HOW TO IMPLEMENT NEW PERFORMANCE METRICS FOR INNOVATIVE PROJECTS AND ENTERPRISES?

Editorial product

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Sustainable By Design - Workshop by Transitions² and the MIT Climate Colab during the Lift 2016 Conference (Geneva, Feb. 11, 2016)

OBJECTIVES

How to reorient corporate activity and innovation towards sustainability? Can we natively measure financial performance together with environmental performance? What new, accessible and common indicators, accounting methods and tools, and reporting mechanisms can we design to help in that process?

This workshop, co-designed by the Transitions2 network and the MIT Climate CoLab, invites participants who believe that environmental and economic performance should now be measured simultaneously and given a similar importance - and are interested in discussing how this could be achieved in real life.

Its concrete outcome could be the launch of one of the Climate CoLab's "contests", harnessing the collective intelligence of thousands of people from all around the world to create, analyze, and select detailed proposals to make innovation "sustainable by design".

The following are the ideas and insights shared by the workshop's participants.

STARTING POINTS: WHY THIS IS NECESSARY, WHERE WE ARE TODAY, WHY THIS IS STILL DIFFICULT, HOW TO MOVE FORWARD

Why we need to implement new performance metrics
- Because what we don't measure, we don't achieve
- Because we need to move from a financial perspective on things to a holistic perspective
- Because without metrics, environmentally-minded projects carry one of two stigmas: that of being politicized, or that of green washing.
- Because it helps select projects.
- Because indicators are a way to help move from concern ("I care") to action.
- …

What's already being done
NOTE: We welcome additional information on existing efforts to design and implement performance metrics that integrate the economic and environmental performance of organizations and projects.

- The ISO 14000 standards family on environmental management
- Carbon markets (CO2 only)
- Sector-specific labels, eg food
- Sector or activity-specific CO2 footprint measurement, eg in the IT industry
- WWF activities
- Self-measurement apps on CO2 footprint
- B-Corp ("for benefit") approaches
- …

Why it's difficult
- Public agencies have tools but no big influence, Corporations have impact but not enough tools.
- There have been many failures or outright lies in this area, trust is low.
- Environmental issues are global, complex and diffuse – The effect of what I do is not directly perceptible.
- Because environmental impacts are complex to evaluate, with many related and indirect systemic effects.
- Our (personal as well as corporate or political) habits are hard to change.
- We've never been taught to measure our environmental impact and to act on it.
- …

Ways forward
- Build environmental measurement as part of designing a project, a business model, a startup…
- Build trust and confidence in indicators and their application.
- Become capable of measuring things that we thought were impossible to measure.
- Design indicators to maximize positive effects, rather than minimize negative effects.
- Financial and other penalties for either insufficient measurement, or proven (measured) negative environmental impacts.
- …

TOWARDS A CLIMATE COLAB CONTEST: WHAT WE'D LIKE TO ACHIEVE

Criteria for a good « contest »

- Motivating for people who come from business and/or technology and/or environmental management and ecology
- Interested in positive as well as negative impact measurement
- Benefits from collective intelligence rather than rare and very specific expertise
- …

We'd like to design a contest that attracts solutions that are…

- Tailorable to diverse contexts (national, sectorial, etc.)
- Verifiable (the trust issue)
- Multifactor (various, linked indicators)
- Weaved into normal, daily business processes and decision cycles
- Usable for specific analyses as well as real-time or day-to-day measurement
- Cheap
- « Good enough » rather than perfect and hard to implement
- Inclusive of large segments of the population
- Easy to understand and/or apply by laypersons
- …

As examples, we could hope to receive submissions on…

- Design methodologies
- Participatory endeavors, e.g. Data Canvas
- Decentralized, blockchain-like solutions
- Open solutions: open data, open source, open innovation…
- Accounting tools integrating financial and environmental accounting
- Guidebooks, courses, Moocs…
- Platforms for existing indicators, standards, tools, and methods
- Standards for ethical investing
- …

Some *very* rough proposals for the Contest

Title: **How can sustainable indicators be defined in order to be implemented all over the world?**

Question/Issues: The trust in the system should be very high – How to design such a system?

Suggested advisors, judges, fellows: IPCC/GIEC, WWF, COP21 + an open selection process for NGOs, academics, public agencies…

Title: **Closing the Feedback Loop**

Question: How can we bring better feedbacks to individuals and corporations?

Title: **Gamify Sustainability**

Question: How can we better incentivize people and corporations using gamification concepts?

Suggested advisors: Dr. Michael Wu; Pr. Kevin Werbach (Wharton)

What would be your proposals for the Contest ? (You need to create a Transitions² account or to log in)