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BEYOND THE TRIPLE BOTTOM LINE

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Beyond the Triple Bottom Line: A New Standard for 21st Century Commerce

In early June of 1992, the UN Conference on Environment and Development cast a bright, if brief, spotlight on the idea that balancing economic growth, social equity and environmental protection was the key to sustainability. At the time, it was not a widely held perspective. The environmental and social traumas wrought by pure capitalism were to a large degree being addressed with ideological fervor. Europe had been able to balance socialism and capitalism in social market economies, but as the health of the natural world continued to decline, environmentalism often stood in stark opposition to both.

A more subtle understanding of the ways in which these values are intertwined began to emerge in the late 1980s and early 1990s. The UN's Our Common Future, linked corporate resource efficiency to human and environmental health. Our conception of "Intelligent Products" provided a design strategy that recognized the interdependence of economy, ecology, and equity. And John Elkington's triple bottom line became a useful tool for measuring corporate performance against this trio of concerns.

For many in the corporate world, the proceedings of the Earth Summit legitimized sustainability. Today, leading manufacturers are minimizing pollution, cutting waste and trimming resource consumption. Products with fewer harmful chemicals are reaching the marketplace. "Reduce, reuse, recycle" is the new business mantra. And the triple bottom line is replacing purely economic metrics.

Where are we headed in the next ten years?

Hopefully, further along the road toward a rich definition of corporate performance. The triple bottom line has been, and remains, a useful tool for identifying problems and integrating sustainability into the corporate agenda. In practice, however, measuring performance at the bottom line tends to be a balancing act between economic value and environmental liabilities. For example, if the environmental impact of a profitable product has been minimized by a more efficient use of materials, its performance likely meets the triple bottom line. But if the material itself is unsafe, as is often the case, then efficient manufacturing is merely slowing down ecological destruction - a rather dispiriting measure of quality.

Consider this measure of quality writ large in the U.S. economy. Due to the strength of the dollar against foreign currencies, U.S. manufacturers rely more and more on cheap materials from overseas. Many materials from Asia, where occupational health regulations are minimal, have been found to be carcinogenic. Globally sourced materials are rarely, if ever, assessed, so many "lean-thinking" U.S. companies are applying efficiency measures to toxic materials. The result: cheap products, expensive waste management systems, and rising health care costs - all of which add up to a very dull competitive edge in the global marketplace. The U.S. trade deficit, a whopping \$346 billion in 2001, suggests the scale of the problem. A national commitment to product quality could solve it.

Why not a sustaining industrial system built on a new definition of quality? From our perspective, quality is embodied in designs that allow industry to enhance the well being of nature and culture while generating economic value. Ultimately, quality design follows the laws of nature to create products, processes and facilities so ecologically intelligent they leave footprints to delight in rather than lament. In these new human systems, materials become food for the soil or flow back to industry forever.

Pursuing these positive aspirations at every level of commerce anchors intelligent design deep within corporate business strategy. And when good design drives the business agenda, the path toward sustainability turns from trying to be "less bad" to identifying healthful materials that generate a wide spectrum of value - a shift from the triple bottom line to the triple top line. If one approaches the design process asking, "How can I grow prosperity, celebrate my community, and enhance the health of all species?" the results are likely to be far more positive and enriching than those achieved by measuring at the bottom line the degree to which you have minimized a liability.

The triple top line's positive aspirations often begin in one sector and end up generating value in many others.

Moved by environmental concerns, Pendleton Woolen Mills conceived an ecologically intelligent wool baby blanket. Most wool products are dyed with chemicals that are harmful to human health, which makes recycling of any kind problematic.

But working with McDonough Braungart Design Chemistry, Pendleton assessed every ingredient in the dyeing and fixing processes and created a completely safe, perfectly biodegradable product - infants can literally eat the blanket, and when it wears out it can be tossed on the garden to become food for the soil. The blanket is also a model of thrift and social value, a profitable product that requires no regulations and carries no hidden costs for waste management or health care. It turns on its head the notion that ecologically intelligent design is expensive.

Dr. Govindappa Venkataswamy, an ophthalmologist from Madurai, India, built a triple top line business model on positive social aspirations. As Harriet Rubin wrote in her Fast Company profile, Dr. V., was a young obstetrician when he contracted rheumatoid arthritis and lost his ability to deliver babies. Rather than give up medicine, he studied ophthalmology, fashioned surgical instruments for his deformed hands and became "the most admired cataract surgeon in India." At 57 he began to create his remarkable business: restoring sight, mostly for free. At his five hospitals 70 percent of his patients pay nothing for cataract surgeries. The other 30 percent, charged about \$125 each, subsidize the doctors' salaries, the transportation of patients, and the costs of running the hospital. Today, Dr. V's self-sustaining hospitals are the largest single provider of eye surgery in the world. He has given sight to more than 1 million people.

Ford Motor Company is showing how a blue chip company with a sharp eye on the bottom line can adopt triple top line vision. When Ford's executives and engineers began to plan the renovation of their famed Rouge River manufacturing plant they wanted to maximize economic value. So along with other innovative designs, we conceived a storm water management system based on a 450,000 square-foot roof of topsoil and growing plants. In concert with porous paving and a series of wetlands and swales, the "living roof" will filter storm water run-off, replacing a water treatment facility at a savings of \$35 million. Thrown in for free: habitat for native species, plants that create oxygen and absorb particulate matter, and a pleasing natural landscape. Now Ford executives are dreaming of the day when children will safely and happily play along the Rouge.

By 2012 we hope to see millions of designs such as these celebrating life in diverse and wonderful ways and creating a world in which all children are nourished with fresh healthy food, affordable health care, and a generous prosperity that honors the laws of nature. Instead of a world of laments, a world full of hope for the future and respect for the Earth's abundant gifts.

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