



Star Model of Sustainable Enterprise

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A feasible and actionable model should incorporate at least five perspectives, viz. enterprise, society, environment, customer and government

Apart from the three perspectives covering the triple bottom line, two other significant perspectives (customer and government) need to be synthesized

Customers' awareness towards sustainability may encourage them to give preference to the green products/services

Government can play a supportive role in terms of policy framework with adequate incentives for sustainability

The Star model of sustainable enterprise envisages convergence/synergy of multiple perspectives to strategize for holistic performance

Enterprise performance systems have evolved from pure accounting based models to integrative models like balanced scorecard. These frameworks/models of strategic performance management have largely been focused on the economic value generated by any enterprise. These have been explored further, in view of stakeholder theory and duality of enterprise and customer perspectives, in the framework of flexible strategy game-card.

In the context of sustainable development, another set of models enlarged the scope of strategic performance management to incorporate triple bottom line, i.e. economic value, societal value and environmental/ecological value. A sustainable enterprise is expected to synergize and maximize on all the three fronts. For example, ITC Group has made significant practical application of the same in making it a green enterprise. Apart from these three stakeholders, i.e. enterprise, society and environment, there are other important stakeholders as well that need to be considered from the view point of sustainability. Thus, using the stakeholder theory and sustainability theory, the dual perspective based flexible strategy game-card can be upgraded in a multi-perspective framework.

Such a multi-stakeholder perspective based strategy game-card would act as a base for the Star model of sustainable enterprise. This model not only captures the triple bottom line, but also accounts for other important stakeholders in a sustainable enterprise. Though, theoretically the Star model can capture any number of perspectives, a feasible and actionable model is supposed to incorporate at least five perspectives, viz. enterprise, society, environment, customer, and government.

In this model, apart from the three perspectives covering the triple bottom line, two other significant perspectives (customer and government) need to be synthesized. These perspectives are important both for assessing the performance and also playing a vital role in developing and propelling sustainable enterprises. Both customer and government can contribute substantially to make the sustainable enterprise a widely applicable business proposition.

Customer franchise for sustainable enterprises can make them viable in contrast to the traditional profit centric enterprises (generating only economic value). Customers' awareness towards sustainability may encourage them to give preference to the green products/services emanating from the sustainable enterprise that generate higher societal as well as environmental/ecological value. This will create a new market space setting entirely new standards for assessing sustainable competitive advantage.

Another key stakeholder, i.e. government can play a supportive role in terms of developing innovative policy framework with adequate incentives for enterprises to appreciate sustainability as a preferred value rather than a pure economic one. Government policies that support and encourage implementation of green technologies and provision of positive incentives/reward mechanisms for enterprises that are Carbon positive, creating employment, helping in upliftment of backward communities and contributing to social equity would facilitate evolution of many more sustainable enterprises on the scene.

The Star model of sustainable enterprise envisages convergence/synergy of these multiple perspectives to strategize for holistic performance of enterprises rather than a narrow economic performance orientation. It is hoped that it would contribute both for the sustainable and holistic performance management and identification of elements as well as interactions of all the perspectives so as to impart a new dimension to the theory of a sustainable enterprise.

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