

# The Right Stuff: Who Will Lead Sustainability for Your Company?

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# Agenda

- Objective: HR Steps up to the Sustainability Plate
- Definitions of Sustainability
- Findings: Chief Sustainability Officer (CSO) Study
- Discussion
- CASE Application
- Debrief and Take-Aways



Since 2002, Hudson Gain has helped large and small companies across industries and functions to:

“Build or Buy” their leadership talent.

- Talent Acquisition
- Talent Development
- Change Management
- Employee Engagement

We help companies achieve sustainability for the long term, including helping companies:

- Hire or appoint Chief Sustainability Officers
- Build employee engagement for Sustainability



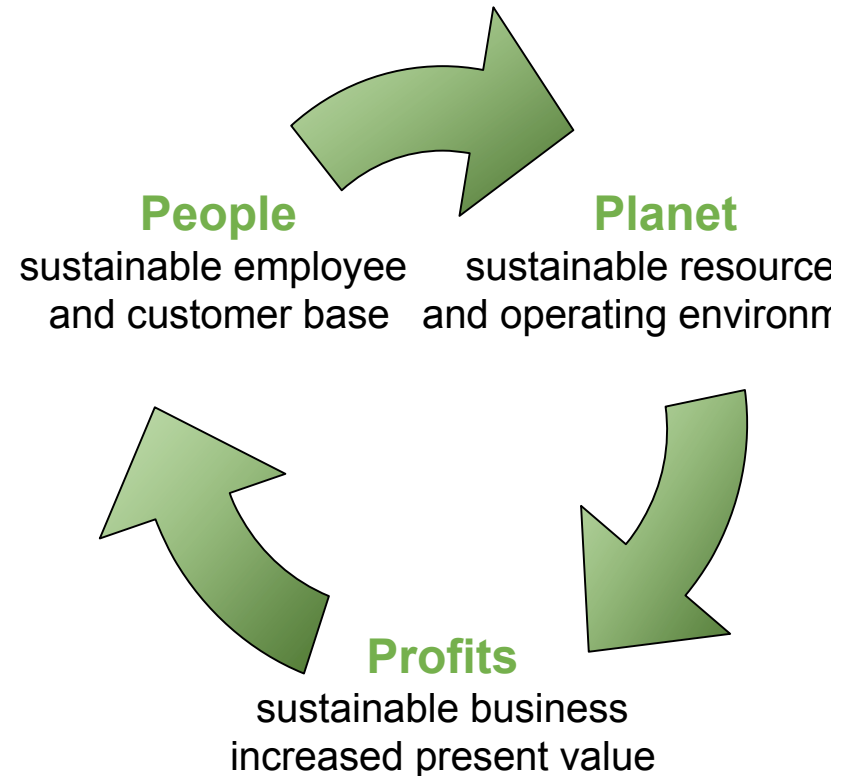
Magazine Publishers of America



# Definitions of Sustainability

- “Meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

Brundtland Commission  
(1987)



# The Hudson Gain CSO Study

## *Going Green?*

### ***Don't Hire a Sustainability Chief Until You Read This Study!***

<http://www.slideshare.net/RThorne/HudsonGain-Sustainability-Study-20081015>

- CSO requirements, responsibilities, challenges
- Fill Internally vs. externally
- Top People/Companies
- Sustainability 1.0 vs. 2.0
- 60+ interviews, 1200 firms



# Sustainability Leadership Varies Widely

- **Motivations:**
  - Competitive advantage
  - Employees and Customers want or require Green
  - “Cap and trade”/inevitable legislation and regulation
  - Gov’t Incentives: American Recovery and Reinvestment Act 2009
  - The Right Thing to Do
- **Level:** In US a C-level or mgt leader; in Europe, Board/Management Committee (sustainability/profit trade-offs)
- **Structure:** Embedded in culture and decision-making, or handled through a function/silo/matrix (remember TQM?)
- **Reporting:** Corporate Social Responsibility(CSR); Environment, Health&Safety(EHS); Operations/SupplyCha



# For CSO, No “one size fits all,” but Clear Themes

- Leadership AND Management experience
- Builders/Creators vs. Managers/Maintainers
- *Currently*, more come from within, supported by internal specialists and external consultants; inevitably, external searches will be done (again)
- CSOs come from EVERY function, depending on industry, strategy, competitors, culture, degree of regulatory oversight, style
  - EHS, Operations, Supply Chain, R&D, Engineering, Marketing, Sales, PR, HR, Law, Finance, Compliance



# Great CSOs are Rare, Multi-Talented People

- Communication
- Technology
- Financial/ROI
- Measurement
- Innovation
- Ethics
- Supply Chain
- Operations/Structure
- Culture

***Leadership***

*Clear Vision*

*Passion*

*Organizational  
Respect*

*Persistence*

*Tenacity*

*Emotional  
Intelligence*



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# In Your Company, the CSO Would Need...

- Credibility and track record?
- Industry/competitive knowledge?
- Functional/technical/strategic/P&L experience?
- Decision-making authority, staff and resources?
- Planning, project management, execution skills?
- Knowledge of company players, political savvy?
- Leadership skills to bridge silos, manage change?
- Culture, style, negotiation, influence strengths?



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## Discussion:

- Where is your organization now, regarding the leadership of Sustainability?
- In the next year, where could it be?
- How could you/HR facilitate that happening?

If you are in transition or a consultant, think of one of your prospective employers or clients



# CASE - Character Action Simulation Exercise

The Beverage Company, BevCo, is about to fill the role of CSO. You are a member of a committee that will decide between 2 finalist candidates, one internal, one external (or, if needed, you can hire an executive search firm).

## Instructions:

- Get into groups of 4
- Each gets a role and instructions, including the two bios
- Each team has a CFO, EHS, Public Affairs, HR (who facilitates)
- Your task as a group: Select one of two candidates as CSO (or, you can decide to hire an executive search company)
- Debrief as a Group



# Tips for Appointing or Hiring a CSO

- Get senior management aligned
  - Focus role, responsibilities, requirements, budget
  - Understand what outside/consulting support needed
  - Set objectives based on strategic priorities
- Use a rigorous selection process
  - Consider internal and/or external candidates
  - Do it right and/or get outside help
- On-board **even** internal appointments
  - Align for collective success, know WIIFMs
  - Use Stakeholders to make CSO an “insider” fast
- Expect continuous learning



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# Let us know your Sustainability Successes and Challenges!

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