Strategic ESG: Creating Sustainable Value

Course Outline

Week 0 (2 hours)

Getting Started
- Welcome to Strategic ESG—Start Here!
- Course Expectations and Schedule
- How to Navigate the Learning Platform
- Welcome to CareCo Natural
- Team and Role Assignment
- Introduction to Project
- Ready to Get Started?

Week 1 (6 hours)

Introduction to Week 1
- Overview of Week 1

Module 1: Creating Value (2h)
- Introduction: Why start with Finance?
- Self-assessment: What’s your level of financial acuity?
- Lesson 1: Financial basics
  - The Income Statement
  - The Balance Sheet
  - Key Financial Metrics: Revenue growth, profit growth, ROIC
- Lesson 2: Creating Shareholder Value
  - Two Kinds of Investors
  - Return on Invested Capital (ROIC)
  - 4 Drivers of Value
- Lesson 3: Strategy-driven Value Creation
  - Traditional Strategy
  - How Strategy Drives Value (Sustainable Value Creation Map)
  - Competitive Advantage and Relative Attractiveness
  - Core Business Processes
  - Resources & Capabilities
- Case Study: How Did Southwest Airlines Veer Off Course?
- Summary and What’s Next

Module 2: Sustainability, Business, and ESG (1.75h)
- Lesson 1: Sustainable business and the Triple Bottom Line
Lesson 2: Sustainable Investing, ESG, and its impact on business

Spectrum of Investing Approaches
How Investors View ESG Performance
ESG As Risk Avoidance
ESG Integration
Do High-Performing ESG Firms Produce Superior Financial Returns?

Case study: EcoLab (water preservation technologies)

Summary and What’s Next

Week 1 Team Assignment (2h)

Individual Preparation:
Review CareCo Natural Documents
Complete PREPARE Section of Assignment

Live Team Meeting:
Introductions & Team Covenant
Competitive Strategy for CareCo Natural

Week 1 Wrap-Up (15m)

Personal reflection

Week 2 (6 hours)

Introduction to Week 2
Overview of Week 2

Module 3: Strategic ESG: Creating Sustainable Value (2h)

Lesson 1: Identifying Material ESG Issues
A Note on Materiality
Assessing Materiality to Prioritize ESG Issues

Lesson 2: Connecting the Dots: Mapping Cause-and-Effect from ESG Initiative to Impact and Value
Connecting ESG Priority Issues to Impact and Value Creation
The Sustainable Value Creation Map
Practical Tips for Using the Sustainable Value Creation Map

Lesson 3: The Value of a Sustainability-Driven Strategy
Beyond ESG Initiatives: Sustainability-Driven Strategy
The Intangibles of Sustainability Strategy
Mapping Long-term Strategy Using the SVCM

Case Study: DE&I at a Major Hotel Chain Property
Lesson 4: Applying the Sustainable Value Creation Map
Exercise: Create a SVCM for a CareCo Natural ESG Initiative (Grower Certification)
Summary and What’s Next

Module 4: Sustainability Reporting and Materiality (1.75h)
Lesson 1: A Brief Overview of Sustainability Reporting Frameworks
  Sustainability Reporting and the Global Reporting Initiative (GRI)
  Additional Frameworks: CDP, SBTi, GHG Protocol, UN SDGs
Lesson 2: Reporting Sustainability to Investors
  SASB + TCFD = ISSB
  Emerging Trends in Reporting
Case Study: Nike and SBTi
Summary and What’s Next

Week 2 Simulation Team Assignment (2h)
Individual Preparation:
  Review the CareCo Natural Sustainability Scorecard/Key Metrics
  Map ESG Initiatives for CareCo Natural
Live Meeting:
  Share Maps and identify priority ESG initiatives
  What are implications for CareCo Natural competitive strategy?

Week 2 Wrap-Up (15 m)
  Personal reflection

Week 3 (6 hours)
Introduction to Week 3
  Overview of Week 3

Module 5: Making Progress (e.g. Application to project) (1h)
Lesson 1: What are you going to do?
  Choose Your ESG Initiative
  Finding Your Project Sweet Spot
Lesson 2: Making Your Proposal
  Making a Strong Pitch
  Mapping Your Project Using the Sustainable Value Creation Map
  Review the Project Assignment

Leadership Team Hub (15m)
  CareCo Natural Leadership Hub Tour
  Performance Report Tour

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Year 03-04 Simulation Team Assignment (4h)

Individual Preparation 1:
  Review Year 03-04 briefing materials and Partner Project Proposals
Live Meeting 1:
  Year 03-04 strategy
Individual Preparation 2:
  Review Guidebook: Roles & Decisions
  Enter preliminary input decisions
Live Meeting 2:
  Review and finalize Year 03-04 input decisions
  Advance simulation and get Year 04 results

Project Assignment (30m)
  Begin mapping your organization’s strategy (do your homework) — using the Sustainable Value Creation Map

Week 3 Wrap-Up (15m)
  Personal reflection

Week 4 (6 hours)

Introduction to Week 4
  Overview of Week 4

Year 05-06 Simulation Team Assignment (3h)
  Individual Preparation:
    Review Year 04 reports
    Review Year 05-06 briefing materials
    Enter preliminary input decisions
  Live Meeting:
    Year 05-06 strategy and input decisions
    Advance simulation and get Year 06 results

Year 07-08 Simulation Team Assignment (2.75h)
  Individual Preparation:
    Review Year 06 reports
    Review Year 07-08 briefing materials
    Enter preliminary input decisions
  Live Meeting:
    Year 07-08 strategy and input decisions
    Advance simulation and get Year 08 results
Week 4 Wrap-Up (15m)
   Personal reflection

Week 5 (6 hours)

Introduction to Week 5
   Overview of Week 5

Year 09-10 Simulation Team Assignment (2h)
   Individual Preparation:
      Review Year 08 reports
      Overview of Upcoming Regulatory Changes (Yr 10 and beyond)
      Enter preliminary Year 09-10 input decisions
   Live Meeting:
      Long-term strategy and input decisions
      Advance simulation and get Year 10 results

Distill Insights — As a Team (1h)
   Live Meeting:
      Share insights from the simulation experience

Project Assignment (2.75h)
   Work on Project Assignment

Week 4 Wrap-Up (15m)
   Personal reflection

Week 6 (6 hours)

Introduction to Week 6
   Overview of Week 6

Project Assignment (5h)
   Complete and submit Project Assignment
   Provide 3 peer reviews
   Reflect on peer reviews received

Content Final Quiz (30m)

Team Contribution Ratings (30m)
Resources and Inspiration

CareCo Natural Simulation: The simulation is realistic, but the specific scenarios, strategies, and financials are fictional. The operational and financial performance of the underlying system dynamics model is based on available data from public companies in the Fast-Moving Consumer Goods (personal care) industry, including:

- Marico Ltd
- Natura & Co
- Unilever (including brands such as Love Beauty and Planet)
- P&G

Sustainable Value Creation Map: The SVCM builds on several frameworks that have guided sustainability strategy over the past two decades. We acknowledge the valuable foundation these have provided in the development of this tool. To learn more, see:


