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Five Questions with Richard Locke

by Laura Oppenheimer, The Oregonian

Thursday August 13, 2009, 10:53 AM

Although he hails from the Massachusetts Institute of Technology, Richard Locke specializes in two quintessentially Oregon topics: sustainable business practices and Nike.

As deputy dean at the MIT Sloan School of Management, Locke helped start a hands-on class that teaches students to influence environmental, social and labor decisions in the workplace. And he spent several years studying Nike's labor standards.

Locke chatted this week on a swing through Portland on a networking trip:

Question: What inspired you and your colleagues to launch the Laboratory for Sustainable Business?



Richard Locke, deputy dean of the Sloan School of Management at MIT, specializes in sustainable business practices and has studied Nike labor issues.

Answer: We realized that each of us had incredible concern and passion for this issue, but we were treating it as if it was our hobby. So my day job was teaching global entrepreneurship and somebody else was teaching corporate strategy and someone else was teaching system dynamics. We decided to come together and form a class that would have this lab approach.

What we realized is, we needed to do three things.

We needed to give some basic literacy about sustainability.

Once you begin to learn the facts, it's pretty overwhelming. We're not going to focus on the problems, we're going to focus on the solutions. We decided to look, for example, at what are companies doing within their own operations?

Then we went to the next level: What are they doing in their supply chains? And what are they doing in their markets? What are they doing in product development?

The third thing we wanted to do is get the students to roll up their sleeves and do something. So we recruited a number of companies -- Nike being one -- to host a team of students. We wanted startup companies, established companies, private sector, public sector, U.S., non-U.S. that were trying to either redefine existing business practices to make them more sustainable, or maybe launch a new business model or practice.

Q: Is this something students are thinking about?

A: Business school students often are offered kind of a false choice about their education and career management. It's presented like, "Well, you can

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Richard Locke

Age: 50

Job: Professor and deputy dean, Massachusetts Institute of Technology Sloan School of Management

Education: Ph.D., political science, MIT; M.A., education, University of Chicago; B.A., College of Letters, Wesleyan University

Family: Daughter, Juliana, 19; son, Nate, 16

Hobbies: Running, kayaking, reading, cooking Regardless of what you do, whether you go work for a bank or a manufacturing company, you don't have to end up being a chief sustainability officer. You can be anything. But you bring these concerns around sustainability into your practices, into whatever operation or department you're working in.

When we frame it that way -- sustainability as opportunity, not constraint; sustainability as something you can do and have a mainstream, traditional job; sustainability in the broader sense of the term -- then it has a much broader appeal.

Q: There's a perception that doing business sustainably costs more. Is that fair?

A: People believe that you have to put in new technology that's going to cost more, or you have to change your practices and it's going to cost more, or there's going to be regulation that's going to cost more. And what we're seeing is, some basic things you would do, like clean up your own operation -- what does that mean? Use less energy. Well, that's actually savings. Use less water or use less

material. Well, that's savings. Treat your people better so you have less turnover and less recruiting and training costs. That's savings.

It's not like everything is free. But some of the low-hanging fruit around sustainability is literally just doing more with less in a way that has a direct effect on your bottom line.

I see one group of companies who maybe thought of sustainability as the latest fad -- and there were a lot of companies that did that. In the recession, some of those sustainability programs have been cut back. It's sort of like what happens to training budgets. Other companies have persevered. They realize this is an investment that will have a return, if not in the short term, then in the medium and long term.

Q: We hear a lot about green-washing these days, because sustainability plays well. What are consumers' expectations?

A: People like you and me, in different spheres, need to educate people so they can tell the difference and they know the right questions to ask, and they can push organizations to do a more complete job. And, at the same time, people like you and me have to try to foster an environment where companies are not afraid to talk about their incomplete or imperfect experiments in this direction. If they're going to wait until they've got it right, they're not going to learn from one another.

Q: Can you point to an industry or company that has showed real progress?

A: I think Nike, for all its imperfections and inconsistencies, has showed real progress and, in certain cases, even leadership.

If we broaden our definition of sustainability to think about what they did on the labor side, this was a complete mess for them. They were a target of every imaginable campaign. What they did with us at MIT was, they opened themselves. They let us study them. They shared their data with us. They provided access to any of their suppliers we wanted to see. And we did, I think, a pretty objective study.

It's not a problem of immoral managers in exotic lands. It's a problem of giving people the capabilities and the management systems to do the right thing. That requires technical capacity, that requires working with them. It's a very different kind of relationship. Nike was already doing that with some of its suppliers. All we did was bring to light, "Hey, look, you're doing this other thing that seems to work so much better. Why don't you do more of it?"





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A second example is the Considered index. It's a work in progress, but it's a start. They're setting targets, they're giving tools, they're working with their product designers to use materials that are organic or recyclable or recycled.

That's, for me, an example of a company that in the last decade has really changed course.

-- Laura Oppenheimer, loppenheimer@news.oregonian.com

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