Innovations in Sustainability

To what extent can competition between companies encourage innovations in sustainability that have the potential to solve some of the world’s major challenges? Using a series of case studies, this book pits closely related competitors against each other to examine the progress in and obstacles to the evolution of sustainable innovations in energy efficiency, solar power, electric vehicles and hybrids, wind energy, healthy eating, and agricultural productivity. It delves into the efforts of Tesla Motors to bring about a revolution in personal transportation, and the challenges Toyota and General Motors (GM) confront in commercializing hybrids. It explores the movement to healthy food by cereal companies General Mills and Kellogg’s, and depicts the battles between Whole Foods and Walmart for the world’s palate. By examining the experiences that particular businesses have had with sustainable innovation, this insightful book reflects upon lessons learned and encourages readers to think carefully about the challenges that lie ahead.

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The increasing attention given to environmental protection issues has resulted in a growing demand for high-quality, actionable research on sustainability and business environmental management. This new series, published in conjunction with the Group for Research on Organizations and the Natural Environment (GRONEN), presents students, academics, managers, and policy-makers with the latest thinking on key topics influencing business practice today.

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ahavat Lebi and ezer cenegdi
Contents

List of figure and tables page ix
Foreword xii
Acknowledgments xv

Introduction: the path to sustainability 1

Part I Funding sustainable startups
1 Leaders of the pack: Khosla Ventures and KPCB 13
2 Scaling up: Intel Capital and Google Ventures 50

Part II Business models
3 Follow the sun: First Solar and Suntech 87
4 Making a revolution: Tesla and Better Place 110

Part III The macroenvironment and industry context
5 Ticket to ride: Toyota and General Motors 147
6 Blowing in the wind: Vestas and General Electric 171

Part IV Finding customers
7 Carrying that weight: General Mills and Kellogg’s 203
8 Bridge over troubled waters: Pepsi and Coca-Cola 226
Contents

Part V  Competition between mission and non-mission based businesses

9  Consensus capitalism: Whole Foods and Walmart  259

10  Sustainability’s next frontier: DuPont and Monsanto  296
    Concluding observations: the journey continues  332

Index  348
Figure and tables

Figure

1.1 Clean energy venture deals and US $s invested, 1995 to 2012 (United States)  

Tables

0.1 Sustainable innovation: evolutionary stages 6
1.1 Returns to clean energy and other VC investment categories, 2002 to 2006 18
1.2 Khosla Ventures and KPCB participation in clean energy deals, 2004 to 2013 24
1.3 Wind startups in need of funding 45
1.4 Status of Khosla Ventures' and KPCB's clean energy deals, 2013 48
2.1 Intel Capital’s and Google Ventures’ clean energy deals by category, 2014 55
2.2 Status of Intel Capital’s and Google Ventures’ clean energy deals, 2014 56
2.3 Bankrupt or acquired thin film CIS/CIGS solar cell manufacturers 74
3.1 The decline in Chinese solar shipments to the United States, 2011 to 2013 88
3.2 A comparison of First Solar and Suntech’s financials, second quarter 2014 94
4.1 Can Tesla achieve a break-even point with its proposed Model E? 111
4.2 United States' luxury car sales, 2013 122
4.3 Tesla’s financials compared to those of other major automakers, July 2014 123
5.1 Largest oil reserves and producers in 2014 151
List of figure and tables

5.2 Market share of US-sold hybrid electric vehicles, 1999 to 2013, by manufacturer 159
5.3 Sales of US hybrid electric vehicles by manufacturer, 1999 to 2013 160
5.4 The efficiency of hybrid electric vehicles: US Environmental Protection Agency 2014 ratings 161
5.5 Plug-in hybrid electric vehicles: sales, efficiency, and battery range by manufacturer, 2014 165
6.1 Wind power revenue global change, 2002 to 2014 172
6.2 Wind power company global market share, 2010 to 2013 173
6.3 Vestas’ and GE’s financials compared, July 2014 174
6.4 Levelized energy costs for electric power production alternatives, 2012 176
6.5 Megawatts of installed wind production capacity in 20 countries, 2003 to 2013 180
6.6 Percentage megawatt growth in wind capacity in four continents, 1999 to 2013 182
6.7 Global market share of top five Asian wind power firms, 2010 to 2012 183
6.8 Global wind power firm attrition 184
6.9 Location of Chinese wind power generating capacity, 2012 185
6.10 Wind power jobs 190
7.1 Hunger and overnutrition: the twin problems in 2010 204
7.2 The financials of General Mills, Kellogg’s, and Nestlé, August 2014 206
7.3 Revenue changes in the ready-to-eat cereal industry, 2000 to 2013 207
7.4 Environmental, social, and governance scores for US food companies 208
7.5 Healthiest and unhealthiest breakfast cereals 217
8.1 Beverage category growth in value and volume consumed, 2008 to 2013 229
8.2 Major world tea markets, 2008 and 2013 230
8.3 Company market share in tea in Asia, 2008 and 2013 231
8.4 Major sports and energy drink markets in the world, 2008 and 2013 232
8.5 Bottled water consumption in developing countries, 2008 and 2013 233
List of figure and tables

8.6 United States’ bottled water revenue growth, 2000 to 2013 233
8.7 Major world juice markets and market share, 2008 and 2013 235
8.8 Coca-Cola and Pepsi global market share in carbonated soft drinks, 2008 and 2013 236
8.9 Global market share in snack foods, 2008 and 2013 237
8.10 Global and US snack food sales, 2008 to 2013 238
8.11 Soda drink market share in India, 2008 and 2013 244
8.12 Soda drink market share in Mexico, 2008 and 2013 245
8.13 Change in soda drink consumption in select Muslim countries, 2008 to 2013 247
8.14 Soda drink market share in select Muslim countries, 2008 and 2013 248
8.15 Beverage company financials compared, July 2014 254
9.1 Quarterly revenue growth and other financial indicators of major food retailers, August 2014 261
9.2 Sustainability scores of major food retailers, August 2014 264
9.3 Revenue growth in the retail food industry, 2000 to 2013 271
9.4 Comparative prices of organic food sold at Walmart and at other supermarkets 274
10.1 Benefits and controversies about genetically modified products 306
10.2 Major divisions of Monsanto, Syngenta, and DuPont, 2006 317
10.3 Agriculture chemical company financials compared, August 2014 322
10.4 Sustainability scores of major chemical companies, September 2014 322
10.5 DuPont’s segments, products, markets, and sales, 2013 324
The relationship between business and the environment has become extremely popular. Amazon lists 22,500 books under the heading “sustainable management” and 80,000 titles under “environmental management.” There are of course many reasons why so many books on these topics are being published. One is that many firms are finding themselves under substantial pressures from government, consumers, employees, and the general public to improve their environmental performance. They want and need guidance as to how to accomplish this – information that such books provide.

A second reason is that a growing number of executives and investors have become persuaded that there are substantial business opportunities associated with becoming more sustainable. The very term “sustainable management” represents an effort to link improved environmental performance with long-term growth and profitability. Thus a “sustainable company” is one that has successfully managed its long-term ecological impact in a way that also assures its future financial viability, with the two goals reinforcing one another.

The claim that becoming “greener” can make a firm more profitable dominates writing on sustainable management. What makes this claim credible is that many firms have financially benefited by becoming more sustainable. As this book demonstrates, venture capital firms have prospered by investing in clean energy, investments in solar and wind power have proven profitable, there is a market for more fuel-efficient vehicles and other environmentally friendly consumer products, and many consumers want to purchase healthier food.

The stories of such business successes are certainly inspiring. But what is less clear is what lessons they have to teach. For by only highlighting “win–win” stories, the literature on sustainable management often winds up making it look too easy – just because some firms have made profitable green innovations does not mean that other firms
Foreword

can successfully do so. Equally important, focusing on green business successes overlooks the equally valuable business lessons from firms whose green innovations have proven disappointing.

What makes *Innovations in Sustainability* a truly innovative book is Alfred Marcus’s ability to integrate his extensive knowledge of sustainable management with a sophisticated understanding of corporate strategy. As he notes in his introduction, green innovations are most usefully understood as a strategic choice. Like any corporate strategy, they involve uncertainty, or predictions about the future that may or may not prove valid. This is especially true to the extent that their successful achievement often depends on favorable public policies.

The case studies in this book are not only exhaustively researched, but they place each of the firms whose experiences they describe in a broader context. Marcus’ detailed case studies enable us to clearly understand the several choices each of these firms made over time, how they affected one another, and what they have and have not accomplished – both financially and environmentally. They clearly demonstrate why the path to sustainability is so challenging and complex – in essence no different than any other corporate strategy.

By ending each chapter with a series of questions that highlight the strategic choices that now confront each firm, Marcus reminds us that sustainable business objectives are never achieved. Rather they represent an ongoing challenge; the path to profitable sustainability is an endless one. Just because a firm has succeeded in financially benefitting from green innovations in sustainability in the past or present does not mean that it will also be able to do so in the future.

Another feature that distinguishes this book from other studies of “green” business is its sophisticated recognition of the importance of the competitive context. By organizing its chapters in a way that pairs each company with a similar or comparable one, Marcus reminds us that green business strategies do not occur in a vacuum. A sustainable company must not only succeed on its own terms: its success often requires it to be better than its competitors. Students of business strategy understand this, but too many of those who write about successful green business strategies do not.

*Innovations in Sustainability* covers an enormous amount of ground; while it is organized around individual firms, few dimensions of current
environmental concerns fall outside its scope. It makes fascinating reading and represents an original and much needed contribution to our understanding of the challenges facing sustainable innovations.

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