BUILDING ALIGNMENT: DESIGNING AN EMPOWERING SUSTAINABLE CORPORATE STORY

Sustainability strategies are increasingly framed in terms of '**corporate stories'**: narratives that communicate the strategic challenges an organization faces, portray the dilemmas for day-to-day operations, convey key binding organizational values, and legitimize choices in support of change. A corporate story has the function of aligning internal and external stakeholders in a way that is consistent with the core principles of effective corporate communication.

A **'sustainable corporate story'** is a narrative that conveys the organization's sustainability ambitions in support of addressing critical systems challenges (see Chapter 1), the envisaged way forward to achieve these ambitions, and the motivation (in terms of key values, responsibility-orientation and strategic considerations) for doing so. It communicates *why* prioritized SDGs are deemed 'material' to core activities – now and in the longer run – and *what* approaches and efforts the organization commits itself to in order to make its SDG ambition (powerfully) actionable (see Chapter 10). Essentially, a sustainable corporate story concisely communicates the organization's '*intervention logic*' and '*theory of change'* for attaining its sustainability ambitions with impact – in a convincing, coherent and stakeholder-mobilizing manner. Mission statements and corporate stories are increasingly developed in collaboration with groups in society; proactive organizations will seek to include critical stakeholders in strategic dialogue.

Designing a connective and powerful sustainable corporate story implies integrating all relevant steps and 'fits' of the 'logic framework' (section 10.6 and Figure 10.9 in the book) into a compelling narrative. Relevant elements include:

- The nature of today's challenges, the systems transformations needed, and a vision on 'the kind of world' the organization wants to operate in (a 'VUCA world' or an 'SDG world', see Chapter 1);

- The organization's view on its 'corporate responsibilities' and the kind of dilemmas the organization faces (purpose and values orientation, see Chapter 5);

- The value proposition the organization aims for (explanation of its motto and value-portfolio, see Chapter 9);

- How it will use its organizational power sources, positioning and spheres of influence to organize for positive change (Chapter 10), alone and with others (restricting negative effects; scaling beneficial effects, contribution to systems transformation);

- The prioritized portfolio of SDGs to contribute to, and how this selection is linked to core operations and medium-turn ambitions;
- The commitments, efforts and results to which the organization is responsive and accountable.

The table below helps you to map the relevant dimensions that are linked to various sustainability ambition levels (1– 4), as well as identify the relevant tipping points that need to be surmounted in case the organisation wants to move towards higher levels of sustainability.

Mapping the SDG alignment challenge - Building a Sustainable Corporate Story

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
	Tipping point	*Key tipping point*	*Tipping point*	
A. ISSUE AND PROBLEM DEFINITION				
Root causes of challenge (Chapters 4, 7)	Market failure – needs to be addressed by individual companies	Sectoral failure – needs to be addressed within the sector	Systemic – can be addressed on individual basis	Systemic – address on sectoral and societal level
Sources of failure; having/taking responsibility (Chapter 5)	Power abuse creating failure; Poor management practices; Poor value proposition	Defensive adjustment strategies, including denial and lobbying to feed doubt	Active lobbying against regulation; Denial of sectoral role in structural events	Free-rider and bystander effect: denial of collective responsibility
Nature of Triggering event (Chapter 7)	Incident	Sectoral incident - event	Structural-systems crisis	(Imminent) Systems crisis
Nature of risk/opportunity	Managing in a VUCA world (Chapters 1 and 4)		Managing in an SDG world (Chapters 2, 3, 5 and 6)	
B. PURPOSE AND VALUE-ORIENTATION **Key Value Indicators (KVIs)**				
Sustainability orientation (Chapter 8)	Corporate *Self* Responsibility	Corporate Social *Responsiveness*	Corporate *Social/strategic* Responsibility	Corporate *Societal* Responsibility
Value dimension emphasis (Chapter 9)	Designing, creating, capturing value	Minimize destroying value	Maximize spreading value	Co-creating value
Stakeholder approach	'Trust me'	'Show me'	'Inform me'	'Involve/Engage me'
License to…	…Exist	…Operate	…Scale	…Experiment
Vision and motto	'Doing things right' 'Doing well' 'Just do it'	'Don't do it wrong and doing well' 'Just do it right'	'Doing good and doing well' 'Do the right thing'	'Doing good by doing well' 'Do the right thing right'

C. STRATEGY Key Decision-making Indicators (KDIs)			
KDIs	*1. Trigger*	*2. Internal alignment*	*3. External alignment*
Societal orientation	Regulation/rivalry/ competition/closed		Self-regulation/co-opetition/ cooperation/open
Use of position	Adaptation/downscaling/ substitution/product orientation		Transformation/scaling across/ complementary/systems integration
International strategy	Liability/risk		Responsibility/Opportunity

D. SDG PORTFOLIO ALIGNMENT			
Portfolio of SDGs	▪ General support for SDGs without prioritization; *or* ▪ Prioritization based on risk-mitigation	▪ Prioritization of specific SDGs/SDG-targets related to core activities ▪ Prioritization based on market opportunities	▪ Prioritization of SDGs/ SDG-targets based on optimization of impact (nexus approach) ▪ Prioritization addresses here/there, present/ future needs
Strategic opportunity	▪ Exploration of how core activities relate to SDGs (inside-out adjustment) ▪ Signalling sustainability ambition to internal and external stakeholders (reputation effect)	▪ Re-orientation on organization's longer-term value-generating potential and resilience; ▪ Identification of unmet needs and new (future) markets ▪ Feeds / informs strategic renewal and redirection; ▪ Creating first-mover advantages	▪ Sharper delineation of required business model change (and value proposition); ▪ Identification of actionable strategies; ▪ Informs strategic reconfiguration of business model/ activities/value chain ▪ Better targeted allocation of invested time, efforts, resources
Challenge	▪ Prioritizing those SDGs/ SDG-targets most material to core activities ▪ Translation of SDGs into value proposition and product/market portfolio	▪ Implementing strategic approaches that link internally and externally actionable SDG-targets to activities (core, value chain, sector, cross-sector) ▪ Instigating bandwagon effects (mobilizing value chain and sector	▪ Understanding the complexity between SDG-interactions and business activities; ▪ Optimizing net impact by reducing trade-offs and leveraging synergies ▪ Learning while doing ▪ Building a conducive innovation ecosystem (open innovation)

		actor) ■ Establishing an SDG-conducive level playing field	
Risk	■ SDG washing ■ SDG cherry-picking ■ SDG discontinuation	■ Too much focus on 'avoiding harm' SDGs (risk mitigation) and neglect of opportunities to meet unmet needs (doing good SDGs); ■ Insufficient transparency and accountability	■ Overstressing the negative effects (trade-offs) while not using the full potential of positive effects (synergies). ■ Tension between learning, performance and accountability