

LET'S THINK ABOUT THIS: SUSTAINABILITY PART 2



What is the foundation of any sustainable business?

The three principles (responsibilities) of sustainability are foundational to balance in any business model. Many successful businesses still consider this a “triple bottom line” approach to managing a business. These principles include a) economic – profit, b) environmental – stewardship, and c) social – reputation.



Three principles of sustainability

- 1. Economic:** “Cash is king, and profit is paramount.” Having a consistent and accurate estimating system, managing a minimum 6 months cashflow, and budgeting a minimum 10% net profit margin are reasonable economic expectations required for managing economic risk.
- 2. Environmental:** Stewardship requires more than electric equipment and organic products. Conservation and managing waste are simple initiatives to manage risk.
- 3. Social:** Reputation risk management is best managed by following a “do the right thing” rule. Assess every decision you make by answering the question: “What if it were reported on the front page of the newspaper or went viral on social media?”

“Let’s Think About This” answers questions received from SIMA members. If you have a question you want Phill to “think about” email Phill psexton@witadvisers.com.



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