

**THE TRIPLE BOTTOM LINE**  
**Andrew W. Savitz with Karl Weber**  
**2006**  
**Book summary**

How today's best-run companies are achieving economic, social and environmental success-and how you can too.

- The time has come for this kind of book. For over 20 years socially responsible investing has been gathering steam. Since 2003, mutual funds and stocks that have followed this path have produced very positive returns for their shareholders. In the “old days”, performance was sometimes compromised if an investor wished to be socially responsible with their investing. This is no longer the case.
- The centerpiece of this book is **sustainability**. It is a look at how businesses can prosper financially while protecting and renewing the social, environmental and economic resources they need...and how they can fail if they do not tend to those resources.
- A sustainable business ought to be able to measure, document, and report a positive ROI on all three bottom lines:
  1. economic
  2. environmental
  3. social
- Sustainable organizations and societies generate and live off the interest rather than depleting their capital.
- A firm or organization that honours the principles of sustainability, by contrast, is built to last. But other human values are also important, including family life, intellectual growth, artistic expression, and moral and spiritual development.
- The book refers to a number of case studies of businesses that failed to achieve the TBL. (page 14) Here were some of the lessons learned:

1. Focusing on profit alone can backfire
  2. Businesses are accountable to more people than they may realize
  3. Bad things can happen to good companies that fail to take a broad view of accountability
  4. Stakeholder engagement is an increasingly critical component of successful management. A stakeholder is anyone who is affected by, or can affect, an organization. Internal or external.
  5. Politics is an inescapable part of business
- **The sustainability sweet spot**>>the place where the pursuit of profit blends seamlessly with the pursuit of the common good. The authors provide examples of businesses that have achieved this goal. GE and PepsiCo. More can be found by visiting the Dow Jones Sustainability Index, FTSE4 Good Indexes Index the Winslow Green Index and the Dow Jones STOXX Sustainability Index (European companies) web sites
  - **Finding the sweet spot**>>always be on the lookout for the overlap between profit and the public good. That's where opportunities lie.
  - The soft side of a sustainable business:
    1. company reputation, employee satisfaction
    2. customer good will
    3. the value of being considered a leader in your industry
    4. Human capital>>time, energy and talent. The business may experience a lower turnover of employees.
    5. positive media coverage vs. negative coverage
  - **Manage your reputation**>>on average, 75% of the fortune 500 company's assets are intangible. An attack on your reputation can be financially devastating.
  - **Sustainability Jujitsu: Turning crisis into opportunities**>>page 130 provides a number of very interesting case studies
  - Getting started as a sustainable business>>the authors suggest that you start small. Page 164 explains a process:
    1. Look at your customer's needs. Will your customers support you?
    2. Work with your supply chain. Will they support you?
    3. Leverage your current position
    4. Start with your current skill set.

5. Anticipate an impending change. Can you find new sweet spot opportunities?
6. Empower individuals>>>your team/employees must also believe in this mission
7. Pages 255 to 264 go into depth on the **key actions steps** to implement a sustainability management system.

### **Commentary from Wayne Taylor**

This is more than a book on SRI, (Socially Responsible Investing.) It is about how we as citizens, consumers, businesses and governments can have a say in the kind of world we wish to live in. Business and governments know the “rules of the game”. Businesses invest heavily to lobby government; they have PR firms to carry their message to the masses. The goal of capitalism is increase the economic pie and some capitalists do it at any price. The goal of the citizen/consumer is to demand the best price or return on investment. However, these private benefits usually have a social cost.

Can the socially responsible global citizen/consumer have their cake and eat it too? I believe we can. How about rules and laws that makes our purchases and investments **social** as well as **personal** ones. We can all play a part with this strategy. Business lobby’s government, you too can take action. Why not call on your local counsellor, MLA, MP and convey your message. Write your local paper.

**You cannot manage what you do not measure.** If one of the solutions was a 1% tax, I would not like to see this extra tax go into general revenue. If my government added a 1% tax on my income, I would want to be able to track where and how it was invested to save the environment. Dennis Creech of the Southface Energy Institute suggests asking better questions. “Everyone always asks, how much does green building cost? Better to ask how much more does traditional building cost you than green?”

If you have any good ideas on how you can make a difference, feel free to contact me at:

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