Course philosophy and approach
This is an exhilarating and pivotal time to study “sustainable business.” On one hand, in every industry there are firms and individuals addressing sustainability as a fundamental concern for design and strategy. There have never been more business initiatives, published articles, and well-attended conferences on the subject. On the other hand, it appears that to many firms and in many public policy debates, sustainability and the natural environment remain low priorities. To many, the concept of “externalities” from economics applies: if a business activity generates externalities, making private firms responsible for eliminating these externalities is seen as an undesirable added cost.

My interest in teaching this course is to explore opportunities for sustainable business to be profitable. I believe that, unfortunately, too many people (including many people running business firms) settle for simple answers. To me, “waste equals cost, therefore eliminate waste” or “consumers will pay more for ‘green’ products” are just as simplistic as asserting that business cannot afford to reduce environmental impacts.

Therefore, the primary goal for the course is to address “sustainable business” issues critically and analytically. To achieve this, we will study a number of examples of firms that have sought to be both profitable and sustainable, and address what can be learned from these examples. We also will study established and emerging theories, models, and frameworks from business and economics, and address whether these are adequate to understand the problems and opportunities we see in the world. We will draw upon business functions and disciplines such as accounting, marketing, and production/operations – as well as strategy.

This course is one of three core courses for the Graduate Certificate Program in Environmental Management (EM). The premise of the EM Program is that the most important environmental problems of our era require that professionals in diverse fields have the motivation, perspective, and skills to engage in creative, multidisciplinary problem solving. While the substantive focus in this course is on frameworks from business and economics, engaging the perspectives of other fields is essential to the course and is a model for how professionals must work together.

Requirements
Readings and seminar analysis/contribution
Individual written papers – short (800-1200 words) analyses of 5 readings
Group project – research and write case study
Expectations
In general, students are expected to demonstrate the level of motivation, responsibility, and quality of work consistent with the explicit and implicit expectations associated with graduate study at a leading research university. Strict adherence to University of Washington standards with respect to academic integrity is expected implicitly by enrollment in this course. If you have any questions, please do not hesitate to ask me.

I expect that each student will contribute and help others benefit from her/his particular background and expertise, including models and knowledge from specific disciplines. Nevertheless, some expectations cross all disciplines: thinking critically and systematically, writing clearly, and communicating ideas and arguments in a seminar format. I assume we are all familiar with arguments addressing business and the environment that devolve into empty rhetoric. I feel it is my duty to insist that all assertions will be supported by logic and facts, and I expect that students will hold each other and me to this standard as well. I desire and anticipate a vigorous exploration of alternative points of view, but this must be carried out with unwavering respect for others.

Grades
An equal weighting of three components: contribution to the class (e.g., though discussion), individual written assignments, and the group project. (Note: if it is clear to me that the contribution of an individual to the group research project is significantly above or below that of other group members, the grade for the individual will be adjusted accordingly, up or down from the grade assigned the group.)

Contribution to class. Every student should be prepared to make high quality contribution at every class session based upon assigned material. This requires study, not simply reading, of these assigned articles and cases.

Individual assignments. Each student will be responsible for 5 short (800-1200 words) analyses. The first, due Monday January 10, is required of all students. The other 4 will be based upon individual choice; I will designate readings and questions that you may choose among. The individual written assignments must be completed and submitted by the beginning of the class session at which the related readings are to be discussed.

Group project. Details will be provided. I encourage each student to seek out and work with people from outside your “home” discipline.
Schedule and assignments

In addition to any specific links below, all these readings for classes through Wednesday, January 19 can be found – temporarily – at http://faculty.washington.edu/laverty/521/articles/.

Wednesday, January 5
Read the following three case studies published by the World Business Council for Sustainable Development. Think about the principles that underlie each. Do these cases have lessons that can be applied broadly to other firms/organizations?

Cargill Dow LLC: Nature works for NatureWorks™ PLA

Interface: Sustainability means “business as usual”

SC Johnson: Easing our ecological footprint

Monday, January 10
Read the following three articles:


Required: Submit an individual paper that [a] provides a thorough overview of one of these articles, and [b] compares and contrasts the major points of this article with the major points of the other two articles.

Wednesday, January 12
Guest speaker:
Krishna V. Nadella,
Co-founder and Director of Technology
MicroGREEN Polymers, Inc.

Readings can be downloaded from http://faculty.washington.edu/laverty/521/articles/Jan_12_MicroGREEN/

[Jan 14: I just realized that MicroGREEN is featured in the current issue of Sustainable Industries Journal http://www.sijournal.com/]

Monday, January 17 – UW holiday; no class
**Wednesday, January 19**
Guest speaker:  
**Burr Stewart**  
Director of Strategic Planning  
Port of Seattle

Environmental Impacts of Aviation Committee, Number E-C069.  
This can be downloaded from:  

**Monday, January 24**
This week, we will address innovation. This is central to business strategy (reference: the “baker” exercise on the first day of class) and, I will argue, is critical in moving toward sustainability.

Read the following “mini-case” Come to class prepared to discuss the questions. There is no written assignment, but I suggest that you jot down your ideas to prepare for the discussion.

Consider an agricultural system characterized by the following conditions:

1. Food is grown, stored, and distributed without chemical and/or toxic inputs (pesticides, herbicides, fungicides, fertilizers, preservatives, etc.)

2. Local regions are self-sufficient with farmland surrounding cities and towns and without trade among regions.

3. Food production and distribution are small scale and labor intensive. People who work on farms are well paid, work in safe conditions, and gain knowledge and skills from their work.

Is this system “in equilibrium”? Why or why not?

In what ways might this system change? What conditions might change and what would be the causes of these changes?

**Wednesday, January 26**

- Individual written assignment may be submitted for this session •

The following three articles are posted on the UW Libraries ERes page for this course:  


Porter & van der Linde (1995a) is the primary reading for this session. Porter & van der Linde (1995b) present a simplified version of many of the same ideas, and you may wish to skim this. I recommend reading Porter (1990), which presents Porter’s broader theory of the relationships of among competition, firm strategy, government strategy, and innovation.
• Assignment for January 26 (may be submitted as one of 5 required papers):

1. Describe the main arguments that Porter & van der Linde (1995a) present.

2. Recognizing that this is written approximately 5 years before the earlier articles we read (i.e., by Lovins et al., Senge & Carstedt, and McDonough & Braungart): identify and describe the similarities and differences between Porter & van der Linde (1995a) and these other articles. (I like to imagine a discussion in a research seminar in thinking about questions. What would Porter say in response to the others? What would they say in response to Porter?)

Monday, January 31

We will continue our discussion of the Porter & van der Linde theories/frameworks. In particular, I want to focus on 2 related questions: [a] how convincing is their argument that “better” regulation can stimulate innovation? And [b] what can owners/managers of companies draw from their work.

Also, I have posted two short articles on the UW Libraries ERes page: https://eres.lib.washington.edu/eres/coursepage.aspx?cid=3684. These represent different types of challenges to the position that profit and sustainability are compatible. Do we have good answers to the issues these authors raise?


Finally, I will take time in class to make sure that everyone has joined a group.

Wednesday, February 2

• Individual written assignment may be submitted for this session •

The following three articles are posted on the ERes page:


• Assignment for February 2 (may be submitted as one of 5 required papers):

1. Choose one of the three articles. Identify the major points that the author(s) offer.

2. To what extent can this article help us understand the opportunities and challenges involved in trying to establish sustainable and profitable businesses?

You may submit 2 separate papers (to count for 2 of 5 required); if so, one must be Ilinitch et al.
Monday, February 7
Guest Speaker:
Gifford Pinchot III
Co-Founder and Chairman
Bainbridge Graduate Institute

Recommended readings for Feb 7 and Feb 9


Wednesday, February 9
Guest speaker: Gene Kahn
Vice President for Sustainable Development
General Mills

Monday, February 14
• Assignment for February 14 (may be submitted as one of 5 required papers):

To quote from the syllabus (this was part of the first draft I wrote): “My interest in teaching this course is to explore opportunities for sustainable business to be profitable.” I would like to take this assignment for you to draw upon the sessions with Gifford Pinchot and Gene Kahn to take stock of the challenge of being profitable and sustainable.

With specific reference to the Pinchot and Kahn presentations:

1. Can we draw some conclusions on “points of agreement”? (This requires reference to a number of other sources as well as these presentations.) Identify and describe these, being as precise as possible.

2. Similarly, can we draw conclusions on major points of contention?

3. If you were asked to propose a research agenda for the field of “sustainable business”, what would be the topics? (Maximum five.) As above, be as precise as possible.

Wednesday, February 16
Group project/case study: informal interim presentation and feedback

Case (packet available at the Balmer Copy Center):

Interface’s Evergreen Services Agreement (9-603-112)

We have read about Interface in several articles, and the case study gives us a more in depth look at the company. Come to class prepared to discuss these questions: What are the *business* problems that Interface must address? What are the underlying causes of these problems? What alternative courses of actions do they have in the face of these
problems? What do you recommend? Why? There is no written assignment, but I suggest that you jot down your ideas to prepare for the discussion.

_Monday, February 21 – UW holiday; no class_

_Wednesday, February 23_
• Individual written assignment may be submitted for this session •

Case: Forest Stewardship Council (9-303-047)

Assignment (may be submitted as one of 5 required papers):

FSC-certified wood is “a good idea.” But for the underlying goal of certification to be achieved, the Forest Certification Council itself has to be successful as an organization. Describe the challenges that it faces in having a viable strategy and being a viable organization.

_Monday, February 28_
• Individual written assignment may be submitted for this session •

Case: Fuel Cells: The Hydrogen Revolution (9-804-144)

Supplemental reading:


Assignment (may be submitted as one of 5 required papers):

1. Given the information provided in this case, do you conclude that hydrogen fuel cells create profit opportunities? Explain why or why not. (Make sure you think in terms of the entire value chain.)

2. Given the information provided in this case, discuss the extent to which hydrogen fuel cell-powered transportation is more or less environmentally sustainable than petroleum-powered transportation. Make sure that your criteria for sustainability are clear.

3. To what extent is the case of hydrogen fuel cell-powered transportation a good example of the need for understanding the interplay among business, science, and public policy?

_Wednesday, March 2_
• Individual written assignment may be submitted for this session •

Case: Patagonia (9-703-035)

Assignment (may be submitted as one of 5 required papers):

Patagonia is widely cited as an example of a company that has been able to be highly profitably while being both environmentally sustainable and socially responsible.
1. Based upon the information in this case, what major business issues must Patagonia address? Develop recommendations regarding these issues for their upper management, providing your rationale.

2. Based upon the information in this case, to what extent can Patagonia’s approach to business be used as a “model” for other businesses? Explain.

*Monday, March 7*
To be announced

*Wednesday, March 9*
Group project/case study: final report due; informal presentation