E. FREYA WILLIAMS

EXCERPT FROM

GREEN GIANTS

HOW SMART COMPANIES TURN **SUSTAINABILITY** INTO **BILLION-DOLLAR BUSINESSES**

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How Smart Companies Turn Sustainability into Billion-Dollar Businesses

E. FREYA WILLIAMS

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INTRODUCTION

Billion with a “B”

Over the eight years I've spent compiling evidence that brands can both maximize profit and be a force for social good, the question I've been asked most often is: "What's the business case for sustainability?"

The answer is: *a $9 burrito*.

From 2006 to 2011, revenues tripled at Chipotle, a U.S. food chain selling responsibly sourced burritos. That last year, total annual revenue reached $2.2 billion, same-store sales increased 11.2 percent, and restaurant operating margins hit 25.9 percent. In just the second quarter of 2014, revenue rose 29 percent to $1.05 billion, same-store sales rose 17.3 percent, and restaurant operating margins hit 27.3 percent, counting .03 percent losses resulting from higher food and marketing costs. As of December 2014, the company had a market value of $21.03 billion.[1] Revenues for 2014 were $3.038 billion. For reference, that's almost three times those of Burger King.[2]

In the world of business, "billion" is a magic number. Only a relative handful of brands break the billion-dollar revenue ceiling. The chances of building a company that will grow to be worth more than $1 billion is 0.00006%. The constellation is mostly studded with global super brands like Coca-Cola, McDonald's, Marlboro, and Pampers.

And now, Chipotle—doing $1 billion in revenue *each quarter*. Chipotle—which sources its meat from farmers who commit to employ more responsible practices and uses its marketing dollars to advocate for ethical, sustainable farming.

Chipotle is not an anomaly. It is one of at least nine companies globally with more than $1 billion in annual revenue directly attributable to a product, service, or line of business with sustainability or social good at its core. The other eight are GE, with its Ecomagination business line; Toyota, with the Prius hybrid car; Nike, with its Flyknit shoe; IKEA, with its line of “products for a more sustainable life at home”; as well as Whole Foods, Unilever, Tesla, and Natura.

These nine businesses represent a critical mass of success. Their combined revenues add up to more than $100 billion a year, a figure greater than the GDP of 70 percent of the world’s 180 economies. (This does not refer to the total revenues of these companies. In the cases of IKEA, GE, Nike and Toyota, it refers to only the revenues from the sustainable product, service, or line of business that is the subject of this book.) The companies include Brazil’s largest and most profitable beauty brand, America’s second-fastest growing restaurant chain, the world’s third best-selling car, and the company behind one of 2014’s hottest stocks—a far cry from the hemp-wrapped feel-good products we imagine as sustainable businesses.

The companies cut across the global economy. They derive their revenue from products as diverse as burritos and beauty cream, sports shoes and sports cars, organic kale and airplane engines. They cover a spectrum of price points and spend types, from low-cost and discretionary to big-ticket, corporate purchases. They span B2B and B2C companies and include relatively new start-ups and business lines incubated within major blue chip corporations. Some are primarily national or regional, like Chipotle or Natura; others, like GE and Unilever, are global.

THE GREEN GIANTS

These nine billion dollar businesses are the Green Giants—a new generation of leaders taking over from the old.

Green Giants are businesses with a billion U.S. dollars or more in annual revenue that can be directly attributed to a product, service, or line of business with sustainability or social good at its core. The following table gives some key information about the nine Green Giant companies profiled in this book, explaining how they are more sustainable or socially responsible than their competitors and detailing the revenue their sustainable business strategies generate for them annually.

Brand	Qualification as a Green Giant	FY 2014 Revenues
Standalone Businesses		
Chipotle	100% of pork, beef, and chicken are naturally raised and a majority of dairy is pasture raised. It is the only publicly traded restaurant to have achieved these ratios and is the nation's largest restaurant purchaser of sustainable and humanely reared meats.	$4.11 billion
Unilever	Committed to doubling its sales while halving its environmental footprint by 2020. Aims to source 100% of its agricultural feedstocks from sustainable agriculture and to improve the lives of 1 billion people.	$52.37 billion

(continued on next page)

Whole Foods Market	30% of sales are organic, more than any other national retailer. The first national supermarket to have its retail operation be certified organic.	$14.19 billion[3]
Natura	The world's largest and first publicly traded B Corp. Its goal is to source one-third of ingredients sustainably from the Amazon. A pioneer of integrated reporting.	$2.65 billion[4]
Tesla	Manufactures the world's first commercially successful all-electric vehicle.	$3.2 billion[5]
Product Lines or Business Units		
IKEA Products for a More Sustainable Life at Home	Products in the line are designed to help customers use energy more efficiently, produce renewable energy, reduce waste, recycle more, and save, reuse, or purify water.	$1.13 billion[6]
GE Ecomagination	A line of products ranging from diesel locomotives to electric vehicle charging stations that are certified against a set of criteria and verified by a third party as delivering superior environmental *and* financial performance to customers.	$28 billion*
Nike Flyknit	A technology that allows athletic shoes to be woven rather than pieced together, resulting in a high performance shoe that creates up to 80% less waste than conventional athletics shoes during manufacture.	$1 billion (estimated)[7]

* 2013 figure; FY 2014 not available.

Toyota Prius	The first mass-produced hybrid vehicle, it topped the 2013 Greenest list, an automotive ranking by the American Council for an Energy-Efficient Economy.	$15.44 billion (estimated)[8]
Total		**$122.09 billion**

This book studies the Green Giants, explaining why they are so important, how they have converted sustainability or social responsibility into billion-dollar revenue streams, and how you can follow their example.*

While the Green Giants are the focus, the book also features some Next Billions—companies that display similar characteristics to the Green Giants but have not yet reached the billion-dollar benchmark, though most are well on their way. Featured Next Billions include Warby Parker, Airbnb, The Honest Company, SweetGreen, Patagonia, and Method Home.

Note that Green Giants and Next Billions are not boring, crunchy granola companies or obscure B2B suppliers. They are some of the most vibrant, sexy brands out there today.

Together, they prove that businesses predicated on sustainability and social good aren’t just a viable alternative to business as usual. They are more profitable and more sustainable financially.

They aren’t trying to compete with the big boys. They *are* the big boys. And they will be the big boys of the future.

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* Full transparency: I work for marketing communications firm Edelman. Edelman’s clients include GE, Natura, Unilever, and Chipotle. I identified the study companies for this book and conducted interviews with GE and Chipotle before I joined Edelman. I have also, in the past, provided some counsel to Nike. With the exception of Unilever, I do not currently advise any of these clients directly.

THE BUSINESS CASE FOR SUSTAINABILITY

Mine is not the first book to make the business case for sustainability.[9] Evidence of the positive impact of sustainability on business outcomes is now irrefutable; there are at least 54 reports that prove it, and counting.[10] Among them is a 2007 report from Goldman Sachs that found that companies that are the leaders in sustainable, social, and good governance policies have 25 percent higher stock value than their less sustainable competitors.[11] Most recently, a report by CDP (formerly called the Carbon Disclosure Project), released in September 2014, showed that companies that outperform on sustainability metrics are more profitable and return better dividends to their shareholders than those that don't.[12]

And yet the perception persists that sustainability and business are competing agendas. In 1970, economist Milton Friedman dismissed business with a "social conscience" as "unadulterated socialism." Since then, the notion that sustainability and social good are fundamentally opposed to profit has hardened into fact in the minds of the majority of business leaders, reinforced by the opinions of Wall Street analysts to whom they are beholden.

This view is changing, but by increments. Sustainable business leaders have called for a new incarnation of business that embraces sustainability and social good—not as the job of sustainability and corporate social responsibility (CSR) departments, a risk to be managed or a cause supported—but as completely integrated into business strategy and the purpose of the organization, and embraced as *the* path to profits and growth. They view sustainability and social good not just as where businesses *spend* their money but how they *earn* it.

Yet the vast majority of companies have not made this shift. Why?

It's not necessarily for the lack of will. Many business leaders believe they'll need to change and want to do so. But the sustainable business movement faces specific barriers, both perceived and real.

First, it has been hard to shift away from Friedman's legacy. Many people believe that its tenets are enshrined in law in countries including the United States. They are not, as Professor Lynn Stout comprehensively proved in her 2012 book *The Shareholder Value Myth: How Putting Shareholders First Harms Investors*, *Corporations*, *and the Public*. But Friedman's ideas are persistent and have proven remarkably hard to dislodge.

Some don't believe the need to embrace sustainable business practices is pressing. For example, Jeff Immelt, CEO of GE, was lambasted by one group for "overestimating the urgency of these threats"[13] (referring to climate change) after he launched the Ecomagination strategy in 2005. Meanwhile, Bob Lutz, at the time vice chair of GM, memorably called global warming "a crock of S%$#"[14] in a closed door meeting with journalists in 2008. (This came back to bite him when in 2012 conservative media pundits universally panned the Chevy Volt, GE's electric vehicle, causing Lutz to lament that "all the icons of conservatism are deliberately not telling the truth" about the Volt because "they assume that if it's electric it must be a product of the left-wing, Democratic enviro-political machine."[15]) In addition, there are the long-term, well-funded efforts to deny and sow doubt about climate change backed by private sector players with a heavily vested interest in preserving the status quo.

Frequent use of the future tense doesn't help. Statements such as "In the future, the most successful businesses will . . . " and "Sustainability is the business opportunity of the 21st century" are the clarion calls of the sustainable business movement. But Wall Street thinks in increments of quarters and wants results next week, not maybe some time later this century.

The biggest barrier to adoption of sustainable practices, though, is lack of knowledge of how it can be done profitably. Many businesses have tried and failed with "green" or "eco-friendly" products, and they've given up because they assume that "green doesn't sell."

That's why the Green Giants are so exciting. They prove that addressing sustainability and social good need not be in conflict with delivering shareholder value; in fact, sustainability and social good can drive it. The Green Giants bring the debate into the present tense; it's not just that it *could* be done but that it *has been* and *is being* done—here and now. These companies are growing faster than their conventional counterparts. Most command wider profit margins than their category averages. Several are darlings of the stock market. Some are even knocking stalwarts of the strip mall and titans of industry off their long-held leadership perches, as Chipotle versus Burger King and Tesla versus the U.S. and German luxury automakers attest. GE earned $28 billion from Ecomagination in 2013.[16] which is the size of a Fortune 100 company. (It's roughly the same size as Halliburton or McDonald's and nearly four times the size of Peabody Energy, the world's largest coal company.[17])

In fact, proprietary analysis conducted for this book[18] by Jason Denner of the consulting group POINT380 found that the annual returns of publicly traded Green Giant companies have averaged 11.7 percent (23.2 percent –11.5 percent) higher than their leading competitors over the past five years.[19] That means that if you had invested $1,000 in a portfolio of the Green Giants and the same amount in a similar portfolio of their direct competitors in June 2010 (after Tesla's initial public offering), today your investment in Green Giants would be worth $3,251, while the portfolio of competitors would be worth $1,9320.[20] On average, the Green Giants' stock prices have outperformed the S&P 500 by 6.8 percent per year, which the comparison companies trailed by 4.9 percent.[21]

The selected competitors are high-performing companies. On average, they returned a total of 93 percent over the period 2010-2015. Green Giants, though, returned 225 percent. Admittedly, this number is boosted by Tesla's spectacular growth; however, if you remove Tesla from the analysis, the stock values of the remaining companies still outperformed their competitors, growing 153 percent over the period.[22] Not bad for companies not guided by delivering shareholder returns.

With upside opportunity like that, who cares if you believe in climate change or the social obligation of business?

You'd be crazy not to seize it.

THE SIX FACTORS OF GREEN GIANT COMPANIES

Getting to this point has not been easy for these companies—or for business at large. Even two years ago, I could not have written this book because not enough examples of Green Giants existed. There were green brands that didn't really sell much, some flashy green ad campaigns, and a handful of Green Giant companies, but the idea that sustainable business could be about rapid and significant top-line growth, about making a billion dollars in annual revenue, was embraced by only a brave few sustainability pioneers, not by mainstream business leaders.

In the past few years—even the past few months, as I've been researching this book—much has changed. What is enabling these companies to succeed where so many others had failed? How have they overturned prevailing business wisdom? What factors, if any, do they have in common—not just the general things, but the things that distinguish them from the rest and that account for their uncommon success? In short, what has enabled these companies to become successful businesses by *any* standard—not just the standard of sustainable business?

Those are the questions this book sets out to answer and to distill into a blueprint for Green Giant success that others can follow. This book uncovers enticing stories of iconoclastic thinking, radical innovation, tenacious commitment, standout creativity, and explosive growth—instead of the earnest themes of integrity, responsibility, and altruism more commonly associated with sustainability. It isolates six key factors or traits that Green Giants share and that have directly contributed to their uncommon success. A chapter is devoted to each trait. These are:

- *Chapter 1: The Iconoclastic Leader.* In each case, the sustainability journey can be traced back to one individual who started it all. This chapter explores those leaders' stories and diagnoses the 4 Cs of Iconoclastic Leadership.
- *Chapter 2: Disruptive Innovation.* Each of the Green Giant revenue streams is not founded on a slightly greener or more socially conscious version of an existing product but on an innovation that disrupted a category. In this chapter, you'll learn how Green Giants approach sustainability-oriented innovation to deliver breakthrough business results.
- *Chapter 3: A Higher Purpose.* This chapter reveals the higher purpose that animates Green Giants and explores the paradoxical finding that businesses with a purpose beyond profit tend to outperform the competition on—you guessed it—profit.

- *Chapter 4: Built In, Not Bolted On.* For Green Giants, sustainability means business. This chapter looks at how Green Giants integrate sustainability into six core structures of their business to enable it to become a revenue driver, not a drag.
- *Chapter 5: Mainstream Appeal.* If your product targets only what I call a Super Green niche, it’s hard to reach $1 billion in revenue because there simply aren’t enough people who take green values seriously enough to get you there. That’s where many Green 1.0 brands went wrong. This chapter reveals the strategies Green Giants have used to achieve appeal with mainstream customers or consumers.
- *Chapter 6: A New Behavioral Contract.* Transparency, responsibility, collaboration: today’s business buzzwords are alive and well at the Green Giants. But it’s more than talk. Corporate reputation today is built through actions, not advertising. Your behavior is your brand. This chapter shows how the Green Giants are behaving their way to billions.

Each chapter includes an analysis of the specific factor, accompanied by insights and practical strategies you can implement in the course of your work.

These companies are not 100 percent perfect. Tesla and Toyota (with its Prius) promote private ownership of automobiles rather than the use of public transport; GE is involved in the controversial practice of hydraulic fracturing, or “fracking”; and IKEA sells furniture that some consider disposable, for example. But sometimes perfection is the enemy of progress. The Green Giants are, by their own admission, at the beginning of a long journey, and as of now, they are the best thing we've got.

IN CONCLUSION

Today, many business leaders know the world has changed. They are wrestling with the new mandate to incorporate sustainability and social good into their businesses and brands. But most companies struggle to figure out how to do this while continuing to meet their quarterly sales and earnings targets. They may have tried "green marketing" and met limited success. Or they may have skeptical shareholders convinced that this is a passing fad, or one that is just for hippies and tree huggers.

Is this you? Are you trying to change your company? Then this book is for you. It will give you the ammunition you need—and a blueprint to follow.

It is also for the next generation of social entrepreneurs and marketers seeking to build brands fit for the 21st century. It will enable you to avoid the traps of your predecessors and learn from the leaders you admire most.

The UN estimates that the market for "green trade" will grow to $2.2 trillion by 2020.[23] That's trillion with a *t* in just a few short years. The Green Giants are the leaders in an inexorable business movement, seizing the market's next great billion-dollar business opportunity.

Ignore their example at your peril.

CHAPTER 1

The Iconoclastic Leader

"These stories begin with one person saying I absolutely believe in this and I want this to happen."

—Professor Lynda Gratton, London Business School

In 1999, a chef named Steve Ells visited a factory farm in Iowa that supplied his nascent 16-outlet restaurant chain—Chipotle—with pork for its signature burritos. He was fresh from a trip to Niman Ranch—an operation that aims to raise livestock traditionally, humanly, and sustainably—where he'd gone to learn more about better ways to raise meat. Ells did not like what he saw in Iowa, "grim" is a word he's used to describe it. The stark contrast between Niman and the commodity farm had a profound effect on him. Ells recalls resolving then and there to pursue a new strategy. He returned home to Denver and set about sourcing as much of his chain's meat as possible from more humane, sustainable sources.

Colleagues remonstrated with Ells, fearing the substantially greater costs of this kind of meat would sink the small, vulnerable business. "I don't care," Ells is said to have replied. "It's the right thing to do."[1]

And not just the right thing by the animals. Ells believed the meat tasted better, which would be better for customers and ultimately, therefore, for business. He introduced the new and improved meat into his restaurants, implemented a price increase of a dollar per serving—taking the pork menu offering, Carnitas, from the least expensive to the most expensive dish on the menu—and waited to see how the market would respond.[2]

And that was just the beginning. Ells stuck to his commitment to use meat from humane, sustainable sources as Chipotle grew, extending it to 100 percent of the company's pork as well as to chicken, beef, and dairy. He added produce to the plan, working to source as much as possible locally when in season. It wasn't always easy: There have been two occasions when Chipotle has had to work around a shortfall in the supply of ingredients that met its standards. But in each case, the company found a way through it. Chipotle sourced imported, grass-fed beef for a short period, rather than resort to conventionally reared meat, when its usual supply fell short in 2014. The company also pulled pork from about a third of its U.S. restaurants in 2015 when a pork supplier failed to meet ethical standards. Yet, despite efforts by opponents to stir up trouble, neither situation seems to have hurt Chipotle . jut; on the contrary, customers and commentators have appreciated its refusal to compromise.

Ells's early decision, as well as his tenacity and perseverance, paid off. Today, Chipotle is both the nation's largest restaurant seller of naturally raised meats and its most profitable fast casual restaurant chain, with margins of 25.9 percent (compared to 19 percent at McDonald's) and 2014 revenues of more than $4 billion.[3] Indeed, Chipotle's commitment to "Food with Integrity" has become so recognized a contributor to its success that, rather than suggest it dilute the strategy to manage costs, analysts describe it as a reason to consider the company's stock; they even list insufficient supply of the right ingredients as a threat to future business performance.[4] (Who ever thought we'd see Wall Street analysts fretting over the living conditions of the nation's pigs?)

This story illuminates four salient facts about Ells. First, he underwent a conversion, which for him kicked off an inner journey, instilling in him a sense of *conviction* and permanently altering his view on the world. Second, he had the *courage* to stand up and change the direction of his business, setting it on a course that at the time seemed risky and counterintuitive, at odds with conventional business thinking. Third, he had the *commitment* and tenacity to stick with the course he had set, even in the face of skepticism and opposition from others within the business, rather than buckling at the first sign of opposition. And fourth, he is something of a *contrarian*, comfortable in the role of provocateur, challenger, and outsider.

Ells is an Iconoclastic Leader. Such leadership is the first of the six shared traits of Green Giants that you'll read about in this book. As you delve into these companies' stories, you'll find that the decision to either start or change course to a sustainable strategy can almost always be traced back to one specific individual—the pioneer and long-term champion of the Green Giant strategy.

Big deal, you may say. All strong organizations have strong leaders. But the Iconoclastic Leaders of Green Giants are different. In addition to requiring the traits of all strong business leaders (because building a billion-dollar business of *any* sort requires that), these Iconoclastic Leaders tend to share a unique combination of additional characteristics: the 4 Cs.

1. They are fueled by an inner sense of *conviction* that they need to take things on, often resulting from a personal conversion.

2. They have the *courage* to stand up and change things, often in a way that seems counterintuitive or risky to colleagues or shareholders.

3. They have the *commitment* and tenacity to stick with the idea through thick and thin, through objections and obstacles, to see it to fruition.

4. They are *contrarian*, happy to live with the role of outsider, espousing a different view from everyone else; indeed, they thrive on it. Crucially, though, they are constructive contrarians, not contrary for the sake of it.

These characteristics are the 4 Cs of Iconoclastic Leadership.

In this chapter, you'll meet the Iconoclastic Leader at each of the nine Green Giants under study, taking a look at what each did and why. You'll delve into the 4Cs of Iconoclastic Leadership. And finally, you'll explore how you can become an Iconoclastic Leader, no matter your background or role within your company.

MEET THE ICONOCLASTIC LEADERS

The following table provides information on the nine Iconoclastic Leaders studied in this book.

Company	Leader	Title
Nike	Hannah Jones	CSO
Background: Corporate responsibility background as director for Nike of EMEA 1998–2004. Before that, a reporter and social action campaigner.		
Unilever	Paul Polman	CEO
Background: CFO at Nestlé and P&G. Became CEO of Unilever in 2009.		

GE	Jeffrey Immelt	Chair & CEO
Background: Long-time GE executive. Joined GE in 1982. Became CEO in 2001.		
IKEA	Steve Howard	CSO
Background: Climate activist; formerly CEO of The Climate Group. Joined IKEA in 2010.		
Natura	Antônio Luiz da Cunha Seabra	CEO
Background: Entrepreneur who founded Natura in his garage in 1969.		
Whole Foods	John Mackey	Cofounder & Co-CEO
Background: Entrepreneur who cofounded Whole Foods in Austin, Texas, in 1980.		
Chipotle	Steve Ells	Founder and Co-CEO
Background: Classically trained chef who founded Chipotle in 1993 in Denver, Colorado.		
Tesla Motors	Elon Musk	CEO & Chief Product Architect
Background: Engineer. Founder of PayPal. CEO and CTO of SpaceX. Chair of SolarCity.		
Toyota	Takeshi Uchiyamada	Chairman of the Board
Background: Test engineering and technical administration at Toyota. Formerly chief engineer of the Prius.		

THE 4Cs AND THE C-SUITE

As you peruse the job titles of the Iconoclastic Leaders, notice that for a group selected on the basis of their success leading a sustainable business strategy, surprisingly few of them have "sustainability" in their title. Instead, the majority—seven out of the nine—are chair and/or chief executive officer.

It's important to emphasize that the CEOs didn't make this list simply because success was achieved on their watch. Instead, these people are the individuals who envisioned, shaped, owned, and drove through the Green Giant strategy at their respective companies. In the words of Professor Lynda Gratton of the London Business School, who has studied sustainable business leadership extensively, they are the ones who stood up, said "I absolutely believe in this and I want this to happen," and saw it through from inception to execution.

Antônio Luiz da Cunha Seabra and John Mackey built businesses with sustainability at their core—a more natural beauty brand, on the one hand, and a natural, organic grocer, on the other. As far back as the garage in Brazil where Seabra started Natura in 1969, or the natural foods store Mackey and his girlfriend opened in Austin, Texas, in 1980, sustainability was integral to the concept. Meanwhile, Elon Musk joined Tesla in 2004, seven months after its incorporation. A serial Silicon Valley entrepreneur with successes at PayPal and other start-ups under his belt, he quickly became the driving force, both spiritually and financially, of the electric vehicle company that would almost certainly have failed without him.

At the multinationals on our list, GE and Unilever, Jeff Immelt and Paul Polman didn't just give their approval to plans dreamed up by their teams. Ecomagination at GE and the Unilever Sustainable Living Plan were (and are) invented and personally led by them (as we'll learn in this chapter). In both cases, the stakes were high. Both men put their reputation and position in the balance to achieve success, and they are viewed by the outside world and by their teams as the unequivocal leaders of these strategies.

At Toyota, the story was slightly different. The agenda that resulted in the development of the Prius was initially set by then-chair Eiji Toyoda and was propelled forward by other very senior executives including the subsequent president, Hiroshi Okuda. But today, the man appointed as chief engineer on the project, Takeshi Uchiyamada—the one who figured out how to crack the code on a hybrid powertrain—is viewed as the father of the Prius. And today, he is Toyota's chairman of the board.

What does this tell us? In sustainability discussions, it's common to hear people say "leadership has to come from the top." This is usually taken to mean that the CEO has to be engaged and lending his or her support. The Green Giants suggest we take the sentiment literally.

But *why* is an Iconoclastic Leader in the CEO (or other major) role a key ingredient to success in building a Green Giant business?

In the coming chapters, we'll explore how Green Giants are different from other companies. They've developed innovations that overturned the way things were done in their categories, investing millions, sometimes billions, of dollars into things like R&D and supply chain reengineering to create products and services they didn't make before—that no one's made before. They have oriented their organizations around a purpose beyond profit, rethinking the business model and taking on decades of established business ideology to prove there's a new way of doing things. They've made sustainability not the job of a separate department or team trying to sprinkle a little sustainability where they can, but they've embedded it right at the heart of the structures of their business, into the guts and sinews of their organizations. They're reengineering the value proposition to the customer and are forging a New Behavioral Contract with their key stakeholders. In the process, they're building a new kind of company.

Sometimes there was a strong legacy of sustainability or corporate responsibility (CR) at the companies before the Iconoclastic Leaders' times. This could be said of Nike, GE, and Unilever, for example. Typically, though, the Iconoclastic Leader put things into hyperdrive, shifting gears from a *sustainability strategy*, which was primarily about reducing the company's environmental footprint and managing risk, to a *business strategy*, which was about transformation and growth.

And that's the crucial point. The Green Giant strategies explored in this book are not sustainability strategies, with a goal of, say, reducing energy and water consumption or waste (though those are critically important and are being addressed by the Green Giants). Instead, they are *business strategies*, with a goal of transforming the organization and the way it makes money. These companies have shifted sustainability or social good from where they spend or save money to how they earn it.

The stories in this chapter illustrate why, to make this kind of change happen, you often have to be the boss. You need to be the anointed owner of the strategy of the business, with license to initiate a transformation agenda. You need the power to direct resources at scale and to remove roadblocks when they arise. You need a veto right, the power to overrule colleagues should it become necessary. You need the big picture view of the organization. And you need enough personal capital and authority for employees, board members, shareholders, and customers to go along with you when you inevitably find yourself saying, "I know this sounds weird, but you have to trust me."

It's hard enough to drive this kind of change through an organization when you're the boss. It's nearly impossible when you're not.

What, then, of those who are not? Two of the Iconoclastic Leaders on our list are not CEOs but CSOs, or chief sustainability officers.

They are no ordinary CSOs. The Iconoclastic Leaders at Nike and IKEA, Hannah Jones and Steve Howard, represent a new breed of CSO. They are change agents, empowered to drive the Green Giant strategy through the organization. Both report directly to the CEO and are on their respective executive teams, while the majority of CSOs are not. They break the mold of the job description, going beyond efficiency and compliance—the heartland territories of the CSO—to innovation and transformation. Both stay extremely close to their CEOs. Both also had the added advantage of inheriting a conducive environment. As we'll learn later, IKEA has had a social purpose and a culture of efficiency since the 1970s, while pioneers had opened the door to the changes Jones has since driven at Nike, including board member Jill Ker Conway and other CR leaders including Maria Eitel and Sarah Severn. And Howard and Jones embody the 4 Cs. This combination of unique position, company legacy, and personal character has allowed them to function as the Iconoclastic Leaders in their respective domains, even though they don't sit in the very top spot.

Perhaps surprisingly, though, deep sustainability chops are not a prerequisite for becoming an Iconoclastic Leader that drives a Green Giant strategy forward. In fact, the only one of the nine who comes close to fitting the image of a traditional tree hugger is John Mackey of Whole Foods. Naturally, sustainability and corporate responsibility loom large on the resumes of Jones and Howard. But Paul Polman and Jeff Immelt are blue chip corporate to the core; one used to be a CFO, the other a business unit leader. Elon Musk is a Silicon Valley whiz kid, Steve Ells is a chef, and Takeshi Uchiyamada is a career engineer.

No, besides that all-important C-suite title, the characteristics that most distinguish the Iconoclastic Leaders from their peers can't be found in the pages of their resumes. They are intangible. They are the 4 Cs.

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