WHERE WE COME FROM

In establishing the Erb Institute in 1996, Fred and Barbara Erb made a visionary commitment in support of teaching, research, and engagement. Now approaching its 20th anniversary, the Institute is one of the oldest graduate dual-degree sustainability programs in the world, and still the largest with over 350 graduates from 15 countries.

Recognized for their expertise in systems thinking and an interdisciplinary approach, Erb students and alumni engage in a full range of sustainability issues impacting business—from water, energy and climate change, to working conditions and worker engagement, community development, and business and human rights. Most importantly, Erb has been one of the catalysts for revolutionizing the way business leaders are prepared to tackle the world’s most entrenched sustainability problems.

But now, it is time for a bold new vision to face the sustainability challenges of the 21st century. While recognizing incredible progress made by the private sector on sustainability over the past two decades, we’re equally candid in our assessment that the sustainability challenges we face today are greater than ever before—and the call to business for groundbreaking thought and action ever more pronounced.

In the following pages, we describe nine months of research, dialogue, and soul searching. We outline the strategic challenge we’re putting before ourselves for the next five years. And, last, we map out a two-pillar strategy for how we plan to navigate uncharted territory relying on the unique talents, skills, and other resources that the entire Erb community—students, alumni, faculty, staff, advisory boards, and partner organizations—bring to the table.

This isn’t a new direction for Erb, but rather an intensification of the sustainability debate we’ve been driving for years. We’re simply taking the discussion to the next level, to the still unanswered question, “What’s next in global sustainability?” We don’t have the answer yet, but we lay out a series of ambitious goals to guide learning, along with milestones to keep us motivated and on track for the journey.

We believe that this is a pursuit worthy of the Erb family name, and worthy of all that we are as the Erb community.
WHERE WE’RE GOING

We spent nine months in 2014 gathering input from Erb’s key stakeholder groups through a series of in-person and virtual discussions with students; alumni roadshows in six cities across the US; Erb Strategic Advisory Council (SAC) and External Advisory Board (EAB); one-on-one discussions with business and nonprofit partners in the US and abroad; and a two-day roundtable in Ann Arbor with our peer sustainability institutes from Cornell, Duke, Stanford, and Yale.

Throughout this extended conversation, we heard that today’s best thinking on sustainability is based on the integration of social and environmental criteria into current business models. Some call it “making the business case for sustainability”, which we understand to be absolutely necessary to meet the world’s sustainability challenges.

But we also heard a recurrent concern, “Is this approach enough to keep up with a world approaching 10B population and a wider, deeper footprint of each of us?” From resource use to climate change, deforestation, and biodiversity … the current form of economic development is exceeding the Earth’s capacity to sustain it. While impressive gains have been made in reducing absolute numbers in global poverty, gaps between (and within) countries are still growing in health, wealth, education, and other indicators of basic human development.

Erb’s new five-year plan responds with a two-pillar strategy which emphasizes a doubling down on “enterprise integration” of sustainability into business models for the here and now, while stepping up to the challenge of understanding and driving “market transformation” to achieve longer term and more systemic sustainability.

This means that we remain committed to preparing students and business partners to drive change as fast as possible within today’s companies, industries, and rules of the game. We also recognize a fundamental need to change the rules themselves if a more systemic sustainability is to become a reality.

In terms of student experience, we remain conscious of the financial burden of a three-year degree and this strategy redoubles our efforts to make the Erb experience available to a larger number, and a more diverse community, of students. We will continue to seek out additional scholarship funding to try to maintain Erb student debt load on par, or below, that of Ross/SNRE peers.

At this moment in time, almost everything being done in the name of sustainability entails attempts to reduce unsustainability. But reducing unsustainability, although critical, does not and will not create sustainability.

John Ehrenfeld and Andy Hoffman
(Flourishing, Stanford University Press 2013)
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Professor Thomas P. Lyon, Dow Professor of Sustainable Science, Technology and Commerce, SNRE

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ERB STRATEGY 2015-20

The strategy is Erb’s opportunity for unique contribution to global sustainability. It is the singular path that only Erb can pursue—among all the other sustainability institutes and organizations worldwide—given our particular combination of competencies, experience, partnership networks, and other resources. Our 2015-20 strategy rests on two pillars, which map out dual avenues toward our vision, while reminding us to prioritize and focus on what matters most for practical impact.

The first pillar “Enterprise Integration” is a no-nonsense approach to getting things done here and now—through today’s jobs and companies, with today’s sustainability rules. This is the “action” part of thought-in-action, and keeps Erb focused on tangible impact in the immediate term. It responds to our belief that to fully harness the power of business for sustainability, we need to integrate social and environmental criteria into core business models, systems, and practices—into the company’s very DNA. This leverages the entire company for sustainability, not just the CSR or sustainability department in isolation.
The change-agent focus of this first pillar resonated with stakeholders throughout our early engagements. But then, some stakeholders—particularly students—pressed further. While recognizing that sustainability won’t happen without enterprise integration, they went on to ask, “Is this enough?” Given that we’re only slowing the advance toward an unsustainable future but not changing course, “Isn’t there a unique opportunity, if not a mandate, for Erb to also address the need for longer-term systems change?”

In response, we added a second, more aspirational pillar, “Market Transformation”, challenging ourselves to respond to the students’ “What’s next?” question. How are business models, industries, and entire markets fundamentally transforming—down to the core business and societal values that drive them—in pursuit of a sustainable world? And how should we as the Erb community be fueling that transformation with thought leadership, action-based learning, and the power of our conviction.

In other words, how can we contribute to redefining the rules of a sustainable market and the role of business as a force for good in society?

Underlying both pillars are three “lenses” that will help focus our efforts and enhance our impact at enterprise and market levels. At major decision points in the years ahead, we will pause to ask ourselves how these lenses can help us see opportunities for deeper impact.

- **Global Perspective**: We see sustainability as a global challenge, one that will require a global response. Emerging economies in particular are defining the sustainability challenges on a global scale. We will pay increasing attention to not only the problems, but also the responses and learning opportunities from emerging economies such as China, India, Brazil, and the high-growth economies of Africa.

- **Broad Sustainability**: While Erb was born of a business-and-environment program—and environment will continue to be the passion for the preponderance of Erb students—we recognize the increasing importance of social, labor, and human-rights issues in business decision-making. We will complement our traditional focus on environment with increasing attention to the business risks and opportunities presented by social issues.

- **Systems Approach**: Multifaceted sustainability problems require complex analysis and coordinated responses. Erb’s systems-thinking approach will provide a more robust understanding of the sustainability challenges, and our interdisciplinary response will draw on resources and experiences from across industries, sectors, professions, and academic disciplines.
STRATEGIC GOALS

Once we defined our vision and strategy, we used logic models to clarify goals and impacts of our work. The logic model links program outcomes (both short- and long-term) with resources, activities, and the underlying assumptions embedded in the organization’s theory of change. The model applies a disciplined, logical approach to selecting priorities, planning activities, and measuring outcomes/impacts.

We developed a logic model for each functional area of the Erb Institute, including resources, activities, outputs, short-term outcomes, and long-term goals. The long-term goals won’t be accomplished within the five-year timeframe of this strategic plan but are meant to suggest where we aspire to have deep impact over a 10-15 year range.

Long-Term Goals (10-15 years)

ENTERPRISE INTEGRATION

- Erb leaders and entrepreneurs are effective and resilient change agents for integrating sustainability into core business models and practices.
- Erb business partners are socially and environmentally sustainable.

MARKET TRANSFORMATION

- Erb leaders and entrepreneurs transform business models and markets to effect positive systemic change for sustainability.

Based on these goals, we defined a series of desired outcomes as five-year milestones toward the longer-term impacts. A total of six outcomes below are broken out by the two strategic pillars:

Strategic Outcomes (5 years)

ENTERPRISE INTEGRATION

- Erb students and alumni have the inspiration, knowledge, and tools to make companies sustainable.
- Erb alumni are supportive of the Institute, and of each other, throughout their lifelong pursuit of sustainability.
- Business practitioners turn to Erb for the tools and resources they need to make their companies sustainable.

MARKET TRANSFORMATION

- Erb students and alumni have the confidence, knowledge, and wisdom throughout their careers to recognize and seize opportunities for transformative thought and action in sustainability.
- Forward-looking business leaders create value through Erb’s innovative business models.
- Business leaders globally look to Erb for cutting-edge thought and action on sustainable business models and markets.
SAMPLE METRICS

We are currently defining metrics to gauge achievement of our five-year outcomes. Metrics will be broken out by functional area on the left, and by strategic pillar on the right. The sample metrics below suggest how we’re approaching measurement.

FIVE-YEAR OUTCOMES (ILLUSTRATIVE SAMPLES)

1. ENTERPRISE INTEGRATION

OUTCOMES BY YEAR 5
- Erb students and alumni have the inspiration, knowledge, and tools to make companies sustainable.
- Erb alumni are supportive of the Institute, and of each other, throughout their lifelong pursuit of sustainability.
- Business practitioners turn to Erb for the tools and resources they need to make their companies sustainable.

OBJECTIVES BY WORK AREA
Marketing & Communications
- Content Creation: Create high-impact videos of Erb stories to motivate action among diverse audiences.
- Content Curation: Maintain a recognized and well-frequented blog with a growing subscription rate.
- Content Promotion: Continue to grow our social-media channels with increased global reach.

Thought Leadership
- Toolboxes: Research and develop a series of practical tool boxes for sustainability integration into company decision-making.

Students & Alumni
- Stabilize annual class size at roughly 25 students by Erb Class of 2020.
- Complete and implement Erb Roadmap for the three-year student learning experience, including revised Erb Seminar.
- Host workshops focused on practical tools and approaches for sustainability change agents not covered elsewhere in Ross/SNRE curricula.
- Provide financial aid to maintain debt at or below that of the typical Ross MBA student.
- Test our enterprise integration tools with alumni and other partner organizations.

2. MARKET TRANSFORMATION

OUTCOMES BY YEAR 5
- Erb students and alumni have the confidence, knowledge, and wisdom throughout their careers to recognize and seize opportunities for transformative thought and action.
- Forward-looking business leaders create value through Erb’s innovative business models.
- Business leaders globally look to Erb for cutting-edge thought and action on sustainable business models and markets.

OBJECTIVES BY WORK AREA
Marketing & Communications
- Web Presence: Increase web traffic and global brand awareness by internal and external stakeholders.
- Communications Toolboxes: Create communications and personal-branding tool boxes to help our students and alumni position themselves as effective change agents in a crowded marketplace.

Thought Leadership
- Business Models: Research and define innovative business models that create economic value and promote sustainability.
- Pilot Initiatives: Test new business models with our alumni and partner organizations.
- Sustainable Markets: Research and define what market-level transformation will look like.

Students & Alumni
- Hold at least one event annually for alumni community building, lifelong learning, and professional development.
- Collaborate with alumni to pilot one of our bold ideas for new business models.
- Strengthen and build the alumni community, both in-person (in Ann Arbor and alumni hubs) and virtually.