

# SUSTAINABILITY AND PROFITABILITY: A NEW MINDSET FOR THE FUTURE



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In today's world, companies and societies face the challenge of establishing sustainable practices without neglecting economic profitability. Traditionally, sustainability has often been seen as the antithesis of profitability, but more and more voices are calling for a paradigm shift that combines both aspects. This text examines how a new mindset that integrates sustainability and profitability can be developed and what steps are needed to achieve this goal.

By René Schmidpeter

Until now, sustainability has often been seen as an “add-on” - something that is added to existing business processes but is not an integral part of the business model. However, this thinking leads to a separate approach to sustainability that is not always effective. A new approach is to view sustainability as an “add-in” that is integrated into all aspects of the business. This requires a change in thinking at all levels, from management to employees. One of the biggest challenges in integrating sustainability into corporate practice is the ESG approach (Environmental, Social, Governance), which is often seen as a purely regulatory compliance approach. However, this perspective falls short as mere compliance does not resolve the old dichotomy between sustainability and profitability, but rather prolongs it. It is important that companies go beyond regulatory compliance and make strategic business decisions in complex situations. Pure “tick-box Excel sheet” thinking is not enough to meet the challenges of the 21st century.

Another point of criticism of current sustainability thinking is the underexposure of social and knowledge dimensions. Sustainability is not limited to ecological aspects, but also encompasses social justice and the use of contemporary knowledge and innovative educational approaches. Thus, it is important to develop multidimensional management approaches that take all these dimensions into account and not just prioritize one-dimensional profit models. To overcome the current dichotomous thinking, a 4-dimensional approach

to sustainability is needed, that integrates environmental, social, knowledge and economic aspects. Instead of reducing complexity, the aim is to manage it and incorporate it into corporate decision-making processes. Companies should not only be seen as part of the problem, but also as part of the solution and sustainability thereby as a driver of innovation rather than a mere bureaucratic burden.

A decisive step on the way to a sustainable economic system is the promotion of an innovation- and company-oriented concept of sustainability. Instead of abandonment and prohibition, companies should be encouraged to develop sustainable business models that have long-term success and a positive impact on the environment and society. This requires an open, opportunity-oriented entrepreneurial process that is supported by governments, companies and society as a whole.

An analysis of the status quo of the current sustainability discussion shows that companies are often still seen as part of the problem rather than part of the solution. To change this, concrete proposals for action are needed:

1. educating and sensitizing decision-makers in companies to the importance of an integrated sustainability approach which goes beyond mere compliance
2. developing tools and methods for integrating sustainability aspects into all corporate processes and decision-making aiming at the business opportunities of sustainability
3. promoting cooperation and partnerships between companies, governments, NGOs and the scientific community in order to jointly develop sustainable solutions for the actual ecological and social challenges
4. create incentives and frameworks through policy measures that encourage companies to implement and scale up sustainable practices rather than bureaucratic burdens which hinder entrepreneurial innovation
5. continuously reviewing and adapting the current sustainability strategies in line with new findings and developments and develop competitive market-solutions which foster and scale sustainable innovations

Overall, a new mindset is needed that sees sustainability and profitability not as opposites, but as interlinked goals. By integrating sustainability into all corporate processes, we can create a sustainable future for everyone without sacrificing competitiveness and innovativeness of our economy.



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