

---

# *Resilience*

## A journal of strategy and risk



---

### *Planetary resilience*

Katrin Muff

---

# Planetary resilience

By Katrin Muff

**Katrin Muff of the Business School Lausanne argues that businesses should put the Earth's resilience before their own, and calls out visionary leaders who have done so.**

**Katrin Muff** is the Dean of the Business School, Lausanne, Switzerland.

There is a lot of talk recently about 'resilience' for business in the context of our fast-changing world and the emerging global challenges that are appearing on the horizon. *Merriam-Webster* defines resilience in two ways:

- a) the capability of a strained body to recover its size and shape after deformation caused especially by compressive stress, and
- b) an ability to recover from or adjust easily to misfortune or change. The first one is typically used in a medical context where we look at the body as a whole and its ability to recover; the second definition relates to a person's emotional resilience.

Both definitions suggest that what we are looking for is an ability to recuperate or recover once we (a system) get negatively impacted by something occurring outside that system.

When we thus talk about 'business resilience', we are addressing the growing concerns of many that the future may hold negative surprises (e.g. social unrest, changes in consumption patterns, environmental disaster, depletion of natural resources, water or energy crises) in store for business for which we need to prepare for by developing our resilience.

But aren't we looking at the issue exactly the wrong way around? Shouldn't business care about the resilience of the larger system (the planet and our societies) first, rather than focusing on the survival of a sub-system (business)? What good does it do a single business, sector, industry or business as a global system if we survive at the expense of other sub-systems or even the bigger system itself? I am reminded of science-fiction

movies that show a small group of survivors in torn clothes ravaging the sad leftovers of our planet — lost unless saved from an intergalactic emergency team from out of space.

We need to shift the conversation from trying to find ways to 'ensure the long-term survival of business' to ensuring the long-term well-being of all living things that our planet Earth contains, including our rich and diverse societies. These obviously include business as a driving force for inventing new ways of dealing with the existing and fast-emerging societal, environmental and, yes, also economic challenges and disasters we are and will be facing on a local, regional and global level.

Such a shift requires a paradigm change of focus that goes beyond maximising short-term shareholder profit in order for business to serve its broader stakeholder base, which includes the common good. As a result, we need business to continue the shift from making products with questionable societal or environmental contributions to developing products and services that truly contribute to the well-being of all living things on Earth.

Integrity is obviously a critical element to consider achieving such paradigm shifts. It is, however, by far not enough. We need leaders who are solid and courageous enough to embrace these challenges — solid in the sense of possessing an unwavering inner compass of the true priorities (it may make sense to close down a business division or sector for the benefit of the greater good), and courageous enough to have the inner strength to persist and prevail against all resistance, both internally and externally.

A true leader with integrity possesses these competencies, and there are luckily a number of such leaders who

are showing the way by walking the walk. It is worth naming four: the late Ray Anderson, founder and former chairman of Interface; Paul Polman, current CEO at Unilever; Stephan Schmidheiny with his Avina Trust; and Jochen Zeitz, former CEO at Puma.

All of these leaders are extraordinary in their own ways. Ray famously invented a closed-circle cradle-to-cradle model for his products; Paul is reshaping a global empire with a Sustainable Living Plan vision addressing global issues with relevant products; Stephan dissolved his inherited toxic family business into an outside trust fund that serves sustainability issues in Latin America; and Jochen has measured the true cost of doing business by putting a monetary value on ecosystem services and externalities.

Not all these leaders nor all of their businesses have survived. While Unilever is trying to embrace the paradigm shift, Puma and Jochen have parted ways. Stephan has determined that, after a noteworthy battle to sanitise his toxic asbestos empire, his best contribution to the world is to dedicate all receipts for his empire to a

trust that is no longer managed by him or his family. Ray has unfortunately passed away but left, however, an important legacy not just in his carpet business sector but also through inspiring an emerging generation of entrepreneurs. All of these leaders have one thing in common: They have applied their business integrity in service of planetary resilience.

---

## **Resilience**

*Resilience: A journal of strategy and risk*

### *Publishers*

**Dennis Chesley**  
Global Risk Consulting Leader  
PwC US

**Miles Everson**  
US Advisory Financial Services Leader  
PwC US

**Juan Pujadas**  
Vice Chairman, Global Advisory Services  
PricewaterhouseCoopers International Ltd.

### *Executive Editors*

**Robert G. Eccles**  
Professor of Management Practice  
Harvard Business School

**Christopher Michaelson**  
Director, Strategy and Risk Institute, PwC Global Advisory  
Associate Professor, University of St. Thomas Opus College of Business

### *Managing Editor*

**Rania Adwan**  
+1 (646) 471 5116  
rania.adwan@us.pwc.com  
PwC US

### *Production Editor*

**Shannon Schreiber**  
+1 (646) 471 1102  
shannon.schreiber@us.pwc.com  
PwC US

## **Author**

**Katrin Muff**  
Dean of the Business School  
Lausanne, Switzerland

*Special thanks to the following parties for their production and editorial assistance:*

**John Ashworth, Chris Barbee, Lisa Cockette, Ashley Hislop, Angela Lang, Sarah McQuaid, Roxana Opris, Malcolm Preston, Alastair Rimmer, Suzanne Snowden, Tracy Fullham and Guatam Verma**

**[www.pwc.com](http://www.pwc.com)**

PwC firms help organisations and individuals create the value they're looking for. We're a network of firms in 158 countries with close to 169,000 people who are committed to delivering quality in assurance, tax and advisory services. Tell us what matters to you and find out more by visiting us at [www.pwc.com](http://www.pwc.com).

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers does not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2013 PwC. All rights reserved. Not for further distribution without the permission of PwC. "PwC" refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.