**University of Makeni, Sierra Leone – Sustainable Enterprise.**

**An Introduction**

‘Business’ is thought to produce the levels of wealth creation that allows economies to offer its citizens an increased quality of life – but for some this is a premise that it is increasingly being challenged.

Those who offer an alternative form of enterprise are known to be supporters of **Social Enterprise** and its more recent form, namely **Sustainable Enterprise.**

A business developed in this formis an enterprise that has minimal negative impact on the global or local environment, community, society, or economy. Put simply, it is trying to devise a business plan that focuses on what some have called the [**triple bottom line**](http://en.wikipedia.org/wiki/Triple_bottom_line).

It is BOTH acceptable and normal for sustainable businesses to follow progressive environmental and [human rights](http://en.wikipedia.org/wiki/Human_rights) policies. Though still in its ‘infancy’ this form of business normally exists to fulfil FOUR basic objectives. These are:

1. To build into all its strategies the principles of sustainability and incorporate these into all of its [business](http://en.wikipedia.org/wiki/Business) decisions.
2. To strive to develop and supply [environmentally friendly](http://en.wikipedia.org/wiki/Environmentally_friendly) products or services and move towards a time when such goods and services will be bought in place of what are loosely known as ‘non-green products’ and/or services.
3. To be seen and accepted as greener than ‘traditional’ business.
4. To build into all business models a commitment to develop environmental principles in its business decisions.

The awareness of **NATURAL CAPITAL** – the finite resources that surround us and on which we all depend is a relatively new concept in economics – it has given rise to a new type of economist, namely an Environmental Economist.

Conventional economics and business techniques were taught involving **3 P’s – price, production and profit. T**o these we now have to add – **People and Planet.**

The growth in **globalisation** and the main drivers of this, namely **Multi-National Corporations** (MNC’s) has led to an intense period of resource use. Whatever the advantages of such global trends might be, we have for too long ignored the **FINITE** issues of ‘planet earth’ and the now widely accepted fact of climate change. For those living and working in a developing country, it is clear that resources are acquired by MNC’s at what might be best called ‘competitive’ rates and that the money flows to the ordinary citizenship is less that satisfactory. To some, this is a model which bears a close resemblance to colonialism. It is also widely accepted that ‘industrialised’ countries are the largest polluters, yet it will be the ‘developing world’ who pays the greatest price for the changes taking place in temperatures and sea levels etc.

Let’s look in more detail at what was earlier referred to at the Triple Bottom Line:



A quote from John Elkington, who first thought of this principle:

It was 1994 that the phrase “triple bottom line” came into my mind. It wasn’t an easy birthing because I’d been thinking for almost 18 months, trying to come up with a term that would capture what to me was the full business agenda under the sustainability heading. At that time, with the best will in the world in many ways, people like the World Business Council for Sustainable Development were talking about eco-efficiency and basically seeing that as the royal road to sustainability. But I was, I think a number of people were, worried that if you just take financial and environmental, or at least resource efficiency (which is basically what they were doing with the eco-efficiency concept), you were missing out on large clubs of wider sustainability agenda. You were missing out on the economic impacts that companies and business generally have. And you were certainly missing out on the social agenda, which is the Mother Jones space to some considerable degree. That wasn’t totally accidental. I think quite a number of multinational corporations, in particular US corporations, were quite spooked by the whole social agenda and actively steering away from it. So “triple bottom line” was very consciously business language, trying to get under the guard of business people.  
  
Read more: <http://2ndgreenrevolution.com/2009/05/11/a-new-business-model-the-triple-bottom-line/#ixzz3aCaTMQ2x>

By looking at through this new and for many exciting way of harnessing enterprise with social responsibility what we now know as the triple bottom line, organisations can use methods of business development that ensure they assess their progress on **social, economic and environmental levels.** While most economic objectives are measured **quantitatively**, the environmental and social equity components have to be viewed as **qualitative** attributes.

The triple bottom line enables companies to include these difficult to measure, yet vitally important, areas in their decision making. The Triple Bottom Line is now being taught in business schools all over the world, and over half of U.S. business schools mandate courses in corporate responsibility. By incorporating this concept into education, schools practice and teach an idea critical to the success of the second green revolution, while ensuring sustainable development – the developing world does **NOT** have to copy the old ways used by the economies that grew rich on the resources of others and with little, if any, care for the environment.

This is a marvelous opportunity for students to commence their studies with a new paradigm and incorporate this into all their thinking. The way forward has to be by **blending tradition with modernity** and making certain that the mistakes of the past are not repeated. We have to put people and planet on the same level as profit m- surplus can be earned but not at such a price that resources are over used, people exploited and the delicate climate system associated with life on the planer terminally damaged.  
  
Read more: <http://2ndgreenrevolution.com/2009/05/11/a-new-business-model-the-triple-bottom-line/#ixzz3aCavgFp7>

As we introduced these ideas to ourselves, let’s take time to look a little deeply at the Triple Bottom Line.

The triple bottom line is a form of reporting that takes into account the impact your business has in terms of **social and environmental values** along with financial returns.  
  
Whereas traditional models were all about profit, profit and more profit; triple bottom line accounting recognises that without happy, healthy people to staff a business and the natural environment able to sustain those people and supply resources for trade; business is, well, simply **unsustainable** in the long run.

**People**

This **is NOT** just a term referring to Human Capital, it really means treating your employees as individuals, honouring their rights and increasingly Enterprise is focusing on assisting the community where their business operates. Business not only ensures a fair day’s work for a fair day’s pay; but also reinvesting back some of its gains into the surrounding community through sponsorships, donation or projects that go towards the common good

**Planet**

This is **Natural Capital** - a business should strive to minimise its **ecological impact** in all areas – from the sourcing raw materials (which is very important in many developing countries), to using the most efficient and environmentally production processes, to modes of transport and administration. Successful business must now pride itself on taking some responsibility for goods after they’ve been sold – for example, offering a recycling or take-back programme.

**Profit**

This is more about making an **acceptable level of return on investment** – there are other stakeholders than shareholders – business and government must be aware and develop policies and rules that take account of People and Planet.

Increasingly this includes the need to make certain **that supply chains** are aware and accountable for the overall impact of a company, they must come under scrutiny in ALL triple bottom line audits. A good example of this is companies “greening” their production techniques, packing, transport systems and all aspects of their business where a sustainable alternative is available – this should also include demanding that their suppliers use less packaging, offering concentrated products or banning certain ingredients from products.

**The importance of Triple Bottom Line**

This must **NOT** stop at the level of individual business, of the 100 largest economies in the world, 51 are businesses; the other 49 are countries. **This is why Triple Bottom Line concepts are so important – it’s not just about commerce, it’s about civilisation and the planet we leave for those who follow us.**

Triple Bottom Line is an ongoing process that helps a company keep on track towards running a greener business and demonstrates to the community at large they are working not just towards riches, but the greater common good – and that’s what consumers are increasingly wanting to see these days.

Green business is simply good business and hopefully before too long it will be the only way to engage in commerce.

**Some references**

<http://www.powerhousegrowers.com/triple-bottom-line-the-modern-business-model/>

<http://www.economist.com/node/14301663>

<http://www.acton.org/pub/religion-liberty/volume-12-number-5/triple-bottom-line-authentic-new-model-or-triparti>

<http://www.ibrc.indiana.edu/ibr/2011/spring/article2.html>

**You Tube**

<https://www.youtube.com/watch?v=tjx3zi3xHAg>

<https://www.youtube.com/watch?v=JF20JixiVtg>

<https://www.youtube.com/watch?v=xCfNZSCk5pY>

John Birchall

[johnbirchall@unimak.edu.sl](mailto:johnbirchall@unimak.edu.sl)