

# BUSINESS INSPIRED BY NATURE

The economic, social and environmental volatility now facing business means organizations having to operate in a dynamically transforming landscape.

The nature of change itself is transforming. Organizations are now increasingly exposed to dynamic change: change upon change upon change - while dealing with one change, another affects us, then another, and so on. This dynamic change upsets the traditional mechanistic business paradigm we have been working to over the last few decades.

Paradoxically, inspiration for the current pressing challenges is all around us in nature. Nature has been dealing with dynamic change for over 3.8bn years, and the more we explore nature's ways the more we find inspiration for operating in a dynamically changing business environment.

Our understanding of nature has evolved over the last few decades, from viewing it as a battleground of competition to one of dynamic non-equilibrium, where an order within chaos prevails due to unwritten natural patterns, feedback loops, behavioral qualities, interdependencies and collaboration within and throughout ecosystems. The more we grapple with the challenges our businesses now face, the more we realize that nature's patterns and qualities inspire approaches and qualities for our own evolutionary success in business and beyond.

Organizations inspired by nature are resilient, optimizing, adaptive, systems-based, values-based, and life-supporting. Let us explore these principles.

## Resilient



The more resilient an organization is, the more able it is to successfully deal with disturbances and volatility. Hence, business resilience is fast becoming the Holy Grail for businesses in these volatile times. The more diverse, decentralized and distributed a business ecosystem, the more able it is to seek out opportunities and capitalize upon a changing business landscape.

By way of example, UK brewery [Adnams](#) recently shifted their focus from a few product lines and customers to increasing the diversity of products and their customer base. The shift towards a greater variety of products and customers led to investment in adjacent markets. During this business transformation, Adnams also invested in its employees, ensuring they became more empowered to make decisions locally, reducing the need for overly burdensome centralized management. These changes have significantly increased Adnams resilience, leaving them far better equipped to deal with market volatility and seek out new opportunities.

## Optimizing



Whilst maximization brings benefit of economies of scale through lower unit cost of production, in nature we find optimization through economies of scope brings different benefits through improved cross-fertilization and species interaction (akin to improved interactivity across traditional department and organizational boundaries). Maximization is driven through homogenizing, scaling up, atomizing, industrializing and reducing complexities within a specific business function, system or process; optimization is driven through enhanced connections, interactivity and interdependencies across different business functions, systems or processes.

In nature, economies of scope are fundamental for adaptation and survival as it is species that have multiple synergistic interconnections within their ecosystem that co-create resilient ecosystems more able to survive dynamic change.

## Adaptive



In the words of Charles Darwin "it is not the strongest species that survive, nor the most intelligent, but the ones most able to adapt to change".

Unilever is undertaking significant adaptation across its business not just in the way it sources, produces and distributes products but also in the way it engages stakeholders across its entire business ecosystem. It is adapting its approach to business to become fit for purpose for the environment that it operates in.

General Electric is another good example of a company that is adapting and transforming its business strategy towards products and services that enhance the sustainability and long-term value of its customers and wider stakeholder community.

## Systems-based



Whilst reducing complex problems, projects or production lines into small, manageable chunks has the advantage of simplifying management and control, it can reduce the interconnections and interdependencies between activities that give rise to synergistic value enhancement.

Business, like nature, is lit up by interconnections and relationships that find success by being both system-focused and self-focused. Whatever the organization (or organism) does to benefit itself should also benefit the system; in benefiting the system it also benefits itself.

## Values-based



As the need increases to continuously change, let go of old ways, seek out opportunities and embrace the new, values become the core from which consistent good business behavior is rooted. Hierarchies of management and control slow down the ability for organizations to adapt. Rather than controlling the workforce, a firm of the future empowers the stakeholder community to take decisions locally, based on the core business behaviors set down by the values and culture of the organization. Hence values-based leadership becomes a differentiator for those organizations best able to transform towards a firm of the future.

## Life Supporting



Sustainability is fast becoming embedded into business best practice. Life supporting goes beyond traditional sustainability and corporate responsibility – measuring, monitoring and reducing the negative effects of the business. It is about creating the conditions conducive for life; encouraging behaviors, products and services that seek to enhance the wellbeing of those within the business ecosystem. Some organizations are already transforming towards zero emissions (for example, Puma and Interface), yet there is neither rhyme nor reason why business should be limited to that zero goal. Reaching for net positive value creation where business relationships, products and services are mutually beneficial for the stakeholders, society and environment within which they operate is the true ambition for the firm of the future.

Of course that transformation is a journey not a destination. These business principles help shape the direction of the journey, yet there is no ideal business model or perfect way of operating; it is about finding the right way at the right time for the market conditions.

The future is bright for those organizations and individuals bold enough to embark on a journey of dynamic transformation in the face of increasingly perilous market conditions.

**Giles Hutchins**

**The book 'The Nature of Business'**