

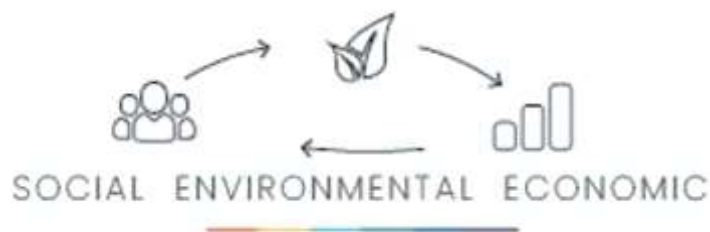


SUSTAINABILITY HANDBOOK

Sustainability handbook on how to develop an action plan towards sustainability in SMEs with content “ready to use” addressed to business support organisations

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INTRODUCTION

In view of the global need to accelerate the transition towards more sustainable economic models, Sustain-PALS proposes a comprehensive approach for the generation of new strategic alliances in a regional context that favour the implementation of actions to progress towards sustainability and towards the achievement of the targets established by the Sustainable Development Goals (SDG).

The aim of the Sustain-PALS project was that regional SMEs could adopt sustainability principles and take advantage of this approach to find growth opportunities. In addition, regional environmental and social Civil Society Organisations (CSOs) have contributed to the challenge of harnessing their expertise to assist them in their transitions towards sustainability. On the other hand, regional stakeholders have been involved in the project and successful alliances have been created in this context.

To this end, the following handbook has been created and contains a series of steps to:

- design and implement spaces to build trust and exchange of knowledge among key actors with complementary capabilities in which collaboration opportunities for the development of more sustainable business models might be explored
- develop resources and new capabilities to improve the adaptation companies to possible future scenarios that are more socially and environmentally sustainable, ensuring the economic viability of the solutions
- generate impact results that can be shared with other entities interested in accelerating the transition process of companies towards more sustainable scenarios.

This process, designed and implemented in the Sustain-PALS project, is illustrated in the following figure and detailed below.



This document might serve as a roadmap for those entities seeking to provide a personalised accompaniment process towards sustainability to their SME clients, including recommendations to find the most appropriate supportive CSOs and stakeholders for creating alliances to achieve these objectives.

STEPS TOWARDS A SUSTAINABILITY ACTION PLAN

STEP 1. TRUST

In a collaboration ecosystem, the creation of a proactive group of key players open to collaborate for the development of new solutions aligned with the SDGs is essential.

Work group identification

Firstly, main agents involved in sustainability, interested in exploring the opportunities offered by a transition to sustainability and organizations whose mission is to solve the main social and environmental challenges in the region should be identified.

This analysis should be done to build an effective relationship between the actors involved with common objectives, optimize time and resources and ensure a successful collaboration.

A correct identification is based on two criteria (as balanced as possible):

- Sustainability layers: Environment, Social and Economic.
- Quadruple helix model: Academia, Industry, Government and Civil society.

Stakeholders first contact

Once the key actors have been spotted, trust-building spaces should be organized to work in the identification of the challenges to be solved and capabilities needed, as well as possible ways of articulation for the development of collaborative projects aimed at the design and implementation of more sustainable business models. All actors might be invited to a physical meeting at the very beginning, while further contributions and exchanges might take place regularly through virtual means (meetings every 2 months is highly recommended).

It is likely that some of the identified stakeholders are former or regular collaborators in other projects or activities and, therefore, trust is already in place, so engagement would be guaranteed. However, there will be others who might require establishing a first contact.

To build effective trust, it is important to know the entity, the professional team behind and communicate in a first-hand way the objectives of the collaboration towards sustainability, the benefits and the role of the entity to achieve them, thus declaring a need for collaboration.

This first contact can be made through a phone call, after a preliminary email. However, to build effective trust, on-site meetings are advisable.

Work group meetings with stakeholders

There are different joint work sessions of various formats aimed to build trust.

The first sessions might serve to get to know each other, while further sessions might seek to maintain and strengthen trust. For this purpose, stakeholders might share existing resources, propose sustainable solutions, look for synergies, cover unattended needs, etc.

STEP 2. OPPORTUNITIES

Throughout the building-trust step, key information needs to be collected to identify sustainability opportunities.

SMEs, CSOs and stakeholders' joint sessions

In the different networking sessions with SMEs, CSOs and stakeholders, different SMEs' concerns and sustainability challenges that require solutions should be raised.

Taking into account the different opportunities of collaboration, strategies that best suit the interests of companies and CSOs might be explored, focusing on:

- identification of complementary competencies to improve the quality of social and/or environmental interventions
- long-term collaboration through the sum of efforts and resources
- joint development of new initiatives on sustainability
- promoting local or global changes, among others.

Using brainstorming and other idea generation tools, ideas that lead to sustainable solutions to different challenges, from different perspectives, might raise to be further matured in the future, strengthen the confidence of the working group and securing future collaborations.

To achieve this, the analysis should always be based on the identification of common challenges and the definition of balanced relationships, establishing win-win relationships that allow all parties to benefit from the opportunities spotted and the agreements reached.

Trends and opportunities sessions

The expertise of CSOs and stakeholders on sustainability aspects might be shared in specific sessions addressed to inform SMEs about trends in their sector and specific opportunities that could be further explored in individual sessions.

STEP 3. ALLIANCES

Once trust has been built and sustainability opportunities have been identified, the creation of strategic alliances for sustainability is key.

Catalogue of stakeholders' resources

The previous interactions and exchanges enable all actors to know each other better and, in particular, to know the stakeholders' sustainability-related resources available at regional level.

Besides the information shared during the joint sessions, further desk research and interviews with stakeholders might be needed to obtain detailed information about their activity, services and resources.

To gather all the information in a structured way, it is advisable to create a catalogue detailing the tools, instruments, programmes, etc. at SMEs disposal to facilitate their transition to more responsible business models. In the case of large regions, a map including the location of the different stakeholders and resources would help SMEs to access them.

The catalogue should include, at least, the following information:

- Stakeholder name
- Entity type
- Location
- Description
- Resource name
- Resource description
- Link to resource

Alliances meetings

One of the keys to achieve successful collaborations between actors is mutual knowledge. Thus, the meetings allow stakeholders to have a good knowledge of the companies' needs, while the catalogue allows companies to spot the available resources at regional level. The final aim is to set the scenario for establishing strategic and long-lasting alliances.

In order to maintain those alliances between actors, virtual tools (slack type) might be used to facilitate permanent spaces for the exchange of ideas, knowledge and possible solutions to foster sustainability.

STEP 4. CAPABILITIES

After the actions to build trust, opportunities and alliances with relevant stakeholders, it is essential to enhance the necessary capabilities in SMEs for the orientation of their business strategy towards the resolution of sustainability challenges associated to their activity.

Training

In order to get prepared to evolve to more sustainable business models, it is necessary, first of all, that SMEs become aware about the benefits offered by more sustainable business approaches, the most appropriate business models to exploit existing opportunities and the path that a company should follow to implement such models. For this purpose, training courses on key aspects for the development and implementation of sustainable business strategies should be delivered.

As there is plenty of sustainability-related content in internet, it is highly recommended to guide SMEs on the most appropriate training, adapted to the SMEs reality. In the context of Sustain-PALS, an ad-hoc programme of five training courses of 2.5 hours each was prepared and offered to SMEs, including the contents summarised as follows:

- I. Future trends and sustainable business strategies:
 - The SDGs and world challenges
 - Future scenarios for a strategic analysis
 - Sustainable business strategies and success cases
- II. Strategic alliances, opportunities and benefits of sustainable development:
 - Collaboration types to build strong alliances
 - Market opportunities
 - Social, environmental and economic benefits
- III. Design and validation of sustainable business models:
 - The triple layered business model canvas
 - Design of innovative sustainable business models
 - Validation through the iteration with the market
- IV. How to elaborate and execute action plans to increase sustainability performance in SMEs:
 - Diagnosis of the company's level of sustainability
 - Identification of priorities and definition of improvement actions
 - Development of a sustainable action plan, with KPIs & control panel and a communication plan
- V. Funding opportunities for sustainability projects and support policies:
 - Funding opportunities (including private instruments) for social initiatives
 - Funding opportunities (including private instruments) for environmental initiatives
 - The sustainability policy framework

STEP 5. PRIORITIES

Specialised services need to be provided to SMEs so that priority areas are properly identified and improvement activities to evolve to a sustainable business model are drafted

Specialised services

SMEs need advanced services in order to be able to integrate the sustainability principles in their business strategy and in order to adapt in an agile manner to the multiple changes expected in the near future regarding environmental issues and social challenges.

These specialised services should consist of a personalized accompaniment process to SMEs, facilitating the adoption of actions aimed at increasing environmental and social criteria in their business strategies based on the guidance of a sustainability advisor.

Sustainability diagnosis

It is essential to run a diagnosis on the current state of the SME in terms of sustainability and its commitment for the future. For this analysis, any questionnaire or tool able to analyse the different dimensions of sustainability (economic, social, environmental and governance), as well as the commitment level to be adopted by the company in each of them might be used. This diagnosis will allow to spot the priority areas to take action.

Analysis of priorities

The use of tools that enable advisors to analyse SMEs' processes, relationships with stakeholders, alignment of their activities with SDGs, potential improvement actions and KPIs associated, etc., are crucial to properly identify the main areas of intervention to start the transition towards a more sustainable business model. In the context of Sustain-PALS, a mix of tools has been used to make a deep analysis of the SMEs and their sustainability priorities: the triple layer model canvas, the SWOT analysis and the innovation diagnosis.

STEP 6. ACTION PLAN

The definition of an action plan for the development of new sustainable business lines in SMEs aimed at increasing business performance in terms of sustainability is the desired final goal.

Definition of the action plan

Once the main areas of intervention have been prioritised, the definition of the necessary actions to improve sustainability needs to be addressed. In the first place, the main objectives should be defined, preferably, in line with the goals established in the SDGs. Secondly, the concrete actions to be developed to achieve those objectives should be shaped, including the resources needed for their execution, the schedule to be met and the indicators that would allow evaluating the progress in the implementation of the new business lines and the impact to be achieved.

In addition, it is recommended that the action plan includes a specific task for communication of results in terms of sustainability. This might comprise the definition of stakeholders categorised according to importance for the company, the communication axes that would guide the activities to disseminate results and the list of targeted actions, including the channels to be used and the schedule to be complied with. Furthermore, it might contain actions to ascertain the degree of satisfaction of stakeholders with the company's sustainability actions and to gather evidence that will allow adjusting actions, if necessary.

Added value of CSOs in the development of the action plan

It is imperative to integrate sustainability into the corporate culture in a responsible manner, avoiding falling into the development of actions that seek more for image washing, or “green washing” than a real impact on the main sustainability challenges. To this end, the participation of CSOs makes possible to align future actions towards results that have a real impact on the SDGs. These organisations have a great knowledge about the main social and environmental challenges to be solved, and their vision serves as a lighthouse to guide action plans to generate more sustainable business models not focused exclusively in the economic dimension.