PR.9
Pitching the benefits of eco-innovation to the CEO

Complex activity

This activity provides guidance on how to pitch your eco-innovation services to the CEO of one of your target companies.

INPUTS

- Value Chain Pitch, from the activity *PR.6 Developing a value chain pitch.*
- Meeting scheduled with senior management representative(s) at several companies in your target market, from the activity *PR.8 Planning and implement engagement activities.*

OUTPUTS

- Approval from the CEO to proceed to the next phase in the process *SET STRATEGY*. This output is not used elsewhere but it essential to allow you to proceed.

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Before you meet with the CEO you will need to decide whether to present a pitch for funding of the complete eco-innovation implementation service or will simply be requesting permission to get internal access to the company so that you can proceed through the activities of the *SET STRATEGY* phase (which may or may not be funded depending on the approach you decide to adopt).

For the purpose of this manual it is assumed that at this stage you are requesting permission to get internal access to the company so that you can proceed through the activities of the *SET STRATEGY* phase. Below is a suggestion for the topics to include in your pitch to the CEO. Much of the content of this pitch can be based on the value chain pitch but should be made more specific to the company you are targeting and you should avoid repeating the generic content if the CEO has previously seen your value chain pitch.

HOW TO GO ABOUT IT

Prepare a pitch to the CEO based on the following outline:

- Brief introduction to your organization and the services it provides.
- Describe what eco-innovation is.
- Highlight the need for eco-innovation by describing some of the high priority threats and opportunities that you have identified.
- Discuss the potential business benefits for the company of eco-innovation – these can be based on your value chain pitch but should be tailored where possible to the specific context of the company.
- Give examples of how eco-innovation has benefitted other companies. Case studies can be found in the *Business Case for Eco-innovation* (UN Environment, 2014), but local/national/regional examples or examples from the same industry in other countries and your own experience are always preferable.
- Emphasize that implementing eco-innovation is a long-term, strategic initiative that will require the on-going support and commitment of the senior management team if it is to be successful.
- If relevant, mention the partnerships you have formed with stakeholders that will ensure that you have access to the competencies, skills and knowledge required to deliver a comprehensive eco-innovation implementation service.
- Finish by discussing next steps.

When requesting permission to proceed there are a number of key questions that you should try to address to help the CEO make a decision (with some generic answers):

- **How will proceeding to the next stage benefit the company? –** A business strategy will be formulated that will capture the long term vision for the company as well as strategic goals. This strategy will be used throughout the rest of the process to guide the eco-innovation activities.
- **What will you do? –** Conduct a Preliminary Assessment to build a better understanding of the company and identify specific opportunities for eco-innovation across the life cycle of its products. This will involve reviewing their existing business strategy, business model and operational strengths and weaknesses. Based on the information gathered a revised business strategy that incorporates eco-innovation will be proposed for the company.

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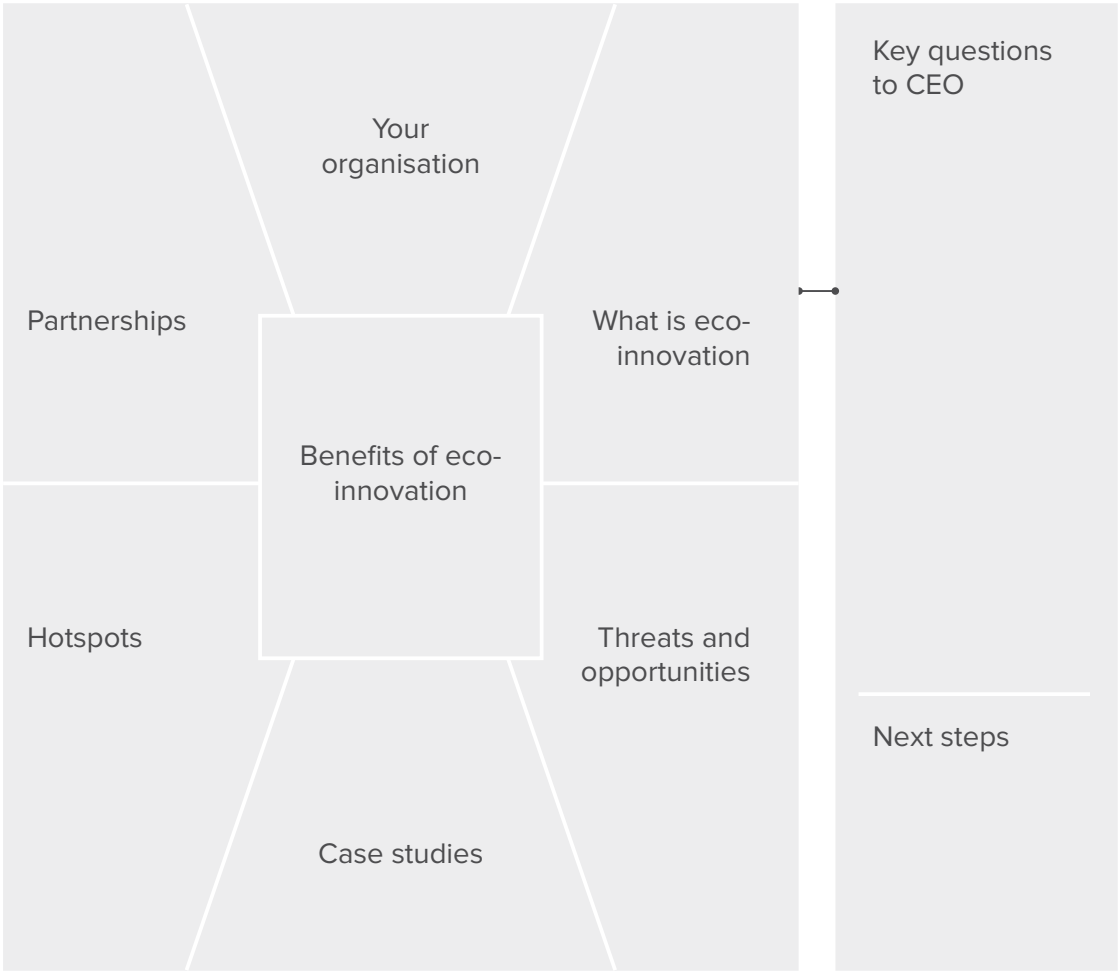
- **What will be the outputs and deliverables? –** A report that summarizes the findings from the strategy review and workshop and goes on to propose a revised business strategy for the company. In a subsequent meeting, the Service Provider will return to present the findings from the report and to discuss the support services required to enable the implementation of the strategy throughout the company.
- **What involvement from senior management and other personnel will be required? –** 1.5 hours with the CEO to review the current business strategy, one-day workshop with key personnel from across the company to help identify operational strengths and weaknesses. After the completion of the report a one-hour meeting with the Senior Management Team will be arranged to present the findings and a pitch for the implementation services.
- **Will you require funding from the company? –** No, not at this stage (see Tips & Tricks).

Template of Initial Pitch to CEO



Initial pitch to CEO

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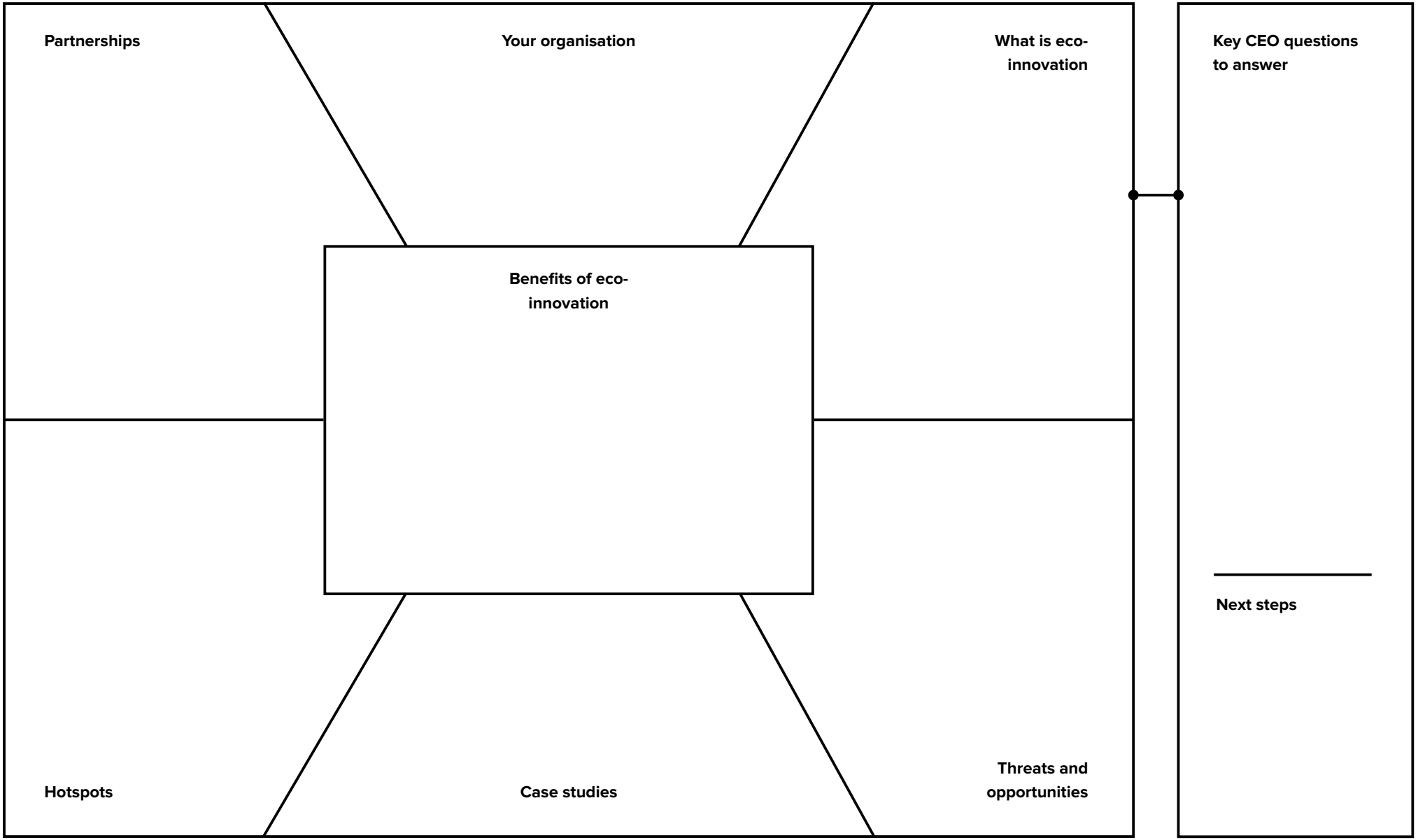

Used during activities

PR.9

Eco—i Templates

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Eco—i Manual

LEARNING CASE STUDY OF INITIAL PITCH TO CEO

Partnerships

Partnerships established with:

- *Fisheries Agency*
- *Ministry of Industry*
- *Local universities*

Able to bring in additional technical expertise as required on topics such as:

- *Production process modelling*
- *Sustainable fishing methods*

Your organisation

- *20 years experience in sustainability consultancy*
- *Significant experience in agri-food industry*
- *Strong links with local universities*
- *Team of ten experienced consultants*

What is eco-innovation

- *Begin with business strategy*
- *Holistic approach required*
- *Co-operation across the value chain*
- *Economic, social and environmental aspects of sustainability*

Benefits of eco-innovation

- *Ensure continued and sustainable supply of tuna*
- *Reduce waste and costs in the value chain*
- *Access new markets that value sustainable products*
- *Address social issues in the company and the value chain*

Hotspots

Fishing:

- *Overfishing and the impact of by-catch*
- *Working conditions on fishing boats*
- *Rising cost of tuna*

Energy in production

- *Cold storage*
- *Cooking process*

Waste

- *Significant fish loss and waste*

Threats and opportunities

- *International fishing companies*
- *Consumer demand for sustainable products*

Case studies

- *Show UN Environment 'Business case for Eco-innovation' case studies*
- *Achieved $50,000/year production cost saving for Tasty Rice Company.*

Key questions to answer for CEO

- *Benefits of proceeding to next phase?*
- *What will be done?*
- *Outputs and deliverables?*
- *Involvement from Senior Management Team?*
- *Funding required?*

Next steps

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TIPS & TRICKS

MUST MEET CEO

It is important that you meet with the CEO of the company at this stage (and not other members of staff, even if they are part of the senior management team) to ensure that there is interest and engagement from the very top of the company. If the CEO is not willing to meet with you, then it may be a sign that the company is not yet ready for eco-innovation.

WHEN TO CHARGE

If you believe that the company will derive significant value from the work you do during the *SET STRATEGY* phase then it will be preferable to charge for this as a service in its own right. If not, the time you spend on these activities will form part of your sales and marketing overhead.

→ Further information in the Chemicals and Metals Supplements

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Eco—i Metals

BACKGROUND INFORMATION

At this point of the eco-innovation process, you have gathered all the necessary information on the target value chain and are ready to engage a company to offer your services as an eco-innovation service provider. From this point onwards in the supplement, we will use the hypothetical company BikeBizz Co. as a learning case study to provide practical examples of implementation of the eco-innovation methodology and selected templates at a company within the metals value chain.

Description of the BikeBizz Co.

The results of your desktop research and the completion of the eco-innovation *Target Identification* template identified the sector fabrication of metal products as a key sector that would benefit from eco-innovation services. The bicycle market in particular is currently showing signs of growth, in particular consumers are putting more value on high quality and sustainably produced bicycles[8].

After attending a local trade fair of manufacturers and wholesalers of bicycles and related parts, you identified the BikeBizz Co. as an ideal candidate for the implementation of eco-innovation due to its strategic position in the value chain, good position in the local market and as well its forward-thinking management team.

BikeBizz Co. is a small company specialized in the production of standard bicycles offering customization on customers demand.

The company was established by a cycling fan to produce bikes for the local market. The company employs 25 people and produces around 1500 bicycles per year.

BikeBizz Co. builds the frames including fork and handlebar out of purchased steel tubes and applies a corrosion protective coating and a final coating of paint. The company also produces the spokes out of steel wire, which are assembled with the other purchased wheel components. The finished wheel is balanced. Finally, the frame and wheels are assembled with the other bike components, also acquired from suppliers. The bicycles can be adjusted to customers' specific requests including for example frame design customisation to fit different applications (e.g. freight transportation).

The bikes are predominately sold to the local market through their small retail shop. A small percentage of their bikes are exported to a neighbouring country.

The majority of the employees are involved in the production processes (e.g. frame building, assembling, finishing). The management staff, altogether three, includes the director, the sales and customers' manager and the finance officer. They also have a salesperson running their retail shop.

Now that you have identified some key sustainability challenges and opportunities faced by the Company, you can use the output from the *Life cycle Stakeholders* template to help you identify the key partners with whom you could engage to offer eco-innovation solutions (see PR.3).

The following list describes how some stakeholders could potentially contribute to eco-innovation activities in the value chain:

Based on the completed *Life cycle Stakeholders* template for the BikeBizz Co., the key partners include:

- Suppliers of metal raw materials (e.g. tubes) and parts – ensure metals are sustainably sourced and optimize mechanical properties for production and use over the product's lifetime

[8] http://www.cbi.eu/market-information/metal-parts-components/metal-parts-bicycles

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- Equipment suppliers – optimize resource efficiency of existing equipment; potential application of 3D printing and additive manufacturing to significantly improve material efficiency
- Chemical suppliers – improve corrosion protection and extend the durability of the bike; eliminate heavy metal containing pigments (e.g. lead-containing pigments)
- Customers – involve customers in workshops to assist in identifying key bike features and functions, as well as determining desirable payment schemes.

Your brief analysis of the subsectors of the metals sector produced the following representative life cycle diagram related to the life cycle of bicycles.

Market opportunities for bicycle manufacturers

- Using sustainable materials: recycled metals, solvent-free and lead-free paints, natural rubber tyres or made from recycled material
- Application of alternative metal processing techniques and materials to reduce energy consumption and improve material efficiency
- Design for reparability and recyclability
- Cooperating with a local NGO contributing to improving life quality of local populations or involved in the sustainable transportation initiatives offering sustainably produced metal products/bikes (e.g. partnering in awareness raising and creating better visibility, possible revenue stream)
- Diversifying into the production of bikes used for other uses (e.g. multi-purpose bikes), offering maintenance services (directly or through repair shops)

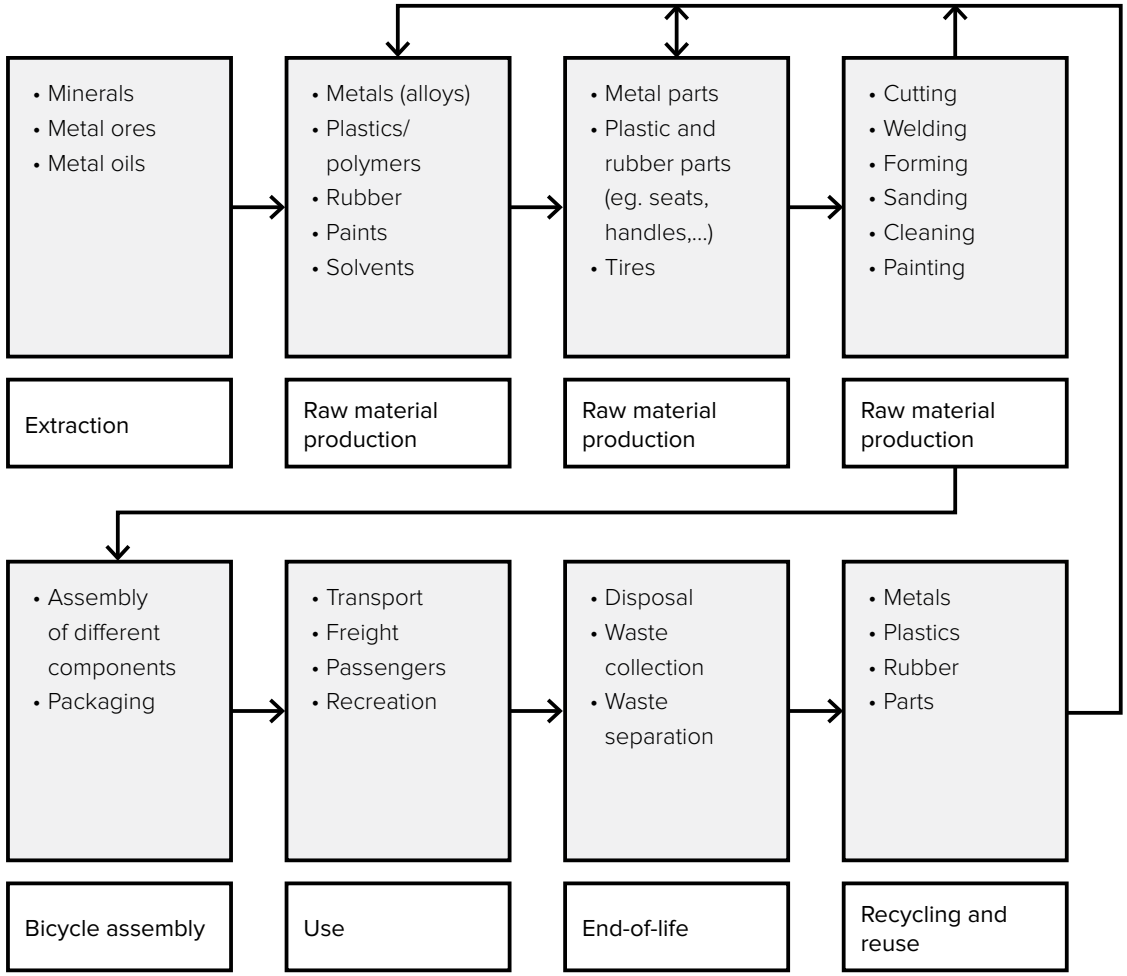

Figure 6 Representative life cycle diagram for the bike market