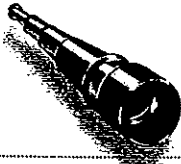


Case 1

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A Different View

Profit, planet, and people. First introduced in the mid-1990s, "the triple bottom line," or the three Ps, measures the financial (profit), environmental (planet), and social (people) performance of a corporation over a period of time. Sustainable corporations that emphasize social and environmental responsibility, regardless of their motives, are increasing their profits and often outperforming their more traditional competitors.

Timberland is one company that is focused on reducing its carbon footprint, boosting renewable energy use, and increasing the integration of recycled, organic, or renewable materials for its apparel lines while maintaining its profitability. Identify another sustainable corporation that focuses on the triple bottom line.

Answer: about Timberland

- How successful are they at each of the three Ps?
- How do they quantify "planet" and "people"?
- Is this practice always ethical and why?

Answer: check another company

Identify a more traditional corporation that focuses only on profit.

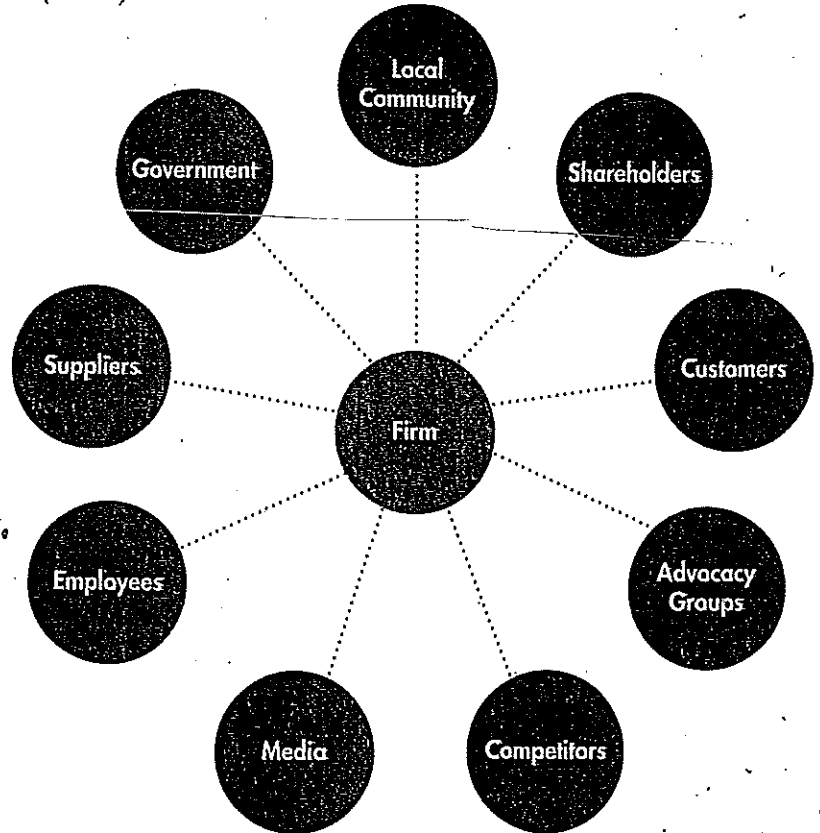
- Would a focus on the three Ps benefit them?
- What are ways that they could implement the three Ps?

Answer:

Does Timberland need to consider which? why?

Figure 1.8 • Stakeholder View of the Firm

Also, consider these ↓ as "environments"



these?

Read:

STAKEHOLDER APPROACH

According to the stakeholder theory, "a stakeholder is any group or individual who can affect or is affected by the achievement of an organization's purpose."³⁴ At its core, stakeholder theory is concerned with who can influence a firm's decisions and who benefits from those decisions.³⁵ The first step in organizing for stakeholder management is to identify all of the important stakeholders of the firm. While Figure 1.8 advances a certain group of stakeholders, this is by no means representative of every organization. The second component of stakeholder management involves designing formal processes and systems to deal with the firm's various stakeholders.

Stakeholder Mapping

The first step of stakeholder management is to map all of the stakeholder relationships of the firm (see Figure 1.9). The manager must ultimately decide which groups or individuals can affect or are affected by the firm.³⁶ The manager can initiate this process by using the template from Figure 1.8 and adding or subtracting the firm's stakeholders that control vital resources are particularly important to consider.³⁷