

Researcher: Indicators and methods of sustainable development one-sided

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The European SustainValue research project coordinated by VTT Technical Research Centre of Finland develops new types of tools for sustainable industrial development. According to Senior Scientist Teuvo Uusitalo of VTT, the methods and indicators used at present entail risks, since they tend to over-emphasize the economic perspective and that of individual companies.

"Methods are required that take the social and environmental impacts of business operations better into account, both within the company and among its network of partners and [stakeholders](#)," says Uusitalo. "If a change cannot be effected, the current unsustainable way of life will continue, and we might also miss some opportunities for creating new business. [Market share](#) is at stake here."

According to Uusitalo, other companies and customers demand that companies take a wider view of [sustainable development](#).

"[Legislation](#) will also inevitably lead development in this direction. [Environmental requirements](#), for example, are becoming stricter by the year. Leading European companies have grasped the situation, but the rest are only just beginning to wake up."

Business networks that take into account sustainable development create lasting added value. However, companies have lacked concrete tools for ensuring that their partners are acting according to the same principles of sustainable development. The SustainValue project, coordinated by

VTT, has now created such tools. The tools can be used to demonstrate where value is being created and where it is being destroyed.

A networked way of thinking is the key innovation of the SustainValue project. A design method that will help develop and measure the [sustainability](#) of products and services is already being piloted by companies. Here, too, the method focuses on networks and the complete [life cycles](#) of products. In the end, selling comprehensive solutions might be more worthwhile than selling products.

Another tool created by the project is one that illustrates through visual means the creation of value. This method reveals the positive and negative values that a company's business operations produce for its stakeholders, among others.

"We are also developing a set of indicators for assessing the economic, social and environmental impacts of business in the entire network of stakeholders and partners," says Uusitalo. "The indicators that as such are currently applied to the evaluation of sustainability impacts are inappropriate for assessing the impacts of networked activities."

Another important objective of the project is to transfer the results into European standardization.

With the help of reliable indicators, companies can communicate to their customers that their actions are in line with the principles of sustainable development.

More information: Project website: www.sustainvalue.eu/index.htm

Provided by VTT Technical Research Centre of Finland

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