

Sustainable Responsibility

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There is a pendulum of action and reaction in business that drives focus and activity. The current cycle is one of reaction to 'green' matters and the mileage to be had from being seen to be eco concerned. While this in itself will bring great benefit as we all scramble to save some electricity and protect some eco sensitive area, the real question is whether we are considering the real corporate governance issues that will ultimately protect the sustainability of the business and the environment.

Good corporate governance implies a responsibility to a whole variety of different stakeholders each with their own interests. The responsibilities of directors to meet these interests are now entrenched in the new companies act so this is no longer a nice to have. If we consider the stakeholders and their interests:

- Employees - to have secure employment and ongoing income;
- Shareholders - to generate ongoing returns based on investment;
- Government - to receive taxes on a regular basis;
- Suppliers - to have constant customers and security of payment for their goods and services;
- Customers - to have sustainability of supply at rates that are manageable.

The interesting point to note is that all these interests incorporate a need for security of supply and sustainability. Taking into account the fact that all businesses in one form or another are part of a chain of events, converting some form of natural resource into a consumable product or service, we have to then acknowledge that the responsibility of directorship is one of balancing social and eco sustainability with commercial responsibility.

Most of all, responsibility to ensure that the natural resources of the world are protected. A simple calculation shows that if the world economy grows by a percentage then the consumption of raw materials must increase by a similar percentage. The implication is one of increasing utilisation of diminishing resources. You may question the simplicity and the common sense of this, but the implication for business is that for the business to keep pace with the economic growth rate it is reducing its own future sustainability by a similar percentage.

The simple deduction is that for business to be truly sustainable it needs to match that growth without increasing its consumption of renewable natural resources (in most cases) and reduce its consumption of non-renewable resources.

So, how do we balance raw material utilisation with growth? Effectively natural resources is a closed equation, increased utilisation by one party means proportionally less for someone else or future use, it is a 'win lose' scenario. The solution is a careful evaluation of how we balance financial gain for all stakeholders with future growth and the certainty of a natural world in which to enjoy it.

As we head toward the end of the information age and into the age of application, our focus must naturally shift toward the effective use of resources and the leverage that can be obtained from available tools. Growth in a company's revenue, activity and production can no longer consume a similar increase in resources - that means the ability to meet all the necessary responsibilities to all the stakeholders will require considerable improvements in efficiency and related reductions in consumption.

The necessity of improving leverage off resources stretches beyond saving electricity and or using alternative energy sources, it permeates every aspect of a business. The ability to become efficient is vested in the development and adoption of applications; applications that can make sense of the vast amounts of information that we have accumulated in our attempts to take advantage of the information age. In today's world, information is becoming a commodity, one which is only as good as the use a business can make of it.

The successful and sustainable businesses of the future are now focusing on the efficiency and mobility of the workforce. Future efficiency gains will come from careful planning of placement and location of resources relative to areas of activity. The ability to move those resources, quickly and efficiently, with a good steady flow of information that is relevant and targeted. The best gains to be had in terms of leverage are applications and technology that is mobile and integrated into enterprise solutions. The company workforce with the ability to capture data and interact with clients or installations on site and submit or interact in real time; will lead the way into the realm of future sustainable business. Strategic and management planning in future needs to accurately understand and interpret the relationship between resource planning and growth planning - this will require tools that relate a whole variety of variables in way that reflects the most efficient relationship between them. Understanding the history of the relationships between resources and workforces relative to clients and footprint is going to be the foundation of predictive modelling. Those that can interpret predictive modelling will be those that gain leverage off of their mobile workforce and infrastructure.

Being part of the community of future sustainable businesses requires planning, initiative and vision. The question is where are you in this process, if at all?

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<http://www.coldpressmedia.co.za/gb/2012/june/articles/afrigis.html>

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