

**Sustainability
redefines success**

Argon&Co*



Sustainability unveiled: key to long-term business success

The many definitions attributed to the term 'sustainability' can make it difficult for us to pin down exactly what it means to us collectively. Firmly a part of our public discourse, there are many ways to interpret it. But with increased demand from customers, employees and financial institutions, and tougher regulations and standards incorporating environmental and social factors, acting on sustainability is no longer optional – it is business-critical.

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It is also time for businesses to stop looking at sustainability as its own entity, separate from all other areas of a business. Instead, it should be seen as a key consideration across all areas of business operations. By altering this perception and harnessing sustainability rather than resisting it, businesses will generate long-term value and form a new foundation for resilience, competitiveness and ultimately success.

This is not an abstract prediction. At Argon & Co, we're already helping businesses forge valuable opportunities from their sustainable development. So, we know what the challenges look like – but we know what success looks like too.

Mindset change: sustainability is an opportunity

Humans are hardwired to resist change. A fear of the unknown is rooted in our psyche and can be traced back to evolution. So when a business seeks to initiate any significant cultural shift, it is likely to be met with resistance. Often in the presence of this resistance, focusing on the challenge or the 'threat' facing a business is not enough of a motivating factor for employees.

But even the challenges of sustainability present opportunities. Let's imagine a large firm communicates the business-critical need for more sustainable operations by explaining its regulatory obligations. Rather than a doom-and-gloom approach, the narrative can be steered towards the benefits of increased operational visibility for stakeholders and improved collaboration with partners.

By taking a more transparent approach, businesses can build trust with their customers and broaden their appeal to potential buyers – they can also improve relationships with partners across the supply chain or even form joint ventures or follow a co-opetition approach to achieve mutual benefit. The objective of adhering to regulatory requirements becomes a shared goal, and encourages a more collaborative approach between partners. Rather than working in silos, there are opportunities to co-develop products and collate resources to support decarbonisation efforts. The results will extend further than meeting regulatory obligations. There may be greater chances of successful product implementation,

operational and development costs may be reduced, and more cohesive working relationships may be forged.

There are other ways that a proactive approach to sustainability can help businesses get ahead. Early adoption of sustainable practices can help them avoid competing with others for limited resources – like new fuels or equipment – further down the line. Meanwhile, broadening the scope of operations to incorporate new products and services can open opportunities for new revenue streams and business models – a win for all stakeholders.

Focus on impact on the business and beyond

Shifting a workforce towards a new mindset is no mean feat – but the opportunities it can create are deeply valuable. If your team can see the benefits of embedding sustainability across your business, both for themselves as individuals and collectively, they can buy into this new mindset and see sustainability as a dynamic, ongoing process where learning and improvement are continuous.

In the area of sustainability, successes resonate with people on a different plane as not only are individuals helping contribute to the growth of the business but they're also part of something bigger – and their actions are having genuine, real-world impacts. Take phasing out CFCs after the Montreal Protocol for example, and seeing the hole in the ozone layer start to disappear as a result of international agreements and human action. Sharing these types of success stories can spark optimism among the workforce, demonstrating that taking action can make a difference to the world, as well as the business.





Strategy change: sustainability is all- encompassing

Sustainability can no longer be treated by businesses as an afterthought, nor can it be pushed down the priority list. It is now intrinsically linked to the long-term success of a business, and needed to form a key part of business strategies. But there lies a strategic wall in front of many companies: they want to become more sustainable and realise how integral it is to a business strategy, but it is still perceived to be a separate arm of a business rather than something that runs through every division. So, when sustainable initiatives are challenged and no one has taken responsibility, they are often lost or reduced in scope.

Incremental steps towards a more sustainable business model will always have their place, but they won't cut it alone. A bolder, broader approach is needed with new operating-model architectures to deal with the road ahead.

Think of it this way: if you are aiming to improve the energy efficiency of a facility, adding some solar panels to the roof is not going to solve all your problems. The task at hand is far larger, and starts with behaviour change practices for the

on-site team. Have you communicated with them about the importance of reducing unnecessary energy consumption or introduced new recycling policies? Alongside upgrades to machinery and introducing more sustainable materials to the supply chain, bold approaches to your ways of working are needed to make a business truly sustainable.

Approach the challenge head-on

The way businesses approach these changes cannot be static. Like on the sports field or in the market arena, you cannot wait for the challenge to come to you. It is up to businesses to take the initiative, make big bets and act first – to be proactive rather than reactive; constantly exploring where the most valuable sustainability opportunities lie across their entire infrastructure before acting upon them.

At Argon & Co we are seeing the challengers and the disrupters make the most significant gains in the way they approach sustainability, because their entire operations are attuned to the same goal. These businesses, that continue to collectively innovate and seek out new opportunities to gain value from sustainability, are the ones that set themselves apart in the marketplace and set themselves up for growth.

Focusing efforts on where they will have maximum impact

Large-scale sustainability transformation across a business requires a collective focus on a select number of material priorities. Companies that try to do everything often end up doing not very much at all, hindering their own progress and damaging revenue.

With so many stakeholders and so many voices wanting their say, the process of transforming a business to operate more sustainably can quickly become conflated without guard rails in place. So often, we see well-run businesses engaging in a wide, convoluted spectrum of low ROI sustainability actions, which dilute responsibility and impact of the business and demoralise the workforce.

The companies that we've seen succeed in transitioning to a more sustainable model will concentrate their efforts on a curated set of high-impact actions across the business that align with their strategic vision – similar to the Pareto Principle, also known as the 80/20 rule, where often 20% of causes are responsible for 80% of outcomes. It is about concentrating your efforts, and picking your priorities for the long road ahead.

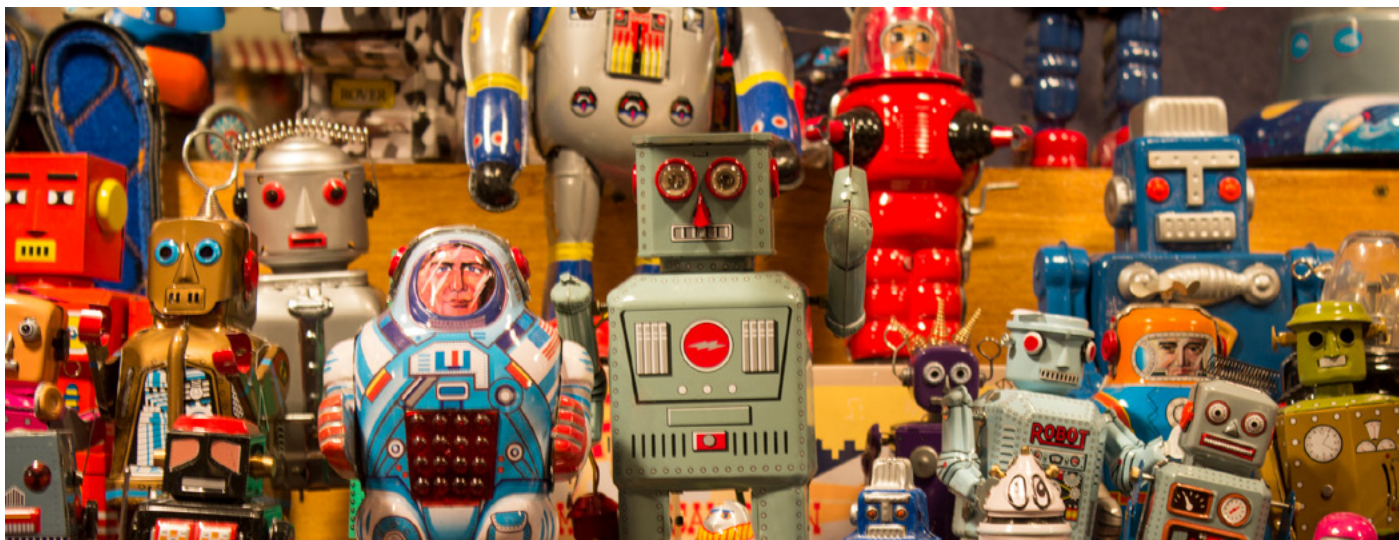
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A co-created approach to help the team succeed

While 80/20 thinking is crucial to success, it's not easy to accomplish. Agree on a collective approach, and then translate that approach into your own transformation toolkit. This will help maintain transparency for stakeholders and partners, while also providing a reference point for behaviour and policy change across the business.

With key voices across the business contributing to the development of a transformation toolkit, collaboration sits at the heart of operations – so there's more chance of setting up for long-term success. The toolkit can also help simplify the complexities of sustainable development and emphasise the importance of staying agile. Rather than serving as a rigid set of rules, it can be used as guiding principles that drive consistent behaviour and change mindsets. A universal toolkit can communicate exactly what is needed from individuals and teams to achieve broader collective success across those key transformation projects.

Learn more about how we're helping our clients successfully implement sustainable strategies and shift mindsets with the following real-life insights.



Case study: Sustainability at the heart of strategic commercial partnerships

Argon & Co worked with a leading high street toy retailer based in the UK, supporting its efforts to more broadly integrate ESG across its operations.

The domestic growth of the client is driven primarily by its stocking partnerships with other UK retailers. These partners, ranging from supermarket chains to internet-based retailers, have high ESG expectations for their suppliers. Our client needed a structured approach to understanding non-compliance and the impact this may have, as well as support in identifying and addressing any gaps across its operations.

Argon & Co identified over 100 requirements across the client's various contractual documents and policies, and assessed its compliance for each. We then distilled the extensive results across all ESG requirements into a digestible summary, helping the client to understand any gaps.

We created a priority action list across nine focus areas, proposing manageable timeframes across the various workstreams by timeframe and the MoSCoW method.

With a priority list agreed, we co-constructed a three-year roadmap for the client that laid out plans to address the ESG requirements of its partners.



Case study: Sustainability as a lever to steer strategic success

In 2024, Argon & Co worked with a French speciality food brand and retailer to design its strategic plan and ensure sustainability was central to its strategy.

As one of France's most preferred retail brands, the client took a proactive approach to its strategic planning and sought to build on its success with renewed transformation efforts. It approached Argon & Co to help shape and share its vision, ensuring it would remain ahead of competitors in an increasingly challenging marketplace.

Argon & Co helped the client ensure best practice was followed across its strategic planning, with sustainability sitting at the core of its focus areas.

To do so, Argon & Co implemented a new methodology, S - LIFE, to help the client design the strategic plan in five steps (see below). This was built with and for operating teams, and the process ensured that the business could leverage sustainability as a new driver of efficiency and innovation across all areas of the business, removing silos and building new foundations for the future. With sustainability being guided and prioritised as a core component of business performance, the client aims to drive both increased economic growth and sustainable impacts.



Acknowledgements



This whitepaper has been written collaboratively by our Sustainability team. Our team of experts in sustainability consultancy dig deep to identify the root of complex problems and focus on delivering tangible results for clients. We apply a combination of technical expertise, operational experience, business knowledge and common sense to help our clients understand and address sustainability impacts, embedding real change and delivering lasting results. Our positive, flexible and personal approach, with challenge where needed, ensures buy-in at all levels of our clients' businesses and a positive outcome. [Learn more about us here.](#)

About Argon & Co

Argon & Co is a global management consultancy that specialises in operations strategy and transformation. With expertise spanning supply chain planning, manufacturing, logistics, procurement, finance, and shared services, we work together with clients to transform their businesses and generate real change. Our people are engaging to work with and trusted by clients to get the job done. We have 17 offices across Europe, Australasia, America, Asia and the Middle East.

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