

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

*"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

THE AIMS OF THE COURSE

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 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. The current course challenges such pure incrementalism and familiarizes students with impactful sustainability strategies at three levels: product level strategies, business level strategies, and network level strategies. Students will analyze the most impactful business models 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 explore how companies can address sustainability challenges while simultaneously building a successful business.	Lectures, readings, case studies, self-study, in class discussions	In-class tests, reflections, 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, reflections, 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, reflections, team project
CLO4. To appreciate key managerial mindset differences for traditional and sustainable business strategies.	Lectures, readings, case studies, self-study, in class discussions	In-class tests, reflections, team project
CLO5. To sharpen 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	In-class tests, reflections, team project
CLO6. To expand general 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, reflections, team project
CLO7. To be challenged to clarify your own values and opinions on issues related to sustainability and be able to develop business case for sustainability.	Lectures, readings, case studies, self-study, in class discussions	In-class tests, reflections, team project

CLO8. To develop critical thinking and problem-solving skills in a team project	Lectures, self-study, group work	Team project
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ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism, is 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 the 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 Feb 19, 2024	Introduction to Sustainable Strategies and New Business Models. <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 Feb 20, 2024	Business Sustainability Analysis. Slide Deck: Business Sustainability Analysis.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
3 Feb 21, 2024	Business Level Strategies – 1. Slide Deck: Business Level Strategies - 1.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
4 Feb 26, 2024	Business Level Strategies – 2. Slide Deck: Business Level Strategies - 2.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
5 Feb 27, 2024	Business Level Strategies – 3. Slide Deck: Business Level Strategies - 3.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
6 Feb 28, 2024	Product Level Strategies. Slide Deck: Product Level Strategies.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
7 Mar 4, 2024	System and Network Strategies. Slide Deck: System and Network Strategies.	4	<u>Before</u> this class, please read the readings posted in e-learning site for this day.
8 Mar 6, 2024	Team project presentations and discussions (Business Case for Sustainability)	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 Mar 7, 2024	Team project presentations and discussions (Business Case for Sustainability)	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

¹ Because the course deals with a rather dynamic knowledge domain, a 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 following the e-learning system and observing uploaded course material daily.

² Students can download pdf format slides from the e-learning system on the morning after each corresponding lecture, starting from 9 am.

Type of assignment	Self-study hours	% of the total grade
In-class tests (covering Classes 1 to 7, administered live in class at the very beginning of Classes 2 to 8, respectively). Some parts of the test may include reflecting about a short management simulation in lieu of the multiple-choice questions (details will be announced during the first class).	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 20-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, a total of 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. For active class participants, there will be multiple opportunities to collect additional points that will be calculated into the final grade on a pro-rated basis (details will be provided during class no. 1).

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

The students will work in teams of +/- 5 people on a 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 a detailed grading matrix, which will be made available to students and explained on the second day of class.

DYSFUNCTIONAL TEAM MEMBERSHIP

At the end of the course, peer feedback will be collected 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) Luedeke-Freund, F. Et al. (2022). Sustainable Business Model Design: 45 Patterns". Druck- und Verlagshaus Zarbock GmbH & Co. KG.
- (2) Young, D., Reeves, M. (2023). Sustainable Business Model Innovation. De Gruyter.
- (3) Aagaard, A. (2019). Sustainable Business Models: Innovation, Implementation and Success. Palgrave Studies in Sustainable Business In Association with Future Earth (PSSBAFE).
- (4) 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.
- (5) Jonker J., Faber N. (2021). Organizing for Sustainability: A Guide to Developing New Business Models. Palgrave Macmillan.
- (6) Bertini, M. et al (2021). Can We Afford Sustainable Business? MIT Sloan Management Review Special Collection: Sustainable Business.
- (7) Bocken, N. et al (2016). Product design and business model strategies for a circular economy. Journal of Industrial and Production Engineering 33 (5).
- (8) Boons, F., Bocken, N. (2018). "Towards a sharing economy–Innovating ecologies of business models." Technological Forecasting and Social Change (137).
- (9) 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

- (10) Esposito, M., Tse, T., Soufani, K. (2018). Introducing a Circular Economy: New Thinking with New Managerial and Policy Implications. California Management Review.
- (11) Fink, C., Whelan, T. (2016). Supply Chain and Stakeholder Engagement Case Study: Nespresso. NYU Stern Center for Sustainable Business.
- (12) Frishammar, J., Parida, V. (2019). Circular Business Model Transformation: A Roadmap for Incumbent Firms. California Management Review.
- (13) Granskog, A., et al (2021). How Companies Capture the Value of Sustainability. McKinsey and Company. MIT Special collection.
- (14) 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) Paine, J.L. Bower, L.S. et al. (2017). "Managing for the Long Term." Harvard Business Review.
- (17) Whelan, T., Fink, C. (2016). The Comprehensive Business Case for Sustainability. hbr.org/2016/10/the-comprehensive-business-case-for-sustainability.