



NEGOTIATOR'S NOTEBOOK

Tough Mother, Collaboration and Sustainability

We used to think we are separate. We used to think our business was to cross the finish line first. We used to think we could know it all. Our challenges today seem much greater than yesterday. The challenges of tomorrow are expected to be greater yet. How will we meet these challenges?

I will tell you a story that links to my answer to our question on future challenges.

My son, Dan, lives and works in Los Angeles. Last spring, Dan called me; "Dad, remember when I was five you started having me join you in 5 and 10 km. fun runs?" "Yes. "Well, before you turn sixty, I want you to join me in the first Tough Mudder™ in Canada. It will be at Whistler and will cover 20 km. with 22 obstacles." As he has been in six Tough Mudders and qualifies in the top 5% in the world, I was both impressed and scared by his challenge. I replied; "Thank you for the opportunity. It will scare me into better fitness. Dan, you know I am a negotiator, so I must counter propose. I will participate in this extreme mountain challenge provided you will stick with me throughout the race and that you and I will hold hands as we cross the finish line together." "Agreed!" "Oh and Dan, remember those 5 km. runs when you were young?" "Yes." "You should also remember that I carried you most of the way!" "Ha ha!" I looked on line and read; "Tough Mudder events are hardcore 10-12 mile obstacle courses designed by British Special Forces to test your all around strength, stamina, mental grit, and camaraderie." Obstacles are lovingly named Arctic Enema, Underwater Tunnels, Ball Shrinker, Firewalker, Trench Warfare and the Mud Mile. Better get to boot camp. This is a big challenge.

Late June, in the cold mountain air at dawn, we are in the bull pen at the starting gate for Tough Mudder. I am nervous. Holy s-it, the average person here is half my age, this course is up and down the mountain, through snow, ice, miles of heavy mushy mud, 3+ m. (10' +) high flat faced walls to get over, ice cold water to swim through.... ! The Navy Seal type starter is yelling and the metal music is pounding to get us ramped up for a gruelling day. The starter yells through the bullhorn; "*Look around you at the fifty people in this group. Your mission today is not to beat them. Your mission today is to make certain that everyone in this group completes the course.*" Heh, I am liking this more now.

And, sure enough, the challenge was very tough, the obstacles crazy, the mud oozed into my genetic structure and most everyone helped anyone else that needed help. With a very few exceptions and a few bypassed obstacles, we all completed the course. My son, the veteran of six, helped many in this first event in Canada. Just before the finish line is Electroshock Therapy (where you run through up to 10,000 volts of electricity). As I steeled myself to get through, Dan grabbed my hand. After 20 km. and 22 obstacles, we ran through the bare electrical wires and crossed the finish line together.



That day with Dan is now added to our great life memories. This picture is, also, a reminder that I/ we can overcome great challenges. How do we overcome great challenges; by collaboration. Remember, the elite special military forces (like Canada's JTF2 and the American Navy SEALs) put collaboration and looking out for one another far above the individual's pursuits. They do this to make certain their missions are successful and everyone comes back healthy. In the old days, we are led to believe, lone rangers and cowboys were the heroes. In the world of today and tomorrow, the cowboys will likely be killed.

For the Canadian petroleum industry, we will succeed even more through collaboration. The time of the successful bully bosses or a dominant industry is long past. And the challenges we face with drilling and developing resource plays, building production facilities and constructing pipelines to get our energy to international markets are immense and growing. The world doesn't trust us nor do they believe we are working in their or the planet's best interests. Our production is now sold at a massive discount to world prices. We suffer, our communities suffer and Canada suffers. We are changing and finding ways to work together with many people, organizations and communities that appear on the surface to be our enemies. Take a few moments to watch oil industry, environmental, aboriginal, community and regulatory leaders in the video "Working Together" <http://savagemanage.com/videos.html>

This article is titled "Tough Mother, Collaboration and Sustainability." I use the Tough Mudder event as a metaphor for the challenges we are now facing as an industry, a nation and a planet. Yes, planet earth is, has been and hopefully always will be, a "Tough Mother." Nature is far more powerful and resilient than mankind. The challenge we face today is that our human impacts in the past century, and increasingly today, are far more substantial than ever before in history. For our massive world population (now estimated at more than 7 billion), simply making a living is a daily challenge. Our industry provides energy, wealth and opportunity. And we also create emissions, damage to land and more. We see a worldwide outrage against our "Tar Sands" that are purported by some to be the tipping point for

irrevocable and destructive climate change. The problem with all of this is that it reflects very narrow perspectives and interests. We miss the opportunity to come together, realize our connections, co-create solutions and create our future.

"We must all hang together, or assuredly we shall all hang separately." Benjamin Franklin.

What is changing?

1) Taking positions rather than acting strategically.

We waste time arguing about perspectives and demanding our own interests come first.

Whether oil sands development is or isn't a key contributor to climate change, why wouldn't all of us reduce our footprint in practical ways (not only CO₂ emissions).

2) Sense of isolation.

We are all connected; let's act in ways that honour our environmental, physical and spiritual interconnections. Let's move from "us vs. them" to "we".

Five years ago, I co-facilitated world cafes in Calgary and Fort McMurray on remediation and reclamation of oil sands tailings ponds. I experienced the shift from perspectives of confidentiality, competitive advantage and intellectual property to collaboration. In the past year, COSIA (Canadian Oil Sands Innovation Alliance) has been sharing their research and realized that three of their members were independently working on tailings pond remediation projects. They are now collaborating on one research project.

3) Sustainability = environmental protection.

In many ways the strong focus on environmental issues has detracted from real sustainability.

Sustainability includes three pillars:

- a) Economic,
- b) Social and
- c) Environmental.

These three pillars are completely connected. Without economic sustainability, environmental and social sustainability are diminished. We cannot separate what makes sense to generate wealth from what supports communities and preserves the environment. And the converse is true.

4) Sustainability is only an expense.

Corporations are now seeing sustainability as a strategic advantage.

The 2012 Massachusetts Institute of Technology annual Sustainability and Innovation Global Executive Study reports that; *"With the exception of industrial services and media, survey respondents have indicated that sustainability related plans have contributed to their company's profits. The survey data shows the opposite true: not making the business case for sustainability, but attempting such actions, results in a decrease in profits."*

5) Social Responsibility is a side issue and an expense.

For many years, Michael Porter of the Harvard Business School, was well known for his assertion that what is good for business is good for the community. Recently, his tune changed 180 degrees. Now Porter asserts; *"What is good for communities is good for business."* In the January 2011 Harvard Business Review, he states; *"A big part of the problem lies with companies themselves, which remain trapped in an outdated approach to value creation that has emerged over the past few decades. They continue to view value creation narrowly, optimizing short-term financial performance in a bubble while missing the most important customer needs and ignoring the broader influences that determine their longer-term success. ... Government and civil society have often exacerbated the problem by attempting to address social weaknesses at the expense of business. The presumed trade-offs between economic*

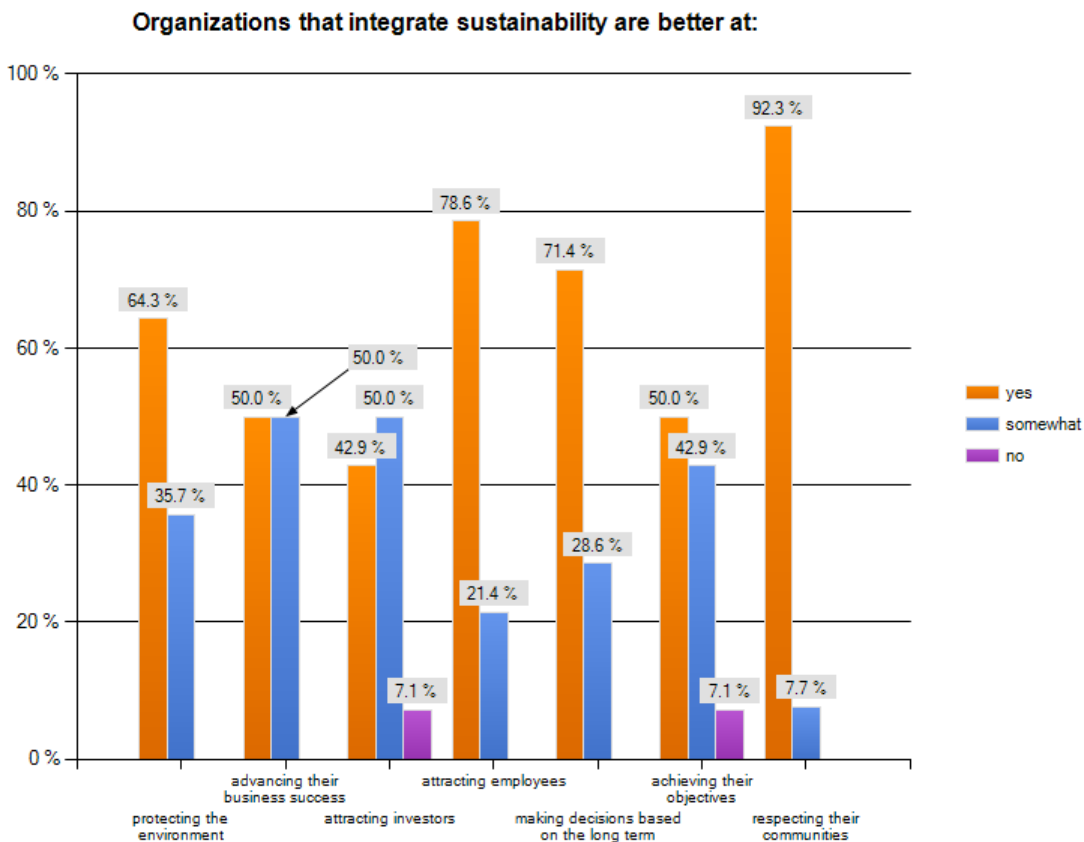
efficiency and social progress have been institutionalized in decades of policy choices. Companies must take the lead in bringing business and society back together. The recognition is there among sophisticated business and thought leaders, and promising elements of a new model are emerging. Yet we still lack an overall framework for guiding these efforts, and most companies remain stuck in a “social responsibility” mind-set in which societal issues are at the periphery, not the core. The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center. We believe that it can give rise to the next major transformation of business thinking.”

6) We don't see the link between our company and sustainability.

In his 2008 book “The Necessary Revolution” Peter Senge, after many years working with multinational corporations like Coco Cola, Walmart, GE Ford, DuPont, Costco, shell and IBM reports that;

- a) *“There is significant money to be saved.*
- b) *There is significant money to be made.*
- c) *You can provide your customers with a competitive edge.*
- d) *Sustainability is a point of differentiation.*
- e) *You can shape the future of your industry. You can become a preferred supplier.*
- f) *You can change your image and brand.”*

In Savage Management’s 2012 Survey on Leadership and sustainability, participants told us;



7) We wait for leaders.

Increasingly the conception, collaboration and leadership on sustainability opportunities comes from all levels within organizations. People like you.

People like you and your organization can collaborate and act in new ways that will vastly improve our impacts, how we are perceived around the world and move the pricing of our production from heavily discounted to a preferred supplier and much more.

Now look back at our metaphor of the Tough Mudder extreme mountain challenge. Remember what the strong man at the starting gate in Whistler said; *“Look around you at the fifty people in this group. Your mission today is not to beat them. Your mission today is to make certain that everyone in this group completes the course.”* This course is live and our future.

The walls are getting higher for business. We will make our organizations a more positive influence on future generations. We will do this through awareness, collaboration, co-creation, leadership, accountability and our focus on all three pillars of sustainability (economic, environmental and social). We will profit from this shift. Our commitment is to educate, communicate and engage people at all levels of our organizations, industry and nation.

Will you participate in the extreme mountain challenge and opportunity? Will you be a bystander and nay-sayer? What are the consequences of both choices? Think about your family, community and our planet 50 years from now. And now make decisions on your projects, investments, brand, relationships and impacts in service of today and 50 years from today. Together let's move from self interest and “Green Wash”ing to Gifting to our Future. How will you choose to have a more positive sustainable impact on your family, organization and community today and every day from now on?



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