

Revolutionizing business with sustainable strategic management

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4 December 2024

Discover how Sustainable Strategic Management empowers businesses to lead humanity's transformation before Earth regulates our species into extinction

In an era of unprecedented global challenges, one powerful force stands uniquely positioned to reshape our future: business. However, traditional strategic management, focused narrowly on competitive advantage within industry boundaries, has led us catastrophically short of meeting today's complex challenges.

We need Sustainable Strategic Management (SSM) – a revolutionary approach that harnesses business's vast resources, global reach, and unparalleled influence to transform how humanity operates within planetary boundaries. This transformation isn't optional; it's imperative for business survival and human flourishing in the Anthropocene era.

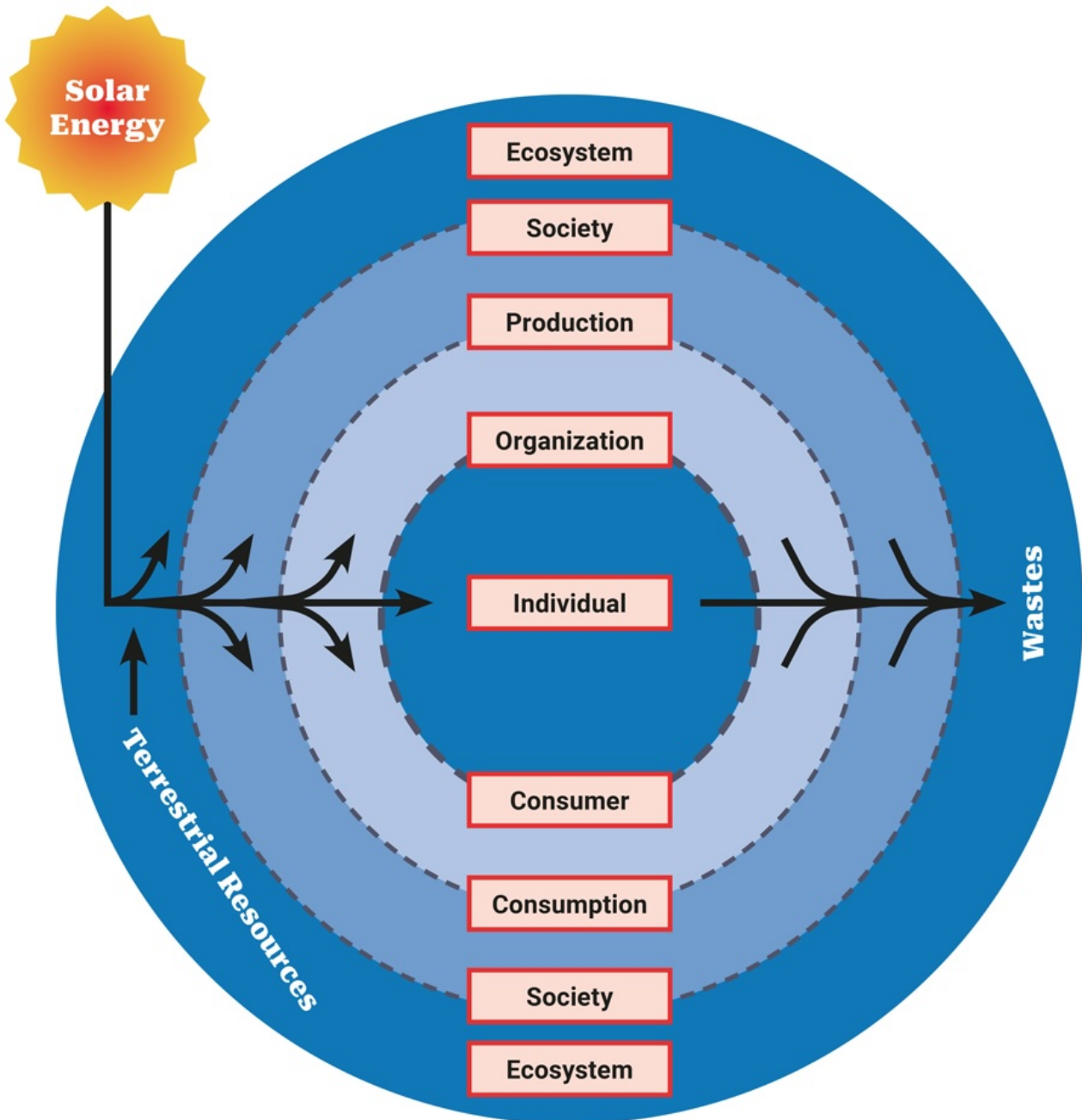
Sustainable Strategic Management: Power and potential

Traditional strategic management emerged in an era when business viewed itself as separate from society and nature – a dangerous illusion that has led us to the brink of multiple systemic crises. Today's convergence of environmental and social challenges demands fundamentally reimagining business's societal role.

SSM represents the next stage in the coevolution of strategic management for an interconnected world, where business success depends on creating value for all stakeholders while regenerating natural systems. While incorporating traditional strategic management, SSM represents a higher, more spiritual level of strategic management where business executives guide their firms to be agents of change.

Consider this: The world's largest corporations command resources exceeding those of many nations, with supply chains spanning continents and influence reaching billions of lives daily. Through SSM, this unprecedented power can orchestrate positive change across entire business ecosystems. From transforming global supply networks to reshaping consumption patterns, SSM provides the framework for businesses to become the primary catalyst for global sustainability and regeneration.

Yet most businesses continue operating with outdated mental models that ignore ecological limits and social responsibilities. SSM offers a profound shift in how we conceive of and practice business – not as an entity separate from nature and society, but as an integral part of living systems with the power to enhance their health and vitality.



Open Systems Model – showing nested hierarchy of systems from individual business operations through societal and ecological systems, emphasizing resource flows and feedback loops

The foundation: From neoclassical to ecological economics

SSM builds on ecological economics, positioning business within its true context as a subsystem of society, which itself exists within Earth’s biosphere. This represents a radical departure from traditional management thinking, which remains rooted in neoclassical economics and treats environmental and social impact as “externalities” to be managed rather than core strategic issues.

This shift isn’t just theoretical – it’s transformative for business practice. When business leaders see their organizations as part of larger living systems, they discover unprecedented innovation and value-creation opportunities. Ecological economics reveals how businesses depend on healthy social and ecological systems, making their regeneration a strategic imperative rather than a charitable addition to “real” business.

The transition from neoclassical to ecological economics fundamentally changes how businesses understand success. Instead of maximizing short-term financial returns at the expense of social and natural capital, SSM guides businesses to generate integrated returns that enhance all forms of capital – financial, manufactured, human, social, and natural. This expanded view of value creation opens new business innovation and growth horizons.

The Sustainable Strategic Management framework: A new paradigm

System boundary

Traditional approaches limit strategic thinking to industry boundaries and immediate stakeholders. SSM expands the strategic arena to encompass social and ecological systems, recognizing that business success depends on the health of these larger systems. This broader perspective reveals opportunities for innovation and value creation invisible to conventional strategic analysis.

Value creation

While traditional management focuses on capturing economic value, often at the expense of environmental and social value, SSM orchestrates the creation of integrated value across entire business ecosystems. This means designing business models that generate profits by solving environmental and social challenges. For example, companies can create value by developing closed-loop supply chains, implementing regenerative agriculture practices, or designing products for complete recyclability.

Time horizon

Traditional strategies optimize for quarterly or annual results, leading to short-term thinking that undermines long-term viability. SSM builds regenerative business models that create lasting value for current and future generations. This longer time horizon aligns business interests with the natural cycles of ecological systems and society's generational needs.

Understanding the polycrisis through SSM

The polycrisis we face – where climate change, biodiversity loss, social inequality, and resource depletion interconnect and amplify each other – stems directly from outdated management thinking. The evidence is stark: as of 2023, six of nine planetary boundaries sustaining human life have been breached, including the newly assessed novel entities boundary. Half the world's population could face water scarcity by 2025. The richest 1% owns half the world's wealth, while billions struggle in poverty. Forest cover disappears at alarming rates, and species extinction accelerates beyond natural rates.

SSM reveals these aren't separate problems to be solved in isolation, but symptoms of a systemic crisis in how business operates. More importantly, it provides the framework for systemic solutions. By understanding these challenges as interconnected aspects of a

single polycrisis, SSM enables businesses to develop integrated solutions that address multiple challenges simultaneously.

Traditional management approaches these problems piecemeal, if at all, treating them as externalities to be managed rather than core strategic concerns. SSM, in contrast, positions these challenges at the heart of strategic thinking, revealing opportunities for innovation and value creation in addressing them.

The SSM Open Systems Model

At the heart of SSM lies the open systems model – a revolutionary tool for understanding business’s role in society and nature. Unlike traditional strategic frameworks that isolate business from its context, this model reveals the dynamic flows and relationships between business activities and their larger context. It demonstrates how business operates within a nested hierarchy of systems, from individual to organization, through production and consumption systems of the economy, within society, and ultimately affecting the entire ecosystem.

Systemic interconnection

Every business decision creates ripple effects through multiple systems levels. A production choice affects not just costs and efficiency but reverberates through society and natural systems. SSM helps leaders anticipate and shape these ripple effects to generate positive outcomes across systems.

Boundary consciousness

Business operates within societal boundaries, which exist within ecosystem limits. Understanding and respecting these boundaries isn’t a constraint but a source of innovation, driving businesses to develop solutions that flourish within planetary limits.

Resource flow intelligence

Success depends on managing both solar energy (renewable) and terrestrial resources (finite) effectively. SSM guides businesses to design operations that maximize renewable resource use while minimizing and eventually eliminating finite resource consumption.

Regenerative impact

In nature, waste from one process becomes food for another. SSM applies this principle to business, designing operations where outputs from one process become valuable inputs for others, creating flourishing circular economies.

Flourishing circularity: SSM in action

Eastman Chemical Company exemplifies SSM principles through its groundbreaking initiative in France. This molecular recycling facility demonstrates SSM’s power to orchestrate multi-stakeholder solutions that create flourishing circularity – where circular

economy principles combine with regenerative practices to benefit entire business ecosystems. The project transcends traditional sustainability efforts by creating conditions where all participants thrive while regenerating natural systems.

Ecosystem orchestration

Rather than acting alone, Eastman utilizes a SSM multi-stakeholder, multi-sector strategy that coordinates a sophisticated network including government agencies, waste management companies, manufacturers, and brand owners. Each participant plays a vital role:

- Municipalities collect waste.
- Sorting facilities identify appropriate materials.
- Logistics partners ensure efficient transport, while manufacturers and brands commit to using recycled materials.

This collaborative network transforms what was once “waste” into valuable resources, creating new economic opportunities throughout the value chain.

Multi-sector integration

The project bridges the public and private sectors, combining government policy support, business innovation, and community engagement. By aligning diverse stakeholders around a common goal, Eastman creates a model where economic success directly drives environmental and social benefits. The facility not only reduces waste and carbon emissions but also creates green jobs and strengthens local economies.

Regenerative value creation

Beyond merely closing material loops, the initiative demonstrates how SSM creates conditions for system-wide flourishing. It generates new economic opportunities across the value chain, builds regional resilience through localized circular systems, creates high-skill jobs in the green economy, advances technological innovation in recycling, strengthens community ties through shared purpose, and catalyzes further sustainable investments in the region.

The Eastman case perfectly illustrates our open systems model in action. Their molecular recycling facility demonstrates how a business can operate across multiple system levels – from individual facility operations to broader societal impact – while managing resource flows intelligently and respecting ecological boundaries. The facility’s success shows how understanding and working with these systemic interconnections creates value at every level.

Transforming business education for SSM

The success of initiatives like Eastman’s demonstrates the immense potential of SSM in practice. However, realizing this potential across the business world requires revolutionizing how we educate business leaders. Traditional management education,

rooted in neoclassical economics, produces graduates equipped for yesterday's challenges. SSM demands new competencies that integrate systems thinking with practical business skills.

Systems thinking

Future leaders must understand the complex web of relationships illustrated in our open systems model. This means moving beyond siloed disciplines to teach integrated approaches that recognize business as part of larger social and ecological systems. Courses should emphasize how business decisions ripple through these interconnected layers, affecting both immediate stakeholders and the broader web of life.

Integrated value creation

Each business function transforms under SSM. Finance must embrace multiple forms of capital and true cost accounting, moving beyond traditional financial metrics. Marketing evolves to shape sustainable consumption patterns rather than driving excess consumption, creating authentic value for society. Operations focus on designing regenerative, circular systems that enhance natural capital while delivering efficiency. Strategy expands its scope to orchestrate ecosystem-level transformation for shared value creation across stakeholder networks.

Regenerative leadership

Tomorrow's business leaders must develop essential competencies for transformation. They need the vision to see opportunities in systemic challenges and the skills to orchestrate multi-stakeholder collaboration. This includes developing the wisdom to balance short-term pressures with long-term flourishing, while maintaining the courage to challenge outdated paradigms and lead transformative change.

Sustainable strategic management: The path forward

SSM represents more than a new management approach – it offers a pathway to transform business into a force for global regeneration. By adopting SSM principles, businesses can move beyond sustainability to create conditions for universal flourishing. This transformation isn't optional.

As planetary boundaries are breached and social tensions rise, traditional strategic management becomes increasingly obsolete.

The choice is clear: embrace SSM and thrive by creating value for all stakeholders while regenerating the living systems upon which we all depend, or risk irrelevance in a world that desperately needs business to lead positive change. The future of business – and our species – depends on making this shift.

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Stakeholder Details

- Article Categories
- Social Sciences
- Publication Tags
- OAG 045 - January 2025
- Stakeholder Tags
- East Tennessee State University - College of Business and Technology