

# TRANSLATING *NATURAL CAPITALISM* GROWING YOUR BUSINESS IN THE 21<sup>ST</sup> CENTURY



Do you want to grow your business? Do you want it to prosper through the first half of the 21st century? Are you looking for ways to engage & motivate your team to innovate?

Then there's a book you should read. This book will challenge you and inspire you. (Even 20 years on from its first publication.)

To read it, you'll need to look beyond the big words it uses. The simple, creative ideas behind the words will be well worth your time and effort. The concepts are simple and elegant once you get them - "business as though the environment matters" is going to be a fundamental **profit** strategy in this new century.

The name of the book is ***Natural Capitalism***. It's by Paul Hawken, Amory Lovins and L. Hunter Lovins. You don't even have to buy it, you can download it in chapters from [www.natcap.org](http://www.natcap.org)

To help you get started, here's my translation of the core principles, as introduced in **Chapter 1 "The Next Industrial Revolution."**

## ***NATURAL CAPITALISM: THE NEXT INDUSTRIAL REVOLUTION***

### ***(Translation: Business Strategies for the 21<sup>st</sup> Century)***

The 20th century model of business assumed that natural resources were 1) infinite and 2) pretty much free. This led to our one-way business model:

- dig it up
- make stuff
- use the stuff
- throw the stuff away

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Towards the end of the 20th century, it was becoming increasingly obvious that:

- 1) natural resources aren't infinite; and
- 2) there is a hidden and probably huge economic value in the services the environment has been providing.

Climate change, global warming, ocean plastics and other issues are becoming mainstream issues. Understanding and managing the associated risks will be a vital part of business for at least the next two decades.

## **CENTRAL STRATEGIES OF NATURAL CAPITALISM**

### ***(Translation: Principles for great green profit)***

There are 4 central strategies of Natural Capitalism:

- + Radical Resource Productivity (Translation: use 10 times less, at least)
- + Biomimicry (Translation: Nature is smart, let's copy it)
- + Service and flow economy (Translation: Sell the ends, not the means)
- + Invest in natural capital (Translation: Treat the environment as a source of wealth).

Here's the background for them.

### ***Radical Resource Productivity***

#### ***(Translation: Use 10 times less - at least!)***

We've never seriously designed our production system based on the full cost of natural resources. There is huge waste (and lost profits) just waiting to be regained - enough to make a good way of life possible for 8 billion people if we get started NOW.

There are different ways to put this:

- the goal of zero waste (a Japanese manufacturing target for over 20 years).
- use 1/10th of whatever you use now (Factor 10 resource usage reduction)

The key points to understand are:

- 1) we have the know-how to do this already (for example, kaizen, Lean Production)
- 2) products & services designed to these principles end up more profitable, NOT more expensive.

### ***Biomimicry***

#### ***(Translation: Nature is seriously smart, let's copy it)***

There are two different levels where we can copy what Nature does, at the supply chain level and also in product design:

1. Design the business supply chain (products, processes, services) like a forest.

No wastes - everything is food for something. Plants feed animals, animals die and fertilise plants. Everything recirculates; no rubbish dumps.

So how can we redesign our products & processes so everything can be remanufactured in to more quality products? How can we process our wastes so they are valuable products to someone?

2. Use ideas & processes from nature.

Many of the technical things we do are already done in nature and done without high temperatures and big machines. We've borrowed the design of a kingfisher's beak for the nose of a high speed train. The design that bees use for honey combs is great for creating light strong building materials. There's a library full of new ideas just waiting for us to look.

### ***Service & flow economy***

***(Translation: Sell the ends, not the means.)***

Customers want what your products do for them, not what they're made of. Start thinking about your business as a life time service contract instead of units sold or hours billed, and the flow of cash into your business can also change. So will the flow of natural resources.

InterfaceFLOR leases floor covering instead of selling carpet. Dupont sells Ford the service "cars painted" instead of "paint litres" - waste paint is a cost, not a profit. What's the value behind your product?

### ***Invest in natural capital***

***(Translation: The environment is a value contributor)***

As we increasingly put \$ values on the services that the environment provides, the natural environment is becoming a business opportunity.

Eco-tourism profits from the value of beautiful places. Carbon trading will start to put a value on the air we breath. Look out for the beginning of bio-banking to pay farmers for the environmental services they provide - water filtration, species diversity, oxygen renewal.

## **WHAT NEXT?**

Take some time to step back from your business as it is at the moment and redesign it for the 21st century. What would your current business look like if it was having a positive, regenerative effect on the environment?

Or perhaps you'll take a look at the supply chain you're part of and develop a whole new business. More and more innovators are doing just that.

If you want the content of these books and many others packaged into simple training programs with ideas & examples from Australia as well as overseas sources, talk to **Balance3** about our executive briefings and training programs.

If you know you should be doing something, but you don't know where to start – then you could benefit from Think Act Regenerate resources – my free **INSIGHTS emails** or 1:1 mentoring program **Regenerative Thinking in Action**.

Explore them at [ThinkActRegenerate.com](http://ThinkActRegenerate.com)