMPOSITION

Type of assignment	Self-study hours	% of the total grade
In-class tests (covering Classes 1 to 7, administered online at the beginning of Classes 2 to 8, respectively).	42	56
Team Project "Business Case for Sustainability", resulting in PPT presentation, structured class discussion, and an Executive Summary.	82	44
Total:	124	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

Assessment 1. IN-CLASS TESTS (56%)

These 15-minute tests (quizzes) will each consist of ten multiple-choice questions, plus one short free answer question. Each test will cover the material from the single class session. Grade weights are distributed evenly: 8% per test, total 56% for all seven tests. All test questions will be based on the ideas discussed in class and on compulsory readings, including cases. Students will be able to make-up for up to three missed or unsatisfactory tests by writing a short reflection on the topic discussed in that class.

Assessment 2. TEAM PROJECT: BUSINESS CASE FOR SUSTAINABILITY (44%)

The students will work in teams of 4-5 people on a team project "Business Case for Sustainability". Teams will be generated randomly during the first class and announced in e-learning. Each team will have to select a real company for their analysis. The lecturer will provide guidelines for company selection and some potential company contacts, if necessary. Data gathering format and project details will be discussed in detail during class no. 2 (each team will have to interview company representatives). During Class 8 and 9, the teams will deliver a short PPT presentation showcasing the results of this project, which the other teams will then discuss and try to resolve. By the end of the course, each team will also have to prepare a one-page Executive Summary along with the interview summaries. The team project will be graded using detailed grading matrix, which will be made available to students on the first day of class.

DYSFUNCTIONAL TEAM MEMBERSHIP

At the end of the course, the lecturer will collect peer feedback on team project members' relative performance. In extreme cases where it is determined that a team member did very little, the lecturer reserves the right to lower the grade, or to assign negative grades on the project to that person.

RETAKE

In case of unsatisfactory test grades, or in case of missed test, students will be allowed to make them up by writing learning reflections for the corresponding class (further information will be provided during Class 1). Team project and group presentation normally cannot be rewritten but their evaluation is not annulled.

REQUIRED READINGS

There is no single textbook for this course, rather a diverse set of textbook chapters, articles and cases will be provided to the students. The required most up-to-date readings for each class will be highlighted in the final version of the syllabus before each run of the course, and the lecturer will include a list of the newest optional resources for ongoing learning.

- (1) Bocken, N., Ritala, P., Albareda, L., Verburg, R. (2020). Innovation for Sustainability: Business Transformations Towards a Better World. Palgrave Macmillan. Ch 1, 2, 5, 9, 11, 13, 14.
- (2) Jonker J., Faber N. (2021). Organizing for Sustainability: A Guide to Developing New Business Models. Palgrave Macmillan.
- (3) Adams, R. et al (2016). Sustainability-oriented innovation: A systematic review. *International Journal of Management Reviews* 18 (2)
- (4) Bertini, M. et al (2021). Can We Afford Sustainable Business? MIT Sloan Management Review Special Collection: Sustainable Business.
- (5) Bocken, N. et al (2016). Product design and business model strategies for a circular economy. *Journal of Industrial and Production Engineering* 33 (5).
- (6) Boons, F., Bocken, N. (2018). "Towards a sharing economy—Innovating ecologies of business models." *Technological Forecasting and Social Change* (137).
- (7) Bartlett, C.A. (2016). Unilever's New Global Strategy: Competing Through Sustainability. Harvard Business School Publishing Case.
- (8) Dybdahl, L.M. (2019). Business Model Innovation for Sustainability Through Localism. In: N. Bocken et al (eds), *Innovation for Sustainability*. Palgrave Studies in Sustainable Business In Association with Future Earth
- (9) Esposito, M., Tse, T., Soufani, K. (2018). Introducing a Circular Economy: New Thinking with New Managerial and Policy Implications. *California Management Review*.
- (10) Fink, C., Whelan, T. (2016). Supply Chain and Stakeholder Engagement Case Study: Nespresso. NYU Stern Center for Sustainable Business.
- (11) Frishammar, J., Parida, V. (2019). Circular Business Model Transformation: A Roadmap for Incumbent Firms. *California Management Review*.
- (12) Granskog, A., et al (2021). How Companies Capture the Value of Sustainability. McKinsey and Company. MIT Special collection.
- (13) Israeli, A., Merkrebs, J. (2021). AptDeco: Circular Economy Furniture Marketplace. Harvard Business School Publishing Case.
- (14) Ivang, R., Rana, M.B. (2019). Better World Fashion: Circular Economy and Competitive Advantage. Ivey Business School Case.
- (15) Kraft, T., Zheng, Y. (2021). How Supply Chain Transparency Boosts Business Value. MIT Sloan Management Review Special Collection: Sustainable Business.
- (16) Monteiro, F.L, Garcia, J.M. (2021). Enel's Innovability: Global Open Innovation and Sustainability. INSEAD Case.
- (17) Paine, J.L. Bower, L.S. et al. (2017). "Managing for the Long Term." *Harvard Business Review*.
- (18) Saranga, H., Huang, Y. (2019). Alibaba - Building a Social Sustainability Ecosystem for E-commerce. Harvard Business School Publishing Case.
- (19) Whelan, T., Fink, C. (2016). The Comprehensive Business Case for Sustainability. hbr.org/2016/10/the-comprehensive-business-case-for-sustainability.