



“Managing the Business Case for Sustainability”

– Edited By Stefan Schaltegger
and Marcus Wagner

Book Review by Terence Jeyaretnam

Sustainability, particularly in business, is considered an intangible proposition. Businesses around the world are trying to understand the concept of what a sustainable business may look like. Some call it triple bottom line, some corporate social responsibility and others corporate sustainability. Issues such as climate change, biodiversity and drought have made sustainability as a core proposition float back to the surface. And, businesses now understand the need for sustainable business practices more than ever. But, the understanding around sustainability is limited, and resources needed to climb the steep ladder of sustainability are scarce.

Schaltegger and Wagner have set out to bridge the knowledge gap with this book, which is one of the best collections of material on sustainability in business that I have seen. It is avid in seeking the link between sustainability and shareholder value. It details how sustainability could add value to business, as well as looking at how investments markets are starting to factor sustainability as adding value to business.

This book puts to test the view that maximising profit is the sole responsibility of organisations, most famously articulated by Milton Friedman that the social purpose of business is to increase its profits (Friedman, M. (1970), 'The Social Responsibility of Business is to Increase its Profits', New York Times (Magazine), 13 September 1970). Indeed, it manages to dissect and remarkably articulate the opposite – that businesses with such philosophies would be the dinosaurs of tomorrow. Why would corporations need to implement such stakeholder-oriented purposes? According to the book, it is to capture a number of benefits such as improved cost savings, retaining a licence to operate from the community, access to capital (through the growing number of socially responsible investment funds), developing new markets and products (ie. alternative energy/transport) and increasing or retaining brand reputation. Ultimately, the market does, and will continue to, take these issues into account in valuing a company.

Scaltegger and Wagner are professors and researchers in sustainability, even teaching MBA students on the topic. Accordingly, they are well-versed and researched on the topic, and have created a key tool for business in bringing together this book. The book is a collection of material from a range of professionals from around the world on sustainability in business. Whilst presenting a variety, this also leads to discontinuity between chapters and sections. In my view, the book's strength on environmental sustainability is also its weakness – on social aspects of sustainability. It is strong on science, theory and research but lacks some elementary discussions on how sustainability is linked to business, particularly for the beginners. It is also a sizeable book, perhaps targeting students, consultants, researchers and academia more so than company executives, who typically lack the time to read extensively, opting for briefing papers instead. Notwithstanding these minor criticisms, this book will be used for decades as a key tool for understanding, valuing, managing, implementing and measuring corporate sustainability. It is one that every company should have in its library, and every sustainability professional should own, globally.