



LEARNING A NEW PARADIGM FOR BUSINESS MANAGEMENT

Sustainable development requires a frontal assault on the existing business paradigm. We are challenged individually and collectively to meet the challenges involved. These challenges are economic, social, environmental, political and educational.

The Closed System Pty Ltd is focused on addressing the educational challenge. So far, of the five challenges, the educational challenge has received the least focus.

Sustainability education has lacked focus and content. It has been mainly aimed at treating the symptoms and not the cause. The primary need - to develop a new paradigm of thinking that will provide managers with the systems perspective and tools to manage sustainable development – is still not yet a primary focus, even in higher education:

Below is an extract from The Essex Report: Workshop on the Principles of Sustainability in Higher Education. Held under the auspices of The President's Council on Sustainable Development 1995:

‘Meeting basic human needs now and in the future requires a major shift in the thinking, values, and actions of all individuals and institutions in their relationship with the natural environment. This shift in mindset must be led by the higher education system because it prepares most of the people who develop and manage society's institutions, and who serve as teachers. It will require comprehensive short- and long-term educational change, necessitating unprecedented leadership and commitment by colleges, universities and professional schools.

- education and research about the interdependence of humans with the environment is not a priority in higher education.
- the general public has little awareness that a healthy natural environment is essential to our very existence
- the current education and training of most environmental professionals who will be employed by government, industry, academia and environmental organizations is narrowly focused and incomplete.
- Several structural aspects of the educational system contribute to the problem.

Thus, we have an opportunity to solve many problems at the same time with the incorporation into higher education of systems thinking and a pedagogy and practice that supports movement towards sustainability.'

Major challenges that The Closed System Pty Ltd faces as a leader in sustainability education is the recognition that:

1. Apart from Government and Non Government Organisations (NGOs), Sustainable Development is not a core issue for most organizations and people – an educational challenge in itself;
2. Most businesses and institutions prioritise financial performance, market share, branding, productivity, governance, security, customer service, succession planning etc and do not see these issues as fundamentally related to sustainable development.
3. The solution, that we have pioneered, in developing the 'Closed System' methodology for implementing sustainable development in organisations, requires the endorsement and resourcing of key stakeholders to gain the credibility and momentum needed for widespread adoption.

Our work, over twenty years, has been guided by three perspectives:

Ray Anderson CEO Interface Carpets:

'I first formed the impression that nature is a model, and then I realized that is not so — nature is the real thing, and we have, in the industrial system, a very poor artifice that

needs changing. We can look to nature for the inspiration, the guiding principles to make the changes needed in the industrial system to make it as effective as nature is — waste free, resource-effective and resource-efficient, benign, operating on sunlight the way nature operates on sunlight; taking nothing and doing no harm.

I had a conversation with [former ISyE School chair – Georgia Tech] John Jarvis somewhere along the way. I said. "John, if you can figure out how a forest works, you will have a pretty good idea of what the industrial system for the 21st century ought to look like.'

Jay Forrester: Founder of Systems Dynamics:

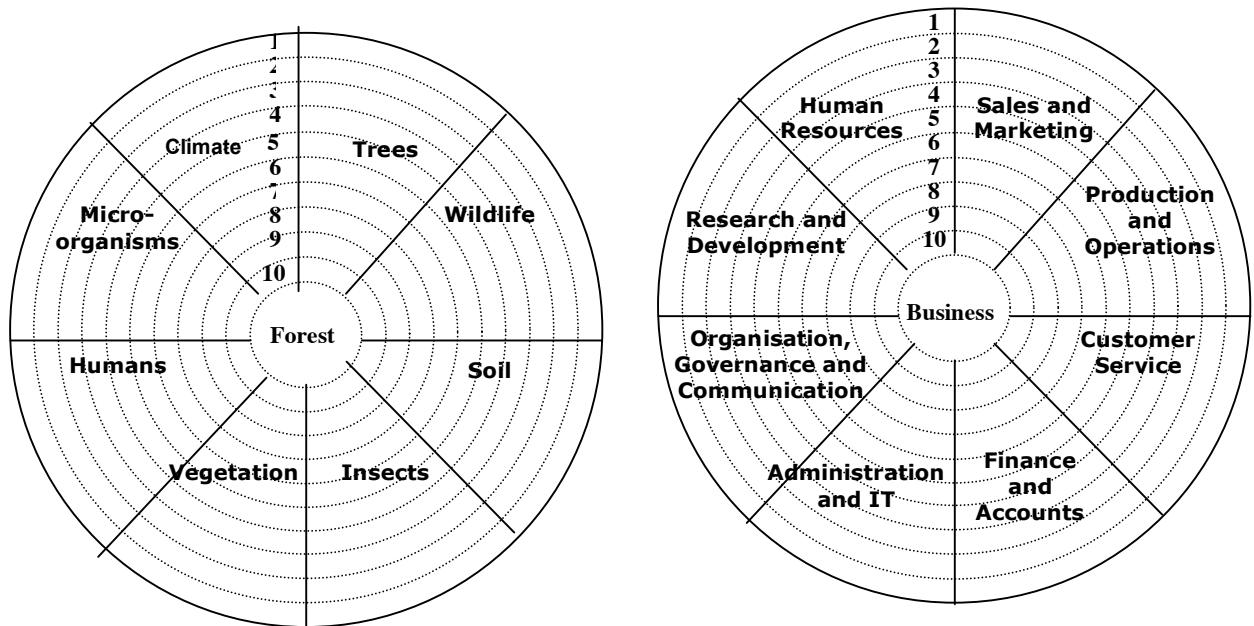
'Everyone speaks of systems: computer systems, air traffic control systems, economic systems, and social systems. However, few people realize that systems exist everywhere. Systems influence everything we do. Systems create the puzzling difficulties that confront us every day. Understanding physical systems is far more advanced than the understanding of social, corporate, governmental, and economic systems. The field of system dynamics is leading to the new profession of enterprise designer. Methods now exist for designing the structure and policies of human systems so that the systems will better serve the people within them..... During the past century, the frontier of human advancement has been the exploration of science and technology. Science and technology are no longer frontiers, they have receded into the fabric of everyday activity. I believe that we are now embarking on the next great frontier, which will lead to a far better understanding of social and economic systems'.

Leigh Crocker and Melissa Burge: The Closed System Pty Ltd:

'In the physical sciences, an open system (system theory) is a system where matter or energy can flow into and/or out of the system, in contrast to a closed system, where energy can enter or leave but matter may not.'* (Wikipedia, the free encyclopedia). *In reality, our observations showed that nature behaves as a closed system – matter (living species) cannot exist outside of their habitat – while, we

recognize that over long timeframes, natural systems behave as open systems – living systems are essentially ‘closed’. Hence we called the sustainability paradigm for transforming behaviour, the Closed System.’

The New Paradigm: Seeing a Forest and a Business as Sustainable Systems



The above diagrams show the relationship between how a forest works and how to manage a sustainable business, applying the same Closed System methodology.

The Closed System Pty Ltd has developed the Closed System methodology and then applied a range of diagnostic, planning and strategy development tools to implement sustainable development within organizations.

Our approach has been successfully trialled in Melbourne, with the support of Local and State Government institutions. The success of these trials has led to a successful pilot program in 2007 with PricewaterhouseCoopers, learning to apply the program internally and then introducing the Closed System to their corporate clients.

We invite you to apply yourself to learn and experience this new paradigm in thinking. We believe that few, if any, other ventures could be as important to our quality of life as achieving widespread consensus to adopt educational programs for achieving Sustainable Development.