

Sample report on sustainability in business

[Business](#), [Management](#)



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Introduction

The corporate society is facing fast changing political, social, economic, and environmental conditions. As a result, most businesses fail to put in place strategies that are congruent with the changing business environment. In regards, Bonini S. and Gorner S. (2011, p. 2) asserts that business sustainability needs to be an aspect of direct impact on the ultimate business outcomes. Business owners need to understand that the challenges characterizing the corporate society come with a number of opportunities. There are anticipations the business world may be more challenging in the next few decades than ever. The trends are already manifesting, and businesses must align their strategies to pursue opportunities that drive returns on capital, growth, and management of risks. McKinsey Global Survey results (2011, p. 2) indicate that developing sustainability goes

beyond the concerns of reputation management. Accordingly, this paper presents a report on ways in which C. H. Robinson Worldwide Inc. can align its strategies in an ever-changing corporate environment for sustainability.

Company Overview

C. H. Robinson Worldwide Inc. is a U. S based third party logistic company. It engages in the provision of freight transportation services and logistic solutions to various companies in different industries. C. H. Robinson Worldwide Inc. has branches across different countries globally. It operates on a wide network of 276 offices in North America, Europe, Asia, South America, and Australia. So far, C. H Robinson has established transportation and distribution network that provide transport and supply chain services globally. Besides, it also provides sourcing services that involves the buying, selling, and marketing of fresh produce. It provides supply services to grocery retailers, restaurants, produce wholesalers, and food service distributors through its network of independent produce growers and suppliers.

ANTICIPATION OF THE BUSINESS FUTURE

The future of the world business appears as a “ black box”. Considering the prevailing economic and political landscape, it is virtually impossible to understand what awaits in the future. In fact, traditional tools of analysis have not been able to help managers to predict and plan accordingly. As such, there is a need for adopting alternatives and widening the perspective of thinking in order to position C. H. Robinson Worldwide Inc. strategically to face the future landscape. Various organizations and agencies including the

European Union (EU) and United Nations (UN) have foreshadowed the future, creating insight into the future economic, political, technological, and environmental conditions that business will have to navigate. Nonetheless, it is noteworthy that there is no definite view of the future.

Gauging the future is a complex and multidimensional task. It involves the analysis of the past, understanding the present, and using the data to predict the future. Developing strategies for the logistic company requires a sound understating of the preempted political, economic, societal, technological, and environmental implications. In economic terms, studies indicate a scenario that the future holds an untamed economy dominated by unchecked materialism and consumption. So far, many global investors are shifting their economic power to the emerging economies such as Asian and African countries. In the logistics business, it is arguable that the unprecedented climate change poses significant challenge through the frequent disruption of the supply chain. Nevertheless, this disruption due to climate change presents and opportunity due to the increasing demand for logistics and transport services. This scenario also implies that the costs for running a logistic company will significantly increase due to the interference of trade routes in the Arctic regions due to the melting of ice. Consequently, there is a possibility of uncontrolled exploitation of natural resources.

In addition, the future contains a scenario where megacities will act as the main drivers and beneficiaries of the shifted growth paradigm. As such, urban challenges such as congestion and emission are inevitable. C. H. Robinson Worldwide Inc. needs to recognize the underlying opportunities that come with this paradigm shift in development priority. Another scenario

is the increasing customized lifestyle among the consumers. This scenario is associated with a high degree of individualization and personalized consumption. It is, therefore, that the future presents a situation where there is increased decentralization of energy systems and infrastructure. For the logistics companies, it is notable that customized production consumes large quantities of energy and raw materials making the overall cost of production higher. As a result, logistic companies will experience a significant decline in demand for long distance transport because of the localization of the value chains.

Besides, it is noteworthy that the increasing economic growth poses significant challenges for the environment. The world, therefore, is adopting stricter environmental protection policies with stringent measures against organizations that violate environmental protection laws. For instance, there may be a trade-off between a healthy environment and unhealthy ones thereby constraining business opportunities for non-compliant logistic organizations. In regards, the world is advocating environmentally and socially sustainable development. In other words, C. H. Robinson Worldwide Inc. must embrace policies and practices that do not degrade the environment. As opposed to the traditional planning based on precision and practicality, sustainability is becoming a reality for most business organizations. Businesses, therefore, should not prioritize moneymaking at the expense of delivering and ensuring a sustainable environment.

Various studies indicate that in 2050 economies will grow at a rate of 3% every year. Interestingly, there are anticipations that emerging economies such as China may surpass giant economies such as U. S and Japan.

Moreover, the economy of Russia may overtake that of Germany in Europe and emerge as the largest economy in Europe by 2020. In addition, emerging economies such Mexico and Indonesia may also supersede UK and France with Turkey getting bigger than Italy by 2050. According to Hawksworth J. et al. (2013, p. 1), the emerging economies are experiencing a GDP growth rate of about 4% per annum or more while the advanced economies are have a GDP growth rate of about 2% and below. Income per capita, however, in the advanced economies will still be higher the emerging economies.

Most of the emerging economies are leveraging on the growing technology to gain a competitive advantage over the advanced economies. Hawksworth J. et al. (2013, p. 3), maintains that the projected trends present both opportunities and challenges. The upcoming economies like China, India, and Brazil among others will emerge both as low-cost production locations and as large consumer markets. While the advanced economies will stagnate at a GDP growth rate of 25% or less per annum, the emerging economies will be enjoying a growing rate of 4% or more. As such, entrepreneurs in the advanced economies will have to turn to the emerging economies. However, studies indicate that these emerging economies will present wide-ranging challenges for doing business. Business owners, managers, and entrepreneurs must understand and adapt to the local rules, regulations, and customs. Accordingly, C. H. Robinson Worldwide Inc. may consider joint venture partners with native firms in order to gain direct entry and compliance with the local government regulations and policies.

According to Hawksworth J. et al. (2013, p. 14), the growth potentials assume

the absence of major global challenges. In reality, there are several uncertainties characterizing the world economy. One of the most confronting challenge is the diminishing level of return on capital invested in the emerging economies. Although emerging economies provide lucrative opportunities for doing business, returns on capital are likely to fall below the expectations. As in the case of Japan, the same experience transpired making it more obvious that such economies are challenging to navigate. In such economies, state banks dominate the capital market posing a significant threat to capital allocation.

In addition, another scenario involves the high levels of protectionism resulting in slower catch-up rates in the emerging economies. Constraining the natural resources leads to their scarcity leading to high-energy prices. So far, there are limited efforts towards reducing greenhouse gas emissions making the world to continue experiencing significant temperature rises. Logistic industry, therefore, will experience a decline in the world trade leading to regionalization of the supply chains. As such, there is an opportunity because logistic business will emerge as a strategic industry that links the between the bloc and bloc-free countries. There is a need for C. H. Robinson Worldwide Inc. to develop strategies for long-term business sustainability in the logistic companies. With the unpredictable directions, C. H. Robinson Worldwide Inc. will operate in an era of constrained resources and stricter regulatory requirements seeking to reduce carbon emissions and environmental degradation.

DEVELOPING SUSTAINABLE GLOBAL LOGISTIC BUSINESS

Sustainable development in business involves strategies and activities that are in line with the enterprise needs and its stakeholders while protecting, sustaining and enhancing human and natural resources for the future. For a business to be sustainable, it has to recognize the value of the environment. Notably, business depends on natural and human resources for its success. As such, there is a need for strategies that create value in the natural and human environment while striving for economic prosperity. It is worth noting that sustainable development requires a joint support of all business organizations globally.

In pursuance to sustainability, C. H. Robinson Worldwide Inc. should incorporate principles of sustainable development in the policies and business processes. It requires new cultural orientations and realignments of the management systems and practices. The management considers sustainability as a top-tier item with formal programs and policies in place for its implementation. According to Bonini S. and Gerner S. (2011, p. 2), the future requires businesses that create value to the environment. Moving towards sustainability begins from the realignment of the internal business environment. The mission, values, systems and processes, the internal and external leadership, and the design of the organization should reflect sustainability.

The first thing is to establish a baseline performance on sustainability issues. After establishing a baseline, managers in the logistics business should decide on the set of initiatives that that will help in creating value in the sustainability areas of the business. Every business needs to understand fully

the implications of its operations on the pertinent issues associated with sustainability. C. H. Robinson Worldwide Inc. should work towards sustainability by implementing better ways of managing energy resources.

CREATING VALUE

As noted earlier in the discourse, sustainability requires value creation and effective management of human and natural resources. For business managers to align their strategies, they should identify the areas of significant concern. As such, entrepreneurs need to understand the trends in the market and adhere to the regulatory requirements. For example, adopting clean technology and embracing the green business initiative is a judicious way of ensuring sustainability in the logistics industry. In addition, C. H. Robinson Worldwide Inc. should strive to increase its returns on capital by reducing the costs of operation. Accordingly, Bonini S. and Gorner S. (2011, p. 4) maintains that improved management of natural resources through efficient use of energy and minimizing waste significantly reduces the operation cost thereby enhancing returns on capital. Besides, organizations should come up with goals on environmental, health, and safety practices and integrate them into the business processes through the tracking of progress using well-defined metrics. It is possible to realize a 20% decline in the emission of greenhouse gases.

Another opportunity for C. H. Robinson Worldwide Inc. lies in its capacity to manage its value chain systematically. Notably, the company can realize attractive returns on capital by generating significant savings from its supply chains. Adopting the use of renewable energy is an avenue towards attaining sustainability. Moreover, C. H. Robinson Worldwide Inc. needs to move

towards decarbonizing its supply chains in order to reduce carbon emission thereby reducing climate change. It is important to adhere to the European Commission's target of reducing carbon emission by 60% in the transport sector by 2050. To achieve this target, C. H. Robinson Worldwide Inc. should encourage and practice the use of rail and water transport other than road transport for long distance deliveries.

EFFECTIVE MANAGEMENT OF RISKS

Earlier in the discourse, the report indicated that the corporate environment is fast changing while presenting both challenges and opportunities.

Resource scarcity, climate change, and community issues potentially pose risks to businesses. As such, C. H. Robinson Worldwide Inc. management needs to adopt creative and versatile risk management approaches to remain competitive and profitable. For instance, processing firms dealing in agricultural produce need to ensure sustainable practices throughout the chain. In regards, it is notable that there are wide-ranging risks that the managers must be ready to face.

INTEGRATING SUSTAINABILITY INTO BUSINESS PRACTICES

With the increasing expectations from the society, business managers must strive to incorporate sustainability into the day-to-day activities of the business. C. H. Robinson Worldwide Inc. must respond adequately to the needs of the consumers, stakeholders, and employees while creating and maintaining a competitive advantage. Effective leadership is a prerequisite for promoting sustainable practices. Its management needs to cultivate employee commitment to belonging to socially responsible organization in

order to realize sustainable growth. In addition, Petrini M. and Pozzebon M. (2011, p. 364) suggest that organizations can integrate sustainability through institutional mechanisms such as communication and training. C. H. Robinson Worldwide Inc. should roll out communication and training programs that aim at changing the attitude increasing the involvement in sustainable practices.

CONCLUSION

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