The User’s Guide to
The Breakthrough Pitch
How to stretch the sustainability ambitions of business executives
Introduction

The Breakthrough Pitch, developed by Volans in partnership with the UN Global Compact, and with support from Generation Foundation, is designed to help you stretch the sustainability ambitions of your business.

About The Breakthrough Pitch

The Breakthrough Pitch is designed as a template to help business leaders—including Chief Sustainability Officers (CSOs)—build and present the case for breakthrough change.

The User’s Guide to The Breakthrough Pitch provides background and speaker notes to help you prepare your presentation, as well as references to a recommended reading and other resources.

The Breakthrough Pitch (available in both Powerpoint and PDF format) can be downloaded from the Project Breakthrough website at www.projectbreakthrough.io

Further steps to developing your Pitch

1. Explain the story of why you decided it was important to pitch this agenda to your Executive Team.
2. Know your audience: develop profiles of the top team people you aim to persuade.
3. Be clear on why change is coming—and why your Executive Team must respond.
4. Highlight how expectations of business and the private sector are shifting.
5. Assume a “yes”—but be very clear what your ask is, keeping it to 1–3 next steps.
6. As you build the pitch, develop a Twitter-friendly outline to sharpen your focus.
7. Prepare, tear down and then rebuild the pitch—to ensure it sings.
8. Use the resources listed at the end of this deck to inform your messaging and offer your audience next steps in terms of coming up their learning curves.

Build your own Pitch

Spend time absorbing the pitch and think about how it applies to your business’ context.

Customize the deck by adding or removing slides to make it more relevant to your audience.

Have next steps in mind before you present and be clear about the specific ask you want to make at the end of your pitch.

Use the Guide

The User’s Guide to The Breakthrough Pitch available for download on www.projectbreakthrough.io contains detailed speaker notes, including key messages, useful background and links to further reading for each slide.

The guide will also help prepare you to deal with questions and challenges your audience might raise.
1.0 A new growth story
Pages 4–8

With globalization and global GDP growth faltering, identifying future growth opportunities has become an urgent priority for policy-makers and business leaders alike. The UN Sustainable Development Goals represent an ambitious shared vision for the future of humanity and can serve as a guide to tomorrow’s market conditions and opportunities.

2.0 Disrupt or be disrupted
Pages 9–15

The rapid emergence and convergence of new technologies are already leading to widespread market disruption. As a result, the lifespan of an S&P 500 company has fallen from 67 years to 15 years. To respond to — and get ahead of — impending disruptions, leaders must learn to think and act exponentially.

3.0 Rebooting the C-Suite agenda
Pages 16–28

We outline 5 key questions that every executive team should be asking itself — and offer some case studies of emergent and established businesses that are already evolving in light of the growth and disruption story.

4.0 Next steps on the Breakthrough journey
Pages 29–34

This section includes links to a range of resources and engagement opportunities for businesses that want to take action.
A new growth story

With globalization and global GDP growth now faltering, identifying future growth opportunities has become an urgent priority for policy-makers and business leaders alike. The UN Sustainable Development Goals represent an ambitious shared vision for the future of humanity and can serve as a guide to tomorrow’s market conditions and opportunities.
In September 2015, all 193 Member States of the United Nations adopted a plan for achieving a better future for all — laying out a path over the next 15 years to end extreme poverty, fight inequality and injustice, and protect our planet. The Sustainable Development Goals (SDGs), also known as the Global Goals, are the product of the largest public consultation process in UN history, with Governments involving business, civil society and citizens from the outset.

**Key Messages**

**Business has a key role**
Fulfilling these ambitions will take an unprecedented effort by all sectors in society — including private enterprise.

**Exponential progress needed**
Incremental approaches alone (i.e. doing more of the same), even when delivered at scale, are unlikely to achieve the progress we need.

**Resources**

The SDGs explained for business
UN Global Compact website.
https://www.unglobalcompact.org/sdgs/about

The Sustainable Development Goals: The Breakthrough opportunity of our time
A Project Breakthrough blog by Lise Kingo, Executive Director of the UN Global Compact, 26 April 2017.
https://medium.com/project-breakthrough/the-sustainable-development-goals-the-breakthrough-opportunity-of-our-time-6a5645f4e960

A new growth story
The SDGs as a crowd-sourced market agenda

The Sustainable Development Goals (SDGs) are a market agenda for the 2020s — in effect, a purchase order from the future.

While many champions of the SDGs focus on incremental change, the Goals also represent an exponential change agenda. Even if they targeted 2050, rather than 2030, goals like ‘No Poverty’ and ‘Zero Hunger’ would demand exponential progress.
A new growth story
The Sustainability Revolution is here

Background
The Generation Foundation’s 2017 white paper, *The Transformation of Growth: How Sustainable Capitalism can drive a New Economic Order*, outlines the critical dynamics that have led capitalism to the crossroad it faces today, and three new trajectories of growth driving Sustainable Capitalism:
1. A Decarbonized Economy.
3. Employment and Communities.

Key Messages
Change will be fast
A combination of technological change and societal pressures are driving the pace of transformation. Talk of a transition is misleading, the white paper argues; revolution is a more appropriate characterization of what’s coming at us.

There are win-win opportunities
The opportunities associated with the ‘Sustainability Revolution’ do not come at the expense of profits, but have been the basis for identifying new business initiatives. This underscores what we have observed more generally to be true with great companies: sustainability is a tool for growing revenue and profitability while strengthening their competitive position.

Resources
The Transformation of Growth
A white paper by Generation Foundation, June 2017.

Are you ready for the Sustainability Revolution?
https://medium.com/project-breakthrough/are-you-ready-for-the-sustainability-revolution-ef524a63a71c

2017 Sustainability Trends Report

"The Sustainability Revolution appears to have the scale of the Industrial Revolution and the Agricultural Revolution – and the speed of the Information Revolution. Compared to these previous revolutions, the Sustainability Revolution is likely to be the most significant event in economic history."

The Transformation of Growth 2017

Note: Generation Investment Management’s 2017 Sustainability Trends Report documents the trends behind this Revolution.

**Key Messages**

**SDGs offer a compelling growth strategy**

Going beyond efficiency gains, the SDGs offer business an impetus for innovation that has the potential to open up new market opportunities. In total, 60 market ‘hot spots’ worth $12 trillion a year in revenues and savings by 2030 were identified across the four nexuses highlighted in the slide.

**Disruptive insurgents are already tapping into these new markets**

‘Unicorns’ (start-ups valued at over US$1bn), such as AirBnb, BlaBlaCar and Transferwise, have already achieved headway by using exponential technologies and business models, and focusing on delivering new products and services that meet the changing needs of a growing world population. Many are doing so by adopting lean processes, integrating across multiple value domains, and shifting to circular designs.

**Resources**

- **Better Business, Better World**

- **Breakthrough Business Models: Exponentially More Social, Lean, Integrated and Circular**

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**A new growth story**

$12 trillion a year markets by 2030

SDG-related market opportunities are forecast to be worth at least $12 trillion a year in revenue and savings by 2030.

**Markets mapped across four value creation nexuses**

- **Health and well-being**: $1.8 trillion
- **Food and agriculture**: $2.3 trillion
- **Cities and urban mobility**: $3.7 trillion
- **Energy and materials**: $4.3 trillion

*Source: Business and Sustainable Development Commission*
Background

In order to tap into the SDG-related market opportunities, whilst eradicating negative impacts on society and the planet, business needs to venture beyond ‘Change-as-usual’. Compliance, Corporate Social Responsibility, reporting and shared value initiatives, whilst they continue to be valuable, are now part of the baseline that all business needs to operate from.

Key Messages

Shifting to Breakthrough
In ‘Business-as-Usual’ we deny or deflect calls for change. Ultimately, this trajectory can end in ‘Breakdown’, where negative environmental, social and/or governance exponentials dominate. ‘Change-as-Usual’ is the world of incremental, percentage point change. ‘Breakthrough’ outcomes, by contrast, are much more ambitious—seeking 10X or even 100X change.

Breakthrough requires new mindsets, technologies and business models
Our global challenges require business to embrace “10X” thinking — aiming for at least 10-fold improvement — as well as experimenting with new technologies and business models.

Resources

Saving the planet from ecological disaster is a $12 trillion opportunity

Taking sustainability exponential
A Project Breakthrough video featuring John Elkington on the U-bend of history and why the SDGs require something more than incremental change. http://breakthrough.unglobalcompact.org/briefs/taking-sustainability-exponential-john-elkington-volans

A new growth story
Going for breakthrough

Exponential challenges demand exponential solutions. Incremental approaches, while important, are no longer sufficient.

Around the world, breakthrough innovators are already creating positive impact at scale by combining new mindsets, technologies and business models. Find out more at projectbreakthrough.io

Source: Volans
Disrupt or be disrupted

The rapid emergence and convergence of new technologies are already leading to widespread market disruption. As a result, the lifespan of an S&P 500 company has fallen from 67 years to 15 years. To respond to — and get ahead of — impending disruptions, leaders must learn to think and act exponentially.
Disrupt or be disrupted
Technology in the driving seat

From next generation robotics to autonomous vehicles, and from artificial intelligence to gene editing – a range of new technologies are emerging and converging at an exponential pace.

“...we stand on the brink of a technological revolution that will fundamentally alter the way we live, work, and relate to one another.”

The Fourth Industrial Revolution
2016

Source: WEF

The Breakthrough Pitch

Project Breakthrough features a series of 12 briefings on disruptive technologies, developed by PA Consulting. The briefings explore ways that business can use new technologies to address the SDGs – and introduces potential downsides to consider.

The Fourth Industrial Revolution
https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond

The wannabe innovator against the status quo
A Project Breakthrough video featuring Andrew McAfee, Co-Director of MIT’s Initiative on the Digital Economy.

Disruptive Technologies Briefs
A series of 12 briefings developed by PA Consulting for Project Breakthrough. http://breakthrough.unglobalcompact.org/#disruptive-technologies

Disruptive convergence of technologies
Underpinned by the proliferation of mobile device ownership and digitalization, the new technologies underpinning the Fourth Industrial Revolution are increasingly converging — with far-reaching implications on how business can relate to customers, develop new products and services, drive innovation and organize talent and resources.

Opportunities and potential blind spots
Technology today is enabling new business models, many of which have the potential to help deliver the SDGs. Nonetheless, in navigating this new business landscape, business also needs to ensure that it is aware of, and addressing, implications in areas including employment and income inequality.
**Background**

Moore’s Law — that the price and performance of computation will double about every eighteen months — is now well established and accepted. According to the futurist Ray Kurzweil, as documented in Exponential Organizations, “once any domain, discipline, technology or industry becomes information-enabled, and powered by information flows, its price/performance begins doubling approximately annually.”

Today, the proliferation of new information-enabled technologies such as Artificial Intelligence (AI), robotics and biotech means that the disruptive impact of these exponential technologies on business will be profound.

**Key Messages**

- **Technology-driven disruption tends to follow an exponential S-Curve trajectory**
  - Initial progress is slow and market impact minimal. But as the technology improves at an exponential rate, costs typically come down very rapidly, undercutting the incremental efficiencies associated with well-established technologies and industries.

- **Humans are not wired to think exponentially**
  - For most people, the natural tendency when thinking about the future is to extrapolate in a straight line from past experience.

**Resources**

- **Exponential Organizations:** Why new organizations are ten times better, faster, and cheaper than yours (and what to do about it)
  - [http://exponentialorgs.com](http://exponentialorgs.com)

- **Hope in Abundance**
  - A Project Breakthrough video featuring Peter Diamandis, Co-Founder of X Prize Foundation and Singularity University, on why the exponential growth of technologies gives us reason to be optimistic.
Background

The International Geosphere-Biosphere Programme, in collaboration with the Stockholm Resilience Centre, charted the “Great Acceleration” in human activity from the start of the industrial revolution in 1750 to 2010, and the subsequent changes in the Earth System — from greenhouse gas levels, ocean acidification, deforestation and biodiversity deterioration.

Key Messages

Environmental exponentials are creating new limitations on business

Whether it’s ‘stranded assets’ in the oil and gas industry or the risk of climate change-related catastrophes for the insurance industry, the accelerating destabilisation of earth systems is starting to have a significant impact on businesses in all sectors.

Social exponentials are also placing new demands on business

According to the UN, the current world population of 7.3 billion is expected to reach 8.5 billion in 2030 and 11.2 billion in 2100. Meeting the increase in needs for food, housing, healthcare to employment will place new demands on business (and governments). This is compounded by the unprecedented expansion of the global middle class (and their consumption patterns), which will place further stress on environmental systems.

Resources

The Great Acceleration
Research by the International Geosphere-Biosphere Programme.
http://www.igbp.net/globalchange/greatacceleration.4.1b8ae20512db692f2a680001630.html

Doughnut Economics: Seven ways to think like a 21st century economist
A book by Kate Raworth, 2017
https://www.kateraworth.com/doughnut
In July 2017, Volvo was the first company in the world to announce that it would only produce electric or hybrid cars from 2019. Jaguar Land Rover has since followed close suit, announcing that they would do the same from 2020. We expect this list to grow.

**Key Messages**

- **The internal combustion engine's days are numbered**
  Today's lithium-ion batteries are far more advanced — Tesla's Model S can now run for 1,000km on a single charge, whilst UBS projects the "total cost of ownership" of an electric car will reach parity with a petrol car in 2018. Regulation is also tightening, with Britain the latest country to join a growing list of electric-only countries.

- **Other industries are also beginning to experience disruption**
  The wider value chain for gasoline powered vehicles will suffer near complete destruction, with demand for oil likely to fall dramatically.

**Resources**

- **The death of the internal combustion engine**

- **The big green bang: how renewable energy became unstoppable**

Transportation sits at the heart of the global economy. The disruptions it faces will have wide-reaching consequences — and are an indication of the kind of transformation other industries can expect.

In August 2017, *The Economist* forecast the death of the internal combustion engine.

Some of the disruptive trends behind this headline are explored on the next slide.
Background

RethinkX is a London and Silicon Valley based think tank that analyzes and forecasts the speed and scale of technology-driven disruption and its implications across society. *Rethinking Transportation 2020-2030* is their first sector disruption report, published in May 2017.

Key Messages

**The number of passenger miles travelled in driver owned cars will collapse**

By 2030, RethinkX concludes that ‘Transport as a Service’ (TaaS) could drive a collapse in the proportion of road travel in driver-owned cars. It projects that 70% fewer passenger cars and trucks will be manufactured each year, despite an increase of 50% in passenger miles travelled between 2021 and 2030.

Many “pull” factors will drive this transition

RethinkX projects that TaaS could bring savings of some $5,600 per consumer per year or $1 trillion in additional disposable income in the U.S. alone by 2030.

Resources

- Rethinking Transportation 2020-2030
  https://www.rethinkx.com/transportation
- Asset sharing: How to unlock the access economy
  One of a series of six briefings on Breakthrough Business Models featured on Project Breakthrough.
  http://breakthrough.unglobalcompact.org/breakthrough-business-models/asset-sharing
Background
The featured quote in the slide is the guiding inspiration for engineers at X—the division of Google that focuses on producing major technological advances, from glucose-monitoring contact lenses, through balloons that deliver internet access to remote areas of the world, to self-driving cars.

It will be interesting to see if Google can apply its 10X lens to recent problems surfaced at the company, including gender pay discrepancies.

Key Messages
A Massive Transformative Purpose (MTP) can be a powerful agent to propel an organization towards achieving more ambitious goals.

The MTP outlines an organization’s higher purpose and what it stands for. For example, projects selected by X are all underpinned by a ‘Moonshot’ level of ambition in solving a societal challenge.

Exponential technologies challenge previously linear approaches to scaling impact and growth.

Waymo, Google’s self-driving car project, which started in 2009, completed the world’s first fully self-driving trip on public roads in October 2015. More recently, Google announced that they have reached 100% renewable energy, making them the largest corporate purchaser in the world.

Resources
Google X Head on Moonshots: 10X is Easier Than 10 Percent
https://www.wired.com/2013/02/moonshots-matter-heres-how-to-make-them-happen

Creating a Culture of Innovation: Eight ideas that work at Google
Article on G Suite.
https://gsuite.google.com/intl/zh-CN/learn-more/creating_a_culture_of_innovation.html

"True innovation happens when you try to improve something by 10 times – rather than by 10%. A 10X goal forces you to rethink an idea entirely. It pushes you beyond existing models and forces you to totally reimagine your approach."

Google
Rebooting the C-Suite agenda
We outline 5 key questions that every executive team should be asking itself — and offer some case studies of emergent and established businesses that are already evolving in light of the growth and disruption story.

Note: No company is perfect. But many new innovations come from organizations that are flawed in other areas. Be careful in how you pick your cases, and be prepared to defend your choices.
While technologies and business models open up new opportunity spaces, there is another crucial element if we are to turn possibilities into realities: leadership. As developmental psychologists have long noted, mindsets — the ideas and attitudes that frame the way individuals perceive the world around them — are key to understanding why some leaders are more effective than others.

**Key Messages**

**Deepen awareness of the mindsets that frame your leadership**
In an oft-cited 2005 *Harvard Business Review* article, ‘Seven Transformations of Leadership’, David Rooke and William Torbert argue that leaders who take steps to deepen their self-awareness about their own mindset ‘can transform not only their own capabilities but also those of their companies.’

**Use questions to provoke reflection and discussion**
Questions are the most powerful weapon in any change agent’s armoury. The questions in this section are designed to help executive teams — both individually and collectively — to challenge their own assumptions, identify blindspots and reflect anew on the ambition level, strategic direction and culture of their organization.

**Resources**

- **The Stretch Agenda: Breakthrough in the Boardroom**
  A 2015 report by Volans.

- **Seven Transformations of Leadership**
Background
In times of disruptive change, good management, while important, is not sufficient for success. Optimizing existing strategies will only take you so far. As the disruption and sustainable development agendas both mainstream, companies face an imperative to step up to new responsibilities and pivot their strategy to align with new realities. This calls for bold, transformational leadership.

Key Messages
Purpose is key
In *Exponential Organizations*, Salim Ismail and his co-authors argue that companies need a “massive transformative purpose” to become leaders in tomorrow’s world. Setting out your ambition to positively impact the wider industrial, social and environmental to which you belong is critical to attracting the best talent and ideas.

Bold, courageous leadership is needed, even amidst complexity
Moving companies, and the wider world of business, onto the path of Breakthrough opportunity whilst positively impacting both the planet and societies is complex, with many unknowns that business face. Consider Paul Polman, CEO of Unilever, whose Sustainable Living Plan — part of a wider initiative to decouple growth from environmental impact — has become an attractive opportunity for activist investors like Kraft-Heinz looking to undertake huge cost savings. As Polman says “Do we choose to serve a few billionaires, or do we choose to serve the billions? Over time, I think the billions will win”.

Resources
The Motivating Power of a Massive Transformative Purpose
Article by Alison E. Berman, Singularity Hub, 8 November 2016.

If Unilever can’t make feel-good capitalism work, who else can?
https://www.bloomberg.com/news/features/2017-08-31/if-unilever-can-t-make-feel-good-capitalism-work-who-can
Rebooting the C-suite agenda
Are we managing or leading?

Case studies

### Interface

In 1994, Ray Anderson (1934-2011), founder and CEO of carpet tile manufacturer Interface, launched Mission Zero, with the goal of getting to zero negative environmental impact. As at 2016, Interface is using 87% renewable energy, and has reduced GHG emissions by 95% and total waste to landfills by 91% (from a baseline of 1996). Climate Take Back represents a new level of ambition: to move beyond pursuing zero negative impacts to actually creating positive impacts on the environment.

For Interface, it involves four strategies: 1 Live Zero to have zero impact on the environment; 2 Love Carbon to take carbon, especially harmful, fugitive carbon, and start using it as a resource; 3 Let Nature Cool to support the biosphere’s ability to regulate the climate, e.g. through soil management and reforestation, etc.; and going beyond Interface, 4 Lead the Industrial Re-Revolution through purposeful advocacy, radical collaboration, new business models, new rules of governance and sustainable financing in ways that align with the SDGs.

### Covestro

Covestro (formerly Bayer MaterialScience) is a global producer of high-tech polymers headquartered in Germany. Covestro embraces the Triple Bottom Line philosophy, committing that all its R&D should result in products that are positive in two of the three pillars, and at minimum neutral in the third pillar.

Since 2017, Covestro has been championing the idea of ‘Carbon Productivity’ — to optimize the value created from every unit of carbon used. Internally, it is becoming more ‘carbon productive’ through new technologies. For example, Covestro sequesters carbon from CO₂ (instead of oil), using this as a renewable feedstock for its polyurethane and polycarbonate products.

Through its involvement in initiatives like Solar Impulse — the first aircraft to fly round the world powered exclusively by renewable energy — and its embrace of open innovation, Covestro aims to catalyze change across the materials sector — and beyond.

### Resources

- [The plush path to sustainability](http://breakthrough.unglobalcompact.org/briefs/erin-meezan-interface)
- [The 80 year start-up making the world a brighter place](http://breakthrough.unglobalcompact.org/briefs/patrick-thomas-startup-making-world-brighter-covestro)
- [Carbon Productivity](http://carbonproductivity.com)

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**A sustainability pioneer**
Interface was an early champion of corporate action on climate change. ‘Mission Zero’ (est. 1994) sat the company on a course towards zero emissions.

**Raising the level of ambition**
Now Interface has a new goal: reversing global warming. Its ‘Climate Take Back’ plan engages both internal and external stakeholders in actions to create a climate fit for life.

**A triple bottom line company**
Covestro assesses all R&D investment decisions against three criteria: impact on people, planet and profit.

**SDG integration**
The company committed to align 80% of its R&D budget with sustainable development by 2025.

**Reimagining carbon**
Covestro is a catalyst of ‘Carbon Productivity’ – a cross-sector initiative to create more value from less carbon.
“Disrupt or be disrupted.” This mantra is so oft-repeated that it’s become something of a cliché. But it contains more than a grain of truth: across a range of industries, the combination of new technologies and new business models is up-ending old certainties.

Key Messages

Letting go of the old
Self-disruption is a painful and risky undertaking because it means letting go of existing practices and strategies that have a proven track record of effectiveness, and challenging assumptions over our customers’ needs and how they want those needs to be met. Companies need to continue executing core products whilst exploiting new technologies and business models to experiment and deliver new (and existing) products in radically different ways — even where the more disruptive businesses may potentially cannibalise the core business.

Fostering a culture of disruptive innovation
Businesses should explore a range of partnership models including alliances, investments and joint ventures, to experiment and learn from more disruptive start-ups. Learnings from this should then inform R&D strategy. Critically, businesses need to foster and maintain a culture that embraces the spirit of disruption amongst employees.

Resources


Thriving through disruption

Six Secrets of Breakthrough Business Models

Rebooting the C-suite agenda
Are we disrupted— or disrupting?

Leaders move beyond early, defensive postures, embracing disruption as a core element of their strategy.

1. Where is disruption happening—or likely to happen—in our sector, or in contiguous sectors?
2. Are there elements of our existing core business that we need to ‘let go’ in order to disrupt ourselves?
3. Do we have structures in place for tapping into new ideas, both within and outside the organization?
GM

In 1996, the General Motors EV1 was the first purpose-designed and mass-produced electric vehicle from a major automobile company. Despite positive customer reactions to the vehicle, GM decided to discontinue the EV1 program in 2002.

GM has since made a comeback in the EV market by launching the world’s first mass-market electric vehicle with a 200-mile range — the Chevrolet Bolt — in December 2016.

In the face of disruptions in the automobile industry, GM is responding by making acquisitions and investments in start-ups like Lyft and Cruise, and re-orienting its focus towards urban mobility.

Ørsted

Ørsted (formerly DONG Energy) was established in July 2006 as a result of a merger of six Danish energy companies. It was one of the most coal-intensive companies in Europe — 85% of its heat and power came from coal, and only 15% renewable. By 2016, its share of renewable energy had more than tripled to 50%. Over the same period, the company’s CO2 emissions per kilowatt hour halved.

In making this shift, Ørsted had to manage the challenge of losing up to two-thirds of its operating income from its core business between 2008 and 2012, and offsetting this decline by both growing new businesses and shifting renewable power from a sideline to a core business.

Ørsted started diverting time and resources away from coal towards offshore wind in 2006, at which time the latter was an immature technology. It now possesses a 500-strong team of experts in managing offshore wind farms.

Resources

How GM beat Tesla to the first true mass-market electric car
Article by Alex Davies, Wired Magazine, February 2016.
https://www.wired.com/2016/01/gm-electric-car-chevy-bolt-mary-barra

Denmark’s DONG Energy shifts from fossil fuels to renewables
https://www.ft.com/content/99150262-d368-11e6-b06b-680c49b4b4c0
Exponentials are all around us. Many emerging technologies are improving along exponential trajectories — with cost reductions and market impact to match. On the negative side, breakdowns in environmental and social systems — from global warming to pandemics — often also follow an exponential path. To rise to these challenges — and to capitalize on the opportunities inherent in new technologies — companies must learn to think and act exponentially.

**Key Messages**

**Apply a 10X lens**
Asking how to make a 10X improvement rather than a 1% or 10% improvement opens up a different realm of possibility. Clearly, a 10X approach isn’t applicable in every scenario, but it is incumbent upon top teams to challenge their own assumptions about when and where an exponential approach is possible.

**Engage with exponential innovators**
To become an exponential company, mindset and culture are just as critical as strategy. One way to shift mindsets and cultures is to expose yourself to the perspectives of disruptive thinkers — take your top team on a learning journey, for example. Curiosity can be the most important weapon in your armory.

**Resources**

*Exponential Organizations: Why new organizations are ten times better, faster and cheaper than yours (and what to do about it)*
Salim Ismail, Michael Malone and Yuri van Geest, 2014.
http://exponentialorgs.com

*How to Create an Exponential Mindset*  
https://hbr.org/2016/07/how-to-create-an-exponential-mindset

Incremental improvement remains important, but is no longer sufficient. To address emerging threats and opportunities, we need exponential solutions.

1. Do we have a purpose and culture that inspires employees to think exponentially?
2. What aspects of our business are most likely to benefit from a 10X approach — or similar?
3. Do we have teams dedicated to identifying and experimenting with exponential approaches?
BIMA

BIMA provides access to insurance for low income communities in emerging markets. Using mobile technology to access a previously underserved target population, BIMA has scaled its impact at an astonishing rate.

By collecting small monthly payments of $0.60 through its customers’ mobile phones, BIMA is able to tap into a small trickle of revenue — at considerable scale.

In just 7 years it has registered more than 27 million customers — and is currently adding 600,000 new customers a month. It has a network of over 3,500 sales agents across 16 markets.

Levi Strauss & Co.

Founded in 1853, Levi’s invented what has become a modern-day clothing staple — jeans.

When Levi’s first assessed the environmental impact of its jeans in 2007, it calculated 3,781 litres of “embedded” water in each single pair. The company has since created a new line called “Water<Less” that reduces the water used in the finishing process by 96%. Levi’s goal is for 80% of their products to be “Water<Less” by 2020.

In 2016, the company invited 20 of its competitors to visit its Eureka Innovation Lab in San Francisco for the first time, and has open-sourced its “Water<Less” techniques so that others in the industry can adopt them, collectively saving up to 50 billion litres of water by 2020.

The company is also working to buy 100% sustainable cotton by 2020 and making it possible for customers to recycle unwanted jeans at their stores.

Resources

Mobilising change: the future of insurance
A Project Breakthrough video featuring Marie Kyle, BIMA’s Head of Innovation, explaining their use of technology and an innovative business model to reach exponential impact.
http://breakthrough.unglobalcompact.org/briefs/bima-insurance

In its quest to decrease water use, Levi’s is open sourcing production methods
Article by Adele Peters, Fast Company, 22 March 2016.
Background

In *Waste to Wealth* (2015), Peter Lacy & Jakob Rutqvist of Accenture estimate that turning waste into a resource will unlock $4.5 trillion of value globally by 2030. Many companies have already begun to tap into this value by recycling waste materials as inputs for new products. As new technologies mature, for example in the field of carbon capture and use, it’s possible to reimagine negative externalities as valuable assets.

Key Messages

Shift thinking from stocks to flows
In an accelerating world, the source of value is shifting — from traditional stocks (of proprietary knowledge, talent etc) to flows. Whereas in a world of stocks, ownership is everything, in an age of flows, the challenge is how to tap into, optimize and re-direct streams of value that transcend any individual organization.

Ask yourself whether you’re letting value escape
If you’re sending waste to landfill or emitting greenhouse gases into the atmosphere, there’s a good chance that you are missing out on cost savings and/or additional revenues that could be captured by “closing the loop”.

Resources

**Waste to Wealth: The Circular Economy Advantage**
by Peter Lacy & Jakob Rutqvist, Accenture, 2015

**Abandon Stocks, Embrace Flows**

**Ellen MacArthur Foundation**
The Foundation’s website showcases a range of resources aimed at helping business, government and academia to accelerate the transition to a circular economy.
[www.ellenmacarthurfoundation.org](http://www.ellenmacarthurfoundation.org)
Philips Lighting

Philips Lighting began making incandescent bulbs in 1891, and has in recent years become a pioneer in LED technology.

In 2010, after a year of R&D, Philips was the only company able to submit a design meeting the criteria of the $10m L Prize. Sponsored by the US Department of Energy, the L Prize required companies to build a 60-watt replacement bulb with LEDs that uses only 10 watts or less to produce 900 lumens of light.

Lasting 50 times longer than a typical incandescent bulb, and using only a fraction of the energy, LEDs proved disruptive to Philips’ traditional business model — up to 85% of its profit came from incandescent lights. Philips have since been able to exponentially reduce the price of its LED bulbs. In 2012, a 12-watt lens cost $39.97 — this fell to $4.97 in 2015.

Spurred by a challenge from renowned architect Thomas Rau: “I’m not interested in the product, just the performance. I want to buy light, and nothing else.”, Philips developed a ‘pay-per-lux’ model. Philips’ new ‘light as a service’ business model now includes services such as a wireless connected lighting system that enables business managers to reduce energy by up to 70%. Philips retains control of the lighting components, enabling it to recover materials at end of life.

IKEA

Founded in 1943, IKEA has grown to become the world’s largest furniture retailer.

In 2016, it reported that less than 15% of the waste generated globally through its business goes to landfill. In the UK, IKEA has achieved zero waste to landfill and now turns a profit from waste with recycled materials like cardboard, wood and cling film incorporated into products. Where IKEA UK used to spend up to £1m a year dealing with its waste, they now turn a small profit by using waste as a resource.

The company is committed to having a net positive impact on the environment by 2020. The entire business will run on renewable energy by 2020.

The company has allocated over €3bn for sustainability investments in areas including forestry, wind and solar energy projects, and other companies developing new solutions in renewable energy, recycling and bio-based materials.

Resources

Brighter lives: the future in connected LED light
A Project Breakthrough video featuring Eric Rondolat, CEO of Philips Lighting, on how they intend to ‘reinvent’ the lighting industry.

Ikea Sustainability Report 2016 reveals firm achieved zero waste to landfill
Article by George Bowden, Huffington Post, 16 January 2017.
http://www.huffingtonpost.co.uk/entry/ikea-sustainability-report-2016_uk_5878f95be4b074eb45cdd3e4

The Breakthrough Pitch

Case studies

PHILIPS

Selling light as a service
Prompted by a challenge from architect Thomas Rau, Philips Lighting now offers light as a service on a ‘pay-per-lux’ basis. The company retains ownership of the light fittings — taking responsibility for the entire product lifecycle.

Connected LED lighting
Philips now offers connected LED lighting as a service — enabling companies, households and cities to radically reduce energy usage.

A closed-loop model
By using waste as a resource, IKEA has reduced costs at the same time as reducing environmental impact. As of 2016, it was sending just 15% of waste to landfill globally.

Engaging whole value chain
In order to meet its goal of having a net positive environmental impact by 2020, the company is working with its entire value chain – customers, suppliers and employees.

The User’s Guide to The Breakthrough Pitch
Background

According to the Future-Fit Foundation, the definition of system value is that a business in no way hinders — and ideally contributes to — “the possibility that humans and other life can flourish on Earth forever.” Creating system value means “being environmentally restorative, socially just and economically inclusive.”

Key Messages

Take a holistic view
It’s not sufficient to be creating positive impact in one part of our business, if we are simultaneously undermining the environmental and social systems on which we rely elsewhere. We need to assess the total impact of our business in all its dimensions to determine whether or not we are creating system value.

Look for ways to amplify and scale positive impact
No company can drive system change alone. That’s why working proactively with aggregators of business activity — B2B platforms, industry bodies, city- and national-level policy-makers — is key.

Resources


Future-Fit Business Benchmark
The Future-Fit Foundation website includes a range of resources to help companies and investors transform how they create long-term value, for themselves and society as a whole. http://futurefitbusiness.org
Patagonia

Patagonia is an outdoor clothing company registered in California as a “benefit corporation”. CEO Rose Marcario explains how Patagonia “wants to disrupt what is broken in business and the supply chain”, proving that business can achieve greater success by thinking about future generations as shareholders alongside current investors.

In 2009, Patagonia partnered with Walmart to set up the Sustainable Apparel Coalition which has since grown to 175 members accounting for more than 40% of the global apparel industry. The Coalition’s Higg Index (measuring social and environmental impact of brands, manufacturing facilities and products) is an attempt to help members collect better data to inform decision-making.

In 2013, Patagonia launched its own investment fund, Tin Shed Ventures to invest in companies developing new technologies and solutions that have the potential to solve global warming through eliminating or drastically reducing the negative impacts of business and its operations on the environment.

Novo Nordisk

Novo Nordisk traces its roots to 1923 when insulin had just been discovered, and was set up to manufacture insulin in Scandinavia.

In 2015, its then CEO Lars Rebien Sørensen was ranked number 1 in Harvard Business Review’s Best-Performing CEO ranking when HBR changed its methodology to take into account performance on environmental, social and governance (ESG) factors for the first time.

There are currently an estimated 415 million people in the world with diabetes, only 50% of whom are diagnosed. By 2040, this figure is projected to rise to 642 million. Novo Nordisk recognizes that the spread of diabetes, if unchecked, could lead to systemic breakdown — even though it benefits the company in the short term.

As former CEO Sørensen told employees, “If we wind up curing diabetes, and it destroys a big part of our business, we can be proud, and you can get a job anywhere.”

With 65% of adults with diabetes living in cities, Novo Nordisk helped establish the Cities Changing Diabetes program. The cross-disciplinary platform maps and analyzes root causes of urban diabetes and identifies and scales preventative solutions.

Resources

Business lessons from a legendary mountaineer
A Project Breakthrough video featuring Rick Ridgeway, Patagonia’s Vice President of Environmental Affairs, discuss the importance of managing risks, and the uselessness of despair.

Novo Nordisk CEO Lars Sørensen on what propelled him to the top

Collaborating with your peers
Working with other larger companies, Patagonia helped initiate the Sustainable Apparel Coalition, whose 175 members now account for more than 40% of the global apparel industry.

Investing in the ecosystem
Through its own investment fund, Tin Shed Ventures, it supports an ecosystem of companies working to eliminate the negative impacts of business on the environment.

Fixing a broken system
Novo Nordisk, the world’s leading producer of insulin, recognizes that the spread of diabetes, if unchecked, could lead to systemic breakdown.

Working with cities
It helped establish the Cities Changing Diabetes programme – a cross-disciplinary platform to map and analyze root causes of urban diabetes and identify scalable prevention solutions.
Background

This chart is adapted from Otto Scharmer’s Theory U — a popular framework for thinking about personal and organizational transformation. The U charts the organization’s or individual’s journey through letting go of the old, sitting with the discomfort of transition to embracing the new.

In Volans’ 2016 report, Breakthrough Business Models, we added an additional layer of meaning. Drawing on analysis of long-wave economic cycles, we posited that the global economy is also going through a “U-bend” as one economic cycle (or wave) comes to an end and a new one builds.

This creates a window of opportunity for companies: those able to transform themselves and align their strategy and operations with the emerging wave face off-the-scale opportunities; those who fail to go through their own U-bend will, over time, find it increasingly difficult to survive, let alone thrive.

Key Messages

Transformation is uncomfortable
Shifting an organisation onto a radical new trajectory requires often-painful disruption to the status quo and a willingness to embrace the uncertainty and discomfort that is a necessary part of changing course. This process can often feel like a “U-Bend” journey — and it’s important to be prepared for that to avoid being pulled backwards by an understandable yearning for old certainties.

Resources

Presencing Institute
Founded by Otto Scharmer, the Presencing Institute’s website details Theory U.
https://www.presencing.com/theoryu

Breakthrough Business Models:
Exponentially more Social, Lean, Integrated and Circular
A Volans report, commissioned by the Business and Sustainable Development Commission, September 2017.

The User’s Guide to The Breakthrough Pitch

3.12
Next steps on the Breakthrough journey
This section includes links to a range of resources and engagement opportunities for businesses that want to take action.
Next steps on the Breakthrough journey
Tools and Resources

Project Breakthrough examines the technologies, business models and mindsets needed to deliver the Sustainable Development Goals.

The site features a set of interviews with pioneers of Breakthrough change – offering insights into what drives them and helps them succeed – and a suite of tools and resources to help business leaders drive Breakthrough innovation in their organizations.

Website
projectbreakthrough.io

Medium
/projectbreakthrough

Twitter
@Breakthrough_IQ

Facebook
/ProjectBreakthroughIQ

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Next steps on the Breakthrough journey
Tools and resources

Blueprint for Business Leadership on the SDGs

Developed by the UN Global Compact, the Blueprint aims to inspire all business to take leading action in support of the achievement of the SDGs.

www.un_global_compact.org/library/5271

Better Business, Better World report

The Business & Sustainable Development Commission’s flagship report is a must-read guide to SDG-related market opportunities.

report.businesscommission.org

Global Opportunity Explorer

A platform created by Sustainia, DNV GL and UN Global Compact showcasing the most innovative solutions addressing the SDGs.

www.globalopportunityexplorer.org
Next steps on the Breakthrough journey

Tools and Resources

Project Breakthrough Links

Website
www.projectbreakthrough.io

Medium
https://medium.com/project-breakthrough

Twitter
https://twitter.com/breakthrough_io

Facebook
https://www.facebook.com/projectbreakthroughio

Other Resources

Blueprint on Business Leadership for the SDGs
Resource by UN Global Compact, 2017.
https://www.unglobalcompact.org/library/5271

Better World, Better Business
http://report.businesscommission.org

Global Opportunity Explorer
Online platform by Sustainia, DNV GL and UN Global Compact.
http://www.globalopportunityexplorer.org
Next steps on the Breakthrough journey
Breakthrough Innovation for the SDGs Action Platform

To support companies in raising their sustainability ambitions, the UN Global Compact offers platform participants the opportunity to explore how disruptive technology and new business models can accelerate progress on the SDGs.

Through the platform, participants will gain insights on the applications of disruptive technologies, identify the business model innovations most relevant to their companies and receive support for integrating solutions into their sustainability initiatives.

Platform Partners

Platform Sponsors

www.unglobalcompact.org/take-action/action/breakthrough-innovation

Next steps on the Breakthrough journey
Breakthrough Innovation for the SDGs Action Platform

As part of the Breakthrough Innovation for the SDGs Action Platform, the inaugural Breakthrough Innovation Challenge brought together intrapreneurs from 7 UN Global Compact participant companies, challenging them to create sustainable business models using disruptive technologies.

Solutions developed include:

**Braskem**
A Challenge Prize focused on encouraging new solutions in agriculture that can optimize inputs whilst increasing yields/quality.

**Enel**
Green minigrids for off-grid communities encompassing renewable generation, batteries and a system of smart meters and pay-as-you-go technology.

**Fuji Xerox**
A communication platform using gamification and AI that allows employees to better connect, communicate and collaborate.

breakthrough.unglobalcompact.org/
iinnovation-challenges
Next steps on the Breakthrough journey
Breakthrough Innovation for the SDGs Action Platform

Iberdrola
An energy bank allowing users to purchase ‘days of energy’ (instead of kwh) at a cheaper rate up-front.

Natura
An app combining gamification, AI and Big Data that promotes collaboration whilst providing increased business opportunities to its sales consultants.

Nestlé
A digital app using Big Data and AI to help users minimize food waste by managing their groceries and planning their meals.

Sumitomo
Biosensors that help farmers measure crop maturity alongside an app offering farmers predictive analytics to make smarter harvesting decisions.

Resources

Breakthrough Innovation Action for the SDGs Platform
UNGC website.
https://www.unglobalcompact.org/take-action/action/breakthrough-innovation

Breakthrough Innovation Challenge projects
Project Breakthrough website.
http://breakthrough.unglobalcompact.org/innovation-challenges
Next steps on the Breakthrough journey
Get in touch

The UN Global Compact is a leadership platform for the development, implementation and disclosure of responsible corporate practices. It is the largest corporate sustainability initiative in the world, with more than 9,000 companies and 3,000 non-business signatories globally.

Volans is a London-based transformation agency. We work with global companies, innovators, government actors and civil society to help them move beyond incremental change to address systemic challenges. Our work is focused on stretching thinking, mindsets and behaviors.

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