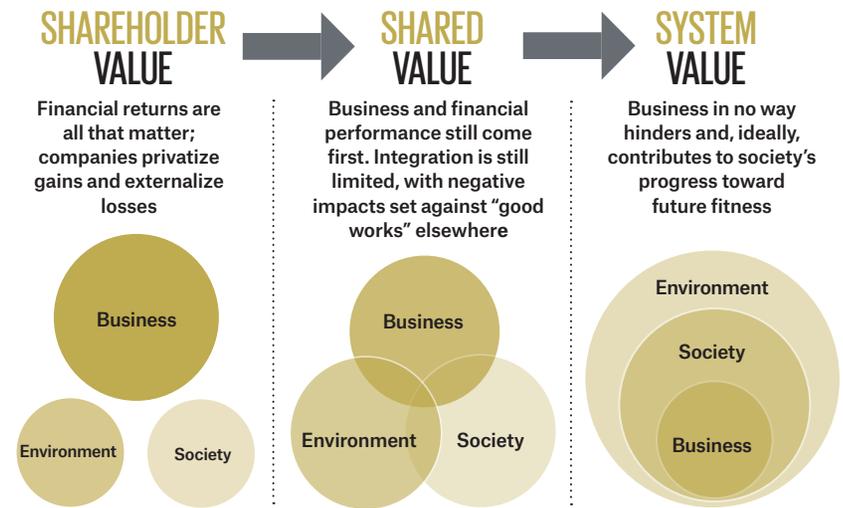




future sustainability, and it's the only way to deliver on the issue—any issue.

It's been a long road to get here. The illustration to the right shows how the notion of value has been evolving over the past two decades: from the historic model of shareholder value, where business, environmental and social value exist in separate realms; to the well-known idea of shared value where the areas overlap but remain unintegrated; toward a system-value model—where business is built into a broader understanding of societal and environmental value.

Making a contribution to drive change system-wide is a defining aspect of social leadership in these times. Business leaders with an activist mindset are looking for new ways of working with and through others to mobilize change. ♦



The long road to system value. Diagram from Future Fit Foundation.

## How to Think Systems

Actively engaging to help create change in the system, not just in your business, is a radical shift in the nature of leadership. For people on the inside of businesses it demands a different way of thinking. It's possible to see some underlying principles at play. Inspired by the work of the late Donella Meadows, a scholar of systems theory, we've drawn out some key learnings as prompts to help think systems.

**1 Map out the ecosystem your business is a part of.** On any societal issue, the ecosystem is made up of the many organizations and interdependencies that enable your business to operate successfully. It starts with your value chain but encompasses innovators, academics, industry bodies, governments and policymakers, NGOs and community-based organizations—even customers and competitors. All the actors who have a stake in the system.

**2 Be clear about your role in the ecosystem.** The more well-defined your role, the easier it is to form meaningful collaborations and to understand the leverage you have in the system. What is the contribution your business could make? Where is your business an enabler, or a block? How do other stakeholders see your role and your potential to be part of developing solutions?

**3 Think about the edges of your company.** The "inside" and "outside" of a business is no longer as defined as it was; companies today are more like clouds of collaborations, networks and relationships.

Proactively engaging at the edges of your business, the places where you interface with others, can increase your understanding of the ecosystem and prompt the possibility of new partnerships.

**4 Upend your model of innovation.** Systemic problems can't be solved in an R&D lab alone—solutions will come from the system itself. Starting your innovation out with the stakeholders closest to the issue enables you to more effectively identify the most acute pain points in the system and shape your strategy accordingly.

**5 Find the "leverage points."** Systems theory holds that there are places where a small shift in one area can produce a much bigger change across the system. These leverage points may be outcomes your business can influence positively—through procurement or innovation, for example. Seek out the interventions that may have a disproportionately positive impact on the issue.

**6 Create data flows and feedback loops.** Comprehensive ecosystem data are crucial to understanding the issue and tracking progress. That is likely to mean developing new data sets in areas the business has never considered before. And, as an ecosystem player, you probably have significant data that would be valuable to share with others, working in collaboration with independent third parties if necessary.

**7 Look for the pre-competitive spaces.** Critical societal issues usually present risks to entire industries, and companies have a shared interest in tackling them. For example, strengthening recycling

infrastructure benefits all companies struggling with plastics waste; scaling up production of sustainable aviation fuel would be a significant step on the path to decarbonizing the entire aviation industry. Finding these opportunities is a route to accelerating progress in your business and systemwide.

**8 Use your philanthropy strategically.** Companies often find they can act across the ecosystem in alignment with their foundation or philanthropic efforts—through civil society partnerships tackling, for instance, environmental practices of small-holder farmers or economic resilience in local communities delivering measurable social impact to scale, generating new research on the issues and modeling new solutions.

**9 Get everyone on the same team.** All players in the ecosystem are potential partners, so take an open-minded and creative approach to who is involved. Don't rule anyone out—even the noisiest and most critical NGOs, even competitors when that makes sense. The opportunity is to bring people to the table and work in common cause, towards a shared goal.

**10 Don't let systems thinking stop action in your business.** By definition, systems are complex—and the issues are, too—so there's a risk that getting absorbed in system transformation takes away the impetus from action under your direct control. Pioneering new solutions in the core business is an essential contribution as well; it sets the bar higher for expected industry norms, shows what's possible that wasn't seen as possible before, and helps move the whole system forward.