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Dear Reader,

In both business and society in general partnership and collaboration are becoming key concepts. In this issue we are pleased to introduce the Sustainable Food Lab, a partnership organization that brings together leading corporations in the food industry, with NGOs and government, with the purpose of jointly addressing the big world problems of poverty and environmental impact. The results are amazing, and we wanted to share this story with the readers to inspire other sectors in considering a similar initiative. What follows is an interview with Founder and Director Hal Hamilton.

Enjoy the reading!

Isabel Rimanoczy
Editor

Quote of the Month

*"Face the facts of being what you are,
for that is what changes what you are."*

Søren Kierkegaard
(Danish Philosopher, 1813-1855)

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Issue 112

December 2009

THE SUSTAINABLE FOOD LAB ^[1]

Interview with Hal Hamilton

LIM News: Tell us, how did the Sustainable Food Lab begin?

HH: The Sustainable Food Lab began with a small group of people acting as pioneers in the industry and foreseeing the importance of sustainability and corporate responsibility for their organizations.

Their motivations came from different directions, for example from having a reliable supply of needed ingredients, and the availability of needed products from the agricultural sector.

So, if water shortages or climate change or loss of fertility of the soil, pose a high risk for food companies intent on procuring what they need, then sustainability has a direct business value in that sense, having an adequate supply. More and more the license to do business, especially in emerging markets, is connected to responsible product sourcing in ways that meet the livelihood needs of the farmers, farm workers and communities from where they source products. So sustainability becomes an issue of public reputation.

The consumers in the wealthy countries, in the U.S. and in Europe especially, the middle and upper class consumers in the large cities of the world have an increasing interest in issues of sustainability and social responsibility as evidenced by the growth of fair trade and organic products.

And I think there's also business value in employee attraction and retention for some of these companies to be involved in sustainability. They get the better young MBAs out of business school when they're seen as a company that has a higher degree of responsibility. So, there are a number of business drivers and then there are a number of ways in which these companies faced problems that are more effectively approached through partnerships than by themselves. Sometimes industry partnerships and sometimes partnerships with NGOs and universities.

LIM News: What kind of partnerships are you referring to?

HH: There's quite a growth right now of universities doing lifecycle analysis of food products for different companies, for example. And there are some of the larger NGOs that have a history of campaigning against corporations who have now decided that they could meet their own missions more effectively if they are to try partnering with business to improve supply chains.

Incorporating sustainability into supply chain practices and procurements, using new specifications and sometimes certification standards, is becoming more mainstream—a good deal more mainstream than it used to be. When we started interviewing people for the first core group of the Sustainable Food Lab about six years ago, sustainability was still somewhat marginal in the food industry and now it's not the case at all.

These days there's an enormous amount of activity. But when we started the Food Lab it was more of a pioneering effort, and there were only certain people and certain organizations who were willing to devote the time and resources to exploring where the collaborative solutions might be.

LIM News: How did you find the first members?

HH: We convened the first group as a leadership project. Each organization signed on for two years and the group included people from business, from civil society and also some public sector people. Their goal was to understand sustainability from each other's perspectives and to jointly investigate what they could do together and then to kick off pilot projects, collaborative partnership projects by the end of the two years. This evolved into a membership organization.

LIM News: How many companies or people did you have for this first two-year program?

HH: We started with a group of about 30 people. My partner Adam Kahane and I had spent about a year interviewing people before we convened that first group. It was not easy recruiting the group because we asked them for a commitment of 40 days of time over two years and some financial support up front before they joined the program. So, it took quite an organizational decision to take part in it.

LIM News: What was the composition of this first group?

HH: They were from 30 different organizations. Our goal was to have one-third business, one-third civil society, mostly NGOs, and one-third government. We didn't have a full one-third from government and we in fact have never been successful at involving very many government people in what we do. It's evolved as mostly a business NGO collaboration with a few universities involved.

Now more and more consulting firms are involved in various projects because they offer services that everybody needs. Especially the more technical kinds of services.

LIM News: What type of representatives of government do you have?

HH: We've had from time to time people from the European Commission as well as the Dutch and the Brazilian Agriculture Ministries. Some people from the U.S. Department of Agriculture come sometimes but it just hasn't been very strong.

LIM News: So these members are international?

HH: That's right. We started off with a group that was from the U.S., Europe and Latin America. And our projects that have come about over time have been in the U.S., Europe, Africa and Latin America.

LIM News: And how often do you have these full membership meetings?

HH: We still have a membership meeting about once a year and we have smaller topic-specific events from time to time. We had one a few weeks ago on climate change, measuring climate change in agriculture, and we have one in another few weeks on incorporating sustainability metrics into supply change management.

LIM News: Are they like seminars or working meetings?

HH: Before our membership meetings we try to get people out on farms and in factories for a couple of days, in small groups, and then we'll have a working meeting for a couple of days. We find that the experience of getting people out in little vans and interviewing people and reflecting together what they hear and what they think, we find that a very effective way of getting people to form relationships with each other and it provides a much greater possibility of generating partnerships.

LIM News: How have the activities changed from this initial two-year program with the 30 members to today? How many members do you have and what is the main activity today?

HH: Well, there's sort of a content answer and a method answer. There are a couple of hundred people who are actively involved in different activities now. And about 40 different organizations are formal dues-paying members with another 30 or 40 organizations that are not formally or financially members of the food lab but sometimes participate in different projects.

They do practical things together but they also come for their own leadership, cultivating relationships among leaders from different parts of the food system. They benefit a lot from the knowledge they get from one another. We've managed to attract a critical mass of the thought leaders in the food industry and people really value the peer learning that they get from the best in class, people from both the companies and the NGOs who participate.

LIM News: What type of projects do they work on?

HH: Most of the projects are partnerships between one company and one or two or three NGOs or universities in particular supply chains. So, one company will work on a supply chain for its dried vegetables for their soups; or we'll work on a specific supply chain for Ethiopian farmers producing beans that go to an Italian wholesaler and a British processor and a British retailer as baked beans with a social responsibility component. Or we work with clusters of companies on reducing the climate footprint of their products, which might include tomato, wheat, beef or dairy production, for example.

We have the largest concentration of supply chain projects in two different areas. One focuses on ways in which supply chains affect the livelihood of small farmers, and the other on ways in which the climate footprint of a supply chain can be quantified with targets set, and reduction documented. So, climate and livelihood are the two main topic areas these days, with some work also on shorter supply chains in the U.S. where there is interest in local or regional food.

LIM News: Are the members Fortune 500 companies?

HH: Yes, but also some of the smaller more entrepreneurial brands that might be, you know, anywhere from \$100 million to \$500 million in sales, and that are pioneering niche products companies like Stonyfield Yogurt or Ben and Jerry's Ice Cream or Cliff Bar. And then some of the global NGOs are particularly active like Oxfam and WWF and the Nature Conservancy.

LIM News: And in terms of the people who are participating, is there a specific profile that you find among them?

HH: Well, I would say that for the most part, it's the people who have been assigned in a company to be the lead on sustainability or corporate social responsibility.

And that's a weakness in a way. It all depends on the company. In some of these companies corporate social responsibility is not integrated into operations and the supply chain as much as it needs to be.

We have some engagement from executives, senior VPs and occasionally from CEOs. Some engagement from supply chain but usually it's the sustainability office. Participation reflects the stage of development of the company. They usually start with sustainability as a somewhat marginal effort and over time it becomes more and more central to core strategy.

LIM News: Beyond the seminars, are there other activities?

HH: Yes, there are three or four different levels of activities. Periodically we do a big industry-wide conference. We have our membership meetings once a year. We have a few different topic-specific meetings, especially where we get people working on a similar topic area together. So we'll have sessions where we get companies and NGOs working on these global supply chains aimed at poverty alleviation. We get them together a couple of times a year in Africa or Europe or Washington D.C. and we have a couple of meetings a year where we get together with the different organizations working on climate change.

In addition I or one of my colleagues will spend some time at corporate headquarters doing training on sustainability or leading seminars for some of their R&D and marketing people.

LIM News: Has it been a problem to bring competitors together?

HH: Yes, sometimes having direct competitors in the room is difficult. But it doesn't always happen. The big brands are not so much of a problem because they tend to differentiate on products and they'll share some things when we're all together and they won't share other things. We might get more done in some ways when we're just helping one of them at a time with their own supply chains.

So we sometimes sign nondisclosure agreements and work in confidentiality. But we're a bit different from a normal consultant in that we will never do any project with a company without getting their agreement that we'll write up some of it as public information. Some of the learning will be written up as a case study and available to others. So, we keep some things proprietary but share some of the learning.

But there's a lot that is precompetitive. For example, it's cheaper for all these companies to figure out ways to quantify the greenhouse gas emissions from agriculture in their supply chain. And they don't feel the need to have the best tools for that. They'd rather have the universities and consultants develop the tools and share them in a precompetitive way and share how to use them and then they can go off and use them in their own supply chain. But they don't need to do that in a competitive way.

LIM News: Do you think that this model of collaboration that you are offering, that this changed the paradigm of what it means to compete or to work in the same industrial area?

HH: I'm not sure. I think nobody's quite clear the degree to which sustainability or corporate responsibility is a matter of competitive advantage or whether it's a field of precompetitive activity that is the playing field upon which everybody will play. I'm not sure that anybody quite knows what activities fall in which category. So, I don't know if I'd say that any paradigm has changed. I'd say it's still a field of inquiry.

LIM News: How do you develop trust among the members when they have to work together?

HH: That's a crucial precondition for what we do and a really important output. We're continually trying to increase trust. Trust is facilitated by creating environments in which people share more personal sorts of things than just their thoughts.

So, when people are out in the field meeting with farmers, talking to farm workers, meeting managers, thinking through the challenges and difficulties of different players in the system, they take some quiet time, reflecting, journaling, and sharing in a dialogue. Sharing feelings as well as thoughts. Even accessing the deeper meaning of why people do the jobs that they do and what they care most about. Sustainability has this wonderful advantage of being tied to everyone's concerns about the future and the degree to which they care about their children and grandchildren and the world we leave for our children and grandchildren.

It's easy to tap those levels of feeling and caring when we're talking about food and land and sustainability. And it's easy to develop more personal relationships because people talk about what they really care about, and then think through how to connect what they really care about with their jobs.

And that is what we want: to help people connect their deeper values with their jobs. Their jobs, of course, are to ensure the success of their organizations. But there's an overlap between the organizational goals and the more public good goals which are, I think, intrinsically connected to what people care most deeply about.

People don't forget about their job or the purposes of their organization.

LIM News: How important is the personal search for meaning?

HH: Very important. For example in the case of agricultural sustainability, conserving water and soil and biodiversity and being responsible in relationship to the communities that are involved in production and distribution.

LIM News: What do you think is the main attraction of becoming a member?

HH: I think the main attraction in the beginning is always a practical one. They're trying to achieve some things that they could do better by partnering with others than they can do by themselves. I think after a while they keep coming back because of the personal connections they develop and the inspiration they get. But I think what attracts them in the first place is almost always pragmatic. They feel 'I can do my job better if I can be in a relationship with these other players and partner with them, find out something they know that I need to know'.

LIM News: Is it still a commitment for 40 days and two years?

HH: No, no. That was just for the first two years. It's not so defined anymore and it's not anywhere near as much time.

LIM News: How much does it cost to become a member?

HH: It's a sliding scale but the larger companies pay \$20,000 a year, which is not so much for a big company, of course.

LIM News: Can you share a bit about the results of the projects?

HH: Well, there are lots of projects that have had a big impact on these global supply chains where we can count 5,000 small farmers here or 20,000 farmers there who have increased income, plus local foundations to support the community. I think we can count up maybe hundreds of thousands of farmers in areas in Africa and Latin America who have benefited so far. There are several new partnerships between organizations like Oxfam or World Wildlife Fund on one side and major food companies on the other side who have gone on to keep on being partners and tackle a whole succession of issues and challenges together. And it's quite interesting to watch the organizational change taking place. First on the business side as they understand that they have a lot to gain by partnering with NGOs and universities. Secondly some NGOs who were initially quite skeptical that business would understand that they have a lot to gain by partnering, now recognize that they can get a lot more done by partnering with business.

LIM News: You are changing a few mental models! So what are the key ingredients that keep this moving and growing?

HH: I think developing trust is really important. I think having some of the market leaders, some really

significant influential players, is also important. And also having some of the leading NGOs who represent the public good and bring an enormous amount of expertise as well as credibility, has been really important. And for the staff of the Food Lab, it's been important for us to be neutral among competitors, whether they are competing businesses or competing NGOs.

LIM News: What is your role as staff?

HH: We're in service to all of them, making progress from wherever they are to wherever they're trying to get. And we create opportunities for them to find each other, partner with each other, but we don't promote one solution set over another solution set. We hold the safe space. And the members have valued that a lot. There are a lot of opportunities that they already have to get together with other people or other organizations just like themselves. They go to big conferences all the time, or are invited to participate in formal task forces and commissions where they sit around big tables and listen to a lot of speeches and write formal documents. But not very many opportunities to get together with such a diverse set of players in an informal and carefully facilitated way.

LIM News: What are your goals as you look forward?

HH: Well, for such a small group, we have grandiose ambitions! We would like to shift a majority of the world's food supply into some sustainability program or other with continuous improvement and an accountable way of measuring progress. And that's a big ambition. We, of course, won't do it all ourselves. We're just aiming to shift the field, so to speak, of incentives and ways of measuring and continuous improvement toward sustainability as a core goal of the whole industry.

We're after those things that will affect the largest number of acres or hectares and the largest number of people as fast as possible. And we think actually that that's not only a good idea but it's a necessary idea given the rate of climate change and water shortages and poverty in the world. We have relationships now with the Department of Agriculture and the State Department and the Clinton Global Initiative and we're able to partner with influential players.

It's a fast-growing phenomenon of private sector leaders becoming public leaders and contributing a great deal. And I think that one of the big challenges now is to overcome the separation between public sector, private sector and civil society sector.

And I would guess that for your work in the pharmaceutical industry there are similar kinds of public health needs, challenges and opportunities where partnerships would be desirable.

LIM News: That's my assumption, too. So if you would have some recommendation for the readers... is this a model that could be applied to another sector?

HH: Well, I think there are two key things about an effort like this. One is to find that small core group of diverse and influential players, a small group of people about whom others would say, "Oh, if that group is leading something, I think I need to be there." Finding that small group of conveners is important and then the focus of the conversation has to evolve out of that group of people. I think that the focus has to come from the needs of the organizations who agree to participate. Secondly, it is crucial for someone, or a few people, to play the role of facilitator of the initial connections and facilitate the coming together of the group and the group's finding places to innovate where they could do it better together than they could separately. And the conveners have to have enough confidence that one person or persons will support them.

LIM News: Thank you for your time Mr. Hamilton.



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LIM News is published by LIM LLC
Editor: Isabel Rimanoczy
Editing Support: Tony Pearson
21205 Yacht Club Drive, Suite 708
Aventura, FL 33180, USA
Ph/Fax: +1 (305) 692-4586
E-mail: newsletter@LIMglobal.net
<http://www.LIMglobal.net>

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