The fifth Collaborative Learning Series webinar explored how certification can support the business case for sustainability? Claudia Kersten, Marketing Manager of the Global Organic Textile Standard, joined us to share her knowledge and insight into the emerging opportunity of linking textile sustainability standards (such as GOTS) to support a competitive business strategy.

**The business case for being a responsible business**

The report ‘The Business Case For Being A Responsible Business’ published in 2011 by The Doughty Centre for Corporate Responsibility at Cranfield University and Business in the Community explores the business case for sustainability in detail. The aim of the report was to articulate succinctly the business case for being a responsible business – a headline synthesis of the arguments being used and the most frequently stated business benefits.

Overall, the research identified over 60 business benefits from the research which, when sorted by relevance and description, was clustered into seven key business benefits from being a responsible business.

1. Brand value and reputation
2. Employees and future workforce
3. Operational effectiveness
4. Risk reduction and management
5. Direct financial impact
6. Organisational growth
7. Business opportunity
8. Responsible leadership
9. Macro-level sustainable development

The order of this list represents the frequency with which these benefits were cited from both business examples and academic papers – i.e. Brand value and reputation was most often cited, Business opportunity least often cited. The research identified two further business benefits that have only recently started to emerge and are more prominent in companies that have already started the journey to being a responsible business.

Read the report [here](#).
Claudia Kersten, Marketing Director of the Global Organic Textile Standard, is joining us to share her knowledge and insight into the emerging opportunity of linking textile sustainability standards (such as GOTS) to support a competitive business strategy. Claudia has been involved in the field of sustainable textiles, focusing on organic, since 2005. Among other activities, she worked as a consultant and has been editor of the b2b sustainable textiles magazine “natürlich natur”. Until recently, she served as board member responsible for marketing with IVN, the Germany based member organization of the GOTS International Working Group.

In her role with GOTS, Claudia is responsible for the implementation of the GOTS marketing project, including the work of the GOTS Regional Representatives that are active in North America, Scandinavia, Great Britain, Australia/New Zealand, Japan, India, and China whilst also serving as regional representative for the German speaking countries.

Claudia studied business administration at Koblenz/Germany based Public and Business Administration Academy, and Sustainability Management (MBA) at Leuphana University in Lüneburg, Germany. In her Master Thesis, she examines the relationship between sustainability standards and sustainable competitive strategies and demonstrates how standards contribute to a successful business.
What You Told Us...
During the webinar we ran five polls.

**Question 1:**
Where is your company in the textile supply chain?
- Producer
- Manufacturer
- Wholesaler
- Retailer
- Other

The majority of webinar attendees were in the retailer and other categories.

**Question 2:**
How would you describe your competitiveness strategy?
- Enhance reputation / image
- Creating a unique selling point / market differentiation
- Improve productivity and eco-efficiency

The number one reason for using standards was Verification of value chain followed by enhanced reputation / image, customer demand, increased productivity and eco-efficiency reasons and lastly, creating a unique selling point / market differentiation.

**Question 3:**
If you use standards, what was the reason?
- Customer demand
- Verification of value chain
- Enhance reputation / image
- Creating a unique selling point / market differentiation
- Improve productivity and eco-efficiency

The number one reason for using standards was Verification of value chain followed by enhanced reputation / image, customer demand, increased productivity and eco-efficiency reasons and lastly, creating a unique selling point / market differentiation.

**Question 4:**
Which standard attributes do you consider to be important?
- Credibility
- Level of awareness
- Customer benefit
- Permanence
- Relevance to provide solutions

Credibility was voted the number one attribute of a standard followed by level of awareness and customer benefit in joint second place.

**Question 5:**
What do you believe is the contribution of a standard to your competitive strategy?
- Safe (reducing and controlling risks)
- Credible (improving image and reputation)
- Efficient (improving productivity and efficiency)
- Innovative (market differentiation)
- Transformative (sustainable market development)

Improving image and reputation, improving productivity and efficiency and sustainable market development were selected as the number one contributions a standard makes to a competitiveness strategy. In second place was innovation (market differentiation) followed by reducing and controlling risks.
Webinar Discussion Point

1. GOTS - basic features
Claudia started the webinar by presenting the basic features of GOTS.

2. The business case for sustainability - competitive advantages through sustainability
The second part of the webinar looked at sustainability and competition and examined competitive advantage and what features makes a standard a competitive factor. The following key factors were identified:
- Permanence
- Visibility
- Customer benefit

3. Overlap of sustainability related competitive strategies and standards
The third part of the webinar examined sustainability based strategies and the curve that they follow and their particular drivers, starting with:
- Safe - reduce and control risk. Here a standard is used as a risk management instrument as well as an instrument of communication to create trust.
- Credible - improve image and reputation. In this strategy standards can be used to integrate stakeholders in standard development and to communicate solutions for sustainability based problems. Standards can also be used as 'external proof'.
- Efficient - improve productivity and efficiency. Here, standards are used as instruments to build up and manage supply chains and to achieve improvements in both eco-efficiency and in socio-efficiency. The ISEAL 100 survey found that four out of five respondents mention the value of using standards to increase operational efficiency. Other uses of standards systems include marketing and assessing and improving sustainability performance.
- Innovative - market differentiation. Here, standards are used for opening up new markets and accessing niche markets and public procurement and to tap into consumers’ willingness to pay more for certain products.
- Transformative - sustainable market development. In the final strategy type standards are used for sustainable market development and can be used to exclude market participants that are not managing sustainability. Active engagement through participation in working groups and stakeholder consultations of standard developers. Standards can also be used as an instrument for lobbying and for integration into government regulations.
Sustainability is not a matter of "stopping" business, but the question of how to succeed integrating sustainability into business strategies.

**CERTIFICATION & BUSINESS**

**THE BUSINESS CASE FOR SUSTAINABILITY**

**Basics of GOTS**
- Certified Organic Fibers
- Environmental & Social Criteria
- Independent
- All Processing Strategies

**2012: 3016 Facilities Certified GOTS in 62 Countries**

**Demand Is Rising**
- **Top:** India, Turkey, China

**WHAT MAKES A STANDARD A COMPETITIVE FACTOR?**
- **Visible, Understood & Relevant to Consumers**
- **Long Term**

**1. GOTS**

**2. Value-Based Sustainability Management**
- All dimensions integrated in a business

**GOTS is Efficient**
- Because you only have to know your last supplier

**Criteria**

- **Social**
  - No Child Labor
  - No Excessive Working Hours
  - No Discrimination

- **Organic Fibers**
  - No Direct Certification
  - Min 70%
  - No Blending Allowed

- **Processing**
  - No Toxic Heavy Metals
  - No GMO
  - No Formaldehyde
  - No PVC
  - Yes Water Treatment
Further Reading


Creating a Learning Community at Textile Exchange

Textile Exchange aims to create an inclusive learning community; drawing on the expertise and experiences within this community to share and promote a collaborative learning environment. Our hope is that there will be learning to be gained from within and also from outside our immediate networks. Collaborative Learning breaks down the barrier that can exist between teacher (or expert) and pupil (or learner) to result in a truly two way exchange of information.

In this Series, each of the 6 topics includes:
• A thought starter blog and links to further reading
• A webinar introduced by our topic leaders where the contributions by learning participants will be a vital part of the exchange
• We hope that our Collaborative Learning Series will be an incubator for ideas, and can naturally lead into pre-competitive collaboration where the whole industry benefits. At the same time individuals within participating companies can improve their skills and knowledge, feeding this back into their workplace.

http://farmhub.textileexchange.org/learning-zone/collaborative-learning-series