ESG Business Model Innovation Handbook

A Values-Based Approach to Organisational Strategy, Differentiation and Sustainable Growth

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Citation

Ressl, M. / Lemański, M.K. / Jungmann, F. / Hejj, T. / Ziadé, J.M. (2026): ESG Business Model Innovation Handbook: A Values-Based Approach to Organisational Strategy, Differentiation and Growth

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Version & Publishing Date
Beta Version for Co-Creators' feedback: v 0.1, 18.9.2026

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Partner Organisations of the Erasmus+ Project

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Picture title page by Matthieu Ressl based on NASA (2015)

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Table of Abbreviations

AI	Artificial Intelligence
BMI	Business Model Innovation
CE	Circular Economy
CEMS-MIM	Global Alliance in Management Education – Master in International Management (formerly: Community of European Management Schools)
CSDDD	Corporate Sustainability Due Diligence Directive
CSF	Critical Success Factor
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
ECG	Economy for Common Good
EHS	Environment, Health and Safety
EOC	Economy of Communion
ESG	Environmental, Social, Governance
ESG BMI	ESG Business Model Innovation
ESRS	European Sustainability Reporting Standards
EU	European Union
GRI	Global Reporting Initiative
HMW	How Might We
IDG	Inner Development Goals
IFRS	International Financial Reporting Standards
IPMA	International Project Management Association
KA2	Key Action 2
KPIs	Key Performance Indicators
LCA	Life Cycle Assessment
PESTEL(C)	Political, Economic, Social, Technological, Environmental, Legal, (Community)
SBU	Strategic Business Unit
SDGs	Sustainable Development Goals
SENA	Social Enterprise Network Austria
SFDR	Sustainable Finance Disclosure Regulation
SWOT	Strengths, Weaknesses, Opportunities, Threats
TQM	Total Quality Management
UNGC	United Nations Global Compact
USP	Unique Selling Proposition

1 Introduction

Getting Started

You are reading a Handbook for **leaders, visionaries and game changers** who **care** for our planet, its societies and the future generations and who want to co-create tomorrow's enterprises and societies through Environmental, Social, Governance (ESG) Business Model Innovation (BMI).

Chapter 1, the **Introduction**, provides you with **background information** on the innovative approach of the Handbook, **context information** revealing the urgency of innovation and **basic assumptions** to understand the concepts, methods and tools presented throughout the Handbook.

Chapter 2 explains the **fundaments of ESG** in the light of a **historic opportunity** for businesses and people to start a successful journey of differentiation and co-creation, ensuring sense for the own career as manager or entrepreneur, for long-term business success, and at the same time for prosperity of the planet and its current and future societies.

Chapter 3 introduces the **3D Business Model Approach**, including the **interpersonal relationships** as well as the **context dimension** into the **business model framework** of innovation, co-creation, strategy, management and transformation. It includes the **ESG Champion Funnel Method**, a structured 7-step-process of business model transformation. This Chapter **sets the scene** for organisations to successfully manage their tailored **innovation and transformation journey** towards sustainability and impact. Chapter 3 connects to the **scientific discussion** preparing for **academic research**, university **teaching** and **students' projects** of Business Model Innovation.

Chapter 4 is a deep dive into the **structured ESG Business Model Innovation** (ESG BMI) process in the sense of **ideation** and identification of the "golden nuggets" **of change** towards sustainability and impact. It presents Strategy Tools as "**Innovation Rooms**" to generate innovation elements and scenarios for any kind of business and organisational models. The **co-creation process** can be applied in **one day or two-days strategy workshops** as well as over a longer period of **strategy generation** including desk research, interviews, workshops and co-creation sessions.

Chapter 5 is another deep dive into selected traditional and new **Strategy Tools** which support Business Model Innovation and organisational strategy building with the objective to combine **impact** and ESG-aligned **sustainability** with **organisational prosperity**.

Conclusions are presented in **Chapter 6, references in Chapter 7 and** information on **cases**, **resources**, a tested innovation **workshop curriculum** and the **glossary** in the Annex. Terms defined in the glossary are initiating with capital letters. Key words and key phrases are written in bold letters.

For **ESG** and **sustainability newcomers** the Handbook provides insight into the current economic situation on the planet. It gives guidance of what can be **a first step** for organisations to drive global ESG transformation. Advanced ESG **practitioners,** sustainability managers and socially conscious **senior managers** will find innovative **tools, concepts** and information on how to **build, innovate and transform business models** to achieve sustainability and purposeful impact.

Have **joy** in co-creating value for your organisation and the planet!

The Objective and Target Group

We are an international **team** and network of consultants, managers, trainers, social entrepreneurs, students and academics promoting ESG business model transformation with the **objectives** of adding value to the planet and at the same time a competitive advantage to organisations and businesses.

In this respect, we developed the **Handbook** on ESG Business Model Innovation for **organisations of all kinds** that want to start or accelerate their **transformation towards sustainability** and improve the quality of life on planet Earth, today and for future generations. It is a **useful guide** for (future) managers, consultants and entrepreneurs to **innovate business models** of profit and non-profit organisations as well as social enterprises. Engaging in a structured and inclusive, ESG-aligned Business Model Innovation journey enables organisations to **raise their ESG standards**, to avoid or reduce negative “externalities” (avoiding harm), to **regenerate** the natural and social environment and finally to add value and positive impact to our **planet** and the big variety of **societies** living on it, today and in the future.

The Approach to ESG

In contrast to **understanding ESG** as a mere data collection exercise or even a heavy reporting burden, we follow the idea that it can be a **useful framework** for a deeply rooted and strategically aligned **sustainability transformation** of organisations. We see, for instance, the **ESRS**[1] within the legal framework of the **CSRD**[2], defining the sustainability reporting requirements in the European Union (EU) starting with big corporations, as an adequate framework for this purpose of **aligning business models to sustainability**.

The approach we present in this Handbook supports corporations and organisations in **co-creating ESG related strategies, actions and positive impact**, the results of which can drive authentic **sustainability communication** and **reporting** activities leading to stakeholder trust and participation.

As **Values-Based approach** we understand a **characteristic** of **decision making**, **lifestyle**, and **governance**, which based on intrinsic motivation and collaborative principles leads to positive relationships, ESG impact and prosperity for societies, the planet and all future generations.

The Motivation

But why should one engage in increasing ESG standards and positive impact **beyond legal requirements**? First, we see that the **next generation of managers**, entrepreneurs, consumers, and investors want to do good and not only do well. They adopt a **global horizon of thinking** in the search of **sense** and want to give their **personal co-creation contribution** to build and preserve the planet as an appealing home for current society and future generations. Second, in markets that

[1] The European Sustainability Reporting Standards (ESRS) by the European Commission (2023) mandatory for big companies as of 1.1.2024.

[2] The Corporate Sustainability Reporting Directive (CSRD) entered into force on 5.1.2023. It significantly expands the 2014 Non-Financial Reporting Directive (NFRD) of the European Union. The CSRD brings sustainability reporting to the same rigorous level as traditional financial reporting. It represents the legal framework for the ESRS, which are the detailed rules used to comply with that law; European Commission (2022): Directive (EU) 2022/2464.

increasingly incorporate ESG standards, becoming a leader helps secure a **competitive advantage** (see Chapter 2.1) and **ensures continuity** of the organisation. Those lagging behind might sooner or later get in conflict with regulations lose stakeholders as talented employees, important customers, key partners and investors and, consequently, lose market share, damaging not at least also shareholder value.

Sense of Urgency

Many businesses have started their **ESG transformation** a long time ago. Start-ups with new ESG-aligned business models have been created. However, in view of ecologic sustainability and especially greenhouse gas emissions, we are lagging strongly **behind committed objectives** of, for instance, limiting the global warming well below 2°C and to stay below the targeted 1,5°C above pre-industrial levels[3].

As a society we are heading towards a never experienced level of **social and environmental challenges**. Day by day, we are reducing the beauty and biodiversity of our planet and shrinking the possibilities and quality of life of future generations. The **Planetary Health Check** reveals that 7 out of 9 Planetary Boundaries are breached and that human action has pushed Earth beyond its "safe operating space". Having entered the so-called **Anthropocene** – an era where human activity dominates the Earth systems – we have now the urgent responsibility to bring the planet back into its planetary boundaries.[4]

This enormous sustainability **backlog** together with the increasing planetary challenge of **social cohesion** on various levels and places announces a period of a **deeply rooted global crisis** and at the same time new and never experienced **opportunities of change** and **co-creation** for those managers, consultants, entrepreneurs, investors, students and consumers who perceive them.

Global Coalition of Change

The sustainability transition has already started. Based on the evaluation of the **current global situation**, supported by a big number of experts, scientists and the Agenda 2030, adopted by 193 member states of the United Nations[5], we are of the opinion that within the next two or three decades, we will see a never experienced **transformation movement** on the planet. It is an **accelerated modernization** of economies and societies through sustainability supported by digital technologies also known as **Twin Transition**.

According to several authors and the World Economic Forum the **intensity of change** of the **sustainability transformation** is supposed to be comparable with the **early Industrial Revolution**. As forwarded by the European Union[6] it includes the following aspects (see Chapter 2.4.3):

- **Environmental (E) Aspect**: Harmonious integration of lifestyles, production and consumption pattern (SDG 12) into the **natural eco-systems** to achieve sustainability and

[3] The Paris Agreement, adopted by the United Nations (2016) entered into force on November 4, 2016.
[4] Planetary Health Check, Potsdam-Institut für Klimafolgenforschung (PIK) e. V. (2026) online.
[5] United Nations (2015)
[6] ESRS by the European Commission (2023): Commission Delegated Regulation (EU) 2023/2772 p. 2 ff.

preservation of biodiversity and natural balance of the planet, today and for all future generations.

- **Social (S) Aspect:** Re-organisation of production and consumption patterns to serve **social inclusion**, human growth and community building, supporting well-being and harmony in society in all its diversity for the current generation and for all future generations. Working conditions as well as personal and relational health along the entire Value Chain are important topics in the social aspect.
- **Governance (G) Aspect**: Development of governance standards and principles of **leadership** which not only avoid harm to people, ecological and social systems, but which strengthens a global culture of trust and responsibility, and which add value to peaceful interpersonal relationships as well as flourishing **persons, families and communities**.

Paradigm of Transformation

We work on the assumption that with this transformation we enter a new **economic paradigm** with new types of **business models**, focusing increasingly on **positive impact** rather than primarily on financial profit. In this approach value creation is a consequence of sound management and a result of ESG-aligned creativity, innovation, risk-taking and investment for the common good.

The **Big ESG Transformation** impacts all elements of individual **business models**, as well as entire **Business Ecosystems**, Value Chains (see Chapter 5.5) and markets. Individual business models are embedded in Value Chains that involve various stakeholders. Several Ecosystems form markets with their preferences, values, culture, rules, principles and regulations.

The **traditional ESG approach** tries to influence the rules of the market through the establishment of reporting and transparency standards. In the **values-based approach to ESG** (see Chapter 3), which we follow in this Handbook, this is completed by an **ESG effort coming from inside** the organisation, transforms Value Chains and Ecosystems and ultimately whole markets, as illustrated in the chart below. The inside-out principle releases the potential of long-term economic growth which is visualized by the **ESG Curve of Growth and Prosperity**.

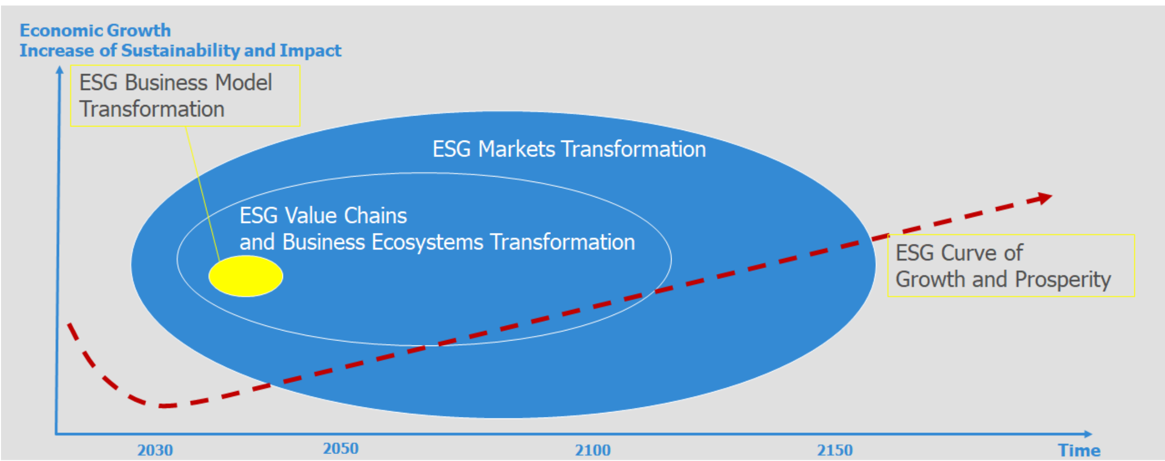

Illustration 1 – ESG Markets Transformation and Curve of Economic Growth[7]

[7] Source: Own illustration by the Authors.

As an example, a **trader of wood materials,** already strong in ESG industry standards, can move further in its **ESG impact and Business Model Innovation journey.** This could be, for instance, through closing material loops (see Chapter 5.3 Circular Economy), creating a new market for **recycled wood products** and establishing a return system for wooden furniture and building materials. To succeed, this would require innovation in recyclable material design, working methods of carpenters, business models of furniture retailers and especially consumer preferences. To enable such **systemic innovation**, all business model elements of this wood trader including various stakeholders will need to undergo a planned, inclusive and structured Business Model Innovation process, including a **comprehensive ESG-aligned growth strategy** to which the ESRS refer[8].

ESG Capacity Building

Building ESG business **transformation capacity** of an organisation, as well as undergoing the ESG change process, is a **long-term journey**. It requires understanding of the urgency of change, setting and developing the right values basis, enhancing corporate culture, generating creativity and innovation and adding long-term investment capabilities. The businesses and organisations that start this process early will be successful in **ESG-compatible markets,** which will be part of the "**next society"** outlined by management thinker Peter F. Drucker in 2001.[9] Others whose managers miss the opportunity for change and continue "business as usual" are likely to fall behind and disappear.

Journey of Differentiation

We are addressing businesses and organisations aiming to **strengthen their business** through ESG transformation and which want to **differentiate** themselves through ESG impact developing ESG as an authentic unique selling proposition (USP). We present a **tailored process** to support them in becoming an ESG leader, an ESG differentiator and finally an **ESG champion** and a **transformative leader** in the value chains, markets and ecosystems where they operate (see Chapter 3.2).

The **journey of ESG championship** often starts with ESG business model transformation with the scope limited to the **organisation itself.** However, as the wood material trader example shows, it can continue taking over an **ESG leading partner role** in the value chain, setting new standards and transforming the entire chain, the **ecosystems** and finally the relevant market.

Even though many ESG journeys start with small steps of **incremental improvements** (e.g. operational ESG optimisation like increasing energy efficiency within the own organisation only), the **object of change** of method we present is a systemic change including the **entire system** of which the organisation is part of. ESG champions support through their **continuous Business Model Innovation** a **system building strategy** with the objective of creating a **net positive impact** to society. This refers not only to a positive impact regarding the environmental aspect, as for instance to the avoidance of greenhouse gas emissions, but also regarding the topics of the social and governance categories.

[8] European Commission (2023): Commission Delegated Regulation (EU) 2023/2772.
[9] Drucker (2001)

Mindset and Growth Paradigm

Such deeply rooted organisational transformation strategies are successful if they are anchored in **motivation, values and** the **culture of the organisation** as well as in its **growth paradigm**. The **mindset** of managers, staff and stakeholders is a key element of a successful ESG Business Model Innovation journey, going beyond operational optimisation. In this respect, established corporations can sometimes learn from **emerging social enterprises**, which due to their impact scope and their generally small size, often deliver **best practice** ESG Business Model Innovation examples.

Our approach of sustainability transformation was elaborated based on insight and good practice from the traditional **profit-oriented segment** as well as from innovative **impact networks**, **holistic economic models** and **business transformation** approaches. Among these new economic models, are for instance the Circular Economy (CE), the Economy of Communion (EoC), the Economy for the Common Good (ECG), and the Doughnut Economy. Some of them have more theoretical origins, others have emerged from praxis and entrepreneurial lifestyles.

Combining business **strategy expertise** with a **progressive view on ESG** and good practice experiences of successful **Business Model Innovation** processes in many markets, our **method** can support businesses and organisations to start, optimize and **accelerate their ESG Business Model Innovation journey** with the objective of generating a competitive advantage and at the same time adding value to society and the planet.

2 ESG Fundamentals

2.1 Why ESG?

As indicated above, our world is facing enormous **challenges** among which are climate change, scarcity of resources, social inequalities, lack of peace and geopolitical risks (GPR). These developments not only **endanger our planet** and the life of future generations, but also the stability and **growth of our economy**. Companies which act now and **adjust to the sustainability megatrend** will **remain successful** and at the same time generate a **positive impact** to society.

2.1.1 The Importance of ESG

The concept of ESG has evolved into a **strategic framework** that helps companies manage sustainability-related risks and create long-term value. While concepts such as **corporate social responsibility** (CSR)[10] have existed for decades, ESG gained major momentum in the last 15 years. A key milestone was the 2004 UN Global Compact's **"Who Cares Wins" report**, which positioned ESG factors as an essential criterion for **sound investment decisions**[11].

The 2015 adoption of the United Nations' **Sustainable Development Goals** (SDGs)[12] further integrated ESG into the global sustainability agenda. The SDGs provided a blueprint for governments and companies to address major planetary challenges such as climate change, inequality, and economic growth. The Agenda 2030 with its 17 SDGs and 169 sub-goals (officially referred to as "targets") shows **necessary development goals** on a macro level. Furthermore, it indicates the **urgency** to implement this action plan. The concept of ESG acts as a translation tool, connecting these broad global goals with **company-level action**[13].

In recent years, the European **Union's Green Deal** and the introduction of the **Corporate Sustainability Reporting Directive**[14] (CSRD) have transformed ESG from a voluntary practice into a **regulatory obligation** of transparency for many businesses.

However, ESG is much more than a **reporting requirement**. ESG is a personal call reminding us of our **responsibility** to regenerate the natural and social systems. Furthermore, it is a **unique business opportunity** and a chance to **add meaning** to one's professional career. As a manager it is about which story you will tell your **grandchildren**, when they ask you: "Grandpa and Grandma, what did you contribute to save planet Earth and make it a pleasant place to live?".

Statistics show that companies with strong ESG performance achieve **higher operating margins** and better overall performance than their peers.[15] ESG has now taken on a central strategic role and is no longer just a regulatory obligation, but a **driver of sustainability** in **business models.** Research indicates that companies with strong ESG practices benefit from lower capital costs and higher long-term profitability.[16]

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[10] Bianchi et al. (2023)
[11] World Bank Group / UN Global Compact (2004)
[12] United Nations (2015)
[13] Accenture (2021) online.
[14] European Commission (2022) : Directive (EU) 2022/2464.
[15] McKinsey (2020) p. 3.
[16] McKinsey (2020) p. 4.

2.1.2 Understanding CSR, ESG, and SDGs

These three concepts often overlap but follow different approaches, have different objectives and origins:

- **CSR** (Corporate Social Responsibility) refers to a voluntary company effort to behave ethically and contribute positively to society.
- **ESG** is traditionally viewed as a set of measurable criteria, driven by regulation and investor demand and used to evaluate and report sustainability performance. It is an operational framework for sustainability transformations of businesses and organisations.
- **SDGs** represent a milestone in achieving a global vision including 17 development goals, depicting what is necessary to establish a good future on planet Earth. The call to action is primarily directed at governments but includes organisations, institutions and businesses.[17]

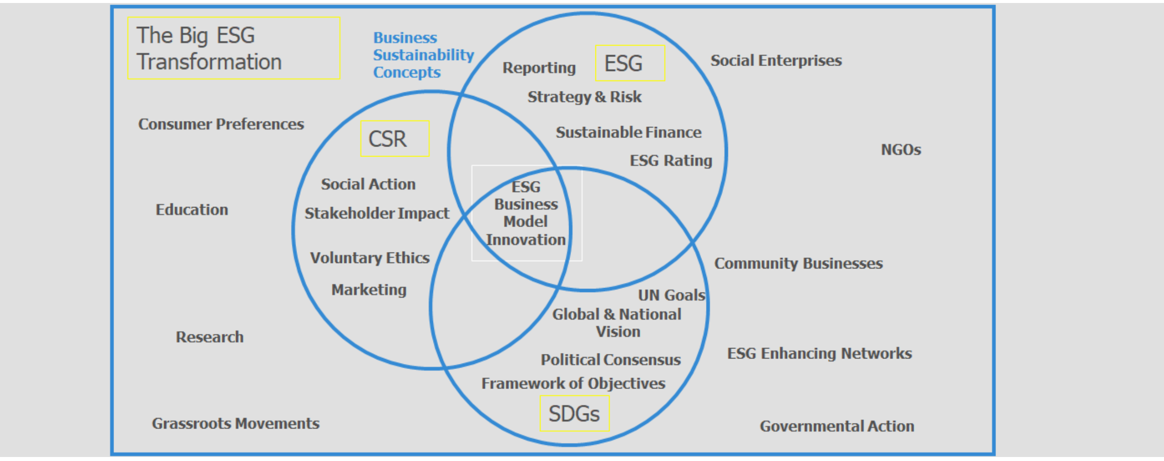

Illustration 2 – ESG Business Model Innovation as an Intersection of CSR, ESG and SDG[18]

Current situation shows that **CSR and business ethics**, as practiced over the past decades, led to many good results. However, these two concepts were not sufficient to add enough sustainability and social practice to business and consumer behaviour to make the planet a good place for all to live on. Increasing **awareness of ESG responsibility by governments** and consequently tightening **legal requirements** for ESG transparency and sustainability reporting can be seen as a result of this "market failure".

What CSR, SDGs and ESG - the **three main sustainability concepts of traditional business -** have in common, is that they focus all on ESG Business Model Innovation of companies to put sustainability and positive impact into practice. All of them have the objective of triggering a structured process of innovation, change, action and impact. This means that most of the worldwide **300 million companies** among which are about 54.000 stock quoted businesses are faced with precisely this requirement and opportunity for innovation. CSR as voluntary corporate action towards

[17] Deloitte (2017) online., Lafortune / Fuller (2026)
[18] Source: Own illustration by the Authors with content from McBride Sustainability (2024) online.

sustainability and ESG as sustainability and impact concept are **different roads** joining at a certain level on the journey of **net positive corporate impact** (CSR excellence) **and ESG excellence**.

2.1.3 Challenges and Opportunities

The traditional **'business as usual'** approach is no longer viable for successfully managing the Big ESG Transformation, achieving sustainability, and guaranteeing a good life on Earth while preserving its beauty and diversity. Some **forward-looking businesses** have realized that adaptation to the new sustainability trend requires ESG to move from a side project with low strategic importance to an **integral part of the corporate strategy** and vision.

Companies that recognize this, **leverage ESG** to rethink and innovate their business models, entering a **new path toward value creation** and differentiation in increasingly competitive markets.[19] These businesses see a deeply rooted transformation of their business models as the leading **opportunity** reinforced by the **sustainability megatrend**.

Others see the “ESG story” as a time-consuming and costly **reporting exercise** and as a burden to business. Non-ESG-aligned business models are exposed to the **risk of discontinuity** due to **poor stakeholder support** mainly by customers, investors and qualified employees.

ESG-favourable companies have already started to integrate ESG principles into their core strategy, thereby strengthening both their market position and their innovation capabilities. For example, IKEA is committed to **halving its greenhouse gas emissions** across the entire value chain by 2030 (compared to a 2016 baseline) and reaching **net-zero emissions by 2050** at the latest. Their strategy includes an increasingly **circular product design**, renewable energy, and material sourcing with sustainability focus, while also acting as an **inclusive employer** with a clear commitment to equality.[20]

This a good practice example of a business which started **business model transformation** with an increasingly positive and **regenerative impact** to people and planet. To perceive ESG as an opportunity, is an important **starting point** for such a transformation journey.

2.1.4 Key Takeaways

ESG is a useful **framework** supporting organisations to align with the **sustainability megatrend** in the context of the Twin Transition. The **success of business models** in the long run depends on an **organisation’s capacity** of **adaptation** and **strategic alignment** with ESG requirements, necessary to regenerate the planet and societies. **First movers** integrate ESG into **strategic planning** including a structured **Business Model Innovation process**, adding meaning, stakeholder support and continuity to their organisations.

2.2 ESG Stakeholders and Legislation

Companies operate in a complex environment and are closely connected to a large number of **stakeholders** whose **expectations and requirements** have a significant influence on business

[19] Deloitte (2017)
[20] Inter IKEA Group (2026)

activities. This increasingly affects **expectations** in view of sustainability and ESG performance of organisations.

2.2.1 Stakeholders

In view of strategic management of ESG-alignment of business models, a stakeholder is any individual, group, or organisation that **can affect or can be affected** by the operations of the organisation and the extended Value Chain in which it is embedded.

Freeman's Stakeholder Approach, introduced by R. Edward Freeman in 1984, serves as a basic principle in ESG reporting and Business Model Innovation. Forty years ago, he revolutionized with the idea that businesses need to create value for all stakeholders and not only financial value for shareholders.

The ESG concept with the ESRS sustainability reporting standards goes one step further expanding the concept of a business responsibility to stakeholders in the **entire value chain**. Furthermore, it includes the concept of the **positive impact**, in line with Freeman's value creation. For ESG Business Model Innovation, in addition to "avoiding harm" this represents an **important field** of new opportunities.

Let's have a look on the **five main stakeholder groups** including "Society", summarizing all ESG relevant groups which are not covered by the first four ones as indicated in below table.

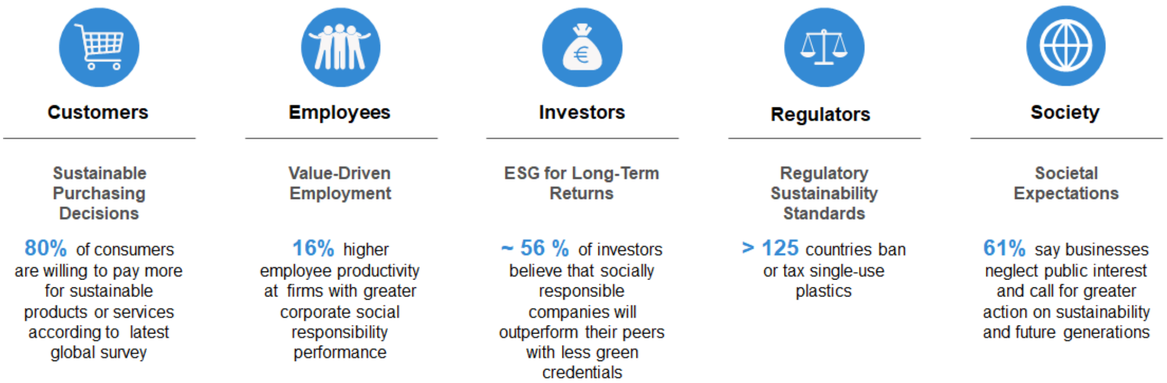

Illustration 3 – Key Stakeholders in View of ESG[21]

The **expectations and demands** for sustainable business practices of these main stakeholder groups are increasingly **influencing companies**. At the same time, the increasing **corporate motivation** to add a positive, regenerative impact opened the above indicated new **field of opportunities and growth**. These are some details on the five main stakeholder groups presented, in above Illustration, with some ESG-relevant information:

- **Customers** are increasingly demanding sustainable **products and services**, supply chain transparency, and ethical behaviour from companies. ESG factors are playing an important

[21] Source: Own illustration by the Authors based on information about customers by PwC (2025): Voice of the Consumer Survey; about employee & regulators by Davis-Peccoud et al. (2020) p.2.; about investors by Roland Berger (2021) p. 6. and about society by Edelman Trust Institute (2025).

role in their purchasing decisions[22]. In business models with advanced ESG maturity **customers have become co-creators** for community building and a regenerative impact according to the service mission of an organisation.

- **Employees** and their families seek employers that **align with their values,** contribute positively to society, give flexibility for family life, promote well-being, ensure fair and collaborative **working conditions**, and encourage **participation**. According to a survey, firms with higher corporate social responsibility level show **16% higher employee productivity**[23]. And a recent study on European business school students shows that firms which pollute the environment are not able to compensate the loss of attractiveness even offering significantly higher salaries[24]. In an advanced ESG maturity level, employees have integrated **ESG values and sustainable lifestyles** and have become a strong, collaborative and intrinsically motivated **community** to work for the ESG-aligned vision of the organisation.
- **Investors** and other capital providers are increasingly **considering ESG factors** in their investment and financing decisions with the objective to **mitigate risk**[25] and to generate **long-term** financial **return** together with long-term **positive impact**. Increasingly they care that their capital supports the **growth of sustainable companies**[26]. Various studies are showing that companies with strong ESG governance benefit from **better financing conditions** based on favourable ESG ratings and their sustainability reputation. In business models with high ESG-maturity, in line with the **impact investment idea**, investors **identify themselves** with the **ESG-aligned mission** and share the vision of their investment target and are ready to accept **lower** or even zero **financial return** but expecting a certain level of positive **ESG impact** of the organisation.
- **Regulators**: Governments around the world are introducing laws and regulations to promote sustainable business, **hold companies accountable** for their ESG related performance, and try especially to meet the goals of the Paris Climate Agreement.[27] Organisations with an advanced ESG maturity level, are **lobbying** that governments establish ESG-aligned market rules and adequate sustainability standards in all relevant ESG topics, however, keeping the **free market mechanism** wherever possible. Other sustainability frameworks, such as the **Global Reporting Initiative** (GRI)[28], with nearly 15,000 major organisations publishing reports according to its standards, and the **United Nations Global Compact** (UNGC)[29], a voluntary, principles-based leadership platform uniting more than 20,000 businesses in 160 countries, are gaining importance in companies' efforts toward sustainability.

[22] PwC (2025)
[23] Davis-Peccoud et al. (2020)
[24] Chen et al. (2025)
[25] Yang et al. (2025)
[26] Roland Berger (2021) p. 6.
[27] Davis-Peccoud et al. (2020)
[28] Global Reporting Initiative (2026) online.
[29] United Nations Global Compact (2026) online.

- Society in general, including the crucial perspective of future generations, increasingly expects companies to go beyond compliance and to actively contribute to sustainable development. This involves responsible resource management, minimizing negative and optimizing positive environmental and social impact based on steady innovation for a sustainable future. The collective voice of people, families, communities and all kinds of institutions and organisations, expressed through advocacy groups, social movements, and evolving cultural norms, holds companies accountable for their impact on the planet and its inhabitants.[30] Companies with advanced ESG-maturity support community building, family life and civil society institutions. They participate in co-creating resilient, inclusive and peaceful societies.

Within ESG Business Model Innovation, the **definition** of relevant **stakeholders** and, if applicable, adding **new stakeholder** groups that can be supported in co-creating a regenerative impact in line with the organisation's mission, is crucial. Actual and potential stakeholders of organisations with high ESG maturity are identified along the **whole extended value chain** and even beyond. They include **future generations**.

2.2.2 Regulatory Framework

Regulatory requirements for companies are tightening worldwide. Governments are introducing **laws and regulations** to promote sustainable business activity and hold companies accountable for their impact. These measures include, among other things, the introduction of **reporting rules** that oblige companies to **disclose sustainability information**.

Corresponding legal bases are also being implemented or are under development **outside Europe**, which is of great importance for internationally active organisations. It is crucial to keep an eye on these **global developments**, as they influence the framework conditions for companies worldwide. The focus of this Handbook is on the European region.

2.2.3 ESG Reporting Rules in Europe

Sustainability in Europe has a **long history**. Social standards and empowering the poor through access to ownership of land, skills and capital have emerged based on **strong universal values** and a long humanistic and Christian tradition[31]. In many countries political commitment to a **socio-ecologic market economy** has led to **high social standards** and care for environmental topics. An **empowered middle class,** education for all and few socially excluded citizens have generated innovation, peaceful collaboration and economic strengths in the past decades.

Interestingly, the concept of **ecological sustainability** under the term „Nachhaltigkeit" was coined by the Saxon mining administrator **Hans Carl von Carlowitz** as early as 1713(!). At that time Europe was faced with an important **timber shortage** threatening the silver mining industry which needed wood for smelting and other activities. His simple but revolutionary **sustainability principle** was **to cut down as many trees as can grow back** through planned reforestation.

[30] Edelman Trust Institute (2025) p. 26 f.
[31] Leo XIII (1891)

The **modern understanding of ESG** and human rights found a fertile ground in Europe. This is the **history of the CSRD legislation** in the European Union which is among the most advanced sustainability frameworks in the world.

Date	Event
21 Apr 2021	European Commission publishes CSRD proposal
14 Dec 2022	CSRD adopted
5 Jan 2023	Directive enters into force
31 Jul 2023	First ESRS adopted via Delegated Regulation
1 Jan 2024	First reporting period begins for companies already under NFRD (Wave 1)
1 Jan 2025	First CSRD reports published
16 Apr 2025	Stop-the-Clock Directive published in the Official Journal
17 Apr 2025	Two-year postponement enters into force
1 Jan 2025 – 31 Dec 2026	Omnibus legislative package revises scope and ESRS
1 Jan 2026	Draft simplified ESRS released for consultation (not yet in force)

Illustration 4 – Timeline of EU ESG Legislation[32]

The CSRD[33] with its European Sustainability Reporting Standards (ESRS)[34] along with the EU Taxonomy[35], requires that companies measure and **disclose ESG performance** using standardized indicators. This is the current implementation timeline for ESG reporting in the European Union:

Company Category	FY Covered	First Report Published	Current Status of Legislation
Large public-interest entities already under NFRD (Wave 1)	FY 2024	2025	Reporting started
Other large companies > 1,000 employees & > €450m turnover (Wave 2)	FY 2027	2028	Delayed by 2 years
Listed SMEs (Wave 3)	FY 2028	2029	Delayed by 2 years
Certain non-EU companies with substantial EU activity (Wave 4)	FY 2028	2029	Timing currently unchanged

Illustration 5 – ESG Reporting Scope Timeline in the European Union[36]

In the following paragraphs we give information on selected sustainability reporting rules in Europe giving an overview of the legal framework with which an increasing number of bigger companies needs to comply, and which gives orientation to all players in the European markets and beyond for their journey of sustainability transformation.

- **CSRD with ESRS:** The Corporate Sustainability Reporting Directive (CSRD) obliges large companies to **disclose** comprehensive **sustainability information**, significantly increasing

[32] Source: Own Illustration of the Authors based on content from European Commission (2026) online.
[33] European Commission (2022): Directive (EU) 2022/2464.
[34] European Commission (2023): Commission Delegated Regulation (EU) 2023/2772.
[35] European Commission (2020): Regulation (EU) 2020/852, art 8.
[36] Source: Own Illustration of the Authors based on content from Deloitte (2026) online.

transparency. Its technical execution is governed by the European Sustainability Reporting Standards, mandating reporting based on "double materiality", which covers both financial risks and environmental impact. [37]

- **CSDDD:** The Corporate Sustainability Due Diligence Directive shifts the focus from mere disclosure to **active accountability**. It requires companies to identify, prevent, and mitigate human rights and environmental risks **across their entire value chain**, establishing a mandatory legal framework for corporate responsibility**.**[38]
- **EU Taxonomy:** This serves as a standardized **classification system** that defines "environmentally sustainable" economic activities. It provides a basis for investors to prevent greenwashing and ensure capital aligns with the European Green Deal. [39]
- **SFDR**: The Sustainable Finance Disclosure Regulation mandates that **financial market participants** disclose how they integrate ESG factors into their **investment decisions**, ensuring transparency regarding the sustainability profile of financial products.[40]

In addition to these reporting rules, a large number of **segment- and industry-specific ESG associated regulations** exist. For the **plastics industry** these include, for example, the **ban on single-use plastics** which is now in force in over 125 countries, either banning or taxing single-use plastics[41]. Legally binding targets for recycling quotas are defined in the European by the Packaging and Packaging Waste Directive requiring among others 100% recyclability by 2030.[42]

2.2.4 Key Takeaways

Companies need to understand the **expectations** of **their stakeholders** along the extended value chain and beyond to act proactively to avoid harm, mitigate regulatory risks and take advantage of positive impact opportunities. Governments around the world **establish ESG reporting rules** enhancing sustainable business practices. In the European Union CSRD, ESRS and EU Taxonomy provide a **worldwide leading ESG framework**. Together with other reporting rules and industry-specific directives, these regulations stimulate **ESG Business Model Innovation.**

2.3 ESG as Opportunity

2.3.1 ESG Enhancing Networks

Knowing the **ESG factors**, their topics and sub-topics is crucial for embedding sustainable business practices into the core of any enterprise and organisation and for **spotting related opportunities**. Ultimately, these factors are like the keys of a piano. You must play them correctly to **shape business models** to be both regulatory compliant, **innovative**, **impactful**, and truly **differentiating**.

[37] European Commission (2026) online.
[38] European Commission (2024) : Directive (EU) 2024/1760.
[39] European Commission (2020) : Regulation (EU) 2020/852, art 8.
[40] European Commission (2019) : Regulation (EU) 2019/2088.
[41] Davis-Peccoud et al. (2020)
[42] European Commission (2013)

We are building the **ESG topics framework** for Business Model Innovation on **political and semi-political frameworks** as the ESRS[43], the UN Global Compact[44] and the Environment, Health and Safety (EHS) guidelines[45]. Together with the Agenda 2030, these operational frameworks stimulate **organisations** to adopt **sustainable** practices and integrate ESG in their **objectives** and decision-making. The target is to enhance sustainability of business activity through **transparency** measures, **public opinion** and **legal enforcement.** This is an important driver to reinforce the global sustainability megatrend and fuel the Big ESG Transformation. It enhances the **momentum of innovation** of business models, organisations and public entities.

To identify substantial **ESG innovation potential** of organisations, the phenomenon of ESG Enhancing Networks needs to be examined. These are **civil society networks** enhancing ESG transformation of organisations and people with the vision of generating positive ESG impact based on **voluntary action and intrinsic motivation**. In this way they complete governmental regulations and awareness raising to achieve ESG compliance. These networks amplify the **momentum of change** towards sustainability and contain **best practice business cases** with the potential to inspire others. These are some of the **networks and economic movements** enhancing **bottom-up** and intrinsically motivated **ESG transformation** of lifestyles and organisations:

- The **Economy of Communion**[46]: **Community building** based on positive **interpersonal relationships** and a specific **impact-focussed business model,** including global sharing of profits and impact capacity is key for ESG success, regeneration and a good life on planet Earth.
- The **Economy for the Common Good**[47]: Measurable **common good** impact matters for business organisations and differentiation.
- **Doughnut Economics**[48]: Creating a safe and fair **space on planet Earth** within its ecological boundaries and an inclusive social foundation.
- The **Encyclical Letter Laudato Si**[49] with Laudato Si and Economy of Francesco Movement: **Interdependency** of all elements on planet Earth, our **common home as human family**, as well as **spirituality** matter for ESG success
- The **Inner Development Goals**[50]: ESG success depends on people's **inner capacity building**.
- **Social enterprise networks** as, for instance, **Social Enterprise Network Austria** (SENA)[51] or the global **Yunus Centre**[52] and the global **Social Enterprise Movement** with hybrid

[43] European Commission (2023): Commission Delegated Regulation (EU) 2023/2772.
[44] United Nations Global Compact (2026) online. It was initiated on July 26, 2000, by United Nations Secretary-General Kofi Annan and is currently involving more than 20,000 companies in over 160 countries.
[45] International Finance Corporation, World Bank Group (2007)
[46] Economy of Communion (2026) online. The EoC is an economic praxis with a specific spiritual and cultural origin, organised around a culture of giving and the free sharing of profit and regenerative ESG impact capacities.
[47] Economy for the Common Good (2026) online.
[48] Doughnut Economics (2026) online.
[49] Francis (2016)
[50] Inner Development Goals (2026) online.
[51] SENA (2026) online.
[52] Yunus Centre (2026) online.

businesses with a social and environmental mission, also known as **Forth Sector**[53], are an inspiring **force of ESG innovation** and show the human **face** the Big Transformation.

These **civil society networks and components** inspire and support managers, entrepreneurs and various stakeholders to be successful on the ESG journey of their organisations. **Regenerative impact** in various forms is encouraged by these networks through research, training, exchange of experiences and knowledge as well as through **community and network building**. In some cases, they even support impact oriented and ESG-aligned businesses through incubation, consulting and financing services. They emerged in the past decades all around the globe as a values-based **response of civil society** to the social and ecological challenges on the planet.

Primarily **profit-driven businesses** can learn from the innovations of social enterprises and community-focused businesses. On the other hand, **mission driven businesses** can learn from CSR oriented corporations and bigger traditional market player how to achieve **process maturity** and how to **scale their ESG impact**. In practice, both approaches to ESG complement each other.

2.3.2 ESG Content

Based on above indicated ESG frameworks and ESG Enhancing Networks, we give an overview of the most relevant **ESG topics** included in the three **ESG categories.** These fields of impact and sustainability frameworks together form a **landscape** full of opportunities which are ready to be explored during ESG Business Model Innovation processes.

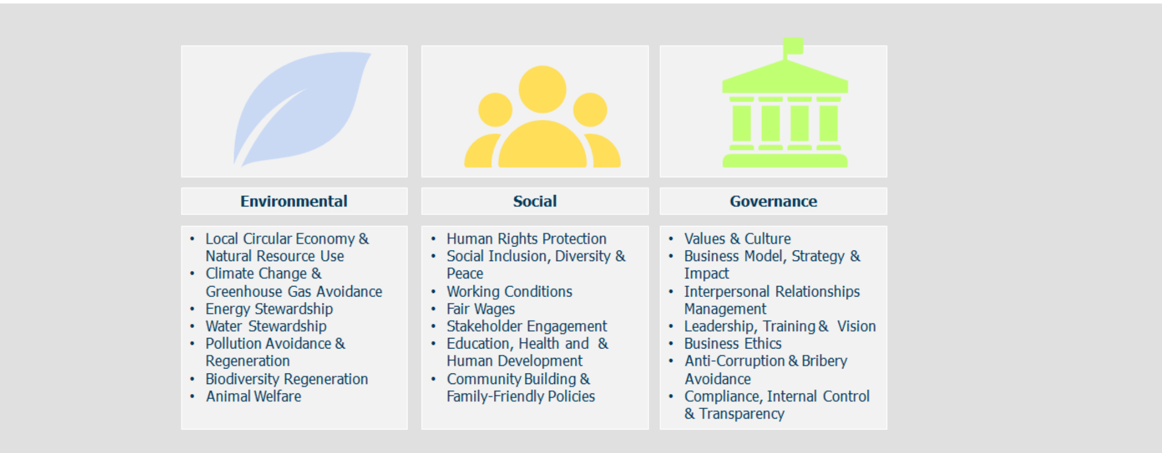

Illustration 6 – ESG Opportunity Landscape – Overview[54]

The content and structure of these selected ESG opportunity topics follow closely the **ESRS.** It adds focus on topics, critical for a lasting ESG Business Model Innovation success, such as **values, culture, interpersonal relationships, leaderships,** and **communities**. The indicated ESG topics with a big number of sub-topics, good practice examples and metrics represent the vast field of

[53] Asi (2025) p. 622.
[54] Source: Own illustration by the Authors.

opportunities **progressive organisations** explore in a structured way in a journey of innovation and business model transformation during their entire **organisational life** cycle.

2.3.3 Risks and Opportunities

ESG factors pose both **risks and opportunities** for companies[55]. Companies that fail to manage risks emerging from the ESG megatrend expose themselves to potential dangers, while companies that take advantage of ESG opportunities can capture significant benefits. Below Illustration gives some examples of risks and opportunities connected to ESG.

Illustration 7 – ESG Risks and Opportunities Examples[56]

Risks

Companies are exposed to various ESG risks. These include, for instance, **climate risks**, which can manifest both as physical risks of climate change (e.g. extreme weather events) and as transition risks (e.g. new laws and regulations to reduce emissions) which can have a significant impact on companies.[57] Furthermore, **social risks** exist, such as social inequality, poor working conditions, and human rights violations, which can lead to reputational damage, loss of revenue, and legal consequences.

Weak corporate governance poses **governance risks**, where corruption, lack of transparency and a weak corporate culture can undermine the trust of investors and other stakeholders. On the other hand, companies committed to a strict anti-corruption policy may face real commercial pressure in markets where corrupt practices remain deeply entrenched, including the loss of business opportunities. Rather than a reason to tolerate corrupt practice, this is precisely the exposure the CSDDD's due-diligence approach (see Chapter 2.2.3) which is designed to manage

[55] Bragoni et al. (2021)
[56] Source: Own illustration by the Authors.
[57] World Economic Forum (2024) p. 16.

this challenge — through measures such as transparent supplier selection, phased market entry, or industry-wide collective action — while preserving governance integrity.

Regulatory risks arise from non-compliance with ESG regulations, which can result in legal penalties and financial losses. Moreover, **reputational risks** arise can arise from a failure to meet ESG expectations and can damage a company's standing, affecting customer loyalty and investor confidence. Risks also exist within the supply chain. **Supply chain risks** due to environmental and social issues can disrupt operations, lead to increased costs and penalties. Finally, climate-related events and resource scarcity can impact business continuity and profitability as **operational risks**. There is also the risk that **well-meant ESG activities** for instance in view of diversity in marketing campaigns might backfire due to boycotts of opponents. Finally, there is the risk of being accused of **greenwashing** when **environmental measures** are not carefully considered in relation to the core business.

Opportunities

The sustainability trend drives **innovation** in products, services, and business models. Increased **efficiency** in energy and resource consumption can significantly reduce costs. Furthermore, companies with strong ESG performance generate a **competitive advantage** through increased attractiveness to customers, employees, and investors.

ESG **differentiation** distinguishes them from their competitors. ESG Business Model Innovation processes lead to the exploration of **new markets** based on the growing demand for sustainable products and services. To align their business strategy effectively to the ESG requirements companies perform a thorough ESG risk and opportunity assessment.[58]

We deliver the tools for strategic management to **perceive opportunities** through views on the business model from different angles and with deep-dive analysis of different ESG related fields. This opportunity analysis prepares a deeply rooted Business Model Innovation process based on which the implementation of change is managed in line with an organisation's strategy.

2.3.4 Key Takeaways

ESG is an **opportunity for differentiation and innovation**. ESG enhancing networks and social enterprises inspire and give the ESG transformation a human face. The topics presented in the ESG Opportunity Landscape pose both **risks and opportunities for organisations**. A comprehensive **As-Is Analysis** especially of opportunities and ESG potential requires **tools of strategic management**. It is performed to prepare for a **structured ESG Business Model Innovation** process to integrate selected opportunities into business strategy.

2.4 ESG in Action

In this Chapter we have a deeper look into three core ESG pillars and how they can serve in an effective and balanced way as **strategic levers** for Business Model Innovation and long-term value creation supported by all organisational processes.

[58] Accenture (2021)

2.4.1 Making ESG Measurable

Organisations rely on **Key Performance Indicators** (KPIs) to make ESG measurable and track ESG performance. "**What gets measured gets done**" is a management principle associated with management thinker Peter Drucker. Here are some **examples of KPIs** which are used to measure ESG performance across different industries and companies.

- **Environmental KPIs** include for instance CO_2 emissions (tons/year), energy consumption (kWh or GJ), water withdrawal (m^3), and recycling rates.
- **Social KPIs** are often more difficult to find, however employee satisfaction and turnover, diversity metrics, workplace incidents, and training hours per employee, activities and resources spent for community building and social inclusion for stakeholders in countries of the Value Chain with low or missing public social standards are some examples how to quantify ESG performance in the social field.
- **Governance KPIs** can include Board diversity, CEO-to-median pay ratio, ethics violations, the existence and intensity of corporate values and culture processes, leadership trainings, values based selection of suppliers, customers and investors, and the integration of ESG targets into executive incentives and business strategies and last but not least the priority and resources allocated to a stakeholder driven ESG Business Model Innovation process as well as the authenticity of the related ESG transparency reporting and communication.

Such metrics provide a foundation for measuring baselines, setting goals, monitoring progress, and communicating transparently with stakeholders. In this Handbook we focus on Business Model Innovation. The **implementation** of the innovation results, the **ESG impact measurement** with KPIs and reporting is a second step (see Chapter 3.2 ESG Champion Funnel Method), carried out in line with sound **project management** and relevant **reporting standards** as, for instance, ESRS[59] or Global Reporting Initiative (GRI) standards[60]. **Smaller businesses**, not falling under the CSRD reporting or other legal sustainability reporting requirements can voluntarily establish as **stakeholder service** their own sustainability reporting and communicate their progress and achievements of their ESG Business Model Innovation journey, using **simplified frameworks**.

2.4.2 The Double Materiality Approach

Not all ESG topics are equally relevant to every organisation. To identify **what matters in terms of ESG** and what are the most critical factors and **ESG innovation drivers**, companies apply the concept of **Double Materiality**. This requires organisations to consider the following key questions within the context of their specific business environment to identify their most relevant sustainability topics:

Question 1: How do **ESG topics affect the organisation**, its business model and its financial performance?

[59] European Commission (2023): Commission Delegated Regulation (EU) 2023/2772.
[60] Global Reporting Initiative (2026) online.

This is known as the **outside-in perspective** or financial materiality. It identifies, for example, how climate risks, regulatory changes, or resource scarcity might impact the company's revenues, costs, or long-term viability. In the approach of business strategy, the financial perspective is completed with the question: "How do global challenges, megatrends, markets, competitors and stakeholders **influence the business model**?". A relevant Strategy Tool monitor and assess context changes is the **PESTEL(C)-Analysis** (see Chapter 5.1). Monitoring and evaluating impact and opportunities arising from a permanently and often fast **changing context** represents a key success factor for **strategic agility** and **organisational adaptability**. For an ESG Business Model Innovation process the view into the organisational context is a source of creativity and ideation.

Question 2: How does / could the **company's business activity (positively) impact society**, stakeholders and the natural environment regarding ESG topics?

This is referred to as the **inside-out perspective** or impact materiality. Modern ESG frameworks, like the ESRS, distinguish between positive and negative impact of an organisation to its social and environmental context.

All ESG topics such as greenhouse gas emissions, working conditions, or supply chain practices are potential fields of innovation. The focus is either to **reduce harm** to the environment and people or to add a **positive, regenerative impact**. Identifying such positive impact opportunities is a key objective in any Business Model Innovation process and especially for organisations with high ESG maturity. The ESRS states that for positive impacts, materiality is based on the scale and scope of both, actual and **potential positive impacts**[61].

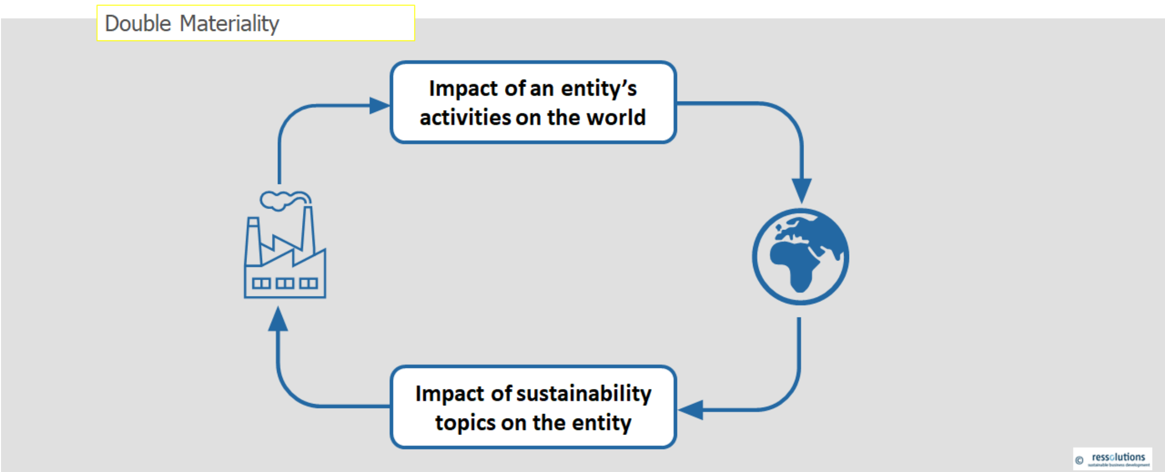

Illustration 8 – Double Materiality[62]

The dual perspective of the double materiality principle helps **prioritize ESG topics** that are both strategically significant for the organisation and socially as well as environmentally impactful. Conducting this analysis is a **comprehensive and integrative process** that the ESG Business Model innovation method supports with a sound As-Is Analysis including tools of strategic management.

[61] European Commission (2023): Commission Delegated Regulation (EU) 2023/2772, p. 10.
[62] Source: Own Illustration by the Authors based on the Global Reporting Initiative (2023) online.

The Double Materiality analysis is supposed to involve a wide range of the **company's stakeholders**[63].

Below we present the results of a **double materiality analysis** conducted by Rockwool, a Danish stone wool producer, presented as a matrix in its 2023 Sustainability Report, identifying 15 sustainability topics which are material for their business model.

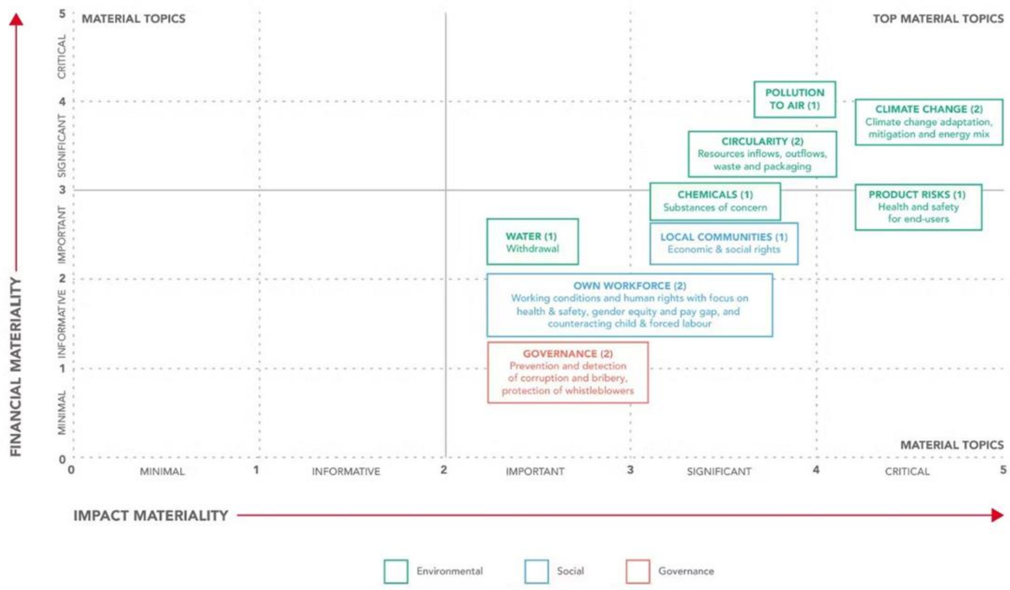

Illustration 9 – Double Materiality Analysis of the Company Rockwool[64]

The elements, which Rockwool in their **materiality analysis** identified to be significant and even critical in terms of a **possible negative impact** to people and the planet, include **ecological issues** like climate, air pollution, low circularity as well as **social topics** like health, social rights and communities. Governance-related challenges such as **corruption and bribery** are recognized as important elements within Rockwool's materiality analysis.

Such **materiality analyses** in line with ESRS, for instance, represent a useful **starting point** for a deeply rooted Business Model Innovation process of a company. **Avoiding harm** would be a basic innovation objective, requiring, for instance, product innovation and transformation of the **value proposition** together with traders, construction businesses and end users. At the same time, the objective in a Business Model Innovation workshop would include the identification of the **positive ESG impact** opportunities as, for instance, family and community support in low-income countries.

[63] European Commission (2023): Commission Delegated Regulation (EU) 2023/2772, p. 7.
[64] Rockwool (2024), p. 49.

2.4.3 ESG Opportunity Landscape

Below we present the **ESG Opportunity Landscape** with selected ESG topics often explored in ESG Business Model Innovation journeys.

ESG Opportunity Landscape High-Level Topics incl. ESRS / SDG Reconciliation MR, v01, 31.3.2026				
ESG Category	**ESG-BMI**	**Topics**	**ESRS (2023)**	**UN Agenda 2030 SDGs (2015)**
Environment	**1**	**Local Circular Economy & Natural Resource Use**	ESRS E5	SDG 11, 12
	2	**Climate Change & Greenhouse Gas Avoidance**	ESRS E1	SDG 11, 12, 13
	3	**Energy Stewardship**	ESRS E1 / E5	SDG 7, 11, 12
	4	**Water Stewardship**	ESRS E3	SDG 6, 11, 12, 14
	5	**Pollution Avoidance & Regeneration**	ESRS E2	SDG 11, 12
	6	**Biodiversity Regeneration**	ESRS E4	SDG 15
	7	**Animal Welfare**	ESRS G1	SDG 2
Social	**1**	**Human Rights Protection**	ESRS S1-4	SDG 1-3, 16
	2	**Social Inclusion, Diversity & Peace**	ESRS S1-4	SDG 1-3, 4, 5, 9, 10, 12, 16, 17
	3	**Working Conditions**	ESRS S1-4	SDG 1-3
	4	**Fair Wages**	ESRS S1-4	SDG 1-3, 10
	5	**Stakeholder Engagement**	SBM-2; ESRS S1-4	SDG 1-3, 10, 17
	6	**Education, Health and & Human Development**	ESRS S1-4	SDG 3, 4, 10
	7	**Community Building & Family-Friendly Policies**	ESRS S1-4	SDG 3, 8, 11, 16
Governance	**1**	**Values & Culture**	ESRS G1	SDG 12, 16
	2	**Business Model, Strategy & Impact**	ESRS 2, SBM-1-3	SDG 8, 12, 16
	3	**Interpersonal Relationships Management**	ESRS G1, ESRS S1-4	SDG 12, 3
	4	**Leadership, Training & Vision**	ESRS G1, GOV-3	SDG 17
	5	**Business Ethics**	ESRS G1	SDG 8, 10
	6	**Anti-Corruption & Bribery Avoidance**	ESRS G1, GOV-5	SDG 16
	7	**Compliance, Internal Control & Transparency**	GOV-5, IRO-1, ESRS 1-2	SDG 3-9, 12-16

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Illustration 10 – ESG Opportunity Landscape – Integrated[65]

The framework follows closely the **ESRS standards** of the European Union, preparing for aligning an organisation's innovation and transformation journey to the **sustainability reporting requirements** of the European Union. It is reconciled with the **SDG structure**.

The ESG Opportunity Landscape constitutes a **conceptual framework** for Business Model Innovation iterations as well as ESG transformations journeys in general. The classification includes the **innovation and priorities of ESG leaders**, mission-driven social enterprises, community businesses as well as progressive business networks and academic research in the fields of sustainability and impact.

In combination with the **3D Business Model approach and framework** (see Chapter 3 and Chapter 4.3 for more details) to which it is connected, the **ESG Opportunity Landscape** accompanies the whole ESG Business Model Innovation **journey of an organisation.** Each yearly iteration of ESG innovation and strategy alignment updates and fine-tunes an organisation's vision of development over the next 5 to 10 years.

Let's have a more detailed look on **each one of the three ESG categories** in the light of exploring them as an opportunity for growth and differentiation of organisations. The content of the three ESG categories is like the keys of a piano, as indicated above. Their knowledge is part of ESG literacy

[65] Source: M. Ressl based on 3D Business Model Consulting Workbook Template by Ressolutions.

and represents the fundament for the business model approach and the transformation and ideation methods presented as of Chapter 3. It is the starting point for co-creating the melody of the big ESG Transformation.

Environment (E)

Today **environmental concerns** often dominate ESG discussions. Due to big global challenges like climate change, the irrevocable reduction of biodiversity and pollution of water, air and soil this is understandable. The environmental aspect refers to an organisation's **impact on the natural environment**. Preservation and **regeneration** of planet Earth's **natural ecosystems and its beauty** for our children, grandchildren and all the generations to come represents the **tremendous field of opportunities** for innovation in the environmental aspect.

One of the biggest opportunities arise from the shift from **linear take-make-waste models** to **circular business models. These include** circular product innovation, sharing concepts, natural resources all to be designed for a careful usage of the Earth resources and **avoiding waste and pollution** (see Chapter 5.3).

More specifically the environmental aspect includes **greenhouse gas emissions** avoidance (Scopes 1, 2, and 3), **energy** and water stewardship, avoidance of pollution and **waste**, as indicated above, **biodiversity** preservation and regeneration as well as **animal welfare**.

Social (S)

The **social category** of ESG including human rights, safety and health, social inclusion, peace and community building is **frequently underrepresented** in ESG discussions and sustainability transformations of companies. Nevertheless, the **social topics** represent an equally **important threat** for peace, global collaboration and growth on the planet. At the same time, they represent also an enormous **opportunity** in the fields of social **sustainability**, social **harmony** and a **prosperous future of all societies** on the planet.

Stakeholders are increasingly guided by high social standards in their choice of which organisations to support (compare Illustration 3). **Talent retention**, **brand trust** and **stakeholder engagement** depend on the level of positive social impact and a strong social strategy[66] of an organisation.

For instance, **persons with one of the 8 different types of disability** account for **15% of mankind** (i.e. around one billion people worldwide), representing largely unexplored potential of product, process and Business Model Innovation. Often small innovations like the **accessibility of buildings** for persons in wheelchairs can make a big difference.

However, the social aspect includes the **integration in work processes** of all people of working age and promoting the individual agency, ensuring that every person and family has access to

[66] IMD (2024) online.

entrepreneurship and work opportunities guaranteeing the resources needed to determine their own life path.

Furthermore, **Social** (S) includes **human rights** protection, social **inclusion**, diversity, **peace**, fair **labour** practices and fair **wages**, good working conditions, workplace health and safety, **stakeholder engagement**, **education** and human development as well as **community engagement** and support of **family friendly policies**[67] in workplaces and supply chains.

The "S" represents the human dimension of sustainability and is essential for building **trust and resilience**, fostering an **innovative** workforce and **customer loyalty** that directly impact a company's business model viability and differentiation.

Governance (G)

The **governance category** encompasses the systems and principles by which a company or an organisation is **directed and controlled**. Drawing from guidance such as the G20/OECD Principles of Corporate Governance[68], the governance aspect determines **how decisions are made**, how people are treated, and what a **company ultimately stands for** with its **mission and vision**.

It includes board composition and independence, executive compensation, **transparent reporting**, **ethical conduct**, shareholders rights, anti-corruption action, bribery avoidance as well as avoidance of business transactions with companies involved in child labour, drug dealing and arms production. **Compliance standards** define what is ethically reprehensible. Many companies check their business partners in view of such standards, representing an important first step on an ESG innovation journey frequently asked by banks as a condition for refinancing.

According to our experience, the **governance dimension**, which includes much more opportunities than covered by compliance, **is key for ESG performance** and for elevating an organisation to a **high level of ESG business model maturity** (compare Chapter 3.3).

ESG-positive values and **corporate culture**, built through corporate learning, stimulate the **ESG innovation potential** of an organisation. Only if **motivation, leadership, creativity** and **mindset** of management and stakeholders are ESG-aligned, an organisation is able to develop its business model accordingly. To build strong supporting communities in and around the organisation are success factors in Governance, **important** to achieve **implementation of ESG-aligned strategies**. ESG Business Model Innovation processes greatly depend on how a company can manage **collaborative relationships** built on trust and mutual support with all stakeholders based on **shared ESG-aligned values** and a **common vision** of ESG regeneration and impact.

Strong governance ensures that ESG priorities are embedded in **decision-making** at all levels and along the extended value chain and aligned with long-term strategy. Governance, including servant and transformative **leadership,** represents the basis for **agile adaptation** and effective ESG

[67] United Nations Global Compact (2025) p. 24 ff.
[68] OECD (2023)

Business Model Innovation. In that way, Governance is going beyond just rules. It encompasses the investment in collaborative relationships, **values**, **corporate culture**, mindset, **motivation** and ESG-aligned strategy building processes.

2.4.4 Key Takeaways

Organisations rely on **KPIs** to make ESG performance measurable. Bigger companies have legally binding reporting obligations based on KPIs. Smaller organisations establish ESG transparency as a **stakeholder service**. The concept of **Double Materiality** helps to identify the most relevant ESG topics which influence the organisation and which the organisation influences through its activities. Good **knowledge of three ESG categories** and topics is crucial to build the **ESG transformation** and achieve a **balanced growth**.

2.5 ESG as Driver of Innovation

The method we present in this Handbook is based on the assumption that ESG is not just a regulatory requirement, but a powerful **driver of innovation and growth**.[69] Sustainability and innovation go hand in hand, offering companies the opportunity to find **new ways to** co-create **value** including not only customer and shareholders satisfaction but also a good life for stakeholders and a regenerative impact to various social and environmental fields, as indicated above in the ESG Opportunity Landscape.

2.5.1 Megatrend "Responsibilisation"

ESG Business Model Innovation in many different industries and markets occurs driven by the **global megatrend of "Responsibilisation"** enhancing sustainability in all ESG fields. This occurs **in cyclical waves** and is often subject to **setbacks**. Its **potential of societal change** seems to be at least as big as the impact of the Industrialization. Responsibilisation leading to a deeper anthropologic understanding, the awareness of new global interconnectedness of people within the natural system and an intrinsic motivation to establish sustainability and co-create positive impact goes together with the ongoing Digitalization leading to the "**Twin Transition**".

The **Big ESG Transformation** elevating people and organisations to globally think, responsibly act and impactfully add value based on their service mission through entrepreneurship and creativity is not a linear development. It **emerges in cycles** with different speed and in various manners however visible in **all societies** of the planet.

This shows that sustainability, the desire for continuation, sense, community and impact, the search for **social harmony** and the harmonious alignment with the diversity and beauty of the **natural ecosystem** where we are part of, is seemingly anchored in **essence of human existence** and the **nature of the firm**[70] and any organisation with their specific business models and service missions.

[69] McKinsey (2020)

[70] Compare Coase (1937) explaining the nature of the firm based on the transaction cost theory.

2.5.2 The Flow of Innovation

However, changes, corrections and lasting achievements in terms of ESG, sustainability and positive impact do not come by themselves. People, organisations and societies need to put an effort of **creativity**, **entrepreneurship** and **innovation** as well as strategic focus and endurance in implementation and the management of the change processes.

The innovation examples below show that what we often take for granted today, once started with the **innovation and entrepreneurship of first-mover** businesses that perceived an opportunity in one of the ESG topics and took some risk to try something new.

Environmental Innovations	**Social Innovations**	**Governance Innovations**
Reduce negative **environmental impact** and contribute to natural ecosystem regeneration	Promote social inclusion and the **well-being** of employees, families and communities	Enhance **ESG-aligned culture**, transparency, accountability and ethical corporate governance
Examples	**Examples**	**Examples**
• **Innovative products and services,** e.g. bio-based/biodegradable packaging[71] • **Sustainable services,** e.g. sharing/leasing models for home appliances[72] • **Circular business models**, e.g. modular smartphones designed for easy repairs and recycling, minimizing e-waste[73] • **Usage-based models,** e.g. businesses lease office printers and copiers, paying per page printed instead of owning devices [74]	• **Innovative work models,** e.g. participatory decision-making, employee-led sustainability initiatives, flexible working hours • **Social business models,** e.g. mobile / social banking services provide financial inclusion for users without access to traditional banks[75] • **Stakeholder engagement**, e.g. partnerships between NGOs and companies to address poverty[76] • **Social value proposition** for poor persons and basic need satisfaction e.g. water, shoes…[77]	• **Digital solutions for ESG & compliance,** e.g. blockchain for transparent supply chains[78] • **Online platforms for stakeholder dialogue,** e.g. platforms that empower companies to communicate effectively with stakeholders, gather feedback, and report on sustainability initiatives • **Compensation measures**, e.g. CO_2 offsetting[79] • **Corporate culture** initiatives e.g. with ESG training and free working time for social project participation

Illustration 11 – ESG Innovation Examples

[71] Biofutura (2024) online.
[72] Leila Berlin e.V. (2024) online.
[73] Fairphone (2024) online.
[74] Xerox (2024) online.
[75] M-Pesa (2024) online.
[76] Oxfam (2023) online.
[77] Yunus (2010) p. 133ff, p. 186ff.
[78] Catena-X (2024) online.
[79] Lufthansa (2026) online.

The ESG business Model Innovation process, presented in this Handbook, is intended to support entrepreneurship and creativity of companies and organisations in **finding their innovation potential** in the context of "Responsibilisation" and the Big ESG Transformation. It supports organisations in becoming **ESG-trendsetter** with new innovations and also based on innovations already available in the market but applied in different fields or industries. As the Industrialization has experienced its take-off as soon as a few key-conditions where available in a society, also the sustainability trend is expected to achieve take-off as soon as a critical mass of capital, people, business models and innovation processes operate according to ESG preferences. ESG trendsetters play an important role in this transformation.

The tool of strategic management to identify leading innovations in the relevant ESG fields of an organisation is the **ESG Champion Matrix** as presented in Chapter 5.8. Relevant ESG innovations for a business might be available in another industry or in small scale already demonstrated by **social enterprises** or community businesses. Based on the ESG Business Model Innovation process, in the sense of **cross-fertilization**, such innovations are transferred it into the own context.

2.5.3 Sustainability Innovation Success

Typical success factors for promoting **ESG innovation in organisations** and implementing sustainability programmes include[80]:

- **Clear vision and strategy**: Companies need a clear vision and strategy that puts sustainability at the centre. They need the right set of values and an ESG-positive company culture to succeed. A structured approach using a tested method and adequate tools is a key success factor (see Chapters 3 to 5).
- **Top management support**: Sustainability innovation, to be successful, requires the full support of top management and shareholders. Middle management is key for operational innovation and implementation. It needs to be embedded in the organisational culture, the right business model framework and the right incentive scheme (see Chapters 3.1)
- **Interdisciplinary collaboration**: Innovation requires employees from different departments and functions to work together. This is especially important for the inhouse innovation workshops (see step three of the ESG Champion Funnel Method presented in Chapter 3.2).
- **Stakeholder engagement**: Companies need to work closely with their stakeholders to understand their needs and expectations. In our experience, the innovation power of the next generation e.g. business students can significantly enrich the result of ESG Business Model Innovation workshops (see Chapter 3.2.2.)

2.5.4 Key Takeaways

The megatrend Sustainability and **Responsibilisation** together with **Digitalization** lead to the **Twin Transition** transforming our societies as deeply as the Industrial Revolution did. **Innovation** together with other **key factors** leads at a certain moment to **acceleration and ESG take-off**, with

[80] Davis-Peccoud et al. (2021) online., Roland Berger (2022) p. 13.

disruptive market changes and new **opportunities** for first-mover businesses models. Organisations need to know the **success factors for ESG innovation** and the **ESG trendsetters** in their industry and relevant ESG topics, when performing their BMI process.

3 3D Business Model Approach

3.1 The 3 Dimensions of Business

3.1.1 What Is a Business Model?

An organisation is a living system **of people** interacting with each other and **collaborating according to a shared mission and vision** with the objective of adding value to its stakeholders and the planet in general. Key **elements, principles and objectives** are defined by the business model, or **organisation model**, which we use interchangeably in this Handbook. Any organisation operates within a changing context, and it is in a **constant process of change**.

A **business model** is a **conceptual framework** explaining how an organisation **co-creates value** in line with its specific mission contributing to the well-being of people, families, communities and the planet as a good place to live for current and future generations. It supports start-up, ideation, innovation and transformation of organisations. Furthermore, a business model supports monitoring, implementing and reporting of change along an **organisation's journey** of transformation.

The **3D Business Model Approach**[81] has identified **three dimensions** that are essential for the analysis, innovation, co-creation, strategy and successful management of businesses and organisations. **The first dimension** includes the **service and finance aspects,** explaining among others how **value is created**, how customers **are served**, how **capital** is raised, how **revenue streams** are generated. **Traditional concepts of business models** (see Illustration 15 – Business Model Frameworks in Chapter 3.1.2.3) focus on this dimension. Adding two dimensions in the conceptual framework of a business model is important for the **integration of sustainability requirements**, as for instance, the Circular Economy. It helps organisations to **perceive ESG impact opportunities**.

The **second dimension,** completing the operational aspect of the business, is the **context** in which it operates. **Megatrends, markets and competitors** are part of the context dimension. **Networks and stakeholders** are also context elements defining a business model. Stakeholders include current and future societies as well as the planet's natural ecosystems (see Chapter 2.2.1).

An increasing level of **responsibility** and the desire to **co-create a positive impact** through business activity drives the **alignment** of the **operational elements** of the business model with its context. It is recommended to perform the **adaptation process** in a well-defined and structured journey of Business Model Innovation. The **context dimension** includes both the **environmental** and **social aspects** of the ESG framework (see Chapter 2.4.3).

[81] Ressl (1999) The three-dimensional approach to include impact and ESG factors in the management horizon of a business, was elaborated by M. Ressl at the end of the last millennium based on vast empirical research, integrating more than a hundred businesses and social projects in three continents operating inspired by the Economy of Communion values. The first draft of the transformative business model framework, including "service" as purpose of business based on establishing sound "interpersonal relationships" and local communities, was presented in his PhD at the Vienna University of Economics and Business in 1999. Throughout the years the strategic framework was optimized based on management consulting experience, transformation projects and academic research.

The **third dimension of business** refers to the sphere of interpersonal **relationships** including **motivation, values, culture,** and the underlying **growth paradigm** of an organisation. It encompasses an organisation's relationships with its stakeholders within the extended Value Chain and within the whole natural and social ecosystem in which it operates. Topics of this dimension are part of the **governance pillar** of ESG.

In the age of **increasing individualism** and **advanced digitalization**, including the prevalence of artificial intelligence (AI), the ability to build and maintain good interpersonal relationships – through teamwork, community building, collaboration and family-friendly policies – becomes a much more important **success factor** for business models.

3.1.2 The Human Factor for ESG Success

3.1.2.1 Learning from the Past

Today's **bottleneck for successful ESG transformation** and **achieving the SDGs** is often not a lack knowledge, poor technology or a lack of financial resources. All that would be abundantly available to achieve sustainability in the social and environmental field and to avoid ecological and social harm. When we **integrate interpersonal relationships elements** into the conceptual framework and extend the **management horizon** of a business model, resources, technologies and investment capabilities slowly start working for sustainability, people and a positive impact.

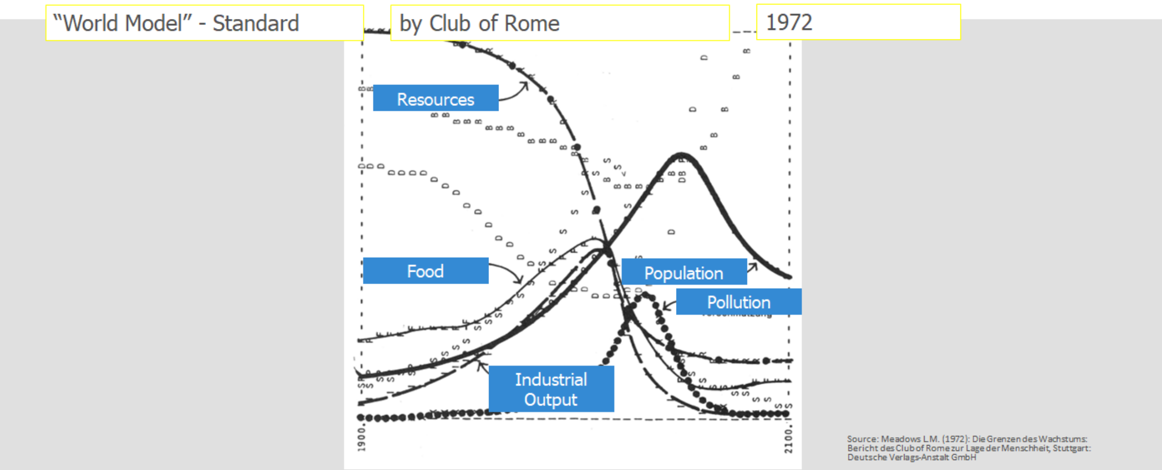

Illustration 12 – Club of Rome 1972 Simulation of the Standard Itinerary of the "World Model"[82]

More than **50 years ago**, the **limits of traditional concepts of economic growth** including the challenge of finite natural resources, environmental pollution, and global warming had already been widely recognized[83]. As the chart shows, as early as 1972, the simulation by the Club of Rome predicted the **collapse** of the **world (business) model** in the middle of our century, if global society continues to follow its "business as usual" itinerary.[84] Resource scarcity, pollution together with population growth were identified as primary drivers of the scenario presented by leading experts at the time.

[82] Source: Meadows (1972) p. 113. English translations by the Authors.
[83] Schumacher (1973)
[84] Meadows (1972) p. 113.

In order to **manage successfully the ESG transformation** and to avoid scenarios projected by the Club of Rome, it is necessary to integrate **the human factor** into the innovation process. The ESG dilemma becomes manageable when policy frameworks, technologies, resources, scientific research, intelligence and **creativity are channelled towards impact and sustainability** as opposed to linear consumption of resources and production connected to pollution. This depends on **millions of human decisions** made by managers, investors, consumers and other stakeholders. Such ESG-aligned decisions depend on the **values and culture** of **people** as well as their **experience** in families, organisations, communities and societies.

There is this **window of opportunity** to transform **production and consumption patterns** as indicated by SDG 12, enlarging the **management horizon** to the inner development[85] of people and their values and relationships among each other. That seems to be key in succeeding the big ESG transformation and avoiding the scenario depicted by the Club of Rome.

Back in 1976, Erich Fromm introduced the **"Being"-mode** as an **alternative to the "Having"-mode**, arguing that it provides a strong human and socio-psychologic foundation for an **economic system based on fulfilment**, true freedom, psychological health, peace, and harmony with nature, rather than continuing a "catastrophic socioeconomic development of the whole world"[86] as he called it.

3.1.2.2 Scientific and Empirical Evidence

Scientific Evidence for the Human Factor in Business

Edgar Schein argues in his **model of organisational culture** that only **artifacts** are commonly visible. Among these artifacts are the goods we move and produce, the resources we extract and dispose as waste, as well as the social conditions we offer to people involved in the value chain. Our legal framework, our purchasing and investment decisions as well as our career goals are artifacts of our economic and social life as well.

However, **values** and **underlying assumptions** are less visible or commonly hidden[87], but define or heavily influence which artifacts we produce. Accordingly, the model described by Edgar Schein is often referred to as the "**Iceberg Model**".

When leaders of organisations include in their leadership approach **managing underlying values and assumptions**, hidden "under the surface" of **commonly measured business outcomes**, the Big ESG Transformation can be more successful and even the big challenges like global warming and regeneration of the natural ecosystems can be managed. For this purpose we introduce the ESG BMI Iceberg Model to enlarge the horizon of management, strategy and business model design also to the layer of values and underlying assumptions (see Illustration below).

[85] Inner Development Goals (2025)
[86] Fromm (1976) p. 10.
[87] Schein (1984)

Illustration 13 – ESG BMI Iceberg Model[88]

Many of the factors that determine **successful ESG-aligned economic performance** are not new to management theory. For instance, shared values, leadership style and competencies – the so-called “soft elements” – were already identified as **key drivers of organisational excellence** in the McKinsey 7-S Framework, a management model developed by the consultants T. Peters and R. Waterman in 1982[89].

In 1984 Freeman introduced the **Stakeholder Theory** stating that businesses’ success depends on creating value for all (direct) stakeholders including customers, employees and communities.[90] In 1997 Elkington introduced the **Triple Bottom Line** as a business performance framework, which included **people and the planet as success criteria** in addition to profit. He challenged managers to optimize not only for financial profit but also taking into account the **seven dimensions he outlined for a sustainable future**. Among them are **soft values,** transparency, inclusive corporate **governance**, and long-term thinking.[91]

The **Learning Organisation** is a company, a social enterprise or non-profit association that actively facilitates continuous learning and holistic development of all its members. It systematically **collects and creates knowledge** to **facilitate adaptation** to a rapidly changing context. It is prepared to transform its own processes according to context changes. The concept was presented by MIT professor Peter Senge[92] in 1990, arguing that the following **five pillars** are needed to increase companies’ capacity of adaptation: systems thinking, personal mastery, mental models, shared vision, and team learning.

Our **human-centred approach**, together with the ESG Business Model Innovation Ideation and transformation method, help organisations and their stakeholders not only to strengthen their learning capacity but also fostering a **creative and entrepreneurial organisational culture**, leading

[88] M. Ressl based on Edgar Schein’s Organisational Culture (Iceberg) Model and based on 3D Business Model Consulting Workbook Template by Ressolutions. Picture: Claude AI.
[89] Peters / Waterman (1982)
[90] Freeman (1984)
[91] Elkington (1997) p. 3.
[92] Senge (1990)

to the concept of the **Creative Organisation**, including in its mission and capacity co-creating an ESG-aligned future and managing successfully its journey towards ESG excellence.

Empirical Evidence for the Human Factor in Business

Over the **past decades**, growing environmental and social constraints have given rise to a **new form of entrepreneurship** within civil society. Driven by **intrinsic motivation**, managers and organisations **broaden their mental horizon** of value creation beyond customers and traditional stakeholders. They recognize the ESG challenge, think globally and act based on creativity and entrepreneurship locally.

Through **voluntary action**, they address global challenges by establishing impact-driven business, social enterprises and community businesses, or by embedding systematically CSR priorities into profit-oriented businesses strategies. These entrepreneurs and managers are often connected **through collaborative networks** that support the human-centred business innovations they bring to markets, societies and the planet. They create the Blue Ocean of human business innovation. Some of these **ESG Enhancing Networks** are presented in the Illustration below indicating some details in Chapter 2.3.1).

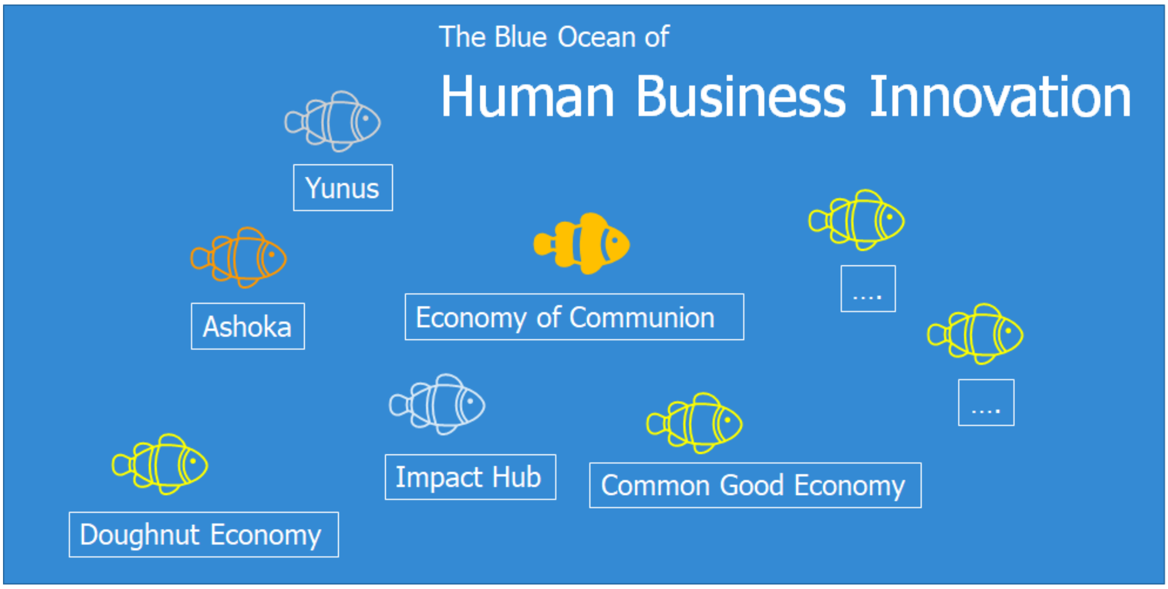

Illustration 14 – The Blue Ocean of Human Business Innovation[93]

The **social enterprise movement**, with hybrid, values-based and impact-oriented **business models** emerging firstly in this combination in 1991 with the EoC[94], popularized by M. Yunus[95] in a different format and promoted now by **ESG Enhancing Business Networks**, emerged at the end of the last millennium. The new type of business models in this megatrend place **people and their relationships** at the centre of the economic activity, whilst remaining in the market.

Co-Creation of positive **ESG impact** is embedded in the mission, vision and values of the business models of **organisations emerging** within this movement and the related networks. These new

[93] Source: M. Ressl
[94] Ressl (1999) p. 19ff
[95] Yunus (2010)

market players contribute to the Big ESG Transformation and **enhance the human dimension to business**.

Their economic activity is characterized by **purpose, meaning and joy**. They provide empirical evidence that **highly innovative ESG-aligned business models** can succeed in the market based on **intrinsic motivation** and inspire traditional companies in their ESG Business Model Innovation journey.

3.1.2.3 Business Model Framework

ESG Management Challenge

The ESG challenge described above, together with the evolution of management theory and practice, requires a **renewed conceptual framework of management**. **Traditional management approaches** based on Adam Smith's assumption of individual and organisational self-interest[96] or Milton Friedman's belief in a management paradigm of optimizing financial numbers[97] within the current legal framework **are no longer sufficient**.

Adam Smith's concept of the **"invisible hand"** can be re-interpreted in the light of a **values-based approach to ESG** in which some of its **inherent sustainability contradictions** can be overcome**.** The **free market's potential** of remaining the guiding economic principle is strengthened, as soon as entrepreneurs, managers and other stakeholders broaden their perspective and **assume responsibility,** starting with their immediate stakeholders and finally arriving at the planet, its societies and future generations in search of a **positive ESG-aligned impact**.

Considering objectives two or three dimensions and thinking globally **makes management more complex**. However, it is necessary to achieve global ESG targets. **Meaning**[98] and the **joy** of positive **interpersonal relationships**[99] with all stakeholders can compensate the additional effort. The resulting differentiation and **strengthened competitiveness** contribute to the long-term **organisational continuity** and success in ESG-aligned markets.

Management Time Horizon

Sustainability in business is based on **long-term thinking**. Extending the horizon of management to **impact** and the human person in its **relationships** adds a **long-term view to business development and transformation**. At the same time also on the macro level, co-creating social harmony on planet Earth is a **long-term planetary project**.

Traditional strategic planning typically focuses on a **three- to five-year time frame**. ESG transformation, however, requires a management horizon that spans **three to five generations**.

[96] Adam Smith (1776)
[97] Friedman (1970)
[98] Frankl (1946)
[99] Buber (1923)

Sustainability is truly achieved when **all the coming generations** can live the lifestyles, as a certain society has achieved while preserving the planet's natural beauty as we knew it before the Industrial Revolution. We recommend every manager to be ready for the question of the grandchildren: "**What did you contribute to a good and better world** with all the management decisions when we had this **ESG challenge on the planet**?"

ESG Strategy Framework Challenge

Traditional business models as for instance the traditional Business Model Canvas[100] (see Illustration below) that focus primarily on **satisfying customer needs** and **maximizing financial returns** in line with Friedman's paradigm are too narrow to address today's ESG challenges. Frameworks such as the St. Galler Business Model Navigator[101], provide with a collection of business model pattern valuable inspiration for innovation but miss presenting **ESG-aligned business models and strategies**.

Business Model Frameworks Comparison
MR, v01, 16.7.2026

Feature	3D Business Model Framework / Canvas	(Traditional) Business Model Canvas	St. Gallen Business Model Navigator	Social Business Model Canvas	Lean Canvas
Authors	Ressl, 1999	Osterwalder & Pigneur, 2010	Grassmann, Frankenberger, Csik, 2013	Tandemic / Social Innovation Lab	Ash Maurya, 2010
Main Purpose	Business model innovation of businesses, social enterprises and NGOs, start-ups and for ESG transformation	Design and desciption of a for-profit business model with focus on financial value creation	Business model innovation using proven patterns	Balances mission and financial sustainability	Validate startup assumptions rapidly
Typical Use Case	Strategy processes, startup, innovation and transformation of orgnizations seeking sustainability and impact	Understanding for-profit business, tech startups and financial scaling	Companies looking to reinvent, improve or optimize their business model to increase profitability	Social enterprises, NGOs, impact ventures, B-Corps	Early-stage startups
Key Strength	Combines the service-financial, eco-social and interpersonal relationship dimensions of business	Simple, visual, globally recognized	55 innovation patterns provide strong inspiration	Places social impact at the center of the model	Excellent for experimentation and product-market fit with problem focus and high customer orientation
Main Weakness	Less widely adopted	Sustainability and societal impact are only implicit	More conceptual and less operational than the traditional business model canvas	Commercial scaling of businesses	Less suitable for mature firms

Illustration 15 – Business Model Frameworks

We recognize the **strengths and value** of the **various business model approaches** presented in the table above. For ESG Business Bodel Innovation we recommend the **enlarged management horizon** of the **3D Business Model Approach**. Its **features and advantages** as presented in above table are its **universal applicability** for all organisations and change processes. Due to the additional dimensions, it gives an **extended picture of an organisation** including all key elements, necessary to manage **transformations for impact and ESG excellence**.

3.1.2.4 Key Takeaways

A business model is a **conceptual framework** explaining how an organisation co-creates value for stakeholders, the society and the planet. Integrating **interpersonal relationships** and **extending**

[100] Osterwalder / Pigneur (2010)
[101] Gassmann et al. (2013)

the management horizon organisations start working for sustainability, people and a positive impact. Consequently, a **collapse of the economic system** can be avoided.

Highly innovative business models of social enterprises and community businesses, with their focus on the **human factor**, **values and motivation** offer valuable insights that can complement big corporations' own ESG transformation.

3.1.3 The 3D Business Model Framework

3.1.3.1 The 3D Business Model

The **3D Business Model Framework**[102] goes beyond the traditional business paradigm dominating in the past three centuries, especially after the Industrial Revolution. During this period, alongside significant **technical innovations and social progress** in many fields, global problems accumulated, which are to be solved today based on **millions of ESG Business Model Innovation** processes.

With the 3D Business Model Framework, we incorporate the ideas of progressive management thinkers and ESG best practices to provide a **framework of strategic management** for **visionaries**, **game-changes** and all **managers**, entrepreneurs and consultants, who want to co-create an **ESG-aligned future on Earth** for our children, grandchildren and the generations to come.

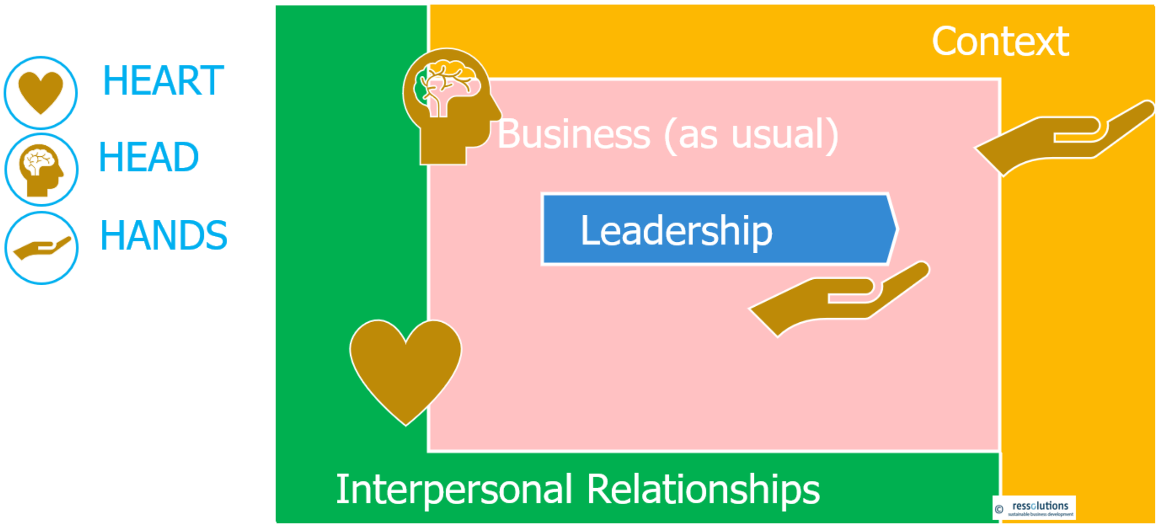

Illustration 16 – 3D Business Model Framework[103]

Service and Financial Operations – The Red Dimensions

Above we present the aggregated Illustration of the **3D Business Model Framework**, including the three-dimensional perception of business and organisations. The **red area refers to the operational elements** decisive in the **traditional business approach** aiming at value creation for customers with the objective to generate – or "capture" – revenue streams for the organisation.

[102] Ressl (1999) p. 204.
[103] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions

Focusing on this **red area alone** or setting it as the **dominant objective** refers to the "**business as usual**" approach. Key business model elements in this dimension are, for instance, the value proposition, customer segments, partners, cost structure and revenue streams (see Chapter 4.3 for more details).

Context – The Yellow Dimension

When we incorporate the **context dimension** – **the yellow area** – into the business model framework and strategy, the **operational elements** of the red dimension (see Illustration 16) **align** with constantly changing context elements, such as megatrends, markets and stakeholders (see Chapter 4.3 for more details).

Integrating the context dimension into the business model framework, allows **mission-driven organisations** (e.g. social enterprises, traditional businesses with high attention to CSR and ESG, community businesses) to **manage their positive impact** on the planet, society and future generations.

Integrating stakeholders and the global context into the strategy framework is a pre-condition for any **successful ESG business model transformation**.

Impact-driven businesses such as social enterprises are pioneers in generating a positive, regenerative impact in their ecosystems and beyond. CSR and **ESG champions** i.e. generally profit-driven organisations with an **outstanding CSR level** or advanced **ESG impact achievements** can learn from impact-driven social enterprises and use the three-dimensional framework to **move** further **towards ESG-excellence**.

The 3D Business Model Approach includes the **Double Materiality** concept and applies it as a **strategic management principle**. Business model innovation processes under the 3D Business Model Framework can focus on aligning the business model elements of an organisation to the sustainability megatrend. However, also other context factors and megatrends like digitalization can represent a guiding alignment objective of an innovation process.

Integrating the **context dimension into mission** of organisations, supports the transformation of all business model elements with the objective of **mitigating harm** to the natural and social environment and **generating positive impact** on the planet and society (compare Chapter 2.4.2). In Chapter 5 of our Handbook, we present **effective Strategy Tools** supporting the ESG Business Model Innovation **context alignment** (compare Chapters 5.1 PESTEL(C) and 5.5

Value Chain).

Interpersonal Relationships – The Green Dimension

A second fundamental insight of many progressive economists and management thinkers refers to the **role of humans and their relationships** in business and economics. As early as 1976, Fromm, for instance, suggested returning to the question "What is good for People?" to achieve sustainability. He identifies the **primacy of "Being**" over "Having" as a success factor for modern society. [104]

As indicated before, others like Buber describe the **importance of interpersonal relationships** for human well-being and peaceful co-existence.[105] The Harvard Study on happiness, almost 80 years old, has shown the decisive role of positive human **relationships in health and happiness**.[106]

The Inner Development Goals (IDG) network identifies **25 skills of inner growth** across five dimensions in its Inner Development Guide, which are essential to achieve the Sustainable Development Goals (outer change). Among these five dimensions there are "**Being**", "**Relating**" and "**Collaborating**". [107] Progressive corporations such as IKEA, EY, Airbus and Volvo support this network's effort to foster inner growth of people to drive the global ESG transformation.[108]

In line with this development in strategic management, the 3D Business Model Approach includes the **interpersonal relationships dimension** – **the green area** – encompassing motivation, values, culture, and an organisation's growth paradigm. It is part of the framework for the analysis, strategic management and co-creation of businesses and organisations.

In our management and consulting activity, we have experienced that these "soft elements" play an **important role** in organisations and their change dynamics. They are key to **understanding the nature of mission-driven social enterprises** and to enable learning from them.

On the other hand, there is more and more evidence that these "soft factors" represent the **critical element for ESG Business Model Innovation** processes, decisive for achieving sustainability and peaceful global collaboration as a result. For instance, recent research has confirmed that **barriers to circular Business Model Innovation** can be found at the level of employees and organisations in addition to value chains and institutions[109].

These "soft elements" determine **employee well-being**, creativity, collaboration as well as **commitment** to organisational processes and change towards sustainability. They influence significantly the **configuration and performance** of the operational business model elements in the red dimension of the 3D Business Model such as the **quality level of the value proposition** and the **way customer segments** are served.

This shows that, without **incorporating interpersonal relationships elements** into the strategic management horizon, organisations cannot succeed **in any business** undertaking – certainly not in

[104] Fromm (1976) p. 6.
[105] Buber (1923)
[106] The Harvard Gazette (2017) online.
[107] Inner Development Goals (2025) p 2ff.
[108] Inner Development Goals (2026) online.
[109] Guldmann (2018)

the urgently needed Big ESG Transformation with its **important change requirements**. Leading economists and business thinkers like Bruni and Zamagni (civil engagement and reciprocity)[110], Sen (freedom)[111], Sedláček (human values) [112], Gold (sharing)[113], Grevin (gift in business)[114], Gui (relational goods)[115], together with common good business networks such as the EoC (social harmony)[116] argue, that **interpersonal relationship factors** are not only important for business model excellence and ESG transformation but represent in their various expressions an **end of economic activity and growth** themselves.

3.1.3.2 Aligning the 3 Dimensions of Business in Change Processes

The **Governance** business model elements (see blue element in the Illustration above) include **leadership, mission and vision**. They are part of the Governance Aspect of the ESG framework and have the role of **combining the three dimensions** of business, when developing business models, defining strategies and managing day to day operations.

A clearly **defined mission**, a **shared vision** and especially modern servant and **transformative leadership styles** which drive organisations on their **transformation journeys** towards achieving their vision, their ESG-aligned objectives and eventually **impact excellence**.

When the governance elements work well and when a business model has aligned all its elements in the three dimensions, **value creation for customers and stakeholders** becomes simultaneously **value co-creation for society**, the planet and future generations.

3.1.3.3 The Heart, Head, Hands Concept in Business

The concept of "**heart, head, hands**" (see Illustration 16) is well established in pedagogy and psychology and suggests that human experience has three complementary dimensions. If one dimension is missing, transformation, learning, growth and impact will lead to a poor result, if not be impossible.

The 3D Business Model Approach **combines these three aspects** of holistic human action to manage organisational growth and ESG Business Model Innovation. **"Head"** represents design thinking for Business Model Innovation, strategic management and efficient implementation of strategies in all business processes according to the specific mission of an organisation and the changing context in which it operates. **"Hands"** refers to serving customers (one hand) and, with impact-driven motivation, society, the planet and future generations (second hand). The second hand remains often underdeveloped in traditional business models. In the 3D Business Model Approach, it is a strategic element of growth. The **"Heart"** aspect puts the focus on people and their interactions. It is **crucial to successfully manage** systemic ESG Business Model Innovations. It refers to the human dimension of business including collaborative interpersonal relationships.

[110] Bruni / Zamagni (2004), Bruni (2008)
[111] Sen (1999)
[112] Sedláček (2011)
[113] Gold (2004)
[114] Grevin (2018, 2019)
[115] Gui (1994)
[116] Ressl (1999) p. 11.

3.1.3.4 Key Takeaways

The 3D Business Model Approach encompasses three dimensions, including first the **Service and Financial Operations**, second the **Context elements** including megatrends, markets and stakeholders and finally the **Interpersonal Relationships elements** with motivation, values, culture and growth paradigm of an organisation. **Combining these dimensions** through adequate Governance, including mission, vision and leadership, builds the ground for **successful ESG BMI processes, growth** and an organisation's journey towards ESG excellence. The **"heart, head, hands"** concept is reflected in this approach.

3.1.4 Key Takeaways Chapter – The 3 Dimensions of Business

A business model is a **conceptual framework** explaining how an organisation co-creates value for stakeholders, the society and the planet. The 3D Business Model Approach is built on the three dimensions of business, including Service including Finance, Context and Interpersonal Relationships. **Adequate governance** with mission, vision and leadership aligns the three dimensions and leads to ESG-aligned growth. The 3D Business Model Approach can explain the **functionality of social enterprises** and **community businesses** which can also **inspire big corporations** on ESG matters.

3.2 ESG Champion Funnel Method

3.2.1 Introduction

After industrialization, globalization and digitalization the world enters the era of "**Responsibilisation**". Organisations need to prepare accordingly. First-movers and ESG leaders have a competitive advantage. In this Chapter, we present a **method of strategic change management for organisations** to adopt to **this megatrend and next wave of transformation**. Having expanded the strategic management horizon with the 3D Business Model Approach, we are now introducing the **ESG Champion Funnel** Method[117], which is a **seven-step process** for organisational transformation towards sustainability.

The **seven-step ESG Champion Funnel Method** follows the logic of **design thinking** while incorporating organisational **change theory**, strategic **planning** completed with **strategy implementation**, **project management** principles as for instance proposed by the International Project Management Association (IPMA) framework[118], and selected **operational processes**, including sustainability reporting.

The Method refers to a **standardized process** of business model transformation and organisational multi-dimensional growth, which, when applied recurrently, will significantly improve an organisation's **ESG standards**, employee and stakeholder **well-being** and organisations **impact** capacity in general. Depending on the motivation, vision and decision of management and

[117] The method was developed by M. Ressl and builds on in his PhD research, completed in 1999, which was based on more than a hundred businesses and organisations undergoing transformation. The method is designed for managing significant, complex and impact-driven change processes of organisations to increase sustainability, positive impact, differentiation, a competitive advantage and ESG-aligned markets.
[118] IPMA (2026) online.

shareholders, the Method has the power to move organisations towards **superior positive impact** including net zero emissions, inclusive supply chains, enhanced community building.

The **Method reframes competition** as a pursuit of **ESG leadership** within an industry, supply chain, ecosystem, region or a particular ESG topic. It encourages organisations **striving for excellence** in sustainability and positive impact.

As **markets evolve** in line with SDG 12, Responsible Consumption and Production including also the social aspect, organisations that successfully **adapt to the sustainability trend** are likely to strengthen their **long-term competitiveness**, eventually win the **ESG championship** or at least manage continue their operations in the new environment.

With sustainability a new element enters the **concept of competition**. While ESG was so far often perceived as a lever for cost savings, such as through energy efficiency, **competition** in the market **based** on ESG-impact **differentiation, means collaboration** for the good of the planet and mankind. Many organisations within the **social enterprise movement** cooperate to create positive impact while competing in the marketplace.

The Method is especially appropriate for those organisations that seek not only incremental sustainability improvements but aim for **strategic ESG business model transformation** with the objective of adding value to society, the planet and all its future generations. It goes beyond **process and product innovation** and focuses on the whole business model.

However, even when organisations pursue **small incremental sustainability achievements** (e.g. adding a take-back system for used products), value is added. In these cases, the Method helps implement **single ESG improvements** in line with related business model elements, scaling the impact of such undertakings. If a newly installed take-back system, for instance, is communicated clearly, it can raise customer awareness and shift general consumer patterns towards a Circular Economy, multiplying ESG impact also based on small innovation steps.

Building on **Lewin's organisational change management** approach including "Unfreezing – Moving – Refreezing"[119] and while acknowledging the **high pace and complexity of change** in times of the Twin Transition, we recommend applying the ESG Champion Funnel Method **in annual iterations** (see Chapter 3.5), synchronized with the **organisation's budging cycle** where appropriate. The Method anchors sustainability and positive impact into the organisation's core strategy, shifting it to a **permanent transformation mode** while allowing periods of **consolidation** ("refreezing") in times of implementation, adjustment of operational processes and enhancement of the ESG-aligned organisational culture together with employee and stakeholder trainings.

In line with Kotter's 8-step Change Model[120], we recommend preparing and **supporting the sustainability change process** with elements such as creating a **sense of urgency**, building a **guiding coalition** and developing an appealing **ESG-aligned shared vision**.

The ESG Champion Funnel Method with its annual iterations supports organisations on **a continuous ESG innovation journey**, much like navigating a boat along a river with **alternating**

[119] Lewin (1947) p. 228 ff.
[120] Kotter (1996)

passages of broad and narrow waters. ESG Business Model Innovation is **not a one-off undertaking**.

Once an organisation integrates **sustainability** and **long-term impact** in business **strategy** transformation according to the Method becomes a permanent process in which there is **always a next step**.

Business model elements evolve, **grow** and need be optimized as long as value chains, ecosystems, markets and whole societies are still transforming towards sustainability and impact. The **collective journey** towards thriving people, strong families, collaborative communities, and a flourishing planet with its wonderful nature has begun globally with AGENDA 2030 and it **will be a long one**.

We are gradually entering an organisational paradigm, in which **responsibility extends** beyond the organisation itself to the planet, society and future generations. It requires **new management tools** and methods. Once established in an organisation, it will significantly improve the quality of life and **enjoyment in doing business**, as Yunus summarizes it in his 7th principle and key characteristics of impact-driven enterprises: "**Do it with joy**!" [121].

3.2.2 7-Step-Transformation Method

The Illustration below provides an overview of the ESG Champion Funnel Method. The content of each step is summarized by a characteristic **keyword**. Steps 2 and 3 refer to the **Innovation Space** built to **conceive ideation** of the ESG Business Model Innovation before **implementing** it in Steps 4 to 7 including monitoring and reporting.

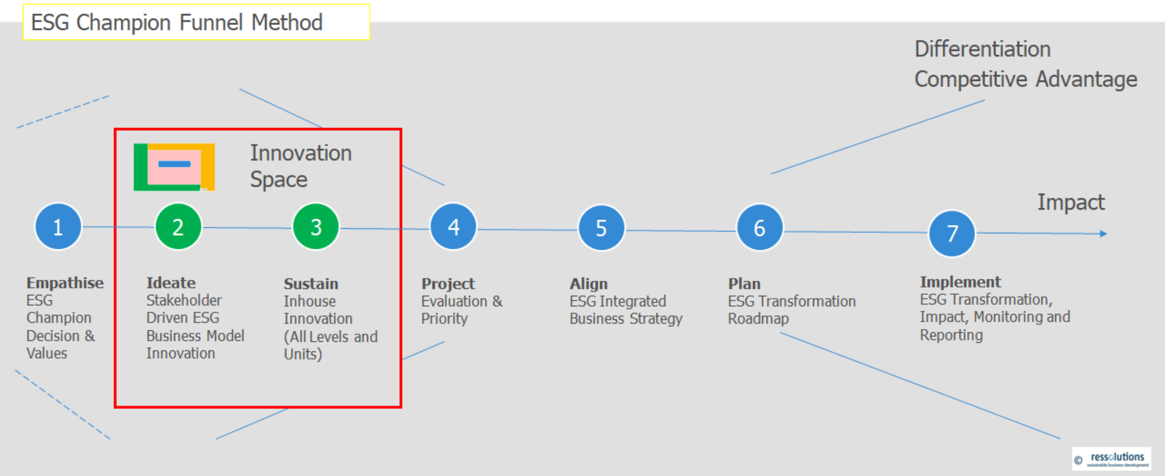

Illustration 17 – ESG Champion Funnel Method[122]

The **seven-step Business Model Innovation cycle** outlined in the ESG Champion Funnel Method, as indicated, is **synchronized** with the organisation's **planning and strategy** processes as well as the activities of the **project management office**. An **ESG BMI project handbook** serves as **innovation process blueprint,** defining the process, selected strategic tools, workshops,

[121] Yunus (2010) p. 3.
[122] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

participants, roles, timeline, and budget required to achieve the intended Business Model Innovation and transformation objectives for each iteration.

In the following paragraphs we provide a short summary of **each of the seven steps** before presenting the **deep dive into step 2** of the ESG Champion Funnel Method on which we focus in this Handbook.

Step 1 – Empathize

The first step of the ESG championship journey in general and every ESG Business Model Innovation Iteration in particular is "**ESG Empathy**" visible in corporate **values**[123] and lived out in the whole organisation starting with a **guiding coalition for change**. **Commitment to improving ESG standards** beyond legal requirements the beginning of a successful ESG transformation.

Ideally, in Step 1 the organisation defines its desired ESG market position, either to become **ESG first-mover and ESG champion** in the industry or **ESG fast follower**. If the sustainability transformation decision is **supported by top management**, shareholders and other key stakeholders, optimal conditions for a successful ESG transformation are established. An **initial ESG-aligned shared vision** at this stage is an advantage. This way, empathy along with a clear **organisational decision** set the scene ESG Business Model Innovation.

This step of the ESG Champion Funnel Method refers to the "Empathize" and "Define" stages in the **design thinking framework**. It is crucial for a positive outcome. "The main tenet of design thinking is empathy for the people you're trying to design for", says David Kelley[124], founder of IDEO and design thinking expert.

Step 1 also includes the **planning of the innovation iteration** and summarizing the innovation project plan in the above mentioned **ESG BMI project handbook**. If necessary, already at this moment a **content part** is elaborated, with a high-level As-Is Analysis (current situation) of the organisation's business model, its current ESG performance in its operational context, societal requirements and already visible ESG innovation potential. This together with the planning activity provides a solid foundation and **broad participation** for the ideation phase in Step 2.

Step 2 – Ideate

At this stage, **workshop sessions** are used to stimulate **collective creativity** and to open **innovation spaces** including the participation of a broad range of **stakeholders**, often identifying **white spots** and growth opportunities hidden for the organisation. **Hackathon formats** can be useful to support "unfreezing" with ESG enrichment of organisational mindsets. This step can be enhanced with **innovation input** from stakeholders, bachelor's and master's theses as well as **student consulting projects**, which we have successfully tested and implemented in the CEMS-MIM programme at the University of Economics and Business in Vienna.

The goal of Step 2 is to generate a big amount of ESG Business Model Innovation **options** and, if possible, already clustered, ranked and presented as Foundation for elaborating a To-Be ESG Business Model Innovation Scenarios. Adequate **communication** within the organisation increases

[123] For an overview of HRM approaches to grow ESG values in an organization: Aust et al. (2020) p. 3.
[124] Pattison (2011) online.

commitment and participation in the ESG change iteration, leverages its impact and enhances an ESG-friendly organisational culture.

In Step 2 the ESG Business Model Innovation process enters a **new divergent cycle** in the **journey towards ESG excellence**, characterized by collective creativity, ESG ideation and generation of new options of growth and transformation. This phase particularly benefits from the **involvement of students**, other representatives of the next generation, participants from other different professions and lateral thinkers. Based on well-established relationships, **customers and other value chain partners** can be invited to participate in workshop sessions.

In Chapter 4 of the Handbook, we present the deep dive on how to **open strategy innovation spaces** and to **apply ideation techniques** inducing an ESG focused Business Model Innovation process with the help of **Strategy Tools**.

Step 3 – Sustain

This step continues with **inhouse innovation sessions,** generating new ESG Business Model Innovation ideas and integrating them into **sustainability scenarios** involving different departments of the organisations and cross-functional ESG topics. The focus of Step 3 consists in **further elaborating and enriching** of the ESG Business Model Innovation results of Step 2 and the **preparation** of the implementation decision.

The **Innovation Scenarios** produced in Step 2, where possible provided with strategic commentary by top management are **cascaded down** in the organisation, with the objective of **generating further innovation ideas** to complete step 2 results and to incorporate them into processes and operations. With the help of a well-defined **workshop program** including each business unit and each department of the organisation, the best ideation results from step 2 are **sustained** through **preliminary evaluation** and integration into one or several comprehensive **ESG Transformation Scenarios**. The **timing of the workshops** needs to be aligned with the **budgeting and mid-term planning** cycle of the organisation

The inhouse ESG Business Model Innovation sessions of Step 3 can be enriched through the **involvement of external stakeholders**. The innovation emerging at this level is already **connected to business model elements**. With the continuation of the ESG Business Model Innovation Iteration on department and level of Strategic Business Units (SBUs), it is entering the **narrowing phase** of the **innovation journey**, since only well **selected, validated and enriched innovation ideas** and elements of the elaborated comprehensive ESG Business Model **Innovation Scenario** will find their way into an organisation's strategy and implementation.

Broadly rolled out inhouse ESG innovation workshops strengthen the **organisational ESG value base**. They contribute to a positive **ESG change culture** and increase the level of **ESG knowledge** (e.g. circular economy, change management and the benefits of becoming a sustainability leader) among all departments and employees. At the same time, **awareness on the importance of ESG topics** is created. If the Iteration is well progressing, if an honest belief among employees has emerged, that **change is critical** and that **it must happen immediately**. This **sense of urgency** is a fundamental achievement within an organisation and its stakeholders to fuel the ESG change movement.

Step 4 – Project

In this step, the results of the Business Model Innovation ideation phase performed in step 2 and step 3 of the ESG Champion Funnel Method are subject to **comprehensive evaluation**. **The Innovation Scenarios** including the ideas of all organisational levels and business units are ranked and pre-selected based on their estimated **impact and feasibility**. **Project requests** that specify among others both expected financial returns and measurable ESG impact are elaborated.

At this step a **long-term perspective is important** – knowing that ESG is an investment often requiring ESG-aligned financial return beyond traditional pay-back periods.

For large corporations, moving towards sustainability and impact means **extending their investment horizon**, similar to how family businesses tend to consider the well-being of the future entrepreneurial generations in their activity. Anticipating an ESG-aligned **market development**, **prioritizing** selected ESG transformation projects and preparing for the ESG-aligned overall organisational **strategy review and re-definition** is part of Step 4.

Through the **pre-selection of the strongest ESG Innovation Scenario** with the most convincing innovation ideas, all summarized in a comprehensive **ESG transformation program** with well elaborated **investment and change projects**, the innovation process proceeds in its **narrowing phase** of the funnel.

Step 5 – Align

At this stage, the outcomes of innovation and pre-selection processes have been translated to into a **comprehensive transformation program** with project proposals for investment, organisational change and Business Model Innovation. The **final implementation decision** by top management represents the next step.

To prepare for this decision in Step 5 the **organisation's high-level strategy** is reviewed and re-designed if necessary. The organisations **mission** is checked according to the innovation results and the **vision**, indicating the future state in 5 or 10 years, is verified and re-defined including improved ESG performance according to the elaborated change programme. Finally, the organisations high-level business **strategy is re-defined incorporating the sustainability** and impact program elaborated. Once established, it is broken down into the mid-term planning and yearly budgeting periods.

After the process of **strategy alignment**, top management can decide on the ESG Business Model Innovation program with its individual projects including **resources, funding**, and **timing** of implementation. Clear **communication** of the **sustainability strategy** to all stakeholders is important. An **ESG dashboard** including strategy and innovation objectives complements traditional sustainability reporting.

Step 6 – Plan

This step refers to **detailed implementation planning** of the **ESG innovation program**, once it is decided by top management and shareholders, where necessary. The essential **project planning activity of Step 6** builds on the approved mid- and long-term ESG-aligned strategy of the organisation. An ESG-aligned **transformation roadmap** is established, containing all the projects and activities of the ESG transformation program. Preliminary versions of it which were drafted part of scenario planning and strategy building serve as a starting point. The transformation roadmap is defined according to the standards of **complex change projects** such as turn-around, scaling-up, merger or downsizing. All operational and project planning activities resulting as starting point for the next phase into the **ESG project kick-off meeting** are undertaken in this step.

The **ESG strategy** together with a high-level summary of the **ESG transformation project** including KPIs, investment requirements and the overall financial plan is now ready to be **communicated** to **investors** and **interested stakeholders**, complementing traditional ESG and sustainability reporting. At this point an important step towards **ESG-based differentiation** of the organisation is achieved. New stakeholders, such as sustainability-oriented investors, customers and value chain partners can be attracted, supporting the sustainability-based **journey of new** organisational **growth**.

Step 7 – Implement

At this step of the sustainability iteration the ESG Business Model Innovation change process is managed according to project management standards as, for instance, IPMA, PMI and PRINCES2. The focus on **collaborative interpersonal relationships** is important. Change processes to increase sustainability and positive impact require a specific people- and vision-centred **project management approach. Participative leadership** and a **co-created vision** including ambitious ESG goals are key for success.

Implementation of ESG change will **impact systems, products and processes** as well as partners and customers. However, within the 3D Business Model Approach, all change is an **opportunity to enhance motivation, values and organisational culture**. This way, the organisation strengthens its **cohesion** and builds the foundation for **future ESG Business Model Innovation**, thereby achieving an even higher level of ESG performance. At this step we recommend integrating also digital and other transformation projects into a **single transformation roadmap** for sustainability, ESG impact and organisational growth.

When first milestones are achieved, projects are completed and ESG targets are reached, the ESG Business Model Innovation enters its **monitoring and reporting** phase enriching traditional ESG and sustainability reporting as for instance according to ESRS standards, with an ESG Dashboard, strategy disclosure, communication of metrics and objectives, marketing and CRM alignment as well as information on challenges and storytelling, going beyond **legal non-financial disclosure** requirements and creating strong ties with the **ESG supporting community** emerging around the organisation. With the **increasing positive ESG impact,** the organisation is entering a new divergent phase in view of scaled sustainability, impact and new growth.

Outcome of the Method

By applying the ESG Champion Funnel Method an **organisation can leverage its impact potential**. Each successful **sustainability iteration** brings the organisation closer to answering the fundamental question posed by Yunus, capturing the **“why” of impact driven business** and

Co-funded by the European Union

business transformation: “What do we want the world to be like twenty years or fifty years from today?”[125]

3.2.3 Application of the Method

The ESG Champion Funnel Method, which is based on the 3D Business Model Approach, combines elements of change management, strategy building and business development. Its **differentiating characteristics** are, among others, its three-dimensional business model **framework**, (see Illustration 16) its interpretation of **ESG as opportunity** and its **co-creation process,** involving various stakeholders including the next generation. The method has been successfully applied in many fields. The three of areas of application are outlined below.

Strategic Change Processes

The method was created for sustainable **business strategy generation** and **implementation of ESG change processes** in business organisations. However, it was also successfully applied in **non-profit organisations**, **social enterprises** and **community businesses**.

The ESG Champion Funnel Method can be applied in organisations **guided by** qualified **external consultants** or run as a programme led by **internal change management** equipped with the necessary ESG Business Model Innovation training and skills (see Chapter 4.2.3). Clearly **defining the roles** of the programme manager, the sustainability and CSR departments, and the supporting functions of the project office, the controlling department, the strategic management department, the technical department and all members of the ESG BMI project team is essential.

In addition to that, the **support of top management** is crucial. This Handbook provides a practical guide to support managers and consultants applying the method successfully and avoid common pitfalls.

Management Training Workshops

In the Handbook in Chapter 4, ESG Ideation - The Mariënkroon Method, we present the application of Step 2 of the ESG Champion Funnel Method as workshop format for (future) managers with the focus on the training aspect. According to the Mariënkroon Management Training Method **“training” and “consulting”** are combined, working on real cases of organisational ESG innovation processes, guided by an expert integrating the necessary skills and expertise (see Chapter 4.2.3). In such a context, business leaders and managers of different organisations can apply the Ideation Method in a one-day management training workshop.

Such a workshop which can also be organised as a conference or a hackathon is a guided **learning-by-doing** session by a mixed team of participants. A well-focussed **introduction** part has the objective of awareness raising and knowledge transfer including ESG, the method, the tools and the cases.

[125] Yunus (2010) p. 204.

With the support of an experienced **Business Model Innovation coach,** also team leader and middle-management representatives with limited strategy experience can successfully work on cases from their own organisations or on other **real-world business cases**, ideally provided by course participants.

As indicated before, representatives of the **next generation** and **lateral thinkers** from other disciplines, e.g. psychologists, engineers, philosophers and biologists can **enrich the innovation space** and add value to the co-creation process during the workshop. The **Business Model Innovation results** are presented at the end of the workshop and, if possible, in presence of the entrepreneurs or top management from the case companies.

The ESG Business Model Innovation management training workshop focuses on Step 2 of the ESG Champion Funnel Method, delivering a pre-selected, ranked and well-presented **ideation result**. - A draft of the **transformation roadmap** and a **high-level outline of a growth scenario** including the ideation results are optional deliveries of the management training workshop.

A curriculum for a **one-day management training** workshop that complements the Handbook is available as a separate document (full version). It is summarized in Annex 8.2. of the Handbook.

University Courses

The **next generation** is especially concerned about the future of our planet. Step 2 of the ESG Champion Funnel Method was piloted in a **student context** in a **junior consulting training program format** spanning over two to three months with up to 7 individual sessions including theory, ESG fundamentals, case presentation, group works, coaching, interviews and presentation with corporate representatives.

It was tested successfully as a **part of bachelor's and master's theses**. A management and consulting training format was incorporated in marketing and management courses, including the CEMS-MIM programme at the Vienna University of Economics and Business[126]. Depending on the course content the ESG Business Model Innovation focus was adjusted for instance to general management, marketing or sustainable tourism. The academic education format was based on research by Lemański including higher education institutions in a society with low sustainability awareness.

We have identified the **four distinguishing elements** of application of Step 2 in students' projects compared to traditional teaching methods:

- **Co-creating and adding value** to a **real-world** CSR- or **impact-focused business cases**. This enhances intrinsic motivation.
- **Working** on a real-world **consulting assignment** including an interview with a business representative and with the objective of building an ESG, impact or common good-aligned business growth strategy. This allows a fascinating learning-by-doing experience.
- **Using** the **3D Business Model Innovation** framework, extending the management horizon to all three dimensions of business, including context and interpersonal relationships.

[126] Lau et al. (2025)

- **Guidance** by an experienced ESG Business Model Innovation Coach. This ensures **strategy and consulting knowledge transfer** and valuable **results for the business cases**.

The application of ESG Business Model Innovation in **university settings**, with students working in **small collaborative groups** on real business cases, has demonstrated **significant potential** for applying the Method and contributing to **urgently needed capacity building** of future leaders which need to manage peacefully the Big ESG Transformation. It creates a **valuable synergy** between **current and future managers**, enabling collaboration and co-creation for a positive future.

3.2.4 Key Takeaways

The **ESG Champion Funnel Method** is a seven-step **method of strategic management** to perform a deeply rooted and even disruptive **business model change process,** designed to support organisations in adapting to the **Twin Transition** and at the same time leveraging the change requirement for impact driven **differentiation**, **competitive advantage** and ESG leadership in the market, value chain and ecosystem.

The Method works best based on annual **iterations**. **These include** phases of **ideation** followed by phases of **strategy building** and relatively fast **implementation** of a **small** but well selected, highly innovative and well anchored **number of key changes**. These key changes “enter” the business model of an organisation, like a delicious apricot fruit sauce is filled through a funnel into a narrow jam glass where it will be conserved and enrich family life for long period of time.

The method can be applied for **strategic change in organisations** either with the help of external consultants or based on **internal program management** based on adequate **inhouse skills and expertise**. The ideation phase, Step 2 of the Method, can be performed as **management training workshop format** and even as **junior consulting project** in the **university context**, enabling the next generation to succeed the Big ESG Transformation on our planet.

3.3 ESG Business Model Maturity

3.3.1 The ESG Ambition

Organisations integrate **ESG** at different **levels of maturity**.[127] While some focus primarily on **meeting legal requirements**, others use ESG for differentiation and generate a competitive advantage while the most advanced pursue **ESG excellence** and **positive impact as core organisational objectives** based on **intrinsic motivation** by a **new generation of managers** and **entrepreneurs** and driven by **ESG-aligned corporate values** and culture.

Regardless of the motivation, the implementation of an **ESG-aligned organisational vision** is not a spontaneous one-off activity or a mere reporting issue. It refers to a structured **long-term process** of Business Model Innovation and **change**. To ensure advancement on the **ESG maturity journey** organisations must **continuously** assess, refine, and **embed ESG principles across all business areas**, business model elements and along the extended value chain. **Searching** opportunities and **exploring** identified **potential** is part of this process.

[127] McKinsey (2022) p. 2.

The more **ambitious** an organisation sets its ESG vision, the higher its **implementation efforts**, and the **longer the strategic journey in search of ESG excellence** lasts, the more the ESG-aligned values are capable to shape the organisation, its collaborators, business model, processes and daily activities which is the indicator for the ESG Business Model **Maturity level** achieved.

3.3.2 ESG Maturity Levels

Below Illustration presents the **three-level ESG Business Model Maturity classification**, in which every business model can be classified with the objective to define its starting point and to monitor the progress for the ESG Business Model Innovation journey. The yellow flash shows the **usual corridor of increasing ESG maturity** over the transformation time with an increasing level of ESG integration into the business model (x-Axis) leading simultaneously to increasing perceived **differentiation and value-creation** (y-Axis) in the market. Pretended high ESG-based differentiation and high ESG-aligned value-creation with a low degree of actual positive ESG impact would be an indicator for **Greenwashing** with ESG as mere marketing.

A **high degree of positive impact** and a highly ESG-aligned Business Model **without visible ESG-differentiation** in the market and communicated ESG-based value creation, **misses the opportunity to scale** the business model's impact. Through the lack of the business models alignment for example in the field of customer relationships management, marketing, value pricing, storytelling, employee training, process optimisation, stakeholder communication and community building an ESG-authentic value proposition with a high impact potential will have difficult times to remain in the market and eventually disappear.

Especially intrinsically motivated **social enterprises** and **community businesses** run the risk to fall into such an **ESG-Undifferentiated Trap**. It is characterized by a permanent struggle to cover the usually higher cost for the impact and authenticity of their service.

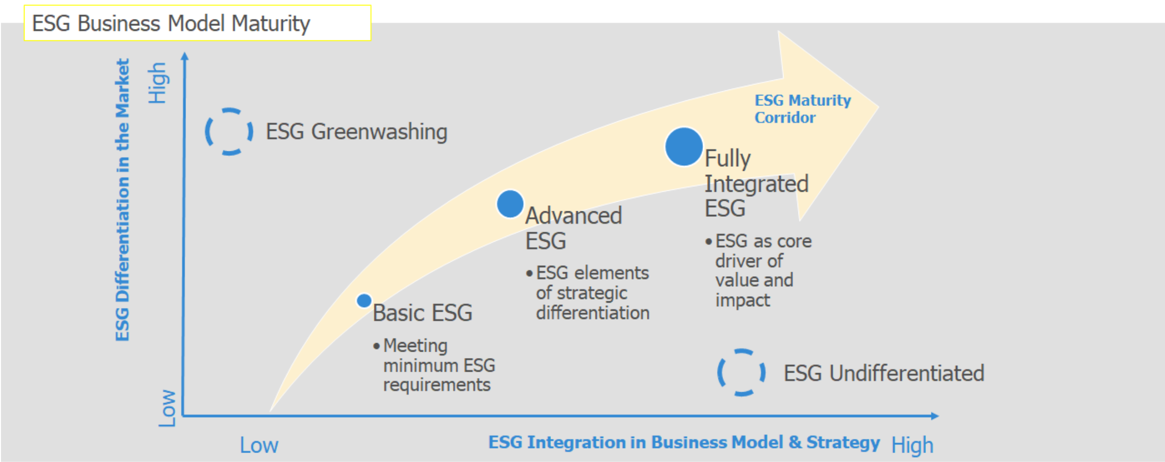

Illustration 18 – ESG Business Model Maturity[128]

As follows, we present a summary of the **three stages of ESG Business Model Maturity** an organisation can achieve along its ESG-aligned Business Model Innovation and growth corridor.

[128] Source: Own illustration by the Authors based on McKinsey (2022) p. 2.

Basic ESG

This is the **first level of ESG Business Model Maturity** an ESG-conscious organisations can achieve. It is also called the "**Do-No-Harm-Level**". Companies and organisations in this category are **aware of their negative ESG impact** and work on reducing it. They **follow legal requirements** and meet **minimum ESG standards**. ESG is seen as a **necessary compliance** issue, without a strategic focus on it and without the ambition to co-create a positive regenerative impact.

A substantial part of today's companies operates at this basic level of ESG maturity which represents already an important **organisational achievement** compared to a "do-not-care-mentality". For those who fall under the Corporate Sustainability Reporting Directive (CSRD) or similar legal frameworks in other regions, ESG is often perceived as **reporting burden** at this ESG Maturity Level.

Due to their **relatively low level of ESG maturity** together with already **some ESG awareness**, at least in the management boards or sustainability departments, the companies of this category usually show the **highest potential** to benefit from a structured and guided ESG Business Model Innovation process.

Advanced ESG

ESG is **actively integrated** into the corporate strategy and **implemented beyond legal requirements**. Organisations at this level are setting **clear sustainability goals** and using ESG elements as an innovation and differentiation factor, unlocking new business and growth opportunities. **Ways to increase ESG performance** are identified sporadically and turned into a regenerative and positive ESG impact.

The organisation is characterised by a good level of **ESG Empathy**, integration of sustainability in all processes and the achievement of outstanding ESG performance in some ESG topics. At this ESG maturity level, the organisation has developed **some ESG elements as strategic differentiation**.

Independent ranking organisations like Corporate Knights' Global 100[129] or Statista[130] focus mainly on environmental topics and suggest candidates which aspire or might qualify for the basic ESG level and some even for the advanced level of ESG Business Model Maturity among global corporations.

IKEA or Patagonia, for instance, promote the ESG advanced status of their business model and accordingly see themselves in the advanced Business Model Maturity level, not at least because such businesses have started a balanced and continuous **attention to all three ESG categories**, such as demonstrated when adding social initiatives like refugee training programmes run for instance by IKEA Austria. However, all these organisations which might be **considered ESG leaders** in their industry still have a **long ESG journey** to go, in order to generate a **systemic net positive impact,** to become entirely **Circular**, fully **socially inclusive** along the entire Value Chain and **regenerative** in view of natural and social ecosystems.

[129] Corporate Knights (2026) online.
[130] Statista (2026) online.

Fully Integrated ESG

At this level of **ESG Business Model Maturity**, ESG is an **integral part** of the organisation's business model and its overall corporate strategy. Sustainability and **positive impact generation** determine investments, innovation processes and corporate culture and stakeholder motivation. In addition, organisations in this maturity level, **managed to communicate** their ESG-authentic value proposition, processes and collaboration within their value chain ecosystem and are perceived by its stakeholders and the market as **clearly ESG differentiated** and with a supporting community around them.

Such ESG Champions operate based on an **ESG-based competitive advantage** and **growth driver**, **continuously transforming** their business models based on newly arising ESG opportunities. Furthermore, they have become **ESG leader in their value** chain and transform **the dynamics** of their industry, values chains, eco-systems, and markets. Such organisations **co-create a systemic positive impact** and are **pioneers** in a multitude of ESG topics. Their **mission** is fully aligned with ESG requirements and to add value to people and the next **generations to come**.

This level of ESG business maturity represents a **challenging objective** of ESG Business Model Innovation journeys, but achievable for all businesses and necessary for co-creating a bright future on planet Earth.

Interestingly, organisations, which possess this level of ESG business model maturity, are often **social enterprises**, pioneer **ecological start-ups**, **community businesses** or values-based family businesses, generally with small scale operations and often embedded in supporting networks and communities, promoting and sharing their ESG-aligned values.

However, our analysis of hundreds of such ESG hidden champions shows that, due to their limited resources, limited market access opportunities or process maturity, many still carry a significant impact potential which realized through guided Business Model Innovation processes together with strengthening entrepreneurship on all levels. The creativity in such processes often focuses more on a **scaling** of an already **ESG aligned value-proposition** and a multiplying **superior positive social impact** achieved in one of the ESG fields than on change processes in the fields of mission, value-proposition, partners and customers segments.

3.3.3 Defining the ESG Maturity

The **ESG Business Model Maturity** level is a strategic concept with the objective to identify an **ESG Business Model Innovation gap** and at the same time the **ESG potential of an organisation** at a certain time.

When starting an ESG Business Modell Innovation iteration and at the very beginning when an organisation decides to depart for an ESG Business Model Transformation journey, **one of the first steps** is **to assess** an organisation's current ESG Business Model Maturity Level.

Based on the ESG Business Model Maturity **assessment**, including a status and potential definition in all relevant ESG topics (compare Chapter 2.4.3), the long-term "travel itinerary" with the organisation's vision where it wants to arrive within 10 years and the next **steps** on this journey can be defined.

Organisations engaging in ESG Business Model Innovation, when determining their current ESG integration level can do their **self-assessment** process following **the 1–10 scale**. First the assessment includes all relevant ESG topics and business model elements. In a second step it is summarized as a general evaluation of the As-Is ESG BM Maturity status as presented in Illustration 18 always using the following scale:

- 1 = no ESG integration into the business model and the organisation's strategy means a low level of ESG Business Model Maturity;
- 2-4 = Basic ESG Business Model Maturity;
- 5-7 = Advanced Business Model Maturity;
- 8-10 = Fully Integrated and high ESG Business Model Maturity

To manage the Big ESG Transformation is a collective journey, involving the transformation of entire industries, ecosystems and societies with their consumer preferences. We recommend conducting structured market and industry research to compare the organisation's performance and business model maturity across individual ESG topics and in general with **leading ESG competitors** in the same industry and, if relevant, in other markets. The tool of strategic management which was created for this purpose is the ESG Champion Matrix (See Chapter 5.8)

3.3.4 Key Takeaways

The ESG Business Model Maturity level of an organisation shows to which **extent ESG is embedded in the business model** and the organisations strategies as well as its achieved level of ESG **differentiation on the market** where it operates. The **achieved level depends** on the "ESG ambition", the implementation effort and the time of structured transformation already pursued.

A first step for ESG Business Model Innovation processes is the **assessment** of the ESG maturity level in all business model elements and relevant ESG topics as well as in general for the whole business model. The **gap between the current situation and a fully ESG integrated**, high maturity status represents the **potential** for the ESG Business Model Innovation journey. A market and competitor analysis of leading ESG organisations supports the ESG As-Is maturity assessment and the journey of business model transformation, in general.

3.4 ESG Transformation Scope

3.4.1 The ESG Change Project

After assessing the current ESG status and maturity of an organisation, the scope of the next ESG Champion Funnel iteration can be defined. The scope is established in the **pre-project phase** before the iteration starts or during step 1. Together with the allocation of the necessary resources, it needs to be approved by **senior management** as part of an **ESG change program** elaborated in line with modern project management.

3.4.2 Scope Definition

Questions

The following questions help define the scope based on the ESG As-Is situation of the organisation:

- **How far** do we want to progress **towards** a fully ESG-aligned **vision and impact?**
- **Which business model elements** should be the focus of sustainability and the impact change processes of this iteration?

Three Possible Scope Levels

Companies can adopt **three different levels of ESG progress ambition**, representing the framework of innovation and creativity of an ESG Business Model Iteration. The progress ambition depends also on an organisation's already achieved ESG integration level.

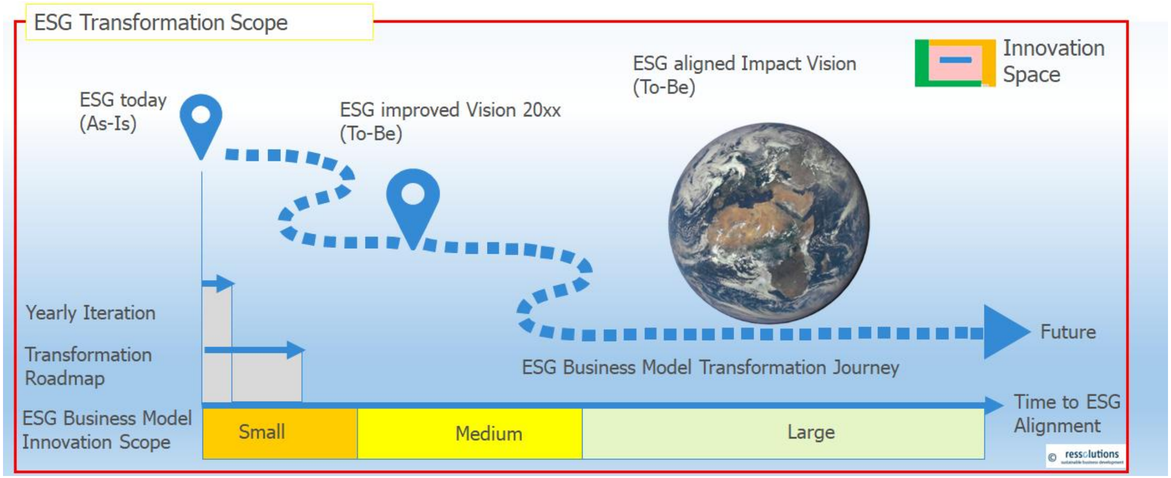

Illustration 19 – ESG Business Model Transformation Vision[131]

Three **levels of scope** for a specific Business Model **Innovation Iteration** can be identified: Small, Medium, and Large. They reflect an organization's readiness for **possible radical modifications** of the business model and define the **size and horizon of creativity** of the ESG Business Model Innovation **space** in which the ideation, change and transformation can take place.

Small Scope

Incremental ESG improvement and **operational optimisation**[132], are the focus of a **Small Scope Iteration** process with possible ESG improvement through minimizing raw material usage, contracting renewable energy and avoiding business in countries where corruption would be required.

Negative ESG impact topics are known, for instance through the materiality analysis (compare Chapter 2.4.2), but are **tolerated** to preserve the current revenue generating capacity of the business model. **Compliance and efficiency** objectives are available. The level of possible business model innovation is limited, with **harm reduction** being the primary innovation target. The ambition to develop towards the Advanced or Fully Integrated Maturity level is low.

Positive ESG opportunities which emerge during an ideation session are not actively pursued. Such an incremental approach is often the **starting point** of a more radical ESG business model

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[131] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions. Picture: Matthieu Ressl based on NASA (2015).
[132] Guldmann (2018) p. 2.

transformation in **further iterations**. **Important is to start**, pick the ESG **low hanging fruits** and increase the ESG Empathy of the organizations through **quick wins** and first top management commitments in view of the importance of ESG.

Medium Scope

A medium innovation scope **goes beyond operational optimization** and includes changes to products, services, revenue streams, and selected business model elements, while leaving the core business logic as it is.

New products, new services and a **shift in revenue streams** and the possibility of replacing ESG-hostile **supply chain partners** is not excluded. However, the ESG Business Model Innovation process is still predominantly characterized by **process optimisation**.

Typical outcomes of a Medium Scope Business Modell Innovation process include **significantly reducing harm** (e.g. greenhouse gas reduction) or **co-creating value for multiple stakeholder** groups, for example though the inclusion of people with disabilities in the processes of the organisation.

The changes are mainly a response to **regulatory requirements**, such as the ESRS, or to an increasing ESG-sensitive public opinion. Some **voluntarily action** based on values-based top management decisions or CSR and sustainability manager's convictions enhance the ESG effort of the organization at the Medium Scope level. A first **systematic scanning ESG threats and opportunities** based on a comprehensive ESG framework (see Chapter 2.4.3.) is part of the innovation process at this level, however the ESG **transformation ambition** remains limited to selected business model elements.

Large Scope

In a **Large Scope innovation framework**, the innovation objective includes the possibility to completely **redesign the business model** to achieve ESG alignment with the only really stable element of maintaining the organizations mission. **Disruptive outcomes** of the innovation processes, as closing existing product lines and designing new products, services and inclusive, local, and circular value chain are welcome in the ideation phase and will be further evaluated.

The **objective** is to generate a **net positive impact** and create continuous and regenerative value for society while adding superior ESG-aligned value to customers. Whenever possible, the highest level of ESG Business Model Maturity with ESG being fully integrated in the business model and with a high differentiation level is targeted. **Social and ecological challenges** are actively addressed through the regenerative capacity of the business model itself. **Transformation** not only of the own organization but of **entire value chains**, **ecosystems and even markets** towards a higher sustainability level are targeted in such innovation processes. In the literature the Large Scope innovation is also referred to as **system building**[133].

[133] Guldmann (2018) p. 2.

3.4.3 Customizing the Scope

Not every level of "**ESG change size**" is easily possible in every organization. Situations when current business models generate significant **financial profit** for shareholders might represent a **barrier to ESG Business Model Innovation** (management sees no need for change), but they might also be **an enabler for ESG transformation** (resources available), depending on the management's mindset and time horizon of strategic planning. This needs to be taken into consideration when setting up the change process.

The **level of change and innovation** that will be targeted in a specific Business Model Innovation iteration depends on one hand on the **motivation**, **values**, **culture**, **mindset** of managers, shareholders of the organisation. ESG literacy trainings, innovation workshops and ESG-aligned culture programs as well as the above-mentioned strategy of achieving ESG quick wins help to prepare **Large Scope ESG Innovation Spaces** in an organization.

On the other hand, the, the level of **possible ESG change scope** is influenced by **context factors** like new laws, increasing ESG-aligned consumer preferences or changing market prices. All that needs to be taken into account, when customizing the scope of an ESG Business Model Innovation project and planning the architecture for an Iteration and an organization's transformation journey.

Important is to **start the Business Model Innovation** journey. The **transformation process might be amplified** in future **iterations**. It is recommended to include innovation quick-win and work on the corporate culture. This will **prepare the organisational mindset** for more radical innovation ideas. **New opportunities** within the ecosystem, the supply chains and the regulatory environment will increase the ambition "to go fully ESG integrated".

The most important step is **not to lose time**, to start the ESG transformation process and invest in an organization's ESG change potential. The Business Model Innovation **Scope can be expanded** in subsequent iterations. As new opportunities emerge within ecosystems, supply chains and the regulatory environment, the **ESG change ambition** can gradually increase towards the **Fully Integrated ESG Maturity** level.

3.4.4 Key Takeaways

It is recommended to organise ESG Business Model Innovation and transformation processes in an organisation as a **well-defined transformation program**, applying modern standards of project management including the **scope of change** which is best specified in a **project assignment** released by **top management**. This provides the necessary resources and gives priority to the change activity.

An important parameter in defining an ESG Business Model change program is the **scope**, or **radicality of possible change**, which the organisation and top management is ready to accept and digest. There are three levels of change, the **small, medium and large scope** which can build the framework of a Business Model Innovation iteration, representing the "innovation space" in which the creativity of the process can take place.

The scope of possible change needs to be **customized according to the situation** of the organisation. It depends on internal factors, such as current profitability, the values, culture and mindset of the organisation. The **most important step is to start** the business model innovation journey although in the beginning with **small, incremental ESG improvements**. Beginning to **invest in ESG education**, **staff training**, **customer empowerment** and culture programs elevates the organizational ESG Empathy. This paves the way for **future, more disruptive ESG change scenarios**.

3.5 ESG Excellence

3.5.1 Journey of Excellence

ESG Business Model Innovation and achieving high ESG-aligned maturity of a business model and operational processes, as already established, is an **ongoing effort** rather than a one-off undertaking or a mere reporting exercise.

Roads to organizational excellence, which have been suggested throughout the last decades as for instance by Peters and Waterman[134] or in the field of process optimization by Total Quality Management (TQM) philosophies can inspire also the search for excellence organizational optimization in the ESG paradigm.

As follows, we present important **pre-conditions for achieving excellence** in the race of **ESG championship**, knowing that we are at the very beginning of a new organizational paradigm with currently limited experience, research and insight.

Time to Adapt

What we know is that ESG-aligned excellence needs time as winners in Olympic disciplines needed time to achieve their level of excellence. Organizations that have developed within a traditional single-bottom-line paradigm **may require time to adapt** to the new sustainability and impact requirements, while businesses already established based on a social mission may need **time for further development** in specific ESG topics, for differentiation and to scale their impact.

System Building

Including sustainability into organizational excellence, the ultimate **destination of any ESG Business Model Innovation journey** is a state of an organization which is known as "**system building**" – the first element of organizational ESG excellence. It is a situation of a **fully ESG integrated business model** with a highest possible level ESG maturity. That refers to the organizational element of excellence.

Positive Impact

The sustainability concept enlarges the **organizational horizon of excellence** to an outward-looking perspective. It recognizes that a truly sustainable business cannot exist in isolation with the surrounding value chain, ecosystem, market, laws, and infrastructure remain unsustainable. The ESRS introduce the concept of the "**positive impact**" in line with "system building" as

[134] Peters / Waterman (1982)

organizational, **outward looking purpose**, being the second element of organizational ESG excellence.

Creativity and Innovation

To achieve system building based on a positive, regenerative impact requires **innovation** and **creativity** as a third element of excellence.

Combining the three elements of excellence leads to the concept of the **Creative Organisation**, where collaborators and stakeholders are intrinsically motivated to co-create superior value through economic activity and regenerate communities, ecosystems, value chains, markets, nature and societies during the big ESG transformation.

3.5.2 Yearly Iterations of Excellence

In many cases, the journey in search of ESG excellence starts with small-scale **yearly iterations** and is extended with **large-scale leaps of innovation and change** as soon as time is ready, organisational ESG Empathy has achieved a certain level and opportunities will be perceived.

An iteration is a ESG Champion Funnel walkthrough (see Chapter 3.2.2) of all its seven steps, which leads to a **systematic and structured process of ESG business model transformation** with high strategic priority, representing the **road to ESG-aligned excellence**.

Bigger companies have their **yearly budgeting routine** as main governance instrument, to which the sustainability iteration is associated. Smaller businesses reduce complexity and use their **yearly strategy meetings** to analyse their current situation, generate ESG opportunities and **decide on their ESG-aligned** strategy and investments.

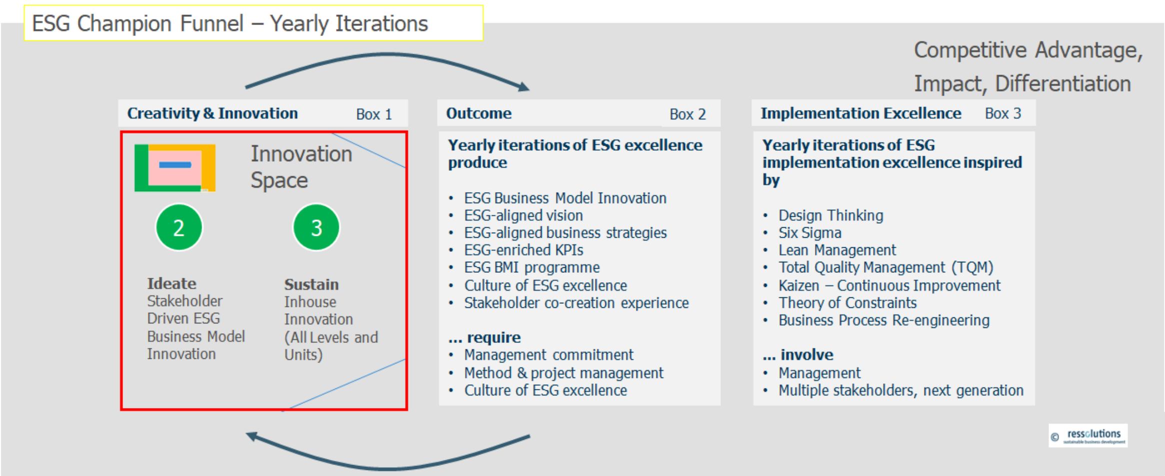

Illustration 20 – With Yearly Iterations towards ESG Excellence[135]

In addition to **processes and quality optimization** in the **economies of scale paradigm**, ESG business model **maturity excellence** within the sustainability paradigm puts the focus especially on **creativity and innovation**, which unfolds in the Innovation Space, created in Step 2 and 3 of the

[135] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

Champion Funnel Method where a **structured ideation process** takes place (see Box 1 in above Illustration).

3.5.3 Outcome and Implementation

The chart above illustrates the **core process of the ESG Champion Funnel Method** which is the Innovation Space of creativity based on the co-creation process with **multiple stakeholders**. It generates the **innovation ideas** for the organizational **growth scenario of excellence**. The process of **ideation**, which we describe in the next Chapter is **key for sustainability excellence** of an organization and represents a distinguishing feature of the 3D Business Model Approach.

Outcome

In Box 2 (see above Illustration) we summarize the **outcome** of one sustainability enhancing iteration with the walkthrough ESG Champion Funnel method and especially of the key Steps 2 and 3 in **search of ESG excellence**. Provided that the consequent steps are managed effectively, the outcomes of Steps 2 and 3 include **ESG-aligned** Business Model Innovation proposals and scenarios, a reviewed corporate **vision** and business **strategy** as well as the main content for ESG implementation **programme** including **KPIs** for measuring the transformation success.

Furthermore, if the process is well managed, it **develops culture of ESG excellence** ESG-aligned motivation and the sustainability universal values in the organisation. Through **stakeholder co-creation** a community emerges around the organisation and shares its ESG aligned vision.

Implementation Excellence

Becoming an ESG leading organization in the market is a **journey of creativity** but also one of quality, process efficiency and service level optimization as demonstrate for instance by leading companies in automotive or logistics industry. These valuable approaches and philosophies of process, product and service excellence (see Box 3 in above Illustration) can enrich the ESG business model innovation implementation phase, however with the only difference that the three ESG categories including collaborative interpersonal relationships become **additional parameters of optimization** and a **global, future proof horizon of thinking** beyond the borders of the organization is guiding the process of **total ESG quality management**.

Business Paradigm of Excellence

We are entering a **new** fascinating **organizational paradigm of excellence** with more dimensional business optimization based on a new generation of managers, entrepreneurs and career seekers. It can unfold on the ground of severe and often painful ESG contradiction of our century. In this respect ESG represents not only a **historic opportunity for individual organizations** and businesses but also for communities, societies and **global macro-economic growth** in general.

3.5.4 Key Takeaways

In the history of business and organizations different **philosophies of excellence** emerged. ESG Business Model Innovation can become a journey of transformation for organization with the destination of achieving **organizational excellence** in line with ESG requirements.

A distinguishing feature of **ESG excellence** is the **innovation and creativity element**, on which Step 2 and Step 3 of the ESG Champion Funnel Method focus. In **yearly iterations** including ideation and implementation an organization can integrate **ESG transformation into its strategy** and generate **ESG excellence** inspired by philosophies like Total Quality Management, Six Sigma and Kaizen.

The search of excellence based on a **multidimensional business model approach** opens a **new organizational paradigm**, unfolding on the ground of current ESG contradictions and representing a **unique opportunity of growth** not only for organizations but also for the next generation of managers, entrepreneurs, career seekers and for society in general.

4 ESG Ideation - The Mariënkroon Method

4.1 ESG Innovation Space & Loop

In this Chapter, we introduce the **ESG ideation** process according to the **Mariënkroon Method**.[136] This is a **structured ideation process** for ESG Business Model Innovation, consisting of a sequence of **collaborative brainstorming stages**, facilitated by small Co-Creation Teams. Each stage is framed by **tools of strategic management** and supported by **positive atmosphere of innovation**, motivation and vision of **co-creating a sustainable future** on planet Earth through Business Model Innovation of a particular organisation. This ideation phase represents **Step 2 and 3 in the ESG Champion Funnel Method**.

Before starting the ideation phase, Step 1, "Empathise", should be completed through **strengthening ESG Empathy** within the organization and co-creation teams. When staff and stakeholders of the organisation **are ready to take the next step** towards **ESG excellence**, a strong foundation for the (next) ESG Business Model Innovation Ideation process has been created.

4.1.1 Collective Creativity

The ideation phase of the ESG Champion Funnel Method culminates in one or several ideation **workshops** combined with ESG **leadership training**. As indicated in Chapter 3.5, we recommend performing the **stakeholder-driven** ESG Business Model Ideation phase, i.e. opening an Innovation Space, beyond the organisation's "borders". This increases creativity, provides an external point of view and enriches an organisation's ESG transformation process with **stakeholders' co-creation contributions.**

For customizing a specific one-day workshop and management training **agenda**, we recommend using the **curriculum document**, "Management Training Workshop Curriculum on ESG Business Model Innovation – Mariënkroon Method". The document complements this Handbook and includes the tested workshop curriculum, which is presented in the Annex (see Chapter 8.2).

In our experience, the **quality of innovation** can be enhanced when **several ideation teams** conduct parallel Business Model Ideation processes for the same organisation. The **results** of these processes are then **integrated** into a single To-Be Business Model Innovation Scenario, which guides the subsequent steps of the ESG Champion Funnel Method.

Depending on the scope and focus of the ESG Business Model Innovation process, elements from other creativity and innovation methods as, for instance, Design Thinking[137], Customer Journey

[136] The name Mariënkroon refers to Abdijhof Mariënkroon conference centre in Nieuwkuijk, the Netherlands, where the prototype of the ESG Business Model Innovation Ideation method, based on co-creation together with external stakeholders and in a management training format, was firstly tested and successfully applied in August 2024 and June 2025 in the context of the Erasmus+ project and its preparation. Early prototypes involving students had already been tested, optimized and successfully applied at the Vienna University of Economics and Business in collaboration with Ressolutions GmbH from April 2023 onwards. The method was applied in several courses of the International Marketing Master's Programme and the international MIM-CEMS Programme. In these courses, led by Dr. Michał Lemański together with Dr. Markus Ressl, the ESG Business Model Ideation Method was implemented as an "Economy of Communion (EoC) Consulting Project", enabling the students to co-create ESG-aligned strategies for real EoC businesses.
[137] Stanford d.school (2026) online.

Mapping or The Blue Ocean Strategy[138] can complement the **Mariënkroon Method** of ESG Business Model Ideation.

What characterizes the Mariënkroon Method is its combination of **positive human interaction**, brainstorming in **small Co-Creation Teams**, a positive **collaborative atmosphere** of innovation, and the use of **strategic management instruments** as "Innovation Rooms".

These elements are united by a **shared motivation** and vision to **co-create a better future for planet Earth** through Business Model Innovation of a particular organization. AI can support the ESG Business Model Innovation in research, preparation and documentation, but it cannot replace collaborative human creativity and co-creation in a positive atmosphere, core principle of the Mariënkroon Method.

4.1.2 Bird's Eye View

The ideation phases of Step 2 and partly also Step 3 of the ESG Champion Funnel can be perceived as an **ESG Business Model Innovation Loop** (see Illustration below), enabling the participants of workshops in different formats, innovation sessions and sequences to co-create the ESG-aligned future of an organization from a **bird's eye view**.

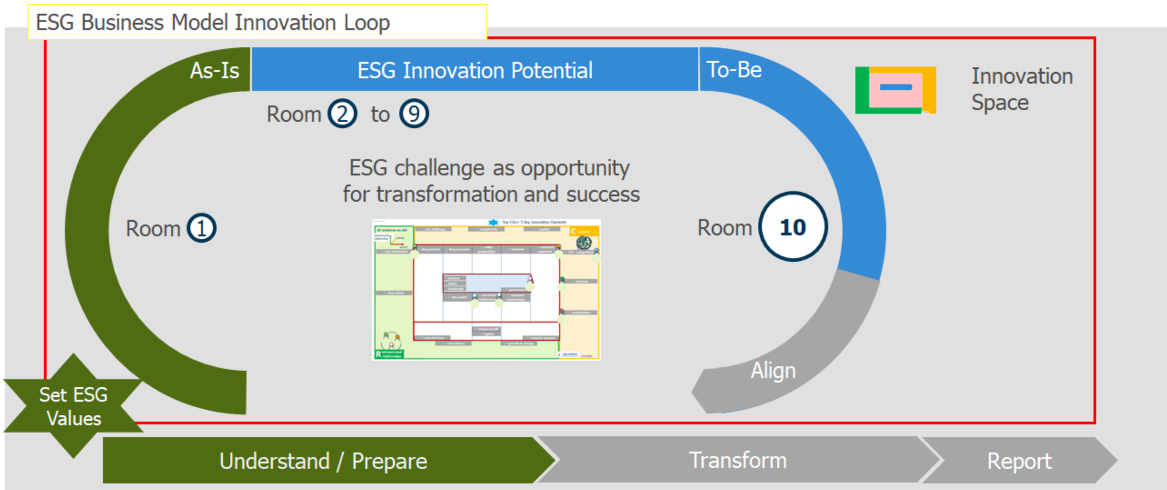

Illustration 21 – ESG Innovation Space and ESG Business Model Innovation Loop[139]

The process in Step 2 of the ESG Champion Funnel translates into one or several focused **creativity sessions,** representing the blue elements in the illustration above.

The "**Innovation Space**" is built preparing several conditions that support creativity, motivation and the identification of future ESG-aligned business model features and strategic options. These include a **collaborative atmosphere** of co-creation, a **structured process**, an appropriate **physical workshop setting**, a certain degree of **positive distance** between the participating team and the organization and the shared vision of ESG as an opportunity for the organization. An **ideation process** may consist of, for instance, 10 steps, which we refer to as "**Ideation Rooms**", as indicated in the chart above.

[138] Blue Ocean Strategy (2025) online.
[139] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

As stated, to achieve a good ideation result, it is important that the **Creativity Teams** include members **from outside** the organisation as well. These **external co-creators** may be either stakeholders in the narrower sense (see Chapter 2.2.1) or “interested persons” who participate in the process of co-creating sustainable business strategies to support an organisation’s ESG journey. Their mere **participation in the co-creation** process and their contribution to ESG Business Model Innovation makes them **stakeholders** of the organization and potential members of its ESG **community**.

4.1.3 Shared Values

The **preparation of an Innovation Space** in a way that it **enables creativity** and **co-creation** of ESG excellence includes the green elements in the Illustration above. Defining the **Innovation Rooms,** their architecture and content is part of the preparation phase presented in Chapter 4.2.2. When preparing an Innovation Loop and the Innovation Space, the focus is on the **As-Is Situation** of the organisation and, especially, on **establishing the right values base** within the Innovation Space and organisation in general.

Establishing **ESG-aligned values** within the organization, among its stakeholders, and specifically among the Co-Creation Team, provides a strong foundation for a fruitful ideation result. The development of shared ESG values is an active and managed process building each **person’s set of values**. This includes **raising awareness** about the need for ESG transformation, the current state of the planet, and the specific context of the organisation. Values-based co-creation team selection is possible.

Aligning organizational values with ESG principles is a long-term key process of organisational development towards ESG excellence. It requires active management of **corporate culture** and a **business model approach** driven by sustainability and positive impact.

A common understanding of the **organization’s challenges and opportunities**, based on ESG-aligned values and the planetary ESG context information, strengthens the foundation for ideation and helps the team to identify relevant ESG opportunities. More details on how to **prepare** the Innovation Loop including an adequate picture of the As-Is Situation are given in Chapter 4.3, which describes Room 1 of the Mariënkroon Method.

4.1.4 Key Takeaway

The **Mariënkroon Method** is a **structured process of ideation** for ESG Business Model Innovation. It consists of a sequence of **collaborative brainstorming stages**, framed with **tools of strategic management** and facilitated by small **Co-Creation Teams** including external members. A key success factor is the **collective creativity** among the participants, based on shared and **ESG-aligned values**.

The ideation process, in which the participants take the **bird’s eye view**, also called “**ESG Business Model Innovation Loop**”, represents Step 2 and 3 of the ESG Champion Funnel Method. It prepares the organisation for the **implementation of well-selected ESG factors** in its business model, organizational strategy and processes, representing Steps 4–7 of the transformation method.

The ideation sequences are performed in an "**Innovation Space**", a temporary organizational setting characterised by a collaborative atmosphere, a structured process, positive distance to the organization and a shared vision among the Co-Creation Teams of turning ESG into an opportunity for organizational growth.

4.2 ESG Innovation Rooms Architecture

4.2.1 Strategy Toolbox

Before defining the Innovation Room Architecture, it is necessary to introduce the concept of the **toolbox** in strategic management. A Strategy Toolbox is a **collection** of **strategic, marketing**, and other **instruments** and **methods** used to develop strategies and to solve specific organisational tasks and challenges.

The tools are characterized by **cross-industry applicability**. Companies of **various sizes** and organisations of **various types** can use them to manage their **strategy processes and strategic organisational challenges**.

A **well-assembled Toolbox** for strategic management offers numerous **advantages** for an organisation and its development. Increased efficiency of change processes, better decision-making, effective problem-solving, higher creativity, and flexibility to adapt the organisation to its context and societal requirements are among them.

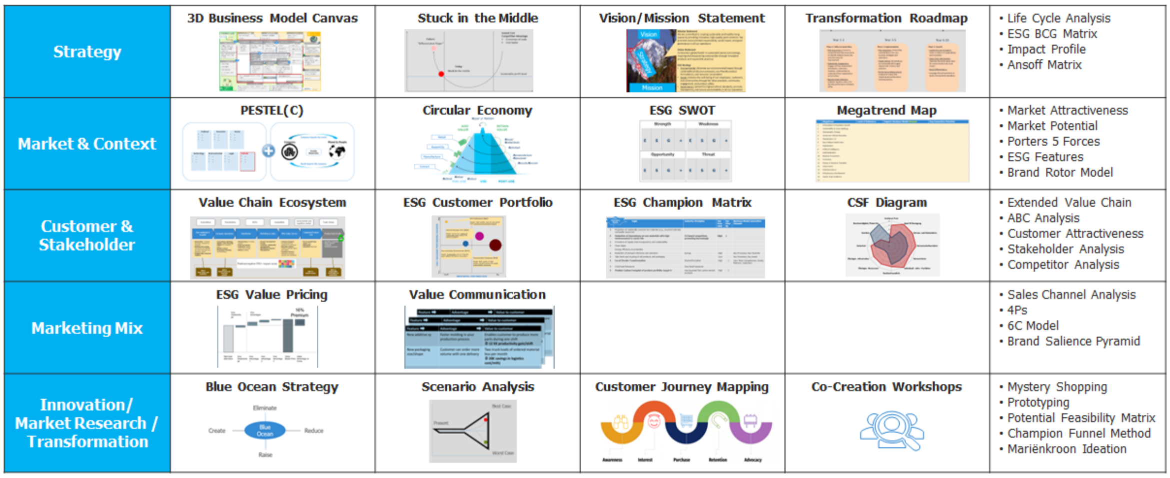

Illustration 22 – Toolbox for ESG Business Model Innovation140

The illustration above shows a Toolbox with selected **Strategy Tools** for ESG Business Model Innovation. Where necessary, **traditional strategy methods have been adapted** to incorporate the ESG and impact sphere of business to **ensure** their value and **applicability** for ESG Business Model Innovation processes and ESG-aligned strategy processes in general.

These ESG-aligned Tools are particularly suitable for **supporting ideation processes** aimed at achieving ESG excellence. In this application, they are used to present the **As-Is Situation** of the organisation, including ESG potential identified during the preparation phase. In this way, they **frame the brainstorming process** in the various "**Innovation Rooms**".

140 Source: Own illustration by the Authors.

However, the ESG-enhanced Strategy Tools are not only useful for presenting the As-Is Picture and stimulating creativity of Co-Creation Teams during ESG ideation processes. Many of these Tools also add value by helping design the **To-Be ESG Business Model Innovation Scenario** as the outcome of the ideation phase. They support **strategy alignment** and **implementation** once an ESG transformation programme has been approved by top management.

4.2.2 Room Architecture

For every ESG BMI Ideation session, an "**Innovation Room Architecture**" needs to be designed. It defines the **Strategy Tools** and **processes** that support the **brainstorming process** and the development of an ESG-aligned To-Be Picture of the organisation's business model and strategy. Later in the innovation process, selected Tools can also support **implementation and monitoring**.

The selected Strategy Tools provide a **structure to the ideation process** and enable the Co-Creation Team to **brainstorm the organizations ESG alignment** from **different perspectives** during an innovation session, helping to uncover previously hidden opportunities. Expressing ESG Business Model Innovation results with the support of selected Tools can also aid in **stakeholder communication**.

During the "**Ideation Walk**" (also called the "Exploration Walk"), conducted as part of an ESG BMI Ideation sequence such as a workshop or a series of ideation sessions, the Innovation Teams **explore the different Innovation Rooms**, i.e. the different perspectives on the ESG potential of the organization.

The Teams **generate ideas** using the "How Might We" (HMW) problem solving approach. The guiding question can be formulated as: "How might we achieve business model innovation, transformation or optimization in view of **sustainability and ESG positive impact**?" Alternative versions include "How might we co-create a business model of ESG excellence?" or, simply, "How might we achieve ESG-aligned business model excellence?".

In each Innovation Room, i.e. brainstorming step, the Co-Creation Teams work based on relevant **data, insights and tool visualization**. They identify **ESG innovation opportunities** across business model elements, processes and relationships with stakeholders, resources, and the natural ecosystem (See Chapter 4.4 for more details).

Which **Innovation Rooms** are **relevant** for an ESG Business Model Innovation Loop depends on the organisation, its current situation, priorities, ESG ambition, the time available for BMI Ideation, and on the competences of the Co-Creation Teams. The **establishment of ESG Business Model Innovation Rooms** is part of the ESG **Business Model Innovation** Architecture, which designs the innovation process in advance.

In general, **each Innovation Room** is framed with a specific Strategy Tool and focuses on one or more **elements of the 3D Business Model Canvas** (see Chapter 4.3.2). Some Innovation Rooms, for example the ESG SWOT, address the entire business model. Some Rooms might combine two or more Strategy Tools to establish an adequate framing for brainstorming and cope with time-restrictions. This is, for instance, often applied when combining PESTEL(C) and Megatrends to outline the context Room (see illustration below).

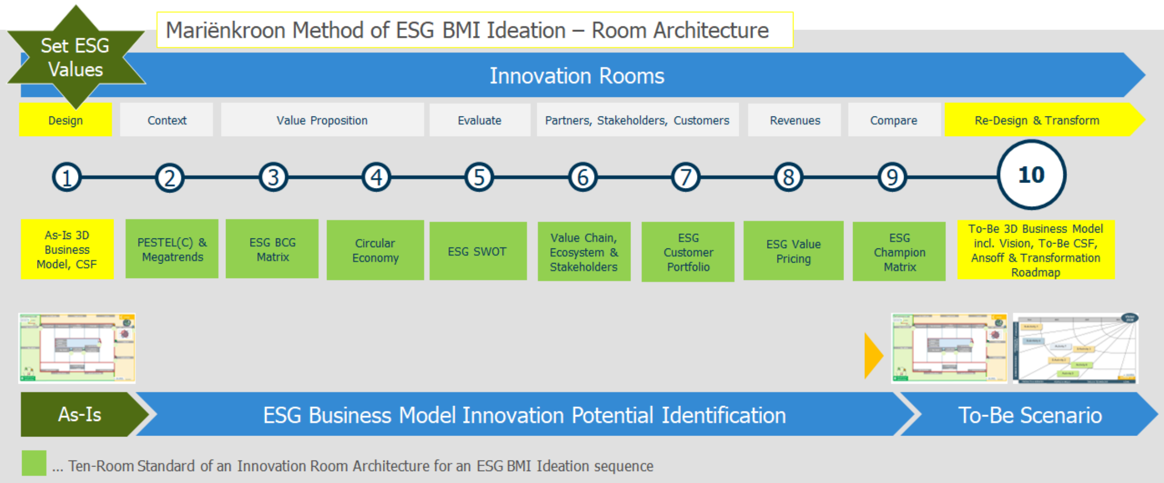

Illustration 23 – Mariënkroon Method of ESG Ideation – Room Architecture Example[141]

The illustration above presents a tested **standard of ten Innovation Rooms**, which the Co-Creation Team explores during an Innovation Loop. The relevant Strategy Tools were **selected from the Toolbox** presented before. The Tool selection represents an **individual setup** and can be different for each **organisation** and **innovation process**.

Every ideation sequence begins with a **Start-Up Room** (see Chapter 4.3), where the As-Is Situation of the organisation is developed using the 3D Business Model Canvas, supporting information and tools such as, for instance, the Critical Success Factor (CSF) – Customer Value Analysis.

In the same way, Room 10 – the **Close-Down Room** (see Chapter 4.5) – is a standard for every ESG Business Model Innovation Loop. In this Room, the innovation proposal co-created by the Innovation Team is presented together with related content and Tools in the **To-Be Business Model** Innovation Proposal.

The last Room is important for **integrating the Ideation results** into business strategy. After the Ideation process is successfully performed and the Innovation Team has generated ideas for the organisation's ESG transformation, a **new To-Be ESG-aligned Business Model Scenario** can be prepared.

The **resulting scenario** is then available for **further evaluation**, enrichment, strategic alignment and implementation. Once the Ideation result has been aligned with the organization's high-level strategy, the ESG Business Model Innovation Loop is complete. The subsequent steps of the ESG Champion Funnel Method (see Chapter 3.2.2) address operational strategy alignment, ESG transformation programme planning, implementation, monitoring and reporting.

4.2.3 Innovation Roles

Four main roles are necessary to successfully perform ESG Business Model transformation processes of organizations of various complexity levels, including designing and managing the ESG Business Model Ideation phase. These roles generally require **increasing levels** of ESG Business Model Innovation **competence and expertise** as they move up the **ESG Pyramid of Competence**

[141] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

(see illustration below). In smaller ESG BMI projects, two or more roles may be combined in **one person**, requiring the combination of the necessary skills and expertise, ranging from **group dynamics** and facilitation to **ESG knowledge** and **business strategy**.

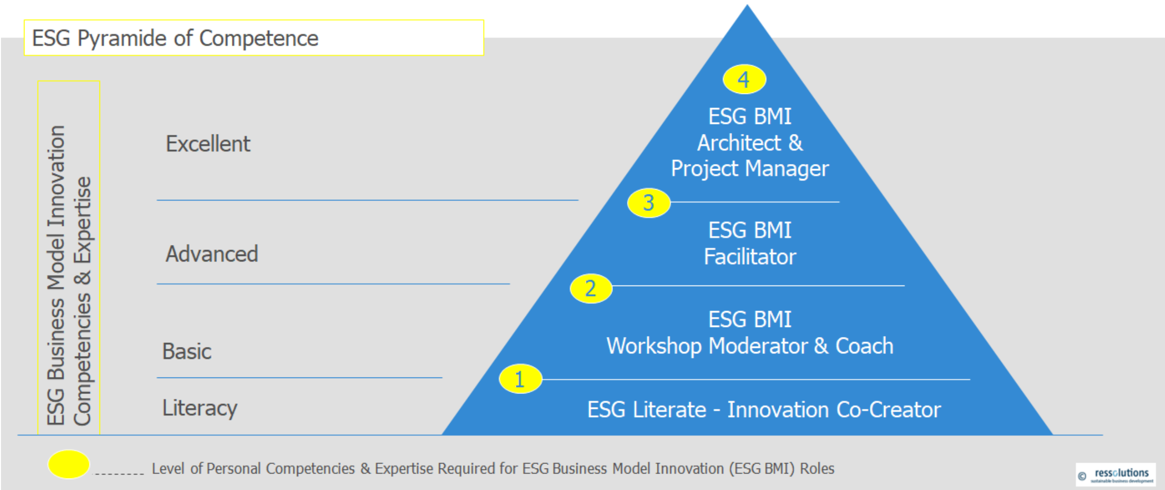

Illustration 24 – ESG Pyramid of Competence & ESG BMI Roles[142]

Level 1 – Literacy: ESG Literate – Innovation Co-Creator

ESG literacy is the first level of the ESG Pyramid of Competence. People with these skills and competencies can add value to an organisation's journey towards ESG excellence, for instance, as participants and co-creators of an **Innovation Team**. The **competencies** required for the **first level of ESG literacy** include basic knowledge of the state of our planet, the ESG opportunity topics and Business Model Innovation, including the top 10 Strategy Tools and ESG best practice examples. In addition, skills of systemic thinking, co-creation, **group dynamics**, brainstorming, and active listening are required in this ESG competency level as they are needed to adequately contribute to and enrich Business Model Innovation sessions.

Level 2 – Basic: ESG BMI Workshop Moderator and Innovation Coach

The **ESG Business Model Innovation Workshop Moderator** is responsible for **group dynamics** and entire processes of a Business Model Innovation session or sequence. This includes the preparation, management and documentation of workshops, breakout sessions, management trainings, and innovation hackathons as well as refining their results to prepare for the elaboration of ESG BMI Scenarios.

The **moderator manages** the process including flow, timing, rules, and co-creation atmosphere before, during and after the session. A highly participative **leadership style**, remaining in the background while actively listening, encouraging participation and guiding the process through appropriate expertise and facilitation skills represent key competencies of this role.

[142] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

To ensure effective workshop results, the moderator should have at least **basic competencies in ESG and business model strategy**, appropriate to the required level of ESG Literacy. Knowledge of the relevant industry and the organization whose business model is being explored is also required.

The **ESG Business Model Innovation Coach** combines the moderator role, including the necessary group dynamics skills, with at least **basic business strategy and ESG knowledge**, as well as basic business **consulting expertise**. A person such competencies can guide also simple ESG Business Model Innovation processes from a business model **content** perspective. This includes managing and monitoring the **preparation phase** and advising on the further implementation process once a specific workshop session is concluded. Most importantly, the **ESG BMI Coach**, based on their basic business, ESG and consultancy competencies, is capable to summarize the Ideation result into a comprehensive ESG Business Model Innovation Scenario, including the Transformation Roadmap.

As with the other roles, the role of the **ESG Business Model Innovation Coach** can be assumed by a **person external** to the organization, e.g. a consultant, or by a person adequately trained **within the organisation**. Both options have its advantages and disadvantages. The appropriate personnel decision may depend on the specific innovation challenge and available organizational ESG competencies.

Level 3 – Advanced: ESG Business Model Innovation Facilitator

The **ESG Business Model Innovation Facilitator** is the person who guides the whole iteration process of the ESG Champion Funnel Method for simple ESG BMI challenges, including collaborative dimension of the method. This role ensures the **setup of creativity elements**, which encourage active participation and help establish a collaborative atmosphere in the ideation phase, including workshops, documentation and preparation. **Advanced knowledge and expertise** in ESG and ESG business model strategies are required to plan, manage and guide the implementation of the ESG BMI process regarding the content and collaborative group dynamics (co-creation). If the facilitator possesses workshop competencies, they incorporate the moderator role, leading to the ESG BMI **Moderator-Facilitator** role and set of competencies.

Level 4 – Excellent: ESG Business Model Innovation Architect & Project Manager

The ESG Business Model Innovation **Architect** designs (and monitors / manages) the entire **ESG Champion Funnel** iteration process of an organisation in **complex situations**. A particular focus remains on the **ideation and creativity phase**, which is key for BMI success and can also be leveraged for ESG community building, supporting the innovation process.

It is part of this role to design and update the organisation's **long-term ESG-aligned vision** and the roadmap for its long-term ESG Business Model Innovation journey. The ESG Business Model Innovation Architect is also responsible for defining the **transformation steps** and designing the **co-creation process** to facilitate participation, creativity and commitment towards ESG excellence.

The role requires **excellent expertise** in the fields of business strategy, ESG and collaborative change processes in organisations, including group-dynamics of co-creation. The elaboration of **comprehensive ESG BMI Scenarios**, as well as the leading ESG BMI transformation scenario following top management approval, is also part of this role, particularly in complex situations.

A second role, which is advisable to combine with that of the architect, is the **ESG Business Model Innovation Project Manager**, particularly needed from Step 3 to Step 7 in the ESG Champion Funnel Method.

Complex ESG Business Model Innovation processes are best organized as **business transformation programmes** led by people with senior project management competencies, such as certified by IPMA, PRINCE 2 or PMI. The project manager ideally combines business, strategy and ESG competencies with the relevant skills and expertise to manage complex business transformation processes.

4.2.4 Key Takeaways

A **Strategy Toolbox** for ESG Business Model Innovation can be used to assess the As-Is Situation and to outline the ESG BMI Ideation process (**Innovation Rooms**), generating an ESG-aligned To-Be Business Model Innovation Scenario with the help of selected **Strategy Tools** as a result.

The **Innovation Room Architecture** defines which Strategy Tools are relevant for specific ESG BMI workshops or sequences. These Tools build the content framework of the **Innovation Rooms**, which the Co-Creation Teams "visit" and **generate the ideas for ESG excellence** of an organisation.

ESG BMI processes require **specific roles and competencies**. Four main roles, with different levels of competencies and expertise in the field of ESG, strategy, project management and group dynamics, can be defined for successfully managing ESG BMI transformations of organizations.

4.3 Room 1 – As-Is Business Model

4.3.1 Fact Finding & Pre-Read

In **Step 1** of the ESG Champion Funnel Method (see Chapter 3.2.2), the management of an organisation prepares the **groundwork** for the **Business Model Innovation Loop** based on a clear organizational decision, enhanced ESG values and ESG Empathy among all relevant stakeholders.

In **Step 2**, where the ESG Business Model Innovation Loop is performed, the objective is to **open the Innovation Space** in which the planned ideation and creativity process takes place. The process involves an innovation team "walking" through the Innovation Rooms defined before.

Information on the organisation and its business model, collected in Step 1 or from prior innovation processes, enriches the As-Is **picture of the organization**, which is elaborated in the direct preparation phase for the ESG BMI Iteration and is presented in **Room 1** of the ideation process, where the brainstorming starts. (see Chapter 4.2.2).

Usually, the As-Is Analysis of the business model and relevant ESG features are prepared and presented with the help of a well-structured **slide deck** template. It is **shared with the Innovation Team** as an annotated **pre-read document** about a **week prior** to the (first) innovation workshop, together with the **Innovation Workshop agenda**.

Depending on the scope of the process, the specific target of the innovation session (HMW question), and the profile of the innovation team, the **As-Is Picture** summarized in the **pre-read document contains** the following elements:

- **Company description**, key figures, history and current mission statement
- **As-Is 3D Business Model Canvas** of the organisation or the SBU
- **Critical Success Factors** (CSFs) of the business (unit) compared to a key competitor
- **As-Is ESG status** of the organisation, mapped with the SDGs and with reference to the 3D Business Model Elements
- **As-Is Situation** details, supported by **selected Strategy Tools** and business model elements in the selected **deep dive zones** according to the priorities (e.g. circular economy) and scope of the Innovation Loop and the HMW question.
- **Context information**, including, in line with the complexity level defined in the Ideation scope, market positioning, competitors' analysis and information on the **ESG market leader** in general or in view of particular ESG topics or business model elements.

If an ESG Business Model Innovation Session has predominantly a **training objective**, particularly when the Innovation Team does not possess the required BMI competences of strategic thinking, ESG or the relevant Strategy Tools, it is advisable to include a concise theoretic part and **develop the As-Is Picture step by step** together with the Co-Creation Team before starting the first ideation workshop. Such a process needs to be guided by an **ESG Business Model Transformation Coach** (see Chapter 4.2.3) who is familiar with ESG BMI content and group dynamics.

If the ideation workshop is performed with "**ESG Literates**" and focuses on a timely ESG Business Model Innovation outcome, the professional support of **internal or external consultants** may be useful for preparing the As-Is documentation.

If the session has a **training focus**, as in innovation sessions that involve students, several course units can be designed to introduce participants to the **fundamentals of ESG** Business Model Innovation before the actual innovation workshop.

There is a way to run ESG Business Model **Ideation** completely **without participants of the organisation** whose Innovation Scenario is designed. This is especially relevant for students' courses or general management trainings. It delivers a valuable picture of ESG Business Model Innovation opportunities to an organisation from an **external point of view**.

In our experience, in **student projects** the training result and innovation outcome is enhanced when the innovation process is completed by an interview with the organisation. Such a **fact-finding interview** with experts, sustainability manages, general managers, or entrepreneurs helps map out **the As-Is 3D Business Model** in line with the vision of the organisation. At the same time, it allows to identify visible **ESG Business Model Innovation opportunities** prior to the ideation process. It is advisable to prepare the As-Is Analysis of the business model supported by a possible **fact-finding interview** that is guided by an adequate **questionnaire.**

Likewise, in externally performed ESG Business Model Innovation projects, **company presence**, at least at the moment of presenting the innovation ideation results (see Room 10 in Chapter 4.5), **increases the motivation** of the Co-Creation Team, enhances their learning experience and dialogue, and strengthens the impact and **feasibility** of the **innovation results**. In the case of student projects, it significantly increases the motivation of "junior consultants" and the quality of the outcome when they know that they can add value by presenting their results directly to company representatives.

4.3.2 As-Is 3D Business Model Canvas

Framework and ESG Application

A key element of the **As-Is Analysis** in the ESG Business Model Innovation Process is the **3D Business Model Canvas**[143] (compare Chapter 3.1). It is drafted in a **one-page format**, with clearly defined titles describing **unique features** of an organisation's **25 Business Model Elements** or **Building Blocks**. A **description of the single business model elements** is elaborated during the As-Is Analysis and serves as groundwork for ideation, the To-Be Scenario, transformation roadmap and implementation. A **shared understanding** of the As-Is picture by the Innovation and Implementation Teams is an important success factor for the ESG Business Model Innovation process.

With 25 building blocks, the 3D Business Model structure is **slightly more complex** than traditional business model approaches (compare Section 3.1.2.3). But, defining an organization's **identity and functionality,** in the way as DNA uniquely shapes any living species, it includes all relevant elements necessary for ideation, scenario and strategy building as well as implementation and reporting. It is a useful tool of **strategic management** which includes **key elements for business transformation** such as values, motivation, growth paradigm and contextual alignment.

The 3D Business Model Approach works on the assumption that **a business model is not stable** but is in constant state of transformation with possible stable elements as, for instance, values, mission or the challenge which the organization wants to solve in a particular context.

This transformation and **context alignment** needs to be **managed proactively**, systematically and holistically, especially in a rapidly changing business environment shaped by major megatrends such as the Big ESG Transformation and digitalization (Twin Transition), which are currently reshaping entire industries and even fundamental approaches to doing business and satisfying customer needs.

Defining the 25 Business Model Elements in one or two short words, finding the right order and optimizing the picture in several iterations with further research or, if necessary, with interviews, builds the **foundation for start-up, innovation and transformation processes**.

Objective

The objective of applying the **3D Business Model Canvas** for the **As-As Analysis** of an ESG Business Model Innovation process is to provide the framing and foundation for **insight into the future state of an organization** (compare Chapter 4.1.2). The Ideation workshop or sequence of sessions use the As-Is Business Model Canvas framing as a starting point for identifying the most important **5 or 10 To-Be Business Model Innovation** Elements, based on which a scenario of the **To-Be Business Model** can be elaborated.

[143] Ressl (1999) p. 204.

The multi-dimensional business model approach **provides a structure** for this analysing phase of the ESG Business Model Innovation process and supports the identification of ESG **pain points** and **opportunities** before starting ideation, scenario building and transformation.

How-To Note

The Illustration below shows the **As-Is 3D Business Model** of the furnishing retailer IKEA in Austria. It was developed as part of a master thesis based on an interview with a representative of the organisation. It serves as an example to illustrate the As-Is Business Model of an **industry leader in several ESG topics**, providing a starting-point of an ESG Business Model Innovation Ideation process.

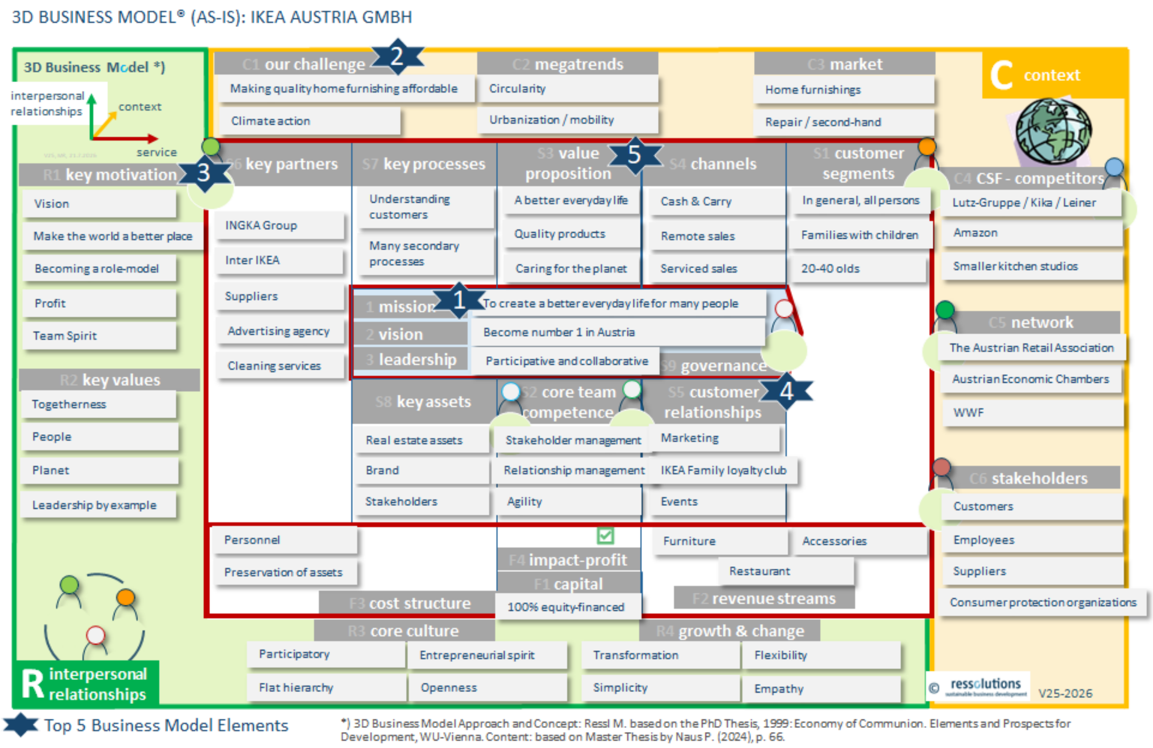

Illustration 25 – As-Is 3D Business Model Canvas of IKEA Austria[144]

In the following paragraphs, we give a short description on how to **prepare the 3D Business Model Canvas** of an organisation. It is advisable to start the analysis and definition of the canvas with **priority building blocks**, including the **value proposition** (S3) and **customer segments** (S1). In the case of social enterprises, community businesses, NGOs, other mission-based organisations and ESG champions, **mission** (S9.1), our **challenge** (C1) and **key values** (R2) can be among the priority elements with which the definition and later alignment process starts. In the case of **business start-ups**, a new technology (S2), a problem (C1) or particular skills of the founders (S2) might be leading elements for **going-to-market business model generation** processes.

[144] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions, Tool Application Content: Naus (2024) p. 66.

As a next step, we recommend adding the **interpersonal relationships elements** (green) consisting of **key motivation** (R1), **key values** (R2), **core culture** (R3) and the **growth and change** paradigm (R4). These are the commonly hidden **human** or **soft factors** of a business model (compare Chapter 3.1.2) that are, however, crucial for achieving business model transformation objectives. Especially in **ESG transformations**, as, for instance, in the shift to Circularity, success depends mainly on motivation, values and mindset of people.

As the next step, the **context parameters** (yellow) are defined. They help integrate and **align the business model** with its context, which is often a challenge, especially in established organisations. In strategic management processes **reviewing and developing** a business model, aligned with its context e.g. with sustainability requirements, the 3D Business Model Element "**megatrend"** (C2) is the **leading element** for innovation, change and start-up. This is the case for ESG Business Model Innovation processes outlined in the Handbook.

The context parameters include the main **challenges** of the business (C1), the **megatrends** (C2), the **market** (C3), the main **competitors** or directly the top 3-4 **critical success factors** (CSF, C4), the supporting **networks** (C5), and the **stakeholders** (C6). In the 3D Business Model Canvas, the "stakeholders" building block is sometimes limited to **external stakeholders**, since internal stakeholders are indicated separately in more detail in other building blocks of the canvas.

Moving forward, it is recommended to complete the missing elements related to the **service parameters** comprising **key partners** (S6), **core team competence** (S2), **key assets** (S8), **key processes** (S7), **distribution channels** (S4), and defining the main **customer relationships** elements of the organisation (S5).

This part also defines **finance parameters** of the business model, including **revenue streams** (F2), **cost structure** (F3) and origin of **capital** (F1), and the information on whether the organisation is primarily **profit-oriented**, **impact-oriented** or **both** (F4), as is the case of the **so-called hybrid business models** of, for instance, social enterprises or community businesses.

If not done before, the final step for the As-Is Business Model creator is to identify the **mission, vision and leadership** approach of the organisation. As with the other building blocks, these elements are summarized in a few words or, in case of vision and mission, in a very short phrase **that fits into the space available** in the tags on the canvas. When the content is defined, the top 5 key business model elements are identified and the stars are placed accordingly (see illustration above).

We recommend dedicating **sufficient time to developing the As-Is Picture** of the organisation or organisational unit, providing a solid foundation for the subsequent collective creativity process. This is comparable to preparing for medical surgery, where doctors take X-rays and computer-assisted scans to understand the patient's condition before treatment. Similarly, a deeply rooted ESG Business Model Transformation requires a **good understanding of the organization's "anatomy"**.

For the ESG Business Model Innovation process, the quality of the As-Is definition generally corelates with the **success** of ideation, scenario building, strategy finding and the **transformation program in general** based on well-defined projects.

4.3.3 As-Is CSF Diagram

The Tool

As a key Strategy Tool, specifying strategic **competitor differentiation** in the 3D Business Model Approach, the **Critical Success Factor** (CSF) Diagram, also referred to as **Customer Value Profile**, indicates based on which **criteria customers choose the service** or value proposition of the organisation in question and not the one of a well-defined typical competitor.

As element C4 under the title “**CSF - competitors**”, the CSF Information is part of the Context Dimension of the 3D Business Model. It indicates the most important **competitors of the organisation**. This element is preferably specified with **up to four real businesses** or organisations representing **alternative choices** for the customers.

As indicated above, it is possible to integrate a high-level summary of a CSF Diagram (top 3-4 features) in the corresponding field of the 3D Business Model Canvas, optionally indicating also the specific competitor, based on which the **Differentiation Profile** was elaborated.

The CSF Profile, as a Strategy Tool to support ESG Business Model Innovation, is based on the **differentiation approach** presented by W. C. Kim and R. Mauborgne as the **Blue Ocean Strategy** in 2005[145], supporting businesses in the search for “new markets without competition”. The method illustrates how companies can create **new markets through innovation** in the customer value profile. In the same way, ESG Business Model Innovation of organizations leads to ESG market transformation (compare Illustration 1 – ESG Markets Transformation and Curve of Economic Growth) and, in some cases, to the emergence of entirely **new ESG-aligned markets**. **Co-creating new markets** and becoming a **leader** in highly ESG-aligned markets is part of the Large Innovation Scope of an ESG Business Model Innovation process (compare Chapter 3.4).

The concept of **business model transformation of differentiation** based on an organisation’s **service mission**, leading to renewed markets, sustainability, social harmony and community building is part of the **transition** supported **by the 3D Business Model** Approach[146]. It is the search of **business *and* market excellence** at the same time that guides ESG Business Model Innovation processes. Furthermore, it is the basis of transformation, operations, communication and reporting, leading to a **competitive advantage** based on an increased ESG performance.

In line with the ESG Champion Funnel Method, we recommend performing the As-Is Critical Success Factor Analysis while **developing the As-Is 3D Business Model**. This occurs during Step 1 “Empathize” or as preparation for Step 2 “Ideate”. Before starting the (first) Ideation workshop, the As-Is CSF is delivered to the Co-Creation Team as part of the **pre-read** document. In the **Ideation process** the result of the CSF Analysis is presented in Room 1 together with the As-Is 3D Business Model. The As-Is CSF Analysis supports the preparation for the **To-Be situation**, elaborated in Room 10 in line with the ESG Business Model Innovation Scenario, that was identified during the Ideation process.

ESG Application

[145] Kim / Mauborgne (2005)
[146] Ressl (1999) p. 204.

In the ESG context, the **customer value profile** is determined by **identifying value drivers** that positively **influence purchasing decisions**. In addition to traditional success factors such as **quality** and **delivery service**, sustainability-related aspects play an important role. Examples include the use of recycled or biodegradable **materials**, eco-friendly design for products with **long lifespans** and easy to recycle, ethical production including fair working conditions and support for local communities.

A **constant CSF focus** throughout the ESG Business Model Innovation journey ensures that perceived **Customer Value** develops as an integral part of the transformation process. For instance, if a Business Model Innovation aims to increase Circularity by introducing a take-back system for used furniture, the value of sustainability or circularity needs to be incorporated into an **organizations strategy**, guided by an adequate To-Be CSF Diagram and reflected in **marketing and customer communication**. This allows customers to understand the innovation and, ultimately, to co-create ESG excellence together with other stakeholders. Accordingly, the CSF Analysis provides also the foundation for the ideation activity in Room 8 "**ESG Value Pricing**" (see Chapter 5.7).

The consistent application of the CSF Tool throughout an ESG BMI transformation journey supports **revenue growth** by aligning sustainable products with **customer demand**. It also fosters **brand loyalty**, as ESG-conscious consumers prefer brands based on authentically ESG-aligned values. Lastly, it drives **product innovation** and promotes sustainability and impact differentiation in the market.

How-To Notes

We recommend focusing on a **high-level picture** of the customer values profile in an ESG Business Model Innovation process, which is to be summarised in the CSF Diagram, an example of which we present in the illustration below.

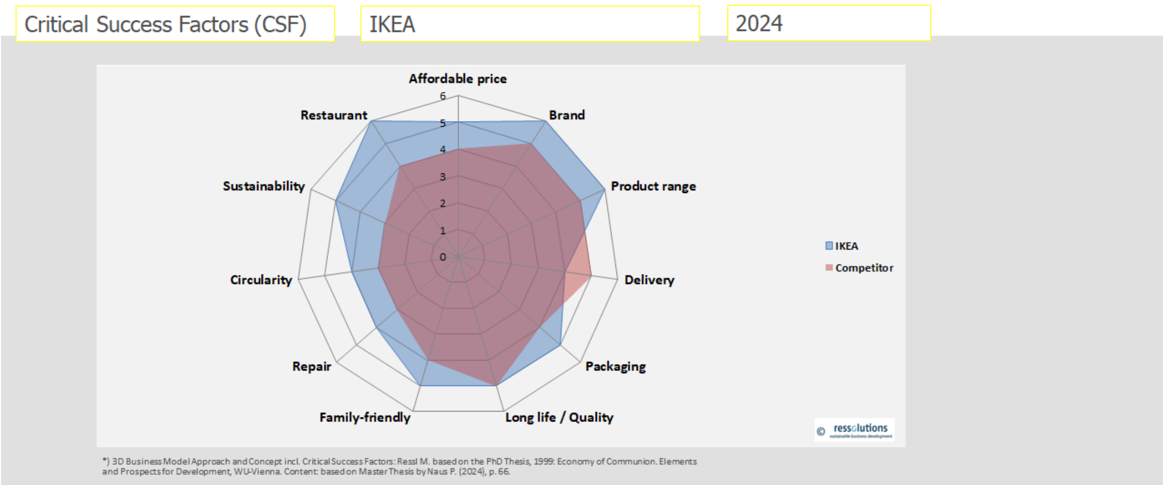

Illustration 26 – As-Is Critical Success Factor Profile of IKEA Austria[147]

A **visualization with a radar diagram** or spider chart, as indicated in the illustration above, visualizes not only the criteria why customers choose the service of the organisation, but also

[147] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions, Tool Application Content: Naus (2024) p. 58.

provides information on the **level of differentiation**. The chart is best designed with the help of an automated table calculation function. The **success factors** and their **parameter values** for the organisation, as well as for the competitors analysed, are based on an evaluation process by the analysts. When drawing the To-Be CSF Diagram including the Ideation result (see Chapter 4.5.3), it is important to add the relevant new ESG-driving customer value parameters and reduce the strategic importance of others.

Given the **importance of differentiation** for business model success, we recommend accompanying presentations of the As-Is 3D Business Model together with the corresponding As-Is CSF Profile compared to one or several well-selected competitors.

An ESG Business Model transformation journey aimed at co-creating new ESG-aligned markets, supported by the CSF Diagram, provides the **advantage** that the organisation

- knows **customer preferences** and understands which ESG factors are most important for which of its customer segments and how it can accordingly align its processes to enhance ESG consumer preferences.
- **monitors competitors** in view of their ESG performance and differentiation.
- has the possibility to always **keep in mind customer value** and **ESG differentiation** as factors of long-term business model success.

It is important to mention that **customer value** for developing the **CSF Diagram** needs to be defined from the **customer's perspective** to understand what they consider valuable and how ESG practices can enhance their perceived benefit and support co-creation for sustainability. **Data-driven insights** from consumer behaviour research can complement the **CSF Analysis** conducted based on an organization's positive, collaborative and trust-based customer relationships.

4.3.4 Key Takeaways

A successful **ESG BMI process** and, especially, the ideation phase of it is based on a thorough **As-Is Analysis**. The **3D Business Model Canvas** represents a **structured framework** of 25 key elements, facilitating this analysis. It is distributed as **pre-read document** for the innovation workshops and serves as basis for the entire **ESG BMI transformation process**.

The **As-Is** picture of the **business model** is completed with the **CSF Diagram**, indicating the type and **level of differentiation** of an organisation in view of **customer value**. The **CSF Diagram** is a tool of strategic management that helps organisations keep **the focus on value creation** for **customers** during their ESG transformation, turning them into **co-creators** for sustainability and ESG impact.

For the **ESG BMI Ideation process**, the As-Is 3D Business Model Canvas together with the **CSF Diagram** function as framework for the first brainstorming stage, the Innovation Room 1, and build the **groundwork** for the entire ideation and innovation process, resulting in the To-Be Business Model Innovation Scenario.

4.4 Room 2 to 9 – Exploring Opportunities

4.4.1 Exploration of ESG Potential

Walking from "Room" to "Room"

The workshop team is now **physically present** in an inspiring **innovation location,** with a large screen for presentation, brown paper on the wall or on a big table, and sticky notes and pens to be used during the workshop. An ESG Business Model Innovation Moderator or Coach guides the "**walk" of the Co-Creation Team from "Room" to "Room"**. The virtual Innovation Rooms are defined and differentiated by specific Strategy Tools, each supporting a different view on the business model, including its As-Is Situation, pain points and ESG potential.

As a starting point of the **Ideation workshop** the As-Is Situation of the organization is presented together with instructions to the Ideation Walk. The **framing** of the first stage **of brainstorming process** in Room 1 is done with the As-Is 3D Business Model Canvas and complemented, where necessary, with the As-Is CSF Diagram. While viewing the **entire business model**, the Co-creation Team brainstorms **high-level ESG innovation ideas** that may not emerge in the more specific Innovation Rooms that follow. In an **alternative flow** pattern of the Ideation Method, brainstorming to explore ESG potential starts in Room 2 only, with Room 1 serving exclusively as an introduction to the ideation process.

Standard ESG Ideation Flow Pattern

After the introduction with the As-Is Business Model, the **standard flow pattern** of the Mariënkroon Method of Ideation (see Chapter 4.2.2) continues in Room 2 with a context view on the business model. The **priority Tool** we recommend for this **first deep dive** guided brainstorming is the **PESTEL(C)** framework for co-creation (see Chapter 5.1), complemented by a presentation of the relevant **Megatrends**. Different methods for **market and competitor analysis** can complete the framing of this brainstorming stage.

After completing the ideation in this Context Room, the slides are changed and the Co-Creation Team virtually moves to **Room 3**. The same ideation design (framing, individual ideation, group sharing, posting) is repeated, this time using the ESG BCG Matrix to explore **the organization's ESG opportunities** based on the presentation of the As-Is product portfolio or value proposition, including already identified pain points and potential. Idea generation focuses on the deep dive topics and always considers the entire business model.

According to the **standard ideation flow pattern**, the Co-Creation Team then proceeds to Room 4, "Circular Economy" (see Chapter 5.3), one of the major forces driving the Big ESG Transformation. Following this, the ideation flow continues in Room 5, "ESG SWOT" (see Chapter 5.4), facilitating brainstorming based on the strength and weaknesses of the business model. Subsequently Room 6 follows, framed by the "Value Chain" based on its extended concept and including Ecosystem and Stakeholders (see Chapter 5.5). Moving forward, the Innovation Walk continues in Room 7, "ESG Customer Portfolio" (see Chapter 5.6), then proceeds to Room 8, "ESG Value Pricing" (see Chapter 5.7), and finally Room 9, "ESG Champion Matrix" (see Chapter 5.8), integrating the perspective from leading innovations in relevant ESG topics.

Adapting the Standard

The presented **standard ideation flow pattern** covers an **8-Room Exploration Walk**, without considering Room 1 and Room 10 that serve as start-up and close-down of the brainstorming process. For a Co-Creation Team at beginner's level and with limited workshop, we suggest starting with a **3-Room Exploration Walk** and extending the Room Architecture (see Chapter 4.2.2) according to BMI scope and circumstances.

As indicated, identification of ESG potential, according to the Mariënkroon Method, can occur in **different workshop formats** (see Chapter 4.4.3). **Key success factors** are preparation, team competence and motivation, including moderation and the workshop setting.

4.4.2 Ideation Flow Experience

Timing and Speed Innovation

The **time** a team spends in one Innovation Room is pre-defined and strictly monitored. In case of an extreme **Speed Innovation** experience, the time in one room can be limited to 10 minutes, triggering an exciting **flow of ideation**. Depending on the scope and workshop time available, **more exploration time** can be assigned to each of the Rooms. The **number of Rooms** and their **content** is flexible. The setup is defined by the ESG Business Model Innovation Architecture.

Ideation Room Sequence

The brainstorming sequence in one Innovation Room follows the pattern: **introduce – ideate** (in silence) **– present & co-create – pre-cluster**.

Accordingly, in each Room a **short introduction** is given with the help of a **well-prepared slide deck** showing the **As-Is situation** and other necessary information. After the presentation, some minutes **of silence** enables personal inspirational creativity of the workshop participants. In this moment of silence, the co-creators **write down their ideas** for ESG-aligned development of the business model in question. Each idea is written on a **separate sticky-note** in clear, legible handwriting using a few words. This is the **individual ideation** moment of brainwriting to avoid group think. It builds the groundwork for the moments of collective brainstorming.

After the moment of silence, participants **present their individual brainstorming ideas** for ESG excellence and **stick them on the brown paper** (or innovation board), a pre-designed canvas on the wall or on a big table showing the three ESG categories and the sequence of Innovation Rooms. With the support of the **Innovation Coach,** they can be **grouped** immediately **by innovation topics**. At this moment, **group sharing** and collective brainstorming ("Yes, and…" mindset) takes place while ideas are **pre-clustered** on the innovation board.

Challenge

The challenge of the Exploration Walk through all the Rooms is to generate a **significant amount** of ESG Business Model Innovation ideas, ideally around one hundred. These ideas will eventually be condensed into the top 10 **Golden Nuggets** – the **key Business Model Innovation elements** resulting from the ideation process and determining the organisation's **To-Be Scenario proposal** to become an ESG Champion in its market. In concise ideation processes, the Innovation Team limits its exploration target to the **top 5 Innovation Elements**. The ideation phase has a **brainstorming focus,** where all ideas are welcome. Even seemingly **less realistic** ESG Business Model Innovation ideas are encouraged.

4.4.3 Workshop Format

Pedagogic Principle

In a Business Model Innovation workshop, **co-creation and ideation occur in a systematic way** connecting organisation, ESG opportunities and strategy with the help of a Co-Creation Team. This is the **underlying pedagogic principle**. The **objective** is to **identify a possible scenario** of the organisation's next step on its ESG business model transformation journey in short periods of ideation. Within this framework, different **workshop formats** are possible to enable the exploration of the ESG opportunities.

Format Options

The **workshop** – or hackathon in case of more complex transformation situations – can be run either **in one go** or divided into **several sessions**. The **Exploration Walk** through the defined Innovation Rooms can be performed as **single group process** or organised in parallel **break-out sessions** of max. 10 persons in each group, depending on the number of workshop participants.

Different **thematic focus** of the break-out session teams is possible. A specific co-creation team assignment can include certain business model elements or Strategy Tools. In a one-day or half-day workshop and management training format the **ideation time** planned for walking through the Innovation Rooms can vary from **one hour** (extreme speed innovation) to **five or more hours** in one go. An alternative to the comprehensive half-, one-, or two-day-format are **several innovation sessions** held over one or two weeks.

Interestingly, the **Speed Innovation Format**, which we have tested successfully on several occasions, showed **strong ideation results** and was characterized by a **high level of participants' commitment**. In this format, **thorough preparation** including ESG potential identification, **experienced moderation** together with a reduced number of carefully **selected Innovation Rooms** are key success factors.

Location

The **workshop environment** plays an important role for co-creation in the brainstorming mode. A physical innovation space away from the usual office environment, ideally in a **pleasant and inspiring** natural setting, enhances the quality of ESG ideation.

Visualization

Visualization of the ideation process with **sticky notes** on a **brown paper or ideation board** plays an important role in the Mariënkroon Method of Ideation. It supports the collective brainstorming experience and helps **establish a shared understanding** after each period of individual inspiration, creating opportunities of group sharing leading to the **collective inspiration** around the ESG-aligned future of an organisation **building on each other's ideas**.

A **large screen** in the workshop room displays the **Innovation Strategy** Tools that frame the Innovation Rooms through a well-focused presentation and define the specific perspective of brainstorming. The visualization **remains visible** throughout the brainstorming session, allowing the Co-Creation Team to **maintain a clear focus** on the ESG Business Model Innovation perspective addressed by the respective Strategy Tool, such as, for instance, the Value Chain.

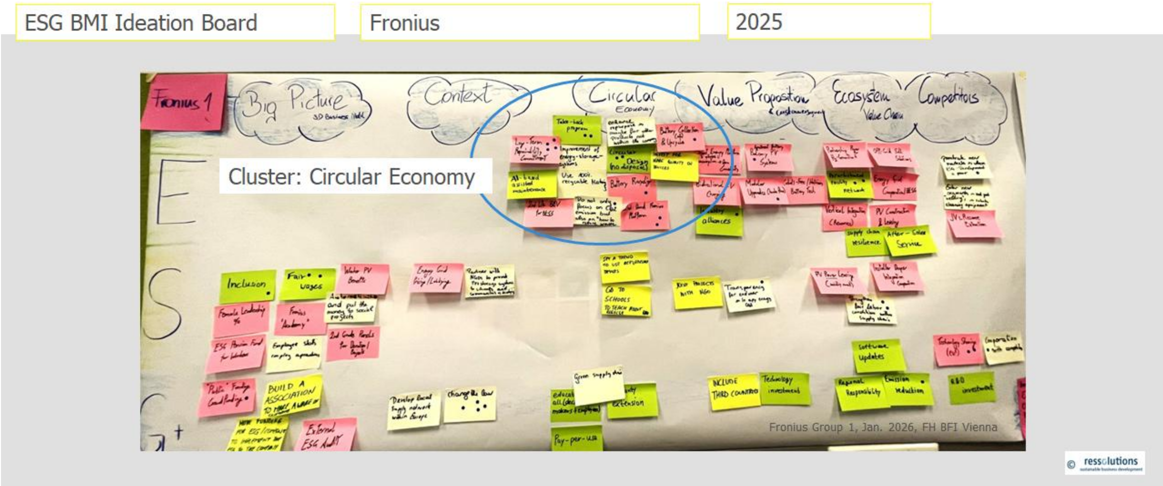

Illustration 27 – Visualisation Example of ESG Business Model Ideation[148]

The illustration above shows the **result of an innovation workshop** session of a leading Austrian solar energy converter and accessories producer. As indicated above, the innovation ideas were visualised according to the **structure of the strategy tools** and the three ESG dimensions pre-designed on the paper canvas.

Similar ideas were already **preliminarily clustered** during the ideation process. With the guidance of an experienced Business Model Innovation Coach, this can be done directly during the brainstorming flow, supporting an accelerated ideation process flow without interrupting it.

The illustration shows that an important number of ideas for ESG Business Model Innovation were generated in this innovation session for the **upstream Value Chain** and **Circular Economy**. After exploring the six Innovation Rooms defined in this workshop, the **ideas were pre-evaluated** with the points visible on the sticky notes. This facilitated the selection of the top 10 Business Model Innovation Elements.

In Room 10 the **ideation result** is then put in final clusters, evaluated by the Innovation Team and transferred to the To-Be Business Model Canvas. This is the **next step** of the ideation method which will be presented in the following Chapter 4.5.

4.4.4 Key Takeaways

After starting the Ideation Workshop in Room 1 with the As-Is Business Model, the Co-Creation Team "walks" through the subsequent Innovation Rooms "exploring" ESG opportunities from

[148] Source: Participants of group 3 of the master course "Cross Functional Process of Decision Making - ESG Business Model Innovation with Focus on Circular Economy" led by Mag. Karin Huber-Heim and Dr. Markus Ressl held at the University of Applied Sciences with presentation on January 9, 2026. Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

different perspectives on the business model through **well-structured brainstorming process**. Each Room is framed with a particular **Strategy Tool**. The brainstorming sequence in each Room follows the pattern: introduce – ideate (in silence) – present & co-create – pre-cluster.

The **objective** is to generate a **big number of ESG ideas** based on which a To-Be BMI Scenario proposal will be built. This **process of ideation** according to the Mariënkroon Method can be implemented through **workshops** and creativity sessions of **varying formats** and with different team composition.

4.5 Room 10 – To-Be Business Model

Room 10 is the **Closing Room** of the ideation session, where the ideation results are **processed further**. They can be enriched by a final **collective brainstorming moment** at this point. However, the main goal is to identify the **top 10 leading Business Model Innovation** elements and to prepare a first draft of the **To-Be-Business Model Innovation Scenario**.

Depending on the available time in the workshop session, the innovation results **are immediately anchored** in the organisations strategy through the elaboration of the ESG-aligned To-Be BMI Scenario, with a high-level scenario draft.

In the **post-workshop phase**, the scenario draft with the top 10 leading BMI elements is further processes, enriched and prepared for implementation, if required, with the help of **additional Strategy Tools**, continuing with Step 3 of the ESG Champion Funnel Method.

4.5.1 Presentation, Clustering, Evaluation, Selection

When all sticky notes are presented and attached to the brown paper, the group discusses **the innovation ideas** as results of the brainstorming process.

If **clustering** has not been completed during the specific brainstorming stages, the ESG BMI ideas on the brown paper are subsequently grouped and put into clusters through a collaborative process. The ideas are organised according to innovation topics, with each topic assigned to an ESG category and, where identifiable, already to a relevant Business Model Element.

Titles are added to each cluster. If the Innovation Team is inexperienced, active **guidance** by the Innovation Coach or Workshop Moderator is required in this step. With an experienced team, this step can be performed through **silent co-creation**. This **process is time-consuming,** but it is key to achieving relevant innovation results. **Clarification and completion** of ideas is possible. It is another **collective phase of creativity** including discussion, co-creation and further ideation by the Innovation Team.

Once the clusters of the ESG Innovation result are established, the **evaluation process** can begin. Each member of the Co-Creation Team receives three to ten points to allocate to the **clustered ESG Business Model Innovation ideas** on the brown paper.

This evaluation process reveals the **priorities of the Co-Creation Team**. The ideas are then ranked according to the number of points they receive, either individually or within their respective clusters.

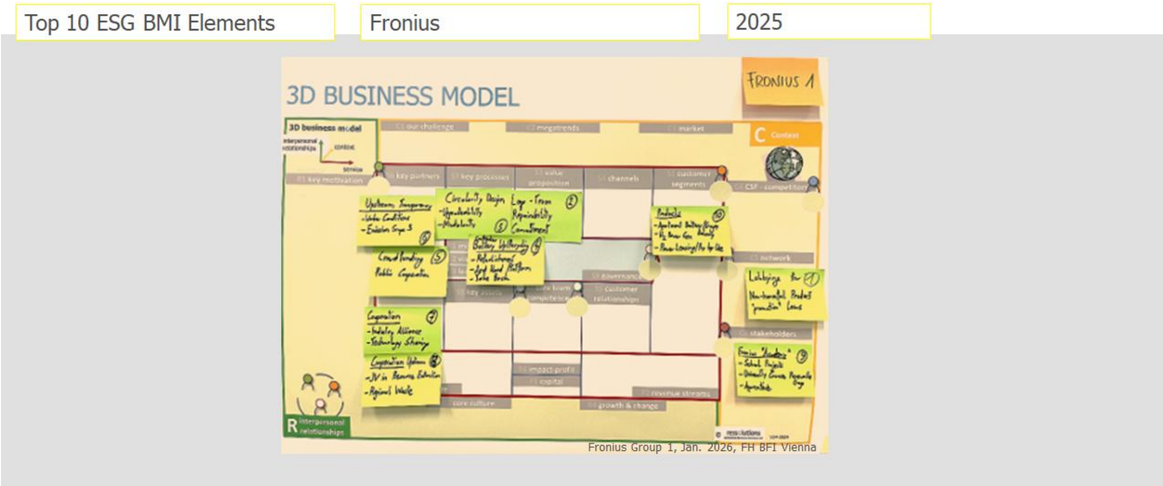

Illustration 28 – Top 10 Ideation Ideas for the To-Be ESG BMI Scenario[149]

The **top 10 innovation elements** (single ideas, a group of ideas or entire clusters) are then **transferred** to an empty 3D Business Model Canvas **for further presentation**. Each innovation element is briefly summarized and placed on the corresponding Business Model Element using sticky notes posted on an **A0 paper business model framework** (see Illustrating above) or on a projected digital version.

The results are documented with **photographs** of both the brown paper with the brainstorming result and the 3D Business Model Canvas, capturing the initial set of the top 10 innovation elements for further elaboration and scenario building. This is generally the **final activity** of the brainstorming phase of an BMI Ideation Workshop.

4.5.2 To-Be Business Model

Integrating To-Be Innovation Scenario into As-Is-Business Model

As a next step, the **top 10 Business Model Innovation Elements** are summarized into a comprehensive ESG-aligned strategy scenario and are **integrated into the current** Business Model (see illustration below). This is done by adding **ten green tags** (one for each BMI Element) to the corresponding As-Is 3D Business Model Canvas, either showing the general picture of the organisation or highlighting only the **most important current ESG achievements** of the organisation. The **As-Is Business Model**, complemented with a table of current ESG achievements, prepared for the workshop and presented in Room 1, contains the content for the next step.

[149] Source: Participants of group 3 of the master course "Cross Functional Process of Decision Making - ESG Business Model Innovation with Focus on Circular Economy" led by Mag. Karin Huber-Heim and Dr. Markus Ressl held at the University of Applied Sciences with presentation on January 9, 2026. 3D Business Model Consulting Workbook Template by Ressolutions.

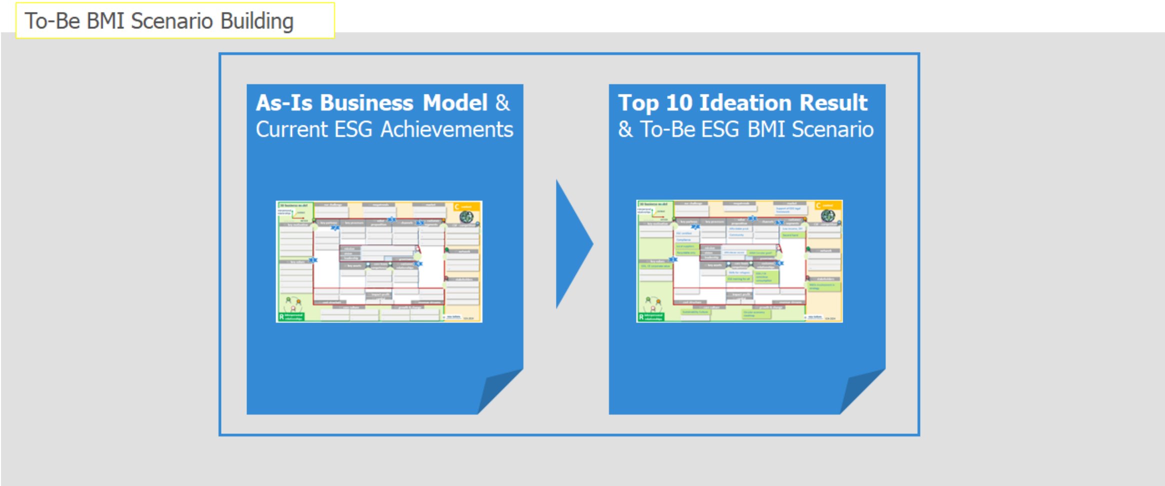

Illustration 29 – From As-Is to To-Be ESG BMI Scenario[150]

The foundation for strategy alignment is established by placing the ideation result within the current business model framing and subsequently elaborating the To-Be Business Model Scenario draft. This is generally done in the **post-workshop phase**, together with classifying the innovation according to the SDGs and integrating it into current sustainability reporting, which requires time and further research.

However, based on an adequate elaboration of the As-Is Canvas in the pre-workshop phase, the step of integrating the top 10 innovation elements into the current business model framework is generally **completed during the workshop session**, preparing for presentation and workshop conclusion.

Ideation Result Presentation

The final step of an ESG Business Model Innovation Ideation session, according to the Mariënkroon Method, is the **presentation of these results**. In case of a workshop with **breakout sessions,** after the ESG Business Model Ideation Walk all groups are reunited in the plenum to assist and comment on the findings of the individual groups. **Further co-creation** through ideation, building on the ideas of the other groups, is possible at this moment. In line with the **co-creation principles**, all Innovation Team members are invited to present part of the scenario draft they have generated.

In more complex ESG Business Model Innovation processes, further evaluation may be required, leading to a separate presentation session of the results. There is the option to **present the top 3 key drivers of the innovation result** in **more detail**, with the aim of qualifying at least one innovation element for timely implementation and achieving ESG quick wins. The quick wins are necessary among others to prepare the organisation for its further ESG transformation journey.

ESG To-Be Business Model Innovation Scenario Example

The Illustration below provides an example of a To-Be Business Model Innovation Scenario for a Furnishing Retailer, featuring the top 10 ESG Business Model Innovation elements. The green tags

[150] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

in the Illustration represent the selected ESG Golden Nuggets indicating potential ESG growth opportunities of the organisation.

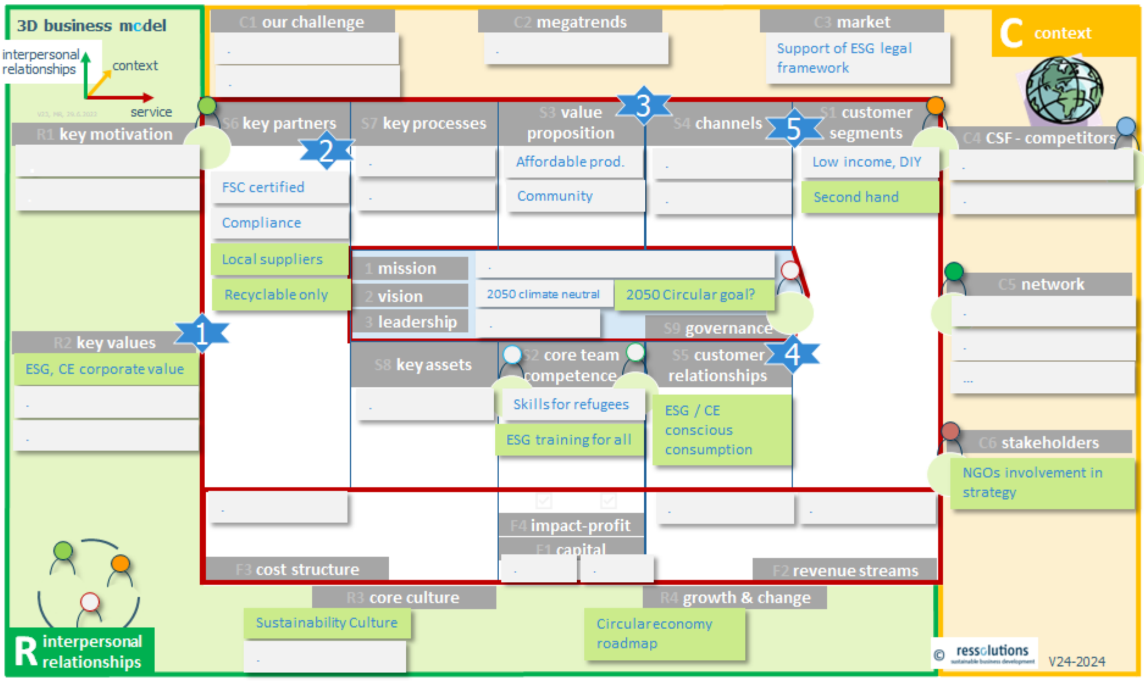

Illustration 30 – Top 10 BMI Ideation Elements of IKEA, Brainstorming Result[151]

This international Furnishing Company is already an **ESG market leader in some fields**. Strong ESG As-Is features of this business include the use of FSC-certified wood, communicated ESG objectives as, for instance, becoming climate-neutral by 2050 and a "Skills for Refugees" program, which adds value to a marginalised social group through a trainee program. As shown in the illustration above, increased **Circularity**, **ESG training** of the staff and **marketing** that favours ESG-conscious consumption are among the identified elements of the ESG BMI scenario which represents an ESG-aligned growth opportunity for the business.

The Illustration shows a possible ideation result to be presented at the end of an **ideation session** or after a **sequence of workshops**. Various **Strategy Tools**, such as the Vision Statement, To-Be CSF, Ansoff-Matrix, and Transformation Roadmap (see Chapter 4.5.3) can be used to elaborate and support the Business Model Innovation Scenario leading to a **further ESG strategy integration**. Advanced ESG BMI workshops or ideation sequences include a draft of well-selected To-Be Strategy in their closing presentation, setting a sound foundation for further development, evaluation and implementation.

To-Be ESG BMI Scenario Report

Following the ideation session, the Innovation Team, guided by the Innovation Coach, prepares an **ESG BMI Scenario Report**, documenting and further elaborating the results of the Innovation Loop. The report places the co-creation results in the **organisation's context** and presents them as a

[151] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

development scenario proposal for the organisation to achieve ESG excellence. The document is addressed to **top management** and serves as a basis for **further evaluation and preparation** for Step 3 of the ESG Champion Funnel Method (see Chapter 3.2.2).

The report typically includes the **As-Is Situation**, with the 3D Business Model and current ESG/SDG achievements, as well as the **To-Be Business Model** Innovation Scenario the **top 10 ESG BMI key elements** of which were identified during the Innovation Loop. As indicated above, **Strategy Anchor Tools** such as the Vision Statement, To-Be CSF, Ansoff Matrix and the Transformation Roadmap, if applicable, are used to further specify the Scenario and prepare it for evaluation and implementation. The picture is complemented, where relevant, with the To-Be versions from Tools like the Circular Economy or the Value Chain.

4.5.3 Strategy Anchor for Innovation

This Chapter presents **Strategy Anchor Tools** which support the evaluation and implementation of the ESG Business Model Innovation result, generated by the ideation process according to the Mariënkroon Method. We recommend using them for **integrating the ESG BMI Scenario** into an organisation's strategy. They **simulate** how the vision, mission, values, CSF, the product portfolio, and a high-level implementation plan can look like after an ESG Business Model Innovation process.

We present a selected set of Strategy Anchor Tools applied to the Focolare Carpentry Training Center (FCTC), a **community business** of the EoC network that supports the **work integration of young people** through carpentry training. [152] The **social enterprise**, based in the Philippines, demonstrates high standards in the social aspect, while an ESG Business Modell Innovation Process identified opportunities to strengthen the environmental aspect and scaling of its service mission.

Strategy Anchor 1: To-Be ESG-aligned Vision, Mission, Values

The **Vision** is the big picture of the organisation in five, ten or more years from the time of analysis and the innovation process. We recommend defining a **specific future year** (e.g. 2035) when defining and communicating the To-Be Vision. This makes the Vision more operational and facilitates follow-up.

A Vision Statement, allowing the development of a **shared vision,** needs to be outlined based on a highly participative process and is to be renewed from time to time. In ESG Business Model Innovation, an ESG-reviewed and ESG-aligned **To-Be Vision Statement**, defined according to a co-created scenario, is a key strategy anchor. A high-level summary of the vision is represented by element S9.1, a central part of the 3D Business Model Canvas. Defining the **Vision** of an organisation requires an understanding of its **Mission and Values**.

A **Mission Statement** expresses the core identity of an organisation, including what it stands for, its driving motivations and its purpose of existence. Unlike the Vision, the Mission of an organisation **cannot be achieved**. Together with organizational Values, it is the **ground on which the company operates**.

[152] Source: M. Ressl based on content from Ressl (1999) p. 48ff. and several ESG BMI processes including interviews with FCTC CEO G. Bulan. For further company case information see Annex 0

The further example illustrates the concept of Mission, Vision and Values. The **Mission** would be "being a basketball team". Winning the championship would be the **Vision** of the team. Team spirit, fair play and commitment would be possible **Values** guiding a team's day to day activities.

In many cases, an ESG Business Model Innovation process leads to an **update of the organisation's values and mission** to align them with sustainability and ESG requirements (see Illustration below). This builds the groundwork for defining the **renewed vision** including the co-created ESG Business Model Innovation Scenario.

Illustration 31 – To-Be Vision, Mission, Value Statements – Case Example FCTC[153]

Content-wise, the ESG BMI processes regarding this enterprise led to the above indicated proposal of an **updated ESG-aligned Mission Statement** in line with the co-created ESG Scenario. The version now includes "the holistic development of the **communities**" that the business wants to serve across all ESG topics. Sustainability was added to the **Corporate Values**. Similarly, sustainability was included in the vision, framing the ESG-aligned innovation and growth scenario, developed during the Business Model Innovation processes.

Strategy Anchor 2: To-Be Critical Success Factor (CSF) Diagram

The CSF Diagram (also called Customer Value Profile), explained in Chapter 4.3.3, shows why customers choose the value proposition of an organisation rather than the one of a competitor(s). It is presented as a **radar diagram** visualizing an organisation's **differentiation factors** relative to one or several named companies active in the same market.

[153] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions and 2025 interview with G. Bulan, CEO Focolare Carpentry. Tree Graphics: Microsoft.

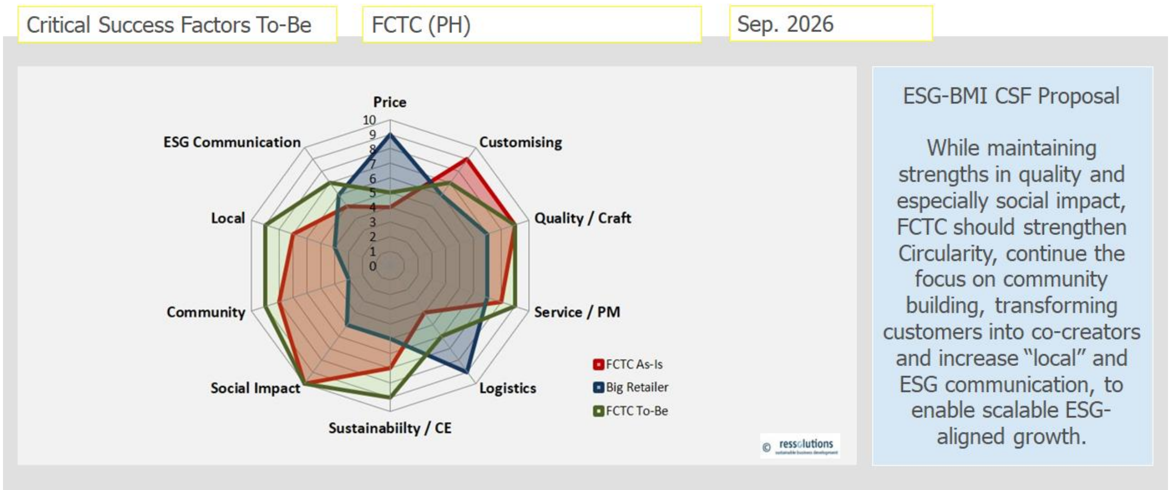

Illustration 32 – To-Be Critical Success Factor Profile – Case Example FCTC[154]

After defining the To-Be Business Model, the As-Is Business CSF Profile is completed with a To-Be picture, leading to the **To-Be CSF Diagram**. This Strategy Anchor Tool shows why customers should **choose the more ESG-aligned future organisation** based on the To-Be Business Model Innovation Scenario elaborated by the Co-Creation Team.

The Illustration above shows the **example of the To-Be CSF Profile** after an innovation process. On one hand, the challenge of this student Co-Creation Team consisted in finding an ESG Business Model Innovation Scenario. On the other hand, the Innovation Team had to take into consideration that a global furnishing company **is entering the market** of the Philippines.

The proposed strategy focused on **differentiation**: FCTC would maintain the quality while strengthening sustainability, service and ESG-aligned customer communication. Focusing on the **appropriate customer segments** will allow to keep **the higher price**, since competing in price with an economy-of-scale giant would be unrealistic. The ESG BMI process revealed the potential for further differentiation and the creation of a competitive advantage.

Interestingly, the example illustrates **two roads** towards sustainability and ESG impact: The ESG BMI transformation of **large corporations** in search for ESG-aligned excellence, based on high CSR and ESG standards, and the business model optimisation and differentiation of generally small **social enterprises** and **community businesses**, often pioneering in a specific ESG topic based on their service mission.

Strategy Anchor 3: ESG Integrated Ansoff Matrix

The Ansoff Matrix is a **strategic marketing tool** used by organisations to plan and analyse their **options for growth**. It was created by Igor Ansoff in 1957. Within the ESG Business Model Innovation process, it visualizes growth opportunities involving **new markets, new products** or both.

[154] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions and interview with G. Bulan, CEO Focolare Carpentry.

Thus, if new markets, in the sense of **new customer segments**, and **new services** or products as part of the **value proposition** have emerged in an ESG Business Model Innovation process, the ANSOFF Matrix is a very useful **instrument to visualize**, **explain** and communicate these elements of a Business Model Innovation Scenario.

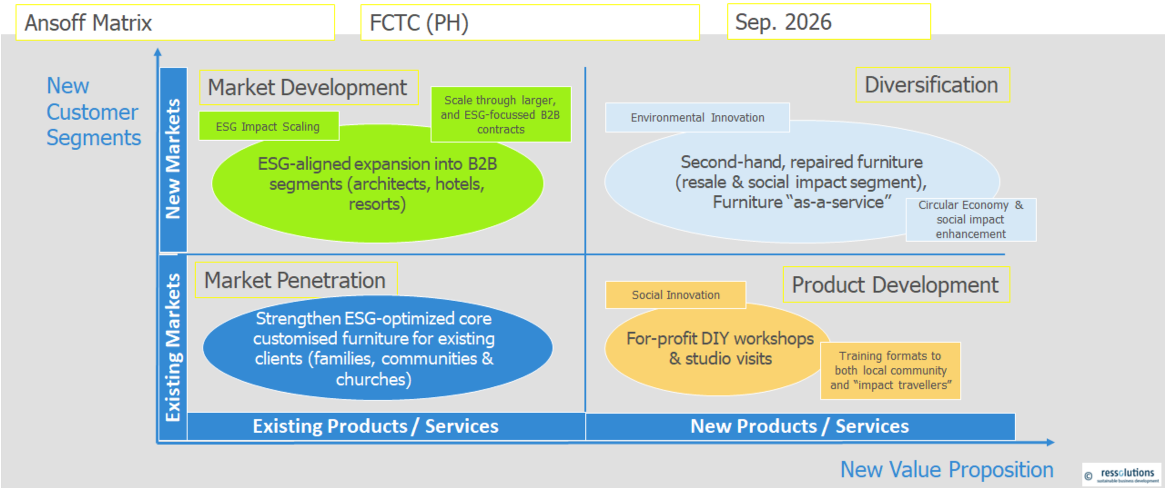

Illustration 33 – Ansoff Matrix of with ESG BMI growth opportunities – Example FCTC[155]

Strategy Anchor 4: ESG BMI Transformation Roadmap

The fourth Tool for anchoring an ESG Business Model Innovation Scenario in the organisation's strategy is the ESG BMI **Transformation Roadmap**. The tool assigns Business Model Innovation Elements and related activities of a Transformation Scenario to the periods leading up **to the year of the To-Be Vision**.

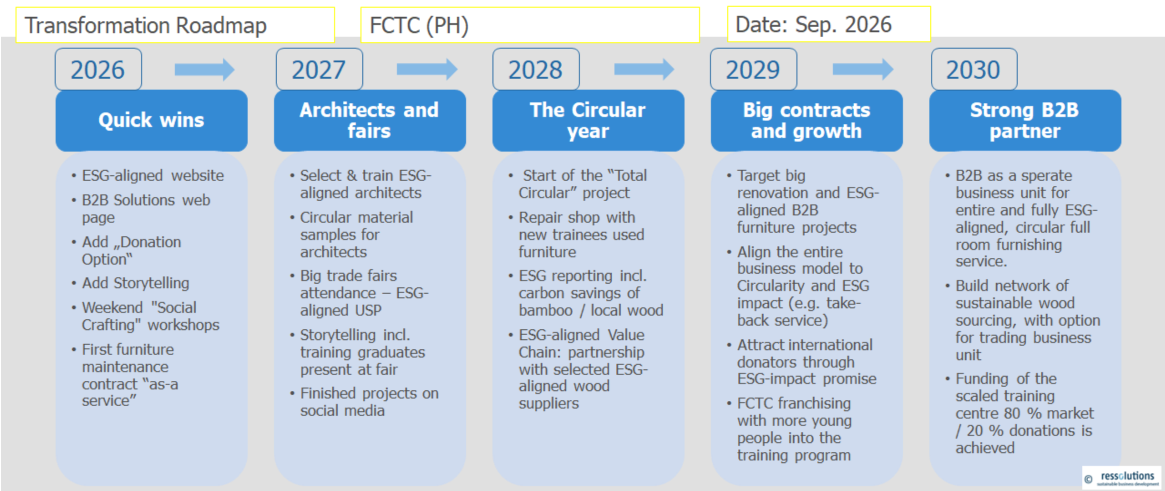

Illustration 34 – ESG BMI Transformation Roadmap – Example FCTC[156]

[155] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions and interview with G. Bulan, CEO Focolare Carpentry (FCTC).
[156] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions and interview with G. Bulan, CEO Focolare Carpentry (FCTC).

The Illustration above shows an example of a possible ESG Transformation Roadmap, elaborated based on a ESG Business Model Innovation process. It provides a **high-level** view of the **activities and milestones** required to **implement the Innovation Scenario** and achieve the To-Be Vision. Starting with **quick wins** and assigning a **yearly focus** to the ESG Business Model transformation journey, it enhances **stakeholder commitment** and provides a **planning basis** for the organisation.

In a **one-day workshop** or management training, the Innovation Team can develop a high-level draft of the ESG Transformation Roadmap **during the sessions**. This helps participants **better understand** the ESG Business Model Innovation implications and **prepares** the innovation and project-planning activities of **Step 3 of the ESG Champion Funnel Method**, where all functions and departments of an organisation are involved. A more detailed evaluation of the required financial resources, the technical solutions and integration in the organisation's annual strategy and planning process takes place in Step 4-6 of the **ESG Champion Funnel Method** (see Chapter 3.2.2).

4.5.4 Key Takeaways

The Ideation process is concluded in the "**Closing Room**". In the presented ESG BMI Ideation standard pattern, this is **Room 10**. At this moment, the Innovation Teams **clusters and evaluates the innovation result**. It identifies the **top 10 ESG BMI Innovation elements**, building the groundwork for generating the **ESG BMI Scenario proposal**. A high-level version is elaborated in the workshop or innovation sequence and is **presented** as result of the ideation process.

After the ideation phase, the Scenario is elaborated in more detail and presented in the **ESG BMI Scenario Report**. It contains, among others, the As-Is Situation, the generated ESG-aligned To-Be picture and, to the extent this is relevant, **Strategy Anchors**, comprising the To-Be ESG-aligned Vision, Mission, Values, CSF Profile, Ansoff Matrix, and ESG BMI Transformation Roadmap. With that, the subsequent **steps of the ESG Champion Funnel Method** are well prepared.

5 ESG Strategy Tools

5.1 PESTEL(C)

The Tool

The **PESTEL Analysis** (Political, Economic, Social, Technological, Environmental, Legal) identifies factors that affect an organisation in the context of the macro-economic environment. In its original version, the Strategy Tool was developed **by Francis Aguilar** in **1967** as an environmental scanning framework for businesses. At the time, the instrument contained only the first four factors of the tool, represented by the acronym PEST. The environmental and legal aspects were included later. For the ESG Business Model Innovation process we use the **PESTEL(C) Opportunity Board** as an ESG-enhanced version of the tool.

ESG Application

The Consulting Workbook Template below, the **PESTEL(C) Opportunity Board**, is a practical instrument to analyse and visualize the **organisational context** and the **organisation's relationship** with it. It also highlights **opportunities** of growth and organizational development. The Tool facilitates the As-Is Analysis necessary for the ESG Business Model Innovation process.

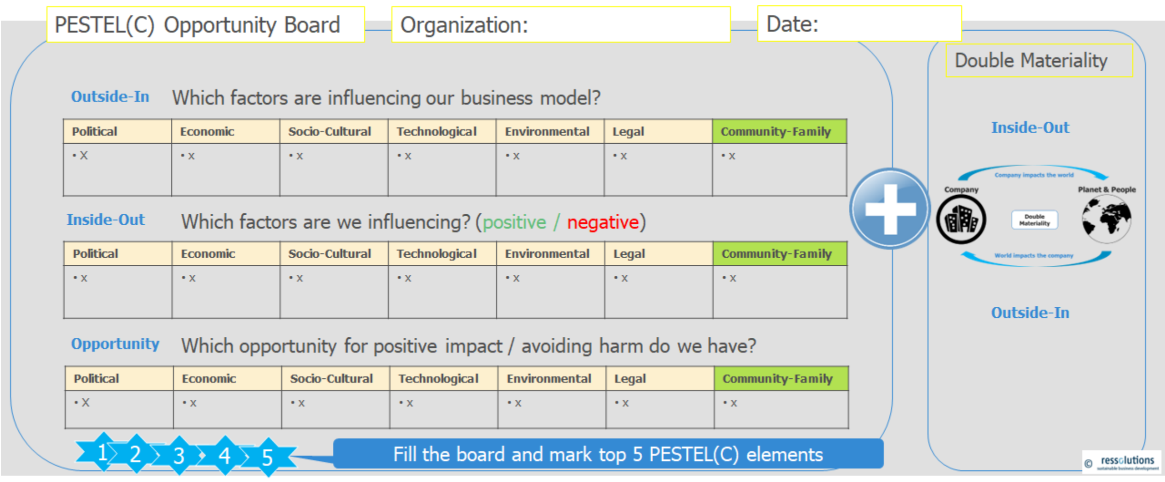

Illustration 35 – PESTEL(C) Opportunity Board Consulting Template[157]

In the context of ESG Business Model Innovation, it is important to **add the C**, which stands for **Community** and Family, to the framework (see template above). Interpersonal and community-defining factors such as collaboration, cohesion, creativity, solidarity, and entrepreneurship become part of the analysis and opportunities as well, since they are crucial for ESG success and organisational impact. In contrast, the **social aspect** of the Tool relates more to external macro-economic factors such as population growth, age distribution and career attitudes. **Stakeholder engagement** is important in applying the Tool in ESG Innovation processes.

[157] Source: M. Ressl based on 3D Business Model Consulting Workbook Template by Ressolutions.

Objective

The **objective** of the Tool is to understand the **external conditions** surrounding a business and its relationship with its broader business environment. It **assists managers** in strategic **planning** and supports organisations in their **innovation journey**. In line with the **Double Materiality approach**, the tool also incorporates an **inside-out perspective**, focusing on opportunities to **co-create positive impact** and contribute to an **ESG-favourable macro-economic** context. In this way, the Tool evolves from a mere analysis instrument to the **PESTEL(C) Opportunity Board**, supporting organisations to increase their **learning and creativity** capacity and to build future **scenarios**.

How-To Notes

We recommend conducting the **PESTEL(C) analysis** at the **beginning of an Ideation Process** or session. In our standard ideation architecture, we suggest using the Tool for the brainstorming process in Room 2 (see Chapter 4.2.2.). A structured **window into the context** accelerates the brainstorming activity. A well-prepared PESTEL(C) Opportunity Board can provide a **strong inspiration** for the Creativity Team **in the ESG ideation process**, particularly when it **includes the inside-out perspective** with the motivation to identify **opportunities** of growth. The priorities identified in an ESG BMI project as well as the focus and scope of a particular Innovation Session define the **level of detail** in each level and factor of the PESTEL(C) Tool. **Expert interviews** can complete the analysis.

There is **no To-Be version** of **PESTEL(C)**. However, management might have a To-Be vision of the macro-economic context (e.g. ESG favourable laws, strong local communities, access to education for everybody), shaping the **effort and horizon of an organisation** in terms of how it grows and creates a positive impact in its environment.

Connected Tools

These are the tools connected to the **PESTEL(C) Opportunity Board**:

- The **Megatrend Analysis** can complement it in the same ideation step
- The Threats and Opportunities of the **ESG SWOT** are based on the PESTEL(C)
- The **3D Business Model Canvas** (especially context parameters) are aligned with the tool
- The “Environmental” aspect prepares the deep dive of the **Circular Economy** Tool.

The ESG BMI process of Agáta included a PESTEL(C) analysis. In the context of the whole ideation process, it led to a **ESG BMI Scenario** which includes the proposal to **enhance storytelling** in the customer relationships Business Model Element (S5 – compare 4.3.2), especially with their coffee shop clients. The consulting recommendation was built on already existing **strong community building experience** based on a personal relationship with coffee growers in the upstream value chain on the one hand, and with the clients, especially in the two **coffee shop outlets**, on the other hand.

5.2 ESG BCG Matrix

The Tool

In its original version, the BCG Matrix (Boston Consulting Group Matrix) or **product portfolio matrix** is a **strategic portfolio management tool** used to evaluate **a company's products** or **SBUs** to optimize contribution margins and earnings. It was initially created by **BCG employees**, with Alan Zakon producing the first sketch and Bruce D. Henderson, the founder of BCG, popularizing it in his 1970 essay "The Product Portfolio"[158].

The tool uses a **scatter diagram** to rank the products, product groups or business units in the form of circles. The size of each circle represents turnover or contribution margin, while its position reflects an organisation's **relative market share** (x-axis) and the **market growth rate** (y-axis). The results place the products or business units in **one of the four quadrants**: **cash cows** (x-high / y-low), **dogs** (low / low), **question marks** (x-low / y-high), and **stars** (high / high) – see illustration below. The **relative market share** indicates the **company's competitive position** as an indicator for the potential to generate **earnings**. The market growth rate indicates the market **attractiveness**.

In its traditional form, the BSG Matrix suggests the following **resource-allocation** strategies:

- **"milk" cash cows** for as long as possible and use them to **fund stars and question marks**
- terminate or **sell off dogs** once their "harvesting potential" has expired
- create, analyse and develop **question marks** and invest in **them** so that they **become stars**
- **differentiate stars** from emerging competitors and invest in **maintaining their growth**

ESG Application

The **ESG BCG Matrix**, or ESG Product Matrix, **adds ESG growth potential** to the traditional version on the y-axis, representing the ESG transformation of markets. On the x-axis, the ESG-enhanced version adds the **current level of ESG impact** of an organisation's products or SBUs.

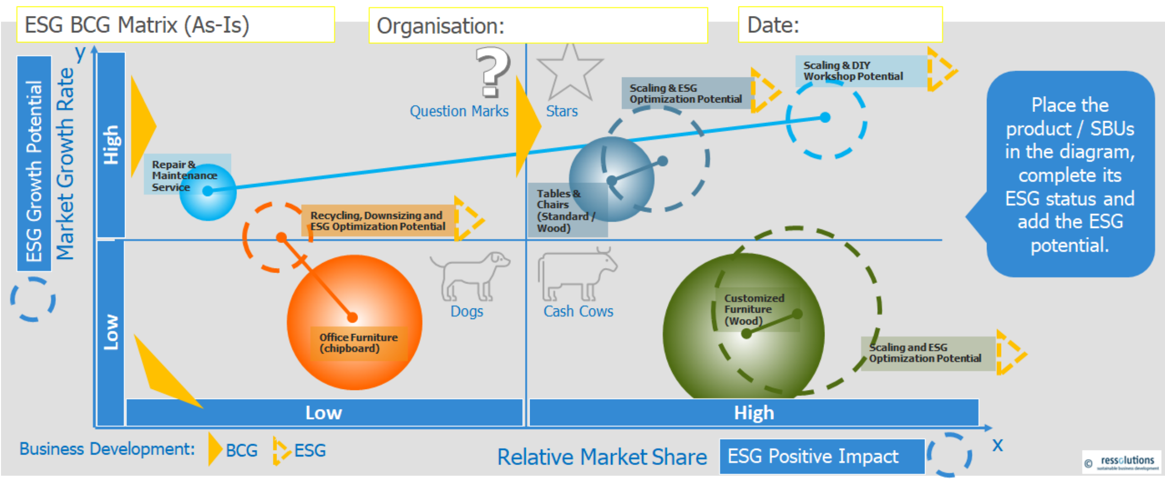

Illustration 36 – ESG BCG Matrix Consulting Template and Example[159]

[158] BCG (2026) online.
[159] Source: M. Ressl based on 3D Business Model Consulting Workbook Template by Ressolutions.

Adding a second layer of product portfolio assessment, based on ESG impact criteria, complements the traditional **cash flow perspective** of the product portfolio tool with a **sustainability-** and **impact-driven view**. This is shown in the Consulting Workbook Template above, using a furniture carpentry as example.

The cash-flow-oriented **business development objective** suggested by the original BCG Matrix is complemented with the **target of searching for development** opportunities to achieve **improved ESG performance** (see in Illustration above, the tags near the ESG product group definition).

The enhanced ESG BCG Matrix opens an **Innovation Space**, where organisations can explore ways of improving **economic viability** of products and value propositions with strong ESG performance but low cash flow generation. At the same time, products with **low ESG performance** can be transformed to **improve their ESG impact** or be **phased out** once alternative ESG-aligned products or value propositions are available and can compensate for the resulting cash flow losses in the organisation. A typical feature of the ESG Product Matrix is its focus on **customer- and context-centric value proposition** rather than on products.

Objective

The ESG BCG Matrix can help a company to know where to invest, how to **allocate its resources**, and where to find potential for transformation. The enhanced BCG Matrix as well as its original version can be used as analytical tool in brand marketing, product portfolio management, value proposition development, and **strategic management** of ESG Business Model Innovation, referred to in this Handbook. The basic ESG-aligned **business development strategies** associated with the quadrants of the ESG Value Proposition Matrix are similar to those of the traditional BCG Matrix: avoid ESG dogs, develop ESG question marks and focus on ESG stars by enhancing their differentiation and scaling their impact for ESG market transformation. The ESG BCG Matrix supports an organisation's transformation towards a fully ESG-aligned value proposition while strengthening its differentiation and competitive advantage.

How-To Notes

For the application in the Business Model Innovation process, we suggest developing the cash-flow oriented **simple version** of the ESG BCG Matrix as a first step. As a second step, if the project scope allows it, we recommend adding the **ESG impact dimension** as shown in the Chart above. The simple version can already support ideation within the ESG Business Model Innovation process. A **basic assessment of the As-Is ESG status** for each SBUs or product line can complement the ESG Product Matrix and provide additional sustainability-related insights into the product portfolio.

As a strategic innovation tool, the **complexity** of the ESG BCG Matrix should be kept manageable including the scaling of its axes and the sizing of the circles. More detailed and accurate versions can be developed at later stages of the ESG Business Model Innovation process, depending on the iteration cycle of the Champion Funnel Method. **To-Be versions** are recommended for this tool.

Connected Tools

These are the tools connected to the **ESG BCG Matrix**:

- **3D Business Model** – S3 The Value Proposition / C3 Markets
- **ESG Customer Portfolio**, to be aligned ESG BCG Matrix product group / SBU classification
- Different **Market & Context Analysis Tools**
- **CSF Profile** and **Marketing Mix Tools** to support the creation of ESG-aligned markets

ESG BCG Matrix Case – IFE Material Handling

IFE Material Handling is an **Austrian engineering company** with its headquarters in Waidhofen an der Ybbs, specializing in solutions for bulk material handling and processing. Founded in 1947, the company develops and manufactures **vibratory conveyors**, **screening machines** and **magnetic separators**. Its technologies are used across industries including **recycling**, **waste management**, mining, steel, and raw-material processing.

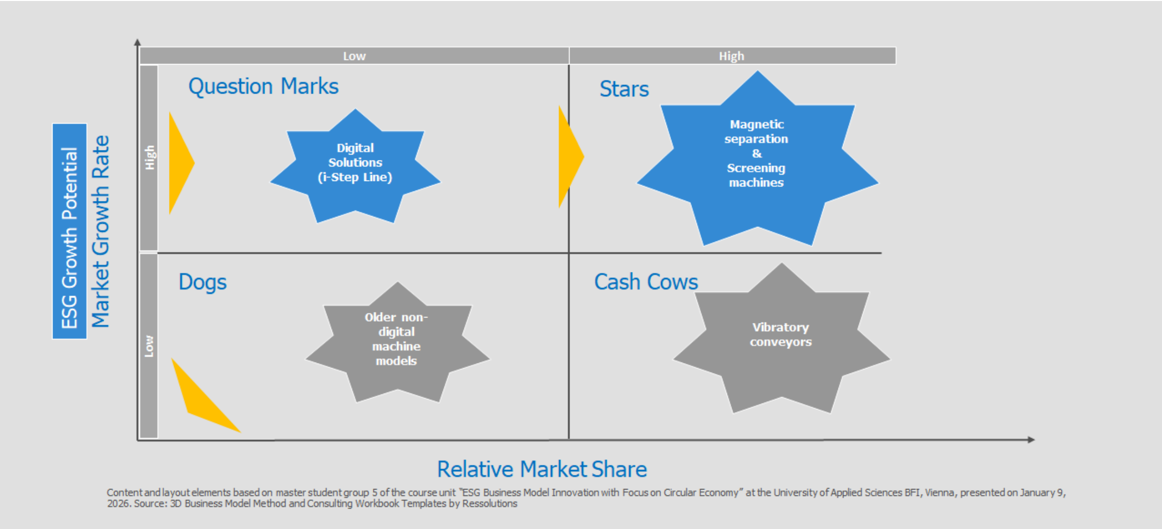

Illustration 37 – ESG BCG Matrix Tool Application IFE Material Handling[160]

The illustration above shows a **simplified application of the ESG BCG Matrix**, visualizing the product portfolio including ESG potential in a highly abstractive way, so that the options for the next step of the ESG-aligned Business Model Innovation journey become clearly visible.

Indeed, as indicated in the Illustration, the leading element for building the ESG BMI Scenario was the **value proposition**. It is already **highly ESG-aligned**, since it supports the growth of the Circular Economy, especially in the field of waste separation. Accordingly, the suggested ESG BMI Scenario included **optimizing existing machines**, **enhancing digitalisation** (e.g. predictive maintenance), offering material handling **as a service**.

[160] Source: Participants of group 5 of the master course "Cross Functional Process of Decision Making - ESG Business Model Innovation with Focus on Circular Economy" led by Mag. Karin Huber-Heim and Dr. Markus Ressl held at the University of Applied Sciences with presentation on January 9, 2026. 3D Business Model Consulting Workbook Template by Ressolutions.

5.3 Circular Economy

The Tool

The Circular Economy (also Circularity, CE) is an **economic system**, **a Strategy Tool** and **transformation model** aimed at achieving **zero waste** and **zero pollution** through more efficient use of resources. It keeps products, materials, and resources in **continuous**, and preferably **regional**, **cycles** of **use** and **transformation** for as long as possible through practices such as sharing, repairing, reusing and recycling. It adds sustainability principles to the **prevailing linear system** of taking, making, using, disposing, and polluting. The circular concept cannot be traced back to a single author.

Globally, our **economy is becoming less circular**. The Circularity Gap Report 2026 indicates that global Circularity has decreased from 9.1% in 2018 to just 6.9% in 2025, meaning that 93.1% of materials entering the economy come from virgin sources.[161] This represents **significant potential for innovation**, including the challenge of transforming models of overconsumption into **models of well-being** that require substantially **less materials.** Through Circularity, we can build a more **resilient future**, where **economic prosperity** aligns with environmental stewardship.[162]

ESG Application

The ESG-enhanced **Strategy Tool** on Circular Economy is based on the **Value Hill** Concept[163]. The **ESG Value Hill Diagram**, or simply **CE Tool**, focuses on **value co-creation** at every stage of material transformation, product assembly, use and post-use phase. **Value destruction** in the post-use phase, especially through waste and pollution, should be avoided. The **strategic framework** for Circularity needs to be complemented by the **ESG objective** of **co-creating** social, relational and environmental **value** at **any stage** of the material flow and transformation along the Value Hill.

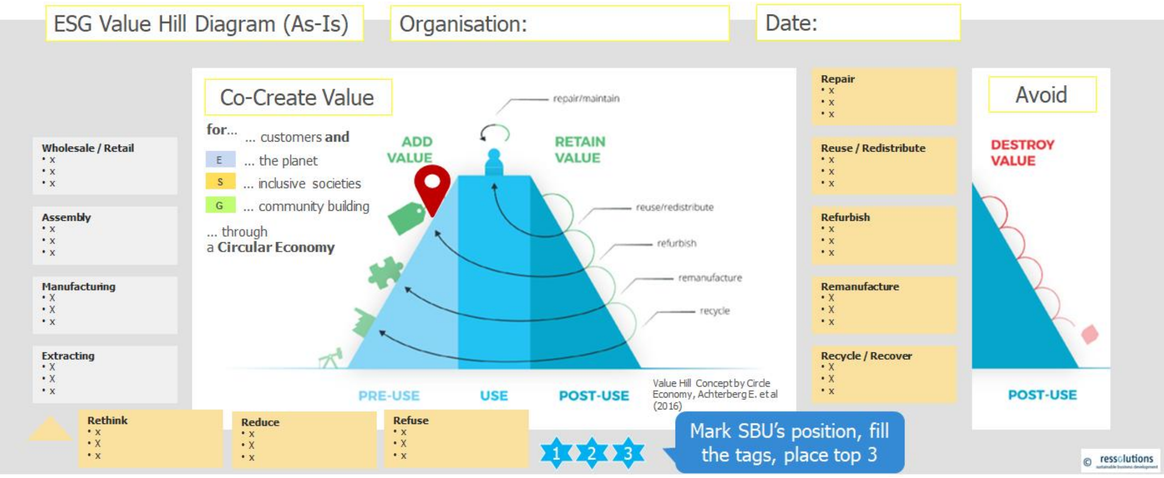

Illustration 38 – The ESG Value Hill Diagram Consulting Template[164]

[161] Circle Economy (2026), p. 12.
[162] Huber-Heim (2025)
[163] Achtberg et al. (2016), p. 5.
[164] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions; Value Hill Concept by Achtberg et al. (2016)

The ESG Circular Value Hill Diagram demonstrates that **all levels of the Value Chain** can contribute to **ESG value creation**, which continues at the **summit of the hill**, where people use the goods produced to meet their needs and co-create value in the various ESG topics. The ESG-enhanced application keeps the **Circular Economy's focus** on the **physical handling and transformation of materials**, including the **7 Rs** (see Illustration above). It gives priority to the first three which are Refuse, Reduce and Rethink. These innovation concepts address the challenge of **reducing the quantity of materials** extracted from the planet and to keep them in the loop for **continuous value creation**.

The **Social and Governance aspects of ESG** need to be integrated, as the production and material transformation takes place within social systems shaped by values, culture and lifestyles. Aligning these values with a circular approach to **value creation** is key for a successful ESG transformation.

For a retail business, for instance, the relevant Strategy Tools covering manufacturing and other "**upstream" operations** in search for ESG opportunities, are the **Value Chain tools**. The "**summit"** of the Value Hill and the **"downstream"** value chain steps, including Repair, Reuse etc., represent a **vast field of** CE **opportunities** for ESG Business Model Innovation.

In the ESG-enhanced version of the Value Hill the **objective** is to find local solutions, as nature teaches us, to avoid waste and pollution and, in line with this, to search for opportunities to reuse, repair, recycle etc., while simultaneously **enhancing social inclusion, community building** and well-being.

Sharing models, **repair cafés** and **recycling communities**, for instance in the Argentinian city of Tucuman, illustrate this ESG **potential** of the circularity transformation. The Twin Transition, combining **sustainability** and **digitalization**, evolves into a Tripple Transition that incorporates community building.

Objective

The objective of the ESG Value Hill Diagram is to **identify and visualize the As-Is Situation** of an organisation through the lens of Circularity. Applying the Tool in an organization enhances the **culture of circular thinking**. The **As-Is Analysis** together with an evaluation of **potential** and **opportunities** establish the foundation for the Business Model Innovation process in line with the **regional circularity principle**. Advanced concepts extend Circularity beyond its focus on physical materials and food to include digital resources, social capital and finance. The **To-Be version** of the ESG Circular Value Hill Diagram represents an organisation's envisioned future state of Circularity, based on the **To-Be** ESG-aligned **Business Model Scenario** developed through an ideation process.

How-To Notes

We recommend adding **Circularity** to every Business Model Innovation process due to its essential role in sustainability transformation. The **To-Be version** needs an update with every strategy cycle. In the To-Be version of the tool the **ESG features** are marked with respective **coloured ESG indicators**, as visualized in the Illustration above. A **successful Circular BMI** requires a clear company vision, stakeholder engagement, a sense of urgency, and a structured innovation process.

Connected Tools

The ESG Value Hill is connected to many other Strategy Tools. These are among the most important ones:

- The **Extended Value Chain** and the **Value Chain Ecosystem** are closely connected.
- The **3D Business Model** with Vision (S9.2), Value proposition (S3) and Key Partners (S6).
- The **product portfolio** presented with the help of the **ESG BCG Matrix** is key in Circularity transformation.

ESG Value Hill Idea Board: Hotel Industry

The Illustration below shows the Consulting Template of the ESG Circular Value Hill applied as a **Good Practice Idea Board** in the hotel industry. The Circular Economy To-Be potential presented below includes the **expertise of a Circular Economy consultant** for hotels and integrates the elements of a To-Be Scenario produced by an Innovation Team on an ESG good practice hotel case in Austria. As a top **element** of the ESG Business Model Innovation Scenario in the field of Circular Economy, “Repair” was identified. This shows that the **combination of Circularity with community building**, part of the social aspect of ESG, represents an important innovation potential.

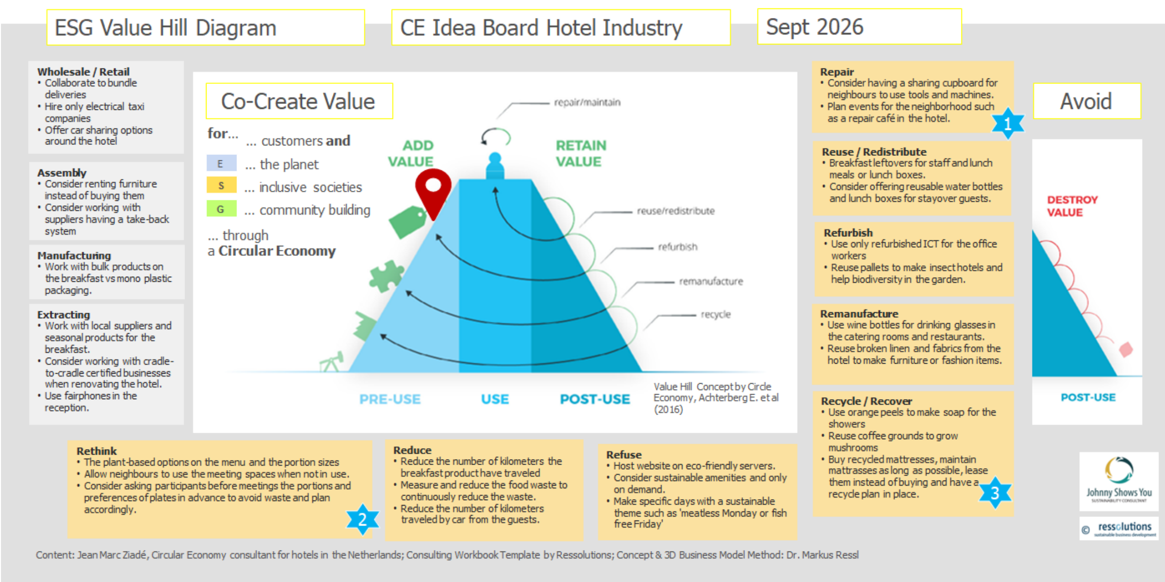

Illustration 39 – Implementing Circular Economy Principles within a Hotel Operation[165]

The guiding principle of the above-indicated **CE Idea Board** in the hotel industry **to apply the R-strategies within a hotel's operations** across building, water, material, food and energy, and alongside mobility. Recycled resources flow back into the hotel via circular suppliers, reducing reliance on virgin resources and diverting less to landfill. Progress along the R-ladder is shaped by four types of enablers and barriers: market, institutional, organisational and knowledge.

[165] Source: Jean-Marc Ziadé based on 3D BMI Consulting Workbook Template by Ressolutions.

In practice, this includes a **number of operational innovations** in many processes of the business model, such as **soap** made from waste orange peel remaining after breakfast; **skipping daily housekeeping** for stayover guests and planting a tree instead; **reusing soap** and donating it to communities in need; preferring **local suppliers**; capturing **rainwater** for outdoor plants; using **circular mattresses** maintained for a longer lifespan; and **shrinking buffets** in favour of à-la-carte service to cut food waste.

Individually, these can look like small, even obvious steps. For the hotels engaging in an ESG Business Model Innovation journey with focus on Circular Economy that means a deeply rooted change in the value proposition and a number of related elements. The renewed business model integrates sustainability and impact into all processes and daily operations. However, what is most important is the **shift from simply selling a room** for the night towards selling comfort and convenience in line with an experience of ESG co-creation and with the good **feeling of a smaller material footprint** compared to less sustainable options. All stakeholders together manage to transform a hotel’s business model with all its core operations, achieve differentiation and a competitive advantage, and, eventually, to become ESG market leader.

5.4 ESG SWOT

The Tool

In strategic management the SWOT analysis is used for **decision-making**, analysing the strengths, weaknesses, opportunities, and threats of an organisation, a SBU or a project. An organisation's **current strategic positions** (As-Is), **visions and scenarios** (To-Be) can be evaluated.

ESG Application

The SWOT analysis aims at finding a **competitive advantage** for the organisation by analysing **internal and external factors** that are **favourable or unfavourable** for achieving this goal.

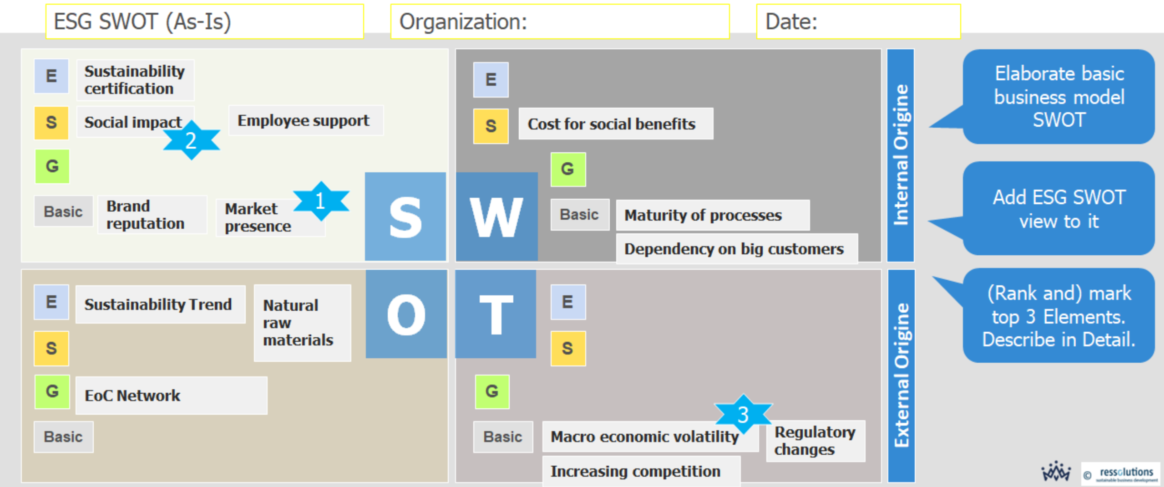

Illustration 40 – ESG SWOT Consulting Template with Example of a Paint Company[166]

As a Strategy Tool to support ideation **in an ESG Business Model Innovation process**, the ESG SWOT complements the traditional **objective** with **sustainability and impact**. It is a **3-in-1 matrix** (see Illustration above) that supports the pursuit of **excellence through differentiation**.

Objective

The analysis and brainstorming using the ESG SWOT aims to support an organisation's journey towards a **high level of strategic fit** by **aligning internal and external** factors and **aligning** the organisation's business model with **ESG requirements** and **impact opportunities**.

How-To Notes

The ESG SWOT analysis is especially useful for **speed innovation** and ideation processes with limited time resources. It can support preparation, ideation and the evaluation stage of building a Business Model Innovation Scenario. A detailed **description of the SWOT picture** is crucial.

Connected Tools

The ESG SWOT is connected to the elaborated **3D Business Model** and **PESTEL(C)** Analysis.

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[166] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions; ESG SWOT Concept by T. Hejj, Proactive Management Consulting.

5.5 Value Chain

The Tool: Extended Value Chain

A **value chain** refers to **all activities, people and organisations** involved in the **flow of materials** and services that an organisation **incorporates** in its **value proposition**, from extraction or cultivation through manufacturing, use and until the post-use phase. As a **tool of strategic management,** the (Extended) [167] **Value Chain Map** supports ESG Business Model Innovation.

ESG Application: Extended Value Chain

The Tool includes **all ESG aspects** and supports organisations in **transforming their value chain**. In the **Value Chain Innovation Map**, the analyst firstly establishes the **position** of the SBU or **product group**, secondly assesses the **As-Is situation**, then identifies **challenges** and **potential**, classifying them, where possible, according to ESG criteria, and finally concludes by **adding priorities**.

Objective: Extended Value Chain

The objective of the analysis is to develop an **As-Is picture**, **raise awareness** and co-create a **To-Be Scenario** of the business model to achieve a **competitive advantage** though impact and **ESG differentiation**.

How-To Notes: Extended Value Chain

Creating an ESG-aligned To-Be picture involves identifying **transformation patterns** such as shortening supply chains, personalization, community building, narrowing and resource efficiency.

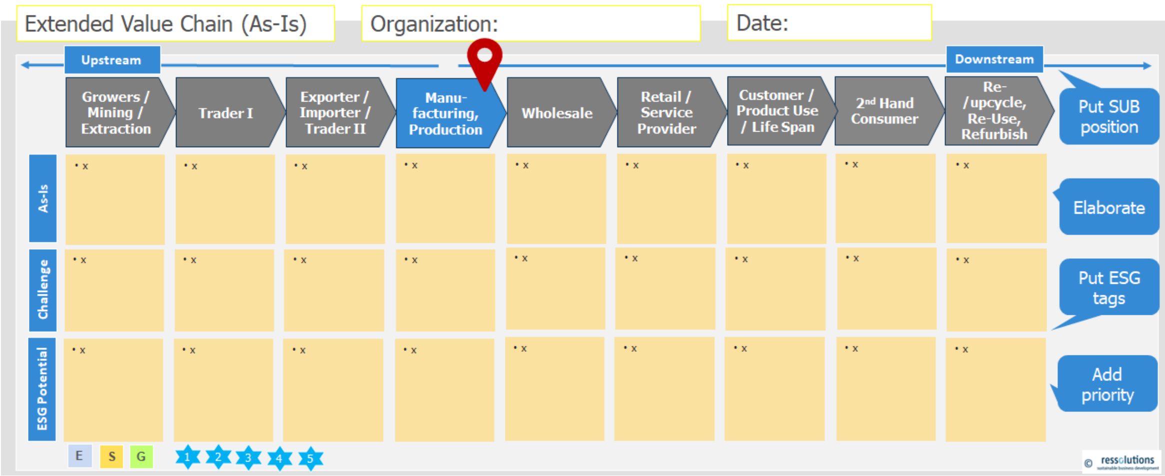

Illustration 41 – (Extended) Value Chain Innovation Map Consulting Template[168]

Connected Tools: Extended Value Chain

The connected tools are the **3D Business Model**, Circular Economy and the Value Chain Ecosystem.

[167] Porters narrower value chain concept focusses on optimising a business unit with the single criteria of increasing its competitive advantage. It does not include in the analysis up-stream and downstream-partners but includes therefore support processes like infrastructure, human resource management and procurement. Compare: Porter (2001) p. 52.
[168] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

The Tool: Value Chain Ecosystem

The Value Chain Ecosystem builds on the Extended Value Chain and is a Tool that captures the **complexity** of an organisation's **(extended) value chain** and connects it with its **stakeholders** from **"cradle to grave"**. It sets the scene for Business Model Innovation by extending the organisation's management horizon to its broader impact, responsibility and, especially, ESG opportunities.

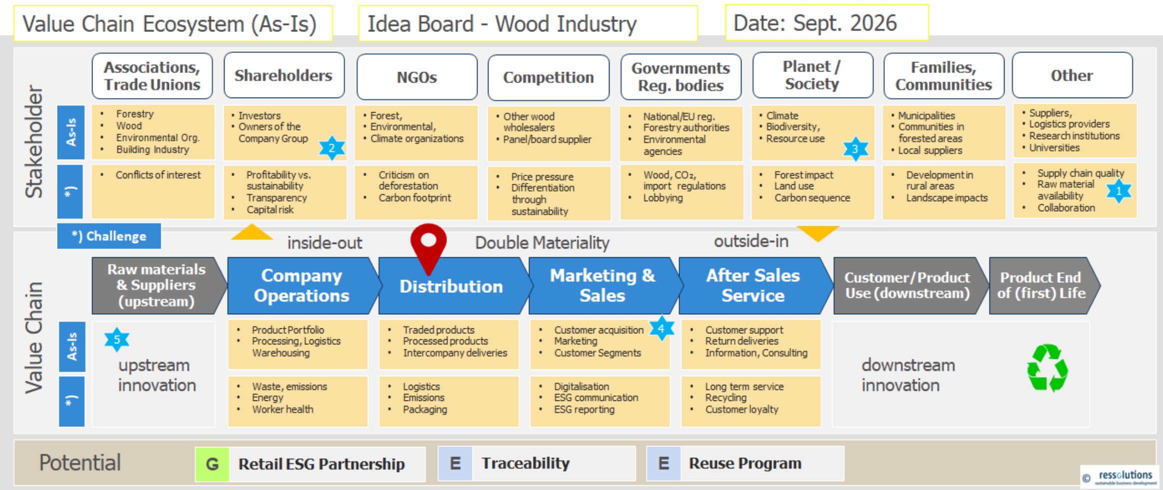

Illustration 42 – Value Chain Ecosystem Consulting Template with Idea Board of Wood Industry[169]

ESG Application: Value Chain Ecosystem

The specific feature of the Value Chain Ecosystem together with the Extended Value Chain is the **comprehensive view** on the value chain(s) which are connected to the major materials and services that are part of an organisation's **value proposition.**

The Illustration above specifies seven **possible external stakeholder groups** of an **organisation** and its **value chain** that are relevant for its ESG-aligned business model strategy. All the other external stakeholders are regrouped in the eighth category. The mapping table includes the As-Is situation, the Challenge and Potential.

Objective: Value Chain Ecosystem

The objective of the Tool is to **uncover insights** across an organisation's entire **ecosystem** including its **value chain** and related **internal key processes** as, for instance, distribution or marketing.

It is also part of the objective, to identify **opportunities** for establishing an active and **leading role in the ESG transformation** of the organisations ecosystem, markets and value chains. The objective is to strengthen an organisation's ESG-based **differentiation** and **competitive advantage**.

Both Value Chain Tools, when prepared with challenges and opportunities, provide a useful framework **for an ESG Business Model ideation** process. The Tools are particularly relevant for organisations involved in trading or processing of materials, including food and agriculture.

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169 Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

With the Value Chain Tools, it is possible to discover **potential opportunities** of ESG Business Model Innovation. Once the value chain is **mapped**, including its stakeholders, significant **results** from the **ESG ideation process** can be expected.

In the "Value Chain Room" an Innovation Team focuses on the question: "How can we extend our or the organisations ESG impact across the entire value chain?" Continuous ESG transformation is possible, when **the value chain evolves together with the business model**.

There is increasing **legal pressure** to include the extended value chain in business strategy, since sustainability regulations like the CSDDD now hold companies accountable for their impact far beyond their own limits, reaching deeply into their supply chains. The Extended Value Chain and the Value Chain Ecosystems enlarge the horizon of **business models** and **ESG impact** far beyond the borders of legal entities and their direct contracts.

How-To Note: Value Chain Ecosystem

Both ESG-aligned Value Chain Tools – the (Extended) Value Chain and Value Chain Ecosystem – are **mapping tools** that require **thorough research, analysis** and presentation of priority topics in fields that traditional strategic management thinking doesn't focus on. This process takes **time**, particularly when an organisation identifies its value chain impact through its product portfolio and SUBs **for the first time**.

Investing in value chain ecosystem transparency is **a prerequisite** for starting the business model transformation journey. The return may emerge over time through ESG-aligned **value chain ecosystem impact management** and increased transparency, contributing to **customer loyalty**, **investor attractiveness** and **employee motivation**. These factors are increasingly important for establishing an organisation's **competitive advantage in the long run**, especially during the Big ESG Transformation.

Connected Tools: Value Chain Ecosystem

The connected tools are:

- The **3D Business Model** where key partners (S6), customer segments (S1) and key stakeholders (C6) are aligned with the Value Chain Tools, key processes (S7) support value chain optimisation and key values (R1) and the motivation (R1) define the value chain vision (visible in S9.2 vision) and its level of ESG-alignment and transformation impact.
- The **Circular Economy Tool** shedding light on the environmental and circularity aspect of the value chain to avoid waste and pollution and to reduce extraction of virgin materials.
- The **Extended Value Chain** which, as indicated above, complements the Value Chain Ecosystem with a deep dive into upstream and downstream value chain opportunities, stakeholders and additional details about the intra-organisational value chain.
- **Porter's value chain tool**, with its focus on business activities and supporting functions, can complement the ESG Business Model Innovation process. When integrated with the ESG-aligned Value Chain Tool, it illustrates the role of **auxiliary functions** in ESG-aligned value chain management and in achieving ESG leadership across the value chain.

5.6 ESG Customer Portfolio

The Tool

There are different ways of **aggregating current and prospective customers**. A commonly used **customer segmentation** approach is to group customers into consumers (B2C), businesses (B2B) and public or government entities (B2P). The Illustration below shows that **B2C segmentation** often uses **personal criteria** to group customers such as age, location or lifestyle. This helps organisations to **differentiate** products, marketing, distribution, and customer relationship management. **B2B segments are** defined according to channel, company size, industry or geographic criteria.

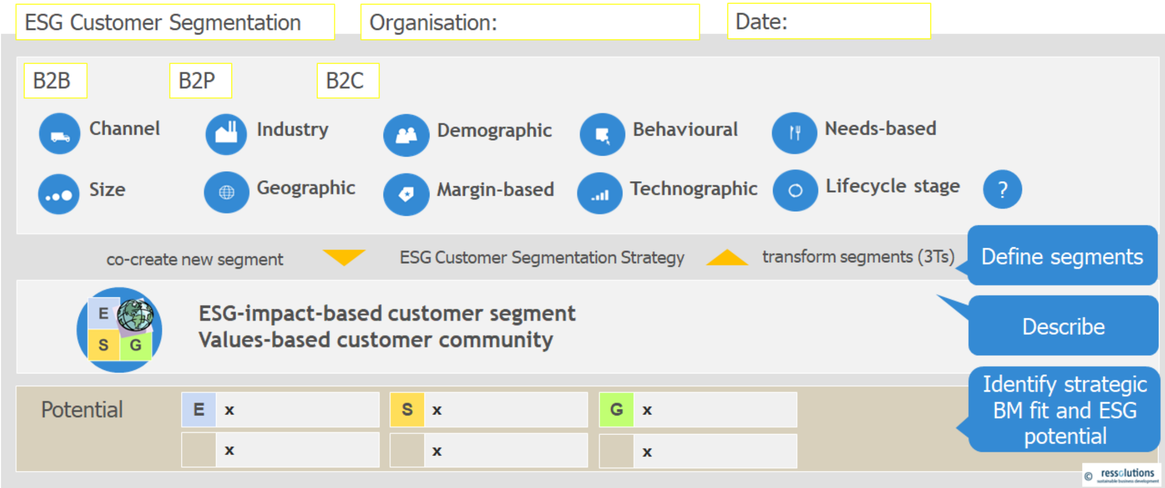

Illustration 43 – ESG Customer Segmentation Strategy Template[170]

Customer segments should be **measurable, accessible, substantial** and **actionable**. Below you find an **example** of ESG-aligned customer segmentation.

ESG Application

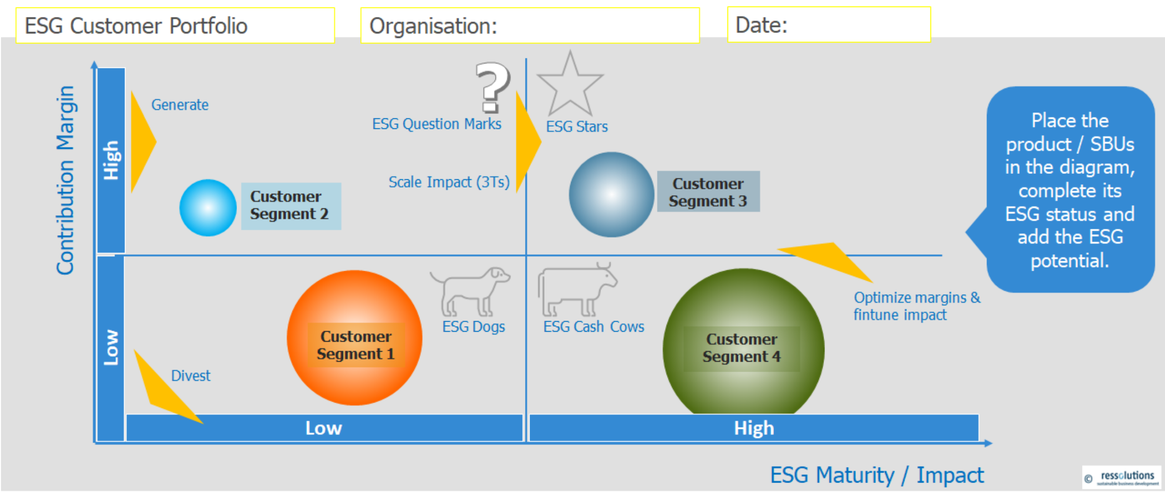

Illustration 44 – ESG Customer Portfolio Matrix Consulting Template[171]

[170] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions; ESG Graphic by Ressolutions.
[171] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

An ESG-aligned business strategy can be developed with the **ESG Customer Portfolio Matrix**. It is a useful **tool** of **strategic management** that aims to increase ESG maturity of an organisation and turn **customers into strategic partners** in the ESG transformation of value chains and ecosystems. The ESG Customer Portfolio Matrix follows the basic logic of the BCG Matrix. It identifies **profitability** of the segments on the y-axis and **ESG maturity and impact** on the x-axis (see the chart above). The sizing of segment circles represents turnover or volume of purchasing, depending on the situation of the business. The result is a **scatter diagram** that ranks and visualizes ESG performance on one hand, and contribution margin on the other hand, which is required for the organisation's financial sustainability and its ability to continue generating ESG impact.

Objective

The identification of **relevant customer segments** is a first objective and milestone in preparing an ESG Business Innovation process. Customer segments represent a dynamic reality that should be managed to create **ESG value** and **generate revenue streams** for the organisation.

An **ESG-aligned growth strategy** in view of customer segments has three options for managing the customer relationship. According to the **3T approach**, these are "Train, Transform, and Transfer". This means **developing customers' ESG potential** through **training**, supporting their ESG **transformation** including related cultures, lifestyles and associated organisations, and **transferring non-ESG-aligned** customers to other players in the market. The ESG Customer Portfolio Matrix provides a framework for this process. It can be used to support ESG Business Model Innovation processes including both the sustainability and the profit dimensions.

How-To Notes

Customer segmentation criteria are best placed in the customer master data of the organisation's **ERP system** to allow easy reporting and monitoring. One customer can belong to **different segmentation criteria**. Based on these criteria **different visions** of the Customer Portfolio Matrix can be presented before an ideation process for ESG Business Model Innovation begins and a **To-Be version draft** of the portfolio is created. A **detailed description** of **key customer segments**, including **personas**, represents a quality criterion.

A **more detailed version** of the **Customer Matrix** can visualize, for instance, the top 10 individual customers or groups according to their profitability and ESG maturity, based on predefined criteria. This brings the tool to the operational level of **customer portfolio management**. It helps prioritize certain customers and phase out others, for example those falling into the ESG-poor "dog" quadrant and showing limited ESG potential. The illustration above indicates a possible strategic option for each quadrant. An organisation's journey towards **ESG excellence** goes hand in hand with an increasingly **ESG-aligned** and **values-based strategic fit** of its customer portfolio.

Connected Tools

- Customer segments appear in element S1 in the **3D Business Model** Canvas
- Other related tools are the **CSF** or Customer Value Diagram, assigning customer value to customer segments, and the **Product Portfolio** assigning the value proposition to them.
- **Market research** instruments and competitor analysis.

5.7 ESG Value Pricing

The Tool

The traditional concept of **value-based pricing** is a market driven pricing strategy set according to its **perceived or estimated value** by the customers. The value a consumer assigns to a good or service is called "**the willingness to pay**". It depends on the perceived benefits. This is in contrast with the **cost-based pricing method**, where companies set the price based on their production cost and a targeted margin. According to a study by KPMG, ESG criteria are increasingly shaping corporate strategies and are influencing the public perception of large enterprises.[172]

ESG Application

In most cases, an **ESG-aligned service** or product is **more expensive**, because, in addition to satisfying customer needs, it creates **value by avoiding harm** and generating **positive impact** on people, the environment and communities. Inclusive value chains, fair wages, good working conditions, community building, traineeship programs, circular material flows and longer product lifetimes often **increase the cost** for an organisation. However, ESG investments can also lead to lower operational cost, for example, solar panels reduce energy expenses while delivering environmental benefits.

When **cheaper**, **non-ESG-aligned** alternatives are available on the market, the challenge is to ensure that the financial model allows **customers** to **recognise** and **pay for the additional value** of an **ESG-aligned value proposition**. This challenge can be managed as an opportunity.

A significant part of this challenge depends on **integrating ESG values into mindsets, culture** and, ultimately, **consumer preferences**. A **cultural shift** is necessary to close the **ESG Value Gap between the market price** of non-ESG-aligned **services** and **the cost** of providing **ESG-aligned alternatives**, taking the **extended value chain** into account. To **identify and manage** a potential **value gap**, we introduce the **ESG Value Gap Analysis** tool, presented in the illustration below.

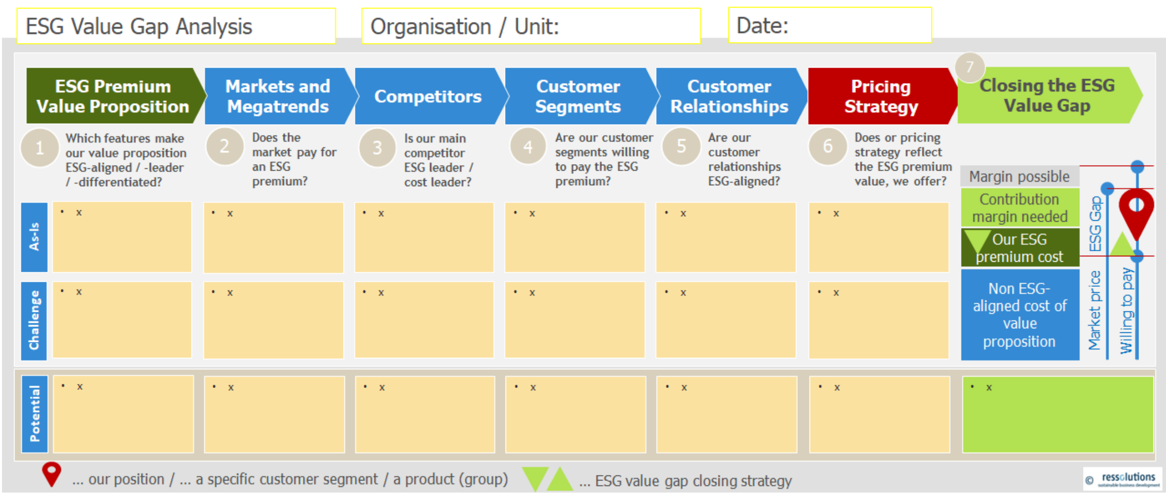

Illustration 45 – ESG Value Gap Analysis – Template[173]

[172] KPMG (2025) online.
[173] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

The Tool plays a key role in ESG Business Model Innovation and in ESG-aligned business models, as the **cost structure must** at least **be balanced** with revenue streams predominantly coming from served customers to stay in the market. ESG Value Pricing supports managing this challenge.

The first step in applying the **Tool** is to analyse the **As-Is Situation**, including business model elements, relevant to pricing as well as current pricing, costs and contribution margins.

These financial parameters are part of the **Revenue Stream** (F2) element of the 3D Business Model. They need to be analysed on the level of SBUs, product groups and customer segments. The key determining factor is the **value proposition** and its degree of ESG alignment.

Identifying both the general and ESG-related **differentiating factors of the value proposition** provides a starting point for the analysis. The As-Is Critical Success Factor Tool can support this step by indicating the **value customers currently associate with the organisation** or a specific product group. The analysis then proceeds in the areas indicated in the illustration above, guided by the indicated adequate **key questions**. Finally, the potential for innovation to close a possible ESG Value Pricing Gap is assessed. This prepares the ideation process in Room 8 of the ESG Business Model Innovation process.

Objective

The objective of the Tool is to identify an **ESG Value Pricing Gap** related to a highly ESG-aligned value proposition and to prepare the basis for ideation generating ideas for closing it. The Tool helps organisations to adjust financial returns to the ESG-aligned value offered and to **overcome revenue stream barriers** to ESG Business Model Innovation. It also supports the brainstorming phase to achieve a **strategic fit** between the market and the customer segments, on the one hand, and the organisation's **pricing and revenue stream strategy** for the ESG-aligned service mission it (wants) to offer on the other, including all key business model elements relevant for pricing.

On their way to keep or **establish financial sustainability** companies that integrate sustainable practices into their business models need to turn this ESG asset into differentiation and a **competitive advantage**. They need to position themselves in markets where **customers** and other **stakeholders increasingly** include **the value of sustainability** and a positive future for the planet into their preferences. In addition to that, they can help pool and grow sustainability preferences through their operations.

Integrating the value of **sustainability into the pricing** model is therefore essential for leveraging the positive impact of organisations seeking ESG excellence. The PWC study "Voice of the Customer"[174] found that 80% of **consumers are willing to pay more** for sustainable products or services. The **willingness to pay** was reported at an average of 9.7% above the average price for sustainably produced or procured goods. These figures confirm the importance of integrating customer value management and an **adequate pricing strategy** in ESG Business Model Innovation processes with the aim of overcoming a possible ESG Value Pricing Gap and contribute to managing consumer preferences and turning customers into ESG co-creators.

[174] PwC (2025) online.

How-To Notes

Structured Approach: We recommend following a **structured** procedure for **preparing for ESG-based Value Pricing**, including the steps indicated in the illustration below. At the same time, this procedure prepares the **ideation process** based on the **ESG Value Gap Analysis,** as presented in the illustration above. If the As-Is Analysis of the pricing situation includes already a Value Pricing **implementation** and **monitoring scenario**, indicated in the Illustration below, the subsequent steps of the ESG Champion Funnel Method are well prepared.

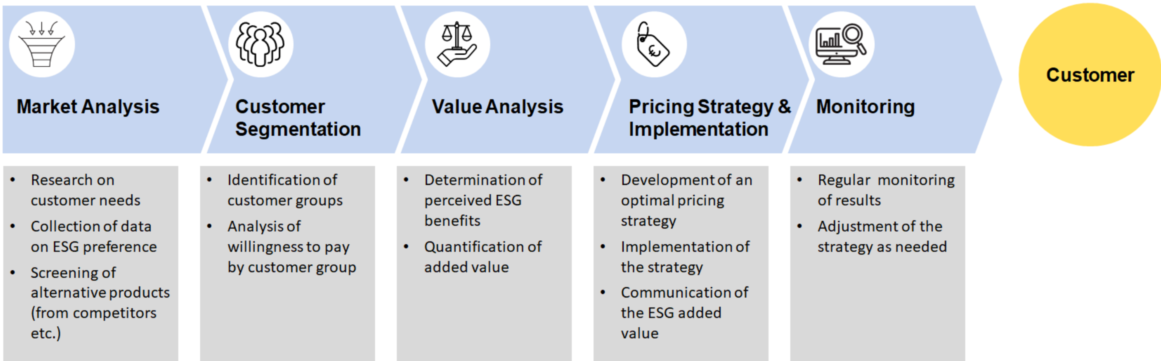

Illustration 46 – Preparing the ESG Value Pricing Analysis[175]

Tangible Attributes: Value-Based Pricing in the context of ESG focuses on the **perceived benefits of environmental and social innovation**. While studies show an increasing willingness to pay for sustainable products, the practical challenge remains in **capturing this 'green premium' in a competitive market**. When evaluating products and services, consumers pay attention to tangible attributes. These include, for example, **recyclability**, environmentally friendly **packaging**, **positive effects** on nature and water conservation, and social commitments, such as **fair working conditions**, support for **local communities** and **educational projects**.

Customers' ESG Benefits: In ESG Business Model Innovation processes, it is important to include the downstream value chain and to identify how it supports consumers in **ESG-aligned lifestyles.** For instance, an electric car produced with lightweight materials provides users with savings in both emissions and costs over its lifetime. This is part of the value received by customers in this case.

ESG-positive Segments: Customers' willingness to pay varies across industries, regions, age groups, and other demographic factors. Younger generations generally show a greater inclination to pay a premium for sustainable offerings.[176] Value-Based Pricing strengthens brand differentiation when combined with targeted customer segmentation.

Transparency is Key: Transparency and the **avoidance of greenwashing** strengthen companies' credibility and support a Values-Based Pricing Model. This can be achieved through authentic ESG-aligned value propositions, **credible certifications**, **transparent communication**, **open dialogue**

[175] Source: Own illustration by the Authors.
[176] PwC (2025) online., Simon-Kucher & Partners (2021) online.

with stakeholders, ESG policies, **employee training**, responsible **supply chain management**, measurable **targets**, and independent **audits** and ratings.

Connected Tools

CSF, 3D Business Model, PESTEL(C), ESG Customer Segments, and ESG BCG Matrix are the most important related Strategy Tools explained in the Handbook **for preparing a value pricing strategy**.

Stuck in the Middle is a strategic management concept that is not explained in detail in the Handbook. It helps organisations understand and **design differentiation strategies** when they are not cost leaders because of limited scale, the absence of economies of scale effects or because of a values-based **ESG-aligned business strategy**, where quality, trust and good interpersonal relationships are part of the mission.

5.8 ESG Champion Matrix

The Tool

Most of the ideas which make organisations, people and businesses **successful in terms of sustainability** and **positive impact** already exist somewhere in the world, perhaps in a different industry or context. The Big Transformation is a "collective journey"[177] in which organisations can learn from each other and support each other to **accelerate** the pace of **transformation**. In this sense, looking at the most innovative solutions and outstanding business models can provide **inspiration** for an ESG Business Model Innovation process.

For this purpose, we present the **ESG Champion Matrix**. It is a **Strategy Tool** that summarizes the **most relevant ESG features** of a business model or industry and compares the **organisation's performance** on these topics with other organisations that have achieved the **highest level of ESG excellence** in a particular area, either in the same market or even in other markets which can lead to cross industry fertilization.

ESG Application

The ESG Champion Matrix is an ESG analysis of competitors, referring to the original meaning of the verb "competere": **to strive together** or agree. The prefix "com" means "together" while "petere" means "to seek" or "to aim at". This is the **underlying ESG-based** concept of competition needed to succeed within the Big Transformation and to explore this instrument of strategic management.

Excellence in a business model is achieved when its **individual elements reach** a **high level** of ESG performance. The cumulative of all **small changes** can create significant overall progress. The journey towards ESG alignment and impact therefore consists of **many small steps** which, when supported by an innovation-friendly culture, can lead at the right time and with the right opportunities also to **disruptive changes** on the ESG BMI transformation journey.

ESG Champion Matrix | Travel agency

	ESG Championship Topic	Industry Champion and Our Position	Potential	Our Priority	Business Model Innovation Element
E	Trip carbon footprint	x	High	1	Key Partners, Processes
E	Low-impact & slow travel	x	High	1	Key Partners, Value Proposition, Customer Relationships
E	Eco-standards for suppliers	x	Medium	2	Key Partners, Governance
S	Inclusion of (indigenous) communities	x	High	1	Value Proposition, Key Activities, Culture
S	Traveller lifestyle training	x	Medium	2	Customer Relationships, Processes, Culture
G	Sustainability & impact roadmap	x	High	1	Governance, Key Activities
G	Anti-corruption & ethical sourcing policy	x	Medium	2	Governance, Key Partners
G	ESG culture & community building	x	High	1	Culture, Governance

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Illustration 47 – ESG Champion Matrix Template with Travel Agency Case Example[178]

[177] United Nations (2015)
[178] Source: M. Ressl based on 3D BMI Consulting Workbook Template by Ressolutions.

When applying the ESG Champion Matrix, the first step is to select **relevant ESG topics** for the industry and the organisation (see 2nd column in the Illustration above using a travel agency as an example). Based on sound **market research**, the ESG industry standard and possible ESG champions are identified for each specific topic. The organisation's position is then assessed relative to the ESG leader and presented on a scale from 0 to 10. Finally, the potential for improvement and priorities for the organisation are defined.

Objective

The objective is to **enrich the ESG Business Model Innovation** process with examples of already implemented outstanding ESG innovation ideas and excellent ESG performance from other organisations, providing an inspiration of what is possible and what will be required for operation in ESG-aligned markets. The Tool is designed to reveal **possible backlogs** of ESG transformation and to help organisations catch up and gradually become ESG leaders themselves in one of the ESG topics.

How-To Notes

The ESG Champion Matrix generally represents the **final step** in an ideation process. To avoid narrowing the creativity process, we recommend having the look into ESG topic champions only at the end of a creativity session or innovation ideation process. This is why, in our standard ideation architecture, the ESG Champion Matrix is positioned just before the closing step as Room 9.

Connected Tools

The following tools are connected to the ESG Champion Matrix:

- Based on a **competitor analysis** (not presented in this handbook) visualised as a scatter chart with the E-performance on the X-axis, the S-performance on the Y-axis and the G-performance being the size of the circle, the organisation's business model can be presented in view of its ESG performance compared to most important competitors.
- The **PESTEL(C)** and **Megatrend Analysis** provides a framework for the ESG competitor analysis.
- The **3D Business Model** represents the framework for the ESG Champion Matrix and the ESG business **potential** it might reveal.

6 Conclusion

The question of how to manage **global and organisational ESG transitions** has become a focus of management concern, policy attention and enforcement action in many countries and businesses. While in Europe and many other regions of the world, **legal frameworks** support the organisational transition and the Agenda 2030 represents a **strong political alliance** for what the objectives need to be, **business leaders and organisations** often see ESG as mere reporting burden rather than an opportunity. They lack concepts for building an ESG-aligned vision and strategy. Tools and guidance to manage the **ESG innovation of business models**, processes and daily operations are rare.

In response, we created this Handbook, which equips managers, entrepreneurs and consultants with a **structured approach**, **methods** and a **portfolio** of well-established as well as novel tools for integrating ESG into business strategy. It closes the **gap between ESG potential** and **implementation**. By connecting **research**, good **practices** and innovation **examples** of how ESG can become a differentiation factor, a competitive advantage and a foundation for new growth, the Handbook facilitates business model transformation for all types of organisations.

Innovation, **creativity and co-creation** are key to succeeding the Big ESG Transformation at both the organisational and macro levels. This is why, in this Handbook, we introduce the "**Mariënkroon Method of Ideation**", which refers to the **core** or **microchip of innovation**: broad participation, cultural alignment and creativity for ESG impact and transformation. The option of **student's** and **external stakeholders' participation** in the innovation process connects organisational ESG transformation to **management training** and university **education**.

The presentation of the innovation method is **framed** by the **ESG Champion Funnel Method**, embedding the ideation sequence into a **seven-step process** of building and implementing ESG business strategies. The **foundation** of the presented ideation method is the **3D Business Model approach**, allowing for innovation and management of the **context** and **interpersonal relationship dimensions** of business, which is crucial for successful ESG business model transformation. Last but not least, we share our **expertise as strategy consultants** and offer Handbook users a variety of relevant strategy tools for the ESG innovation and transformation. The Handbook is a recipe for "cooking a tasty **ESG innovation meal**" and at the same time it offers selected ingredients.

We trust that those organisations that plan to **integrate ESG** into their business models and strategies will find the Handbook helpful in taking their first steps. Those who are already **advanced in ESG transformation** will update their knowledge, learn from innovative, impact-driven business networks such as the Economy of Communion, discover new methods, and move a step further in business model innovation, growth, creativity, stakeholder participation and, last but not least, in **strategy-aligned ESG reporting**.

With a **values-based approach to ESG**, where interpersonal relationships, motivation, values and culture are key for success, business and economics enter a **new area**, where **organisational growth** means at the same time **social prosperity** in line with the **planetary systems**.

Be a **first mover**, a **pioneer** or an **ESG champion** and **have joy**!

The Authors

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8 Annex

8.1 ESG BMI Case Presentation Example

ESG BMI Pre-Read – Case Presentation Format

The Focolare Carpentry[179] is a social enterprise of the EoC network in the Philippines with a social and **community building mission**. The **carpentry service** for B2C clients and organisations is combined with training **out-of-school youth**, preventing them from ending up on the streets. High quality of **service** to the **carpentry clients** and **trainees** is a leading value. Due to changing market conditions and macro-economic challenges, the organisation is currently in search of **new financial sustainability** and **growth** in line with its social mission.

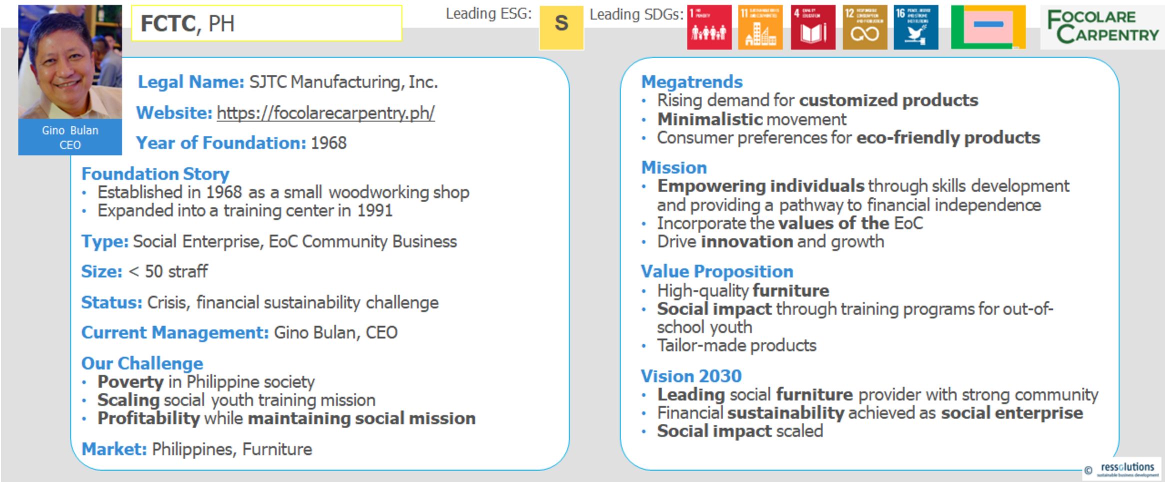


Illustration 48 – FCTC Case Presentation Example – Pre-Read As-Is Basics

The Illustration above presents some basic information on the business model. Its leading ESG aspect is **Social** with several guiding SDGs, whereas "**zero poverty**" is the overall guiding objective.

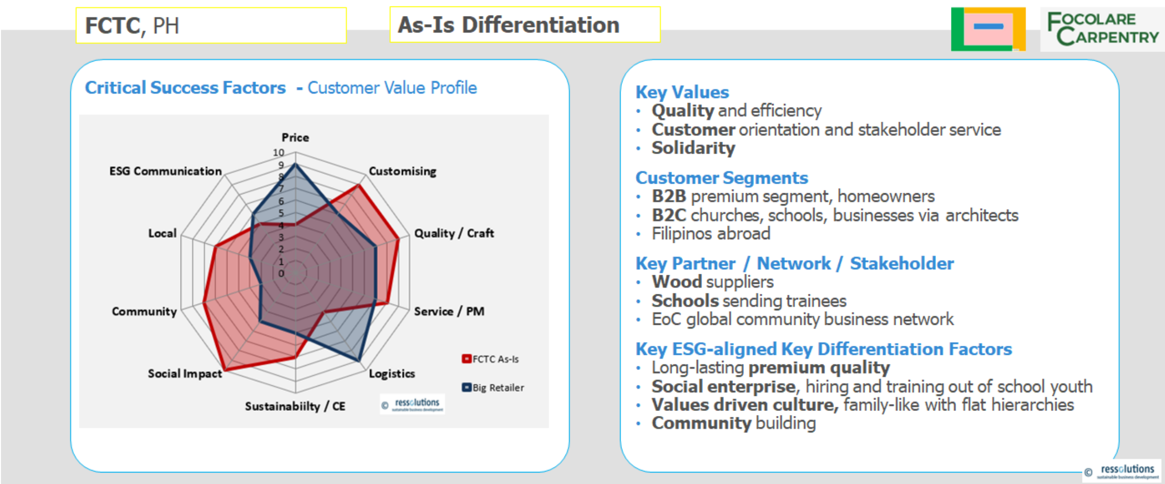


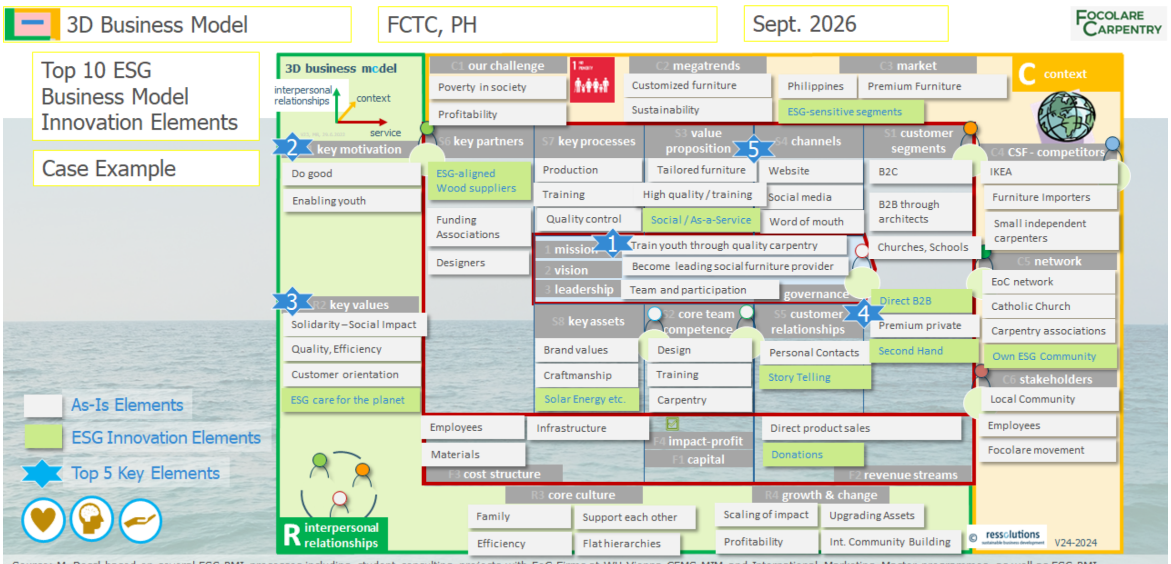
Illustration 49 – FCTC Case Presentation Example – Pre-Read As-Is Differentiation

179 Source: M. Ressl based on several ESG BMI processes and the 3D BMI Consulting Workbook Template by Ressolutions.

Regarding the **differentiation** of the business model, as presented in the Illustration above, the **key values** of solidarity, sustainability and quality play an important role. In view of the Critical Success Factors, which indicate why customers select this business, the driving features are currently the **premium quality** together with **the social orientation.** This allows customers to participate in co-creation for social inclusion, a values-driven culture and community building.

ESG BMI Workshop Result Presentation Example

The 3D Business Model Canvas below shows the result of an ESG BMI Ideation process. The **top 10 business model innovation** elements (green tags) are presented together with the As-Is picture of the organisation's business model (grey tags).



Source: M. Ressl based on several ESG BMI processes including student consulting projects with EoC Firms at WU Vienna CEMS-MIM and International Marketing Master programmes, as well as ESG BMI management training sessions at the 2024 Mariënkroon BMI Conference and based on PhD Ressl (1999) research.

Illustration 50 – FCTC ESG BMI Result Presentation Example

This elaborated **ESG Business Model Innovation Scenario**, co-created during the innovation process, is ready for further evaluation and for **implementation**:

- Review and optimize the current customer and **market segments** and explore new opportunities in ESG-aligned **new markets** (compare ANSOFF in Chapter 4.5.3). Based on the social mission, establish a **community of socially and environmentally aware customers**, who are ready to pay the ESG premium based on the To-Be CSF profile (compare Chapter 4.5.3). Enhance **storytelling**, **community building** and the own **ESG supporting network**.

- As social enterprise, **define social KPIs** and add an innovative "donation service" based on enhanced social impact communication, which subsidises the training program connected to social achievements. In this respect, leverage the **EoC network's** social investors' potential.

- Whilst keeping the priority on the social mission, enhance the E-aspect, introduce the **"care for the planet value"** and start a Circularity transformation programme including, for instance, solar energy as a quick win (compare Chapter 4.5.3).

8.2 Management Training Curriculum

Standard curriculum for the ESG BMI day-workshop agenda according to the Mariënkroon Method

Session Name	Duration	Content / Actions	Learning Goals	Method & Materials
ESG Innovation Kick-Off				
Introduction	10 Min.	Welcome, workshop objectives, overview of agenda. Moderator Tip: Start with a quick "one-word expectation" round from each participant.	Develop an understanding of the day's schedule and workshop goals.	Presentation (PC), Interactive Warm-up, Plenum.
		Interactive warm-up: Expectations, introductions.	Establish initial connections between participants and the topic.	Flipchart / Whiteboard.
Keynote Speeches	75 Min.	Presentations on core aspects of ESG, business environment, and innovation. Example themes: Values-based leadership, global responsible business, transformative business models (can be delivered online), circular economy principles, and strategic approaches to business model innovation.	Gain diverse perspectives on the workshop's core objective and its relevance within the current business landscape.	Presentation (PC), Q&A.
Break	30 Min.	Moderator Tip: Encourage participants to stretch or take a short walk to re-energize.		
Presentation of Cases "As-Is" - Business Model and ESG Features	60 Min.	Presentation of the cases to be developed with an ESG business model innovation proposal during the workshop	Gain insights into concrete "As-Is" business models and their ESG features.	Presentation (PC), Case Study Presentation.
		Discussion and questions regarding case examples. Expected Output: Initial understanding of challenges and opportunities within the presented cases.	Develop an understanding of the starting situations for the innovation projects.	Plenum, Q&A.
Lunch Break	60 Min.			
ESG Business Model Innovation Process				
Introduction: "To-Be" Innovation Process, Toolbox, Roles	50 Min.	Introduction to the "To-Be" innovation process and workshop methodology.	Get to know the innovation process and available tools.	Presentation (PC[2]), Facilitation (Coaches).
		Presentation of toolbox tools (see Appendix A). Moderator Tip: Briefly explain the "why" behind each tool and its relevance to ESG.	Develop an understanding of the structure and benefits of the workshop methodology.	Discussion, Q&A.
		Clarification of roles and tasks in the breakout sessions (see Appendix D).	Set clear expectations for group work.	
Break	10 Min.	Move to "Innovation Rooms" (Breakout Sessions).		
ESG Business Model Speed Innovation in Breakout Sessions and "Innovation	90 Min.	Speed Innovation in Group Work: Application of pre-selected tools for idea generation for the "To-Be" business model (see Appendix A). Moderator Tip: Use an audible timer for each tool. If a group gets stuck, suggest a "worst possible idea" brainstorming to break the ice.	Develop the ability for rapid idea generation under time pressure.	Printed 3D Business Model © [3](A0), IB1, IB2, Moderation Cards, Sticky Notes, Timer.

[2] Personal Computer
[3] 3D Business Model © Approach was developed by Dr. Markus Ressl, based on his Dissertation on Economy of Communion at the University of Economics and Business Vienna filed in 1999. He is sharing the tool, method and approach freely for the objective of this Erasmus+ project. The approach sees impact as well as interpersonal relationship elements like motivation, values, culture and growth as integral part of business models, crucial to manage the global sustainability challenge and at the same time add value to thriving businesses, people and our planet.

Session Name	Duration	Content / Actions	Learning Goals	Method & Materials
Rooms"				
Break	10 Min.			
Elaborate ESG Innovation Presentation (Breakout Session)	35 Min.	Prioritize ideas: Reduce the longlist to Top 10 ideas (colored dots). Moderator Tip: Guide groups to discuss "Who benefits? How to validate? What are the costs? How to quantify value?" during prioritization.	Identify and evaluate the most promising ideas.	IB3, Moderation Cards (colored dots).
		Transfer the Top 10 ideas to the "To-Be" area of the 3D Business Model ©. Expected Output: A visualized "To-Be" business model incorporating the top ideas.	Visualize a future, ESG-integrated business model.	Printed 3D Business Model © (A0).
		Define a brief Vision and Mission for 2030 (or beyond…). Expected Output: A concise vision and mission statement.	Define a clear vision and mission for the company in the context of ESG.	PC (for presentation).
		Create an initial action plan/Transformation Roadmap. Expected Output: A draft roadmap with key steps, responsibilities, and timelines.	Create an initial roll-out plan for implementation.	PC (for presentation).
		Prepare the final presentation of the group results.	Clearly and concisely communicate the developed concepts.	Presentation slides.
Break	15 Min.	Moderator Tip: Encourage a final check of presentation materials and a quick team huddle.		
Presentation of ESG Innovation Results & Conclusion				
Present of ESG Innovation Results (Plenum)	60 Min.	Each group presents their top results and action plan (approx. 15 min per group, incl. Q&A).	Clearly and concisely communicate the developed concepts.	Presentation (PC), Group Presentations.
		Comments and discussion in the plenum.	Give and receive constructive feedback.	Plenum, Q&A.
Next Step Sustainable Business Model Transformation & Lessons Learned, Conclusions	15 Min.	Summary of key insights from the workshop.	Consolidate the core messages of the workshop.	Moderated discussion.
		Outlook on the next steps of sustainable business model transformation.	Create motivation for further implementation.	Feedback form (digital).
		Lessons Learned and feedback round for the workshop.		
End of ESG Business Model Innovation Training				
Dinner & Socializing				

8.3 Glossary

Term	Definition / Explanation
3D Business Model Approach	A conceptual framework of strategic management explaining how an organisation co-creates value, integrating the three dimensions of business including in addition to the operational-financial dimension of business, the context and the interpersonal relationships dimensions, useful, for instance, for successfully managing Business Model Innovation processes with the objective of sustainability, ESG impact and values-based organisational growth. Also: 3D Business Model.
3D Business Model Canvas	A one-page presentation of an organisation's business model according to the 3D Business Model Approach that comprises 25 building blocks, which adds a unique identity to organisations, and which supports organisational change, communication and innovation processes. Also briefly: 3D Business Model, Canvas, Business Model.
Agenda 2030	A global action plan structured around 17 Sustainable Development Goals (SDGs) and adopted by all United Nations member states in 2015 to promote peace, eradicate poverty, and protect the planet.
As-Is Analysis	An analysis to define the current situation of the organisation or the organisational unit which is subject to the Business Model Innovation process.
As-Is Business Model	A picture of the current state of a business model of an organisation, representing the basis for Business Model Innovation. Also: As-Is 3D Business Model, As-Is 3D Business Model Canvas.
As-Is Situation	A picture of the current situation of an organisation including among others its business model, its values, its stage of development and its financial and ESG performance. Also: Current Situation.
Business Model	A conceptual framework explaining how an organisation co-creates value in line with its specific mission contributing to the well-being of people, families, communities and the planet as a good place to live for current and future generations. Also: Service Model, Impact Model, Value Creation Model.
Business Model Innovation	A process of fundamentally rethinking or redesigning an organisation's way of co-creating value. See also: Business Model, ESG Business Model Innovation. Also: Business Model Innovation Process.
Business Model Element	One of the 25 parameters defining the Business Model of any organisation according to the 3D Business Model Approach,

	giving it a unique identity. Also: Business Model Building Block, 3D Business Model Element.
Business Model Innovation Project	The organisation of a Business Model Innovation process according to the ESG Champion Funnel Method or part of it (e.g. the ideation step) according to modern project management standards. Also: ESG Business Model Innovation Project, ESG BMI Project, ESG BMI Programme,
Circular Economy	An economic system and model transformation, targeting zero waste and zero pollution through maximizing resource effectiveness by keeping products, materials, and resources in continuous and preferably regional loops of usage and transformation for as long as possible through, for instance, sharing, repairing, reusing, recycling and upcycling. Also: Circularity.
Co-Creation Team	A group of people undergoing an ideation process in an atmosphere of creativity according to the Mariënkroon Method of Ideation. Also: Innovation Team, Ideation Team, Team of Explorers, Creativity Team, Team.
Community Business	A business or an organisation that serves customers, contributes to solving a specific ESG challenge in its context while building and supporting the growth of communities through its business activity.
Corporate Social Responsibility	A voluntary program based on which companies integrate social and environmental aspects into their operations and stakeholder interactions beyond legal requirements. Also: CSR.
Creative Organisation	A learning organisation with the mission and capacity of co-creating an ESG-aligned future and managing successfully its journey towards ESG excellence.
Critical Success Factor	A Strategy Tool that explains why customers choose the value proposition of an organisation compared to one of competitor, highlighting the reason, profile and level of differentiation in the market. The Tool can be applied to define the As-Is and To-Be Situations or a future Business Model Innovation Scenario. Also: CSF, Critical Success Factor Analysis, Critical Success Factor Profile, Customer Value Profile, Differentiation Profile, Critical Success Factor Diagram, Critical Success Factor Tool, Critical Success Factor Strategy Tool.
Double Materiality	A concept that identifies the most relevant ESG topics which influence the organisation, its business model and its financial performance and which the organisation influences through its activities, including the identification of opportunities for ESG alignment and positive impact.

Doughnut Economy	A sustainable economic framework that replaces the goal of endless GDP growth with a balance between meeting humanity's basic social needs and respecting the Earth's ecological limits.
Economy for the Common Good	An initiative of civil society that puts common good in the centre of attention of organisations. Also: ECG.
Economy of Communion	A values-based network of businesses, social projects, community businesses, social entrepreneurs, academics, and other economic players, who share the vision of solving the global ESG challenge based on entrepreneurship, human development and community building and based on this approach, making the planet a better place for current and all future generations of families and communities. Also: EoC.
ERASMUS+	The European Union's flagship funding program for education, training, youth, and sport.
ESG	Stands for Environmental, Social, and Governance and is a framework of relevant topics that support organisations for sustainability reporting, reducing harm and co-creating a positive, regenerative impact on natural ecosystems, people and communities
ESG BCG Matrix	The ESG BCG Matrix adds to the BCS Matrix (placing products in a diagram defined by market growth and market share) the ESG growth potential on the y-axis and on the current level of ESG impact the x-axis delivering in addition to the cash generating view of products, SBUs or value propositions also an ESG impact view, necessary for ESG BMI processes and for ESG-aligned strategic management. Also: ESG Product Matrix, ESG Value Proposition Matrix, ESG Matrix
ESG Business Model Ideation	The second phase in the ESG Business Model Innovation process according to the ESG Champion Funnel Method where ideas, a scenario and vision for the ESG Business Model Innovation process are co-created according to the Mariënkroon Method of Ideation. Also: Ideation, ESG Ideation, ESG Business Model Innovation Ideation, BMI Ideation, ESG BMI Ideation, ESG Business Model Innovation Ideation Process, Ideation Process
ESG Business Model Innovation	A process of Business Model Innovation with the aim of avoiding harm and creating positive impact in all relevant ESG topics. Also: ESG Innovation, ESG BMI.
ESG Business Model Innovation Architect & Project Manager	A role in ESG BMI, requiring excellent ESG, business strategy and project management expertise, including designing, monitoring and managing an entire multidimensional ESG Business Model Innovation and transformation process of the ESG Champion Funnel Method with its seven steps, including the ideation phase, and updating the organisations

	ESG-aligned vision – all organised according to modern project management standards.
ESG Business Model Innovation Coach	A role in ESG BMI and especially in its ideation phase combining the role of the Innovation Workshop Moderator with basic business strategy and ESG knowledge, as well as basic business consulting expertise, allowing a person owning these competences to guide not only an ESG BMI workshop session but also prepare content and implement the results. Also: ESG Innovation Coach.
ESG Business Model Innovation Facilitator	A role in ESG BMI and especially in its ideation phase that combines group dynamics (moderator role) and advanced business and ESG knowledge, allowing it to guide the whole ideation process including post-ideation support, coaching and consulting during the implementation phase of the Business Model Innovation process. Also: ESG Innovation Facilitator.
ESG Business Model Innovation Iteration	An organisation's (annual) performance of the seven-step ESG Champion Funnel Method, moving it closer to its vision of ESG excellence. Further specified: Small Scope Iteration, Medium Scope Iteration, Large Scope Iteration. Also: Small Scope, Medium Scope, Large Scope.
ESG Business Model Innovation Journey	An organisation's transformation process over many years, including frequent ESG Business Model Innovation Iterations, with the vision of achieving ESG excellence in the context of the Big ESG Transformation. Also: ESG Business Model Transformation.
ESG Business Model Innovation Loop	An ideation process applied in a specific workshop or over a certain period of time with the objective of co-creating an ESG Business Model Innovation Scenario of an organisation. Also: Ideation Loop.
ESG Business Model Innovation Session	A well-defined creativity time of some hours, a day or several days in a row or with breaks in between, in which a Co-Creation Team is generating ESG BMI Ideas and builds a To-Be Scenario. Also / similar: Innovation Workshop, Innovation Sequence, Innovation Hackathon.
ESG Business Model Innovation Workshop Moderator	A role in ESG BMI and especially in its ideation phase that focuses on group dynamics, managing the flow, time, rules, and co-creation atmosphere of a specific Business Model Innovation workshop session, breakout session, management training, or innovation hackathon. Also: ESG Innovation Moderator.
ESG Business Model Maturity	The level an organisation achieves in ESG Business Model Impact and ESG strategy alignment as well as in perceived ESG differentiation and ESG-based value creation in the market. Basic, Advanced and Fully Integrated (ESG Champions) are the

	three levels of maturity, an organisation can achieve on its journey of ESG Business Model Innovation and transformation.
ESG Business Model Scenario Report	A document describing the ESG BMI Scenario for an organization to achieve ESG-excellence or as a proposal to reach the next step on an ESG transformation journey, built on the top 10 Business Model Innovation elements or a selection of them.
ESG Champion Funnel	A seven-step method of ESG Business Model Transformation performed in (annual) iterations with the objective to achieve excellence in sustainability and positive impact.
ESG Champion Matrix	A Strategy Tool that summarizes the most relevant ESG topics of an organization and compares them to ESG market leaders with the objective to inspire the ESG Business Model Innovation Process (cross industry fertilization).
ESG Consulting Workbook Template	A digital document template, including Tools of strategic management, tables and charts including some instructions with the objective of guiding and facilitating the analysis, co-creation and To-Be Scenario definition in an ESG Business Model Innovation project without focus on process utility and not presentation design. Also: Consulting Workbook, Workbook, ESG Template.
ESG Customer Portfolio Matrix	A Strategy Tool to support ESG-aligned Customer Portfolio Management in view of turning customers into co-creators for Sustainability and Impact and for preparing an ESG-aligned customer relationship management strategy including Train, Transform and Transfer (3Ts). Also: ESG Customer Portfolio, Customer Portfolio Matrix, Customer Matrix, ESG Customer Segmentation Matrix, Customer Segmentation Matrix.
ESG Empathy	The ability of an organisation and its stakeholders, anchored in its culture, values and processes, to empathise with people and the natural environment across all ESG topics, deeply integrated in organisational behaviour.
ESG Enhancing Networks	Networks of civil society which support organisations and people on their journey of transformation towards ESG excellence. Also: ESG Enhancing Business Networks.
ESG Golden Nuggets	The top 10 (or less) Business Model Innovation elements resulting from an ideation process and forming the To-Be BMI Scenario proposal for the organisation to become an ESG Champion in its market.
ESG Opportunity Landscape	The 7 most important topics in each ESG category, aligned with ESRS reporting topics and completed with SDG reference, serving as a landscape of opportunities that

	organisations can explore in their ESG Business Model Innovation processes.
ESG Value Gap	Is the difference of a customers' perception, responsibility and as a result willingness to pay of what would be the price for an ESG-aligned product, service or value proposition in order to avoid harm and miss ESG impact opportunities leading to the ESG Market Value Gap, with general market prices below the prices of ESG aligned solutions. Also: ESG Value Pricing Gap.
ESG Value Pricing	A Tool of strategic management to identify a possible ESG Value Gap, to search potential and ideas to overcome it and to develop a consistent Value Pricing strategy. Also: Value Pricing Strategy, Value Pricing, Value Pricing Tool, Value-Based Pricing, Values-Based Pricing Model.
Ideation Walk	The Innovation Teams exploring the different Innovation Rooms, i.e. the different perspectives on the ESG potential of the organization based on Strategy Tools, in an ESG BMI Ideation sequence such as a workshop or several ideation sessions over some days or weeks, to generate ideas and lay the groundwork for an ESG Business Model Innovation Scenario for the organization. Also: ESG BMI Ideation Walk, Exploration Walk, Co-Creation Walk.
Innovation Room	A brainstorming step in an ESG BMI Ideation Process, framed by a tool of strategic management, allowing a specific perspective on the ESG potential of a business model facilitating co-creation of an ESG-aligned To-Be BMI Scenario for an organization in line with the Mariënkroon Method. Specified for instance: Start-Up Room, Close-Down Room or Closing Room.
Innovation Rooms Architecture	The definition of the Strategy Tools and processes for framing and enabling brainstorming in an ESG BMI Ideation sequence and for elaborating a To-Be ESG-aligned organizational strategy scenario.
Innovation Space	A consciously organised (temporary) environment that fosters creativity, motivation, identification and preparation for implementation of the ESG Business Model Innovation vision of an organisation. Also: Innovation Spaces.
Innovation Workshop	A focused innovation session organised as a workshop, hackathon or similar co-creation format, including at least one Co-Creation Team, to generate an ESG Business Model Scenario for at least one organisation according to the Mariënkroon Method. Also: ESG Business Model Innovation Workshop, ESG Business Model Innovation Session.
Mariënkroon Method	A structured ideation process for ESG Business Model Innovation consisting of a sequence of collaborative

	brainstorming stages performed by small Co-Creation Teams in a positive atmosphere of innovation, framed by strategic management tools and driven by the motivation and vision to co-create a better future on planet Earth through Business Model Innovation of a particular organisation. Also: Ideation Method, Mariënkroon Method of Ideation, Mariënkroon Management Training Method.
Mission	The core identity of an organisation, including what it stands for, its driving motivation to solve a well-defined challenge in society and on a given state of the planet together with its stakeholders shaping the organisations business model over time. Also: Service Mission, Purpose.
Organisation	A living system of people who interact with one another and collaborate in line with a shared mission and vision with the aim of adding value to its stakeholders and the planet.
Responsibilisation	The global era following sedentism, industrialization, globalization and digitalization, during which the Big ESG Transformation takes place on Earth.
Social Enterprise	A business organisation that solves a social or environmental problem through entrepreneurship and based on a specific mission and generating predominantly market-based revenue streams to cover its cost and investment requirements.
Sustainable Development Goals	A set of 17 interconnected objectives with 169 subgoals adopted by the United Nations in 2015 within the framework of the Agenda 2030 to promote peace, eradicate poverty, and protect the planet. Also: SDGs.
Speed Innovation	A Business Model Innovation workshop setup where the ideation time per Innovation Room is less than 15 minutes. In an extreme Speed Innovation version with a well-prepared Innovation Team, it can even be less than 10 minutes.
Strategy Tool	A concept of strategic analysis, re-thinking, innovation or strategic change management in organisations that supports the ESG Business Model Ideation process and the elaboration of an ESG-aligned BMI Scenario, strategy and implementation. Also: Innovation Strategy Tool, Strategy Tools. Referring to a specific tool defined in the context or set of tools: Tool, The Tool. See also: Strategy Toolbox.
Strategy Toolbox	A comprehensive collection of marketing, strategic and other co-creation tools and methods used for brainstorming in ideation processes, scenario building and strategy definition of an organization with the aim of achieving ESG excellence. Also: Toolbox. See also: Strategy Tool.
The Big Transformation	A megatrend and global project adding sustainability and impact to the economic and social interaction of people on

	planet Earth, including the regeneration of already produced social and environmental harm and building of ESG-aligned communities, regions and societies. Also: The Big ESG Transformation. Similar: Twin Transition, Tripple Transition.
To-Be Business Model Innovation Elements	The result of an ESG Business Model Innovation Loop or a single ESG Business Model Innovation session, consisting of 5 to 10 key topics referred to one or more of the 25 Building Blocks of the 3D Business Model Canvas, based on which the To-Be Business Model Innovation Scenario is built. Also: Business Model Innovation Elements.
To-Be Business Model Innovation Scenario	A possible picture of an organisation's ESG-aligned To-Be Business Model, co-created through a structured ideation process and supporting the further process of an organisation's transformation according to the ESG Champion Funnel Method, in the context of the Big ESG Transformation or Twin Transition. Also: Innovation Scenario, ESG To-Be BMI Scenario, To-Be BMI Scenario, To-Be Scenario, ESG Transformation Scenario, Scenario. See also: ESG Business Model Scenario Report.
To-Be Business Model Innovation Proposal	The outcome of an ideation workshop or sequence in the framework of an ESG Business Model Innovation process, leading, after further evaluation, research and comprehensive presentation, to a possible To-Be Business Model Innovation Scenario.
To-Be Picture	A definition of an organisation's future state and its business model as a result of the ideation phase of an ESG Business Model Innovation process.
Value Chain	All the people and organisations involved in the entire flow of materials and the provision of services that an organisation integrates into its value proposition and processes, starting, in case of materials, from extraction or farming and extending through use by consumers, reuse, recycling, repair or disposal as waste, constituting the horizon of ESG Business Model Innovation. Differentiated Concepts: Extended Value Chain, Value Chain Map(ping), Value Chain Innovation Map, Value Chain Ecosystem.
Values	A set of behaviour guiding principles when universally applied leading to sustainability, ESG-aligned business models and flourishing people, families, communities and societies in harmony with the natural ecosystem.

Values-Based	A **decision, life style and governance design**, that treat people's positive intrinsic motivation, values, relationships and culture as strategic drivers of **ESG performance** in their own right, not just conditions for it, making it a **characteristics** of an approach to ESG Business Model Development, ESG Transformation, and **prosperity of society** in general, characterized by **economic growth** in line with **human growth** including relationships, motivation, values, knowledge, capabilities, resilience, skills and culture and in **harmony** with the **natural eco-system** so that the planet remains and becomes a **pleasant home** for current and future generations.
Vision	The big picture of the organisation in five, ten or more years from the moment of analysis and performing an ESG BMI process. It is summarized in a Vision Statement, representing a Strategy Anchor Tool preparing for the evaluation and implementation of an ESG Business Model Innovation Scenario. Also: To-Be Vision.

8.4 Further Resources

Resources created based on the content of the Handbook or complementing the Handbook content

ESG Business Model Innovation Webinar

Webinar 1: http://www.youtube.com/watch?v=xmCMhEusx1Q&t=300s

Webinar 2: https://www.youtube.com/watch?v=dETbvtZ80i4&t=1143s

Webinar 3:

ESG Business Model Innovation Podcast

https://open.spotify.com/show/0340PcvJvGdQqelcXfpnYG

Training Curriculum

ESG Business Model Innovation Management Training Curriculum "Mariënkroon Method"

- Curriculum full version

Last Version of this Handbook

- Handbook last version

Other Resources

Situation on the planet: https://youtu.be/JdWQJq2OkJs

Global warming scenarios

- Climate Change: What happens If The World Warms Up By 3°C?
- See what three degrees of global warming looks like
- Climate Change: What Happens If The World Warms Up By 4°C?

Harvard Happiness Study: What Makes a Good Life?

- https://www.youtube.com/watch?v=8KkKuTCFvzI

8.5 Case Companies

Business and Organisations which contributed to the development, application and co-creation of the ESG Business Model Innovation Method based on a ESG BMI process, either in the framework of consulting, management training, student consulting or master thesis projects.

- AGÁTA Rösterei & Café, Germany, www.agata-kaffee.de
- Agrément du Jardin, France, www.adjardin.com
- Baia Azzura, Italy, www.baia.it
- Binder Handels GmbH, Austria, www.adeg-binder.at
- Biomara, Croatia, Facebook
- Boomerang Viajes, Argentina, www.boomerangviajes.tur.ar
- Chimar SPA, Italy, www.chimar.eu
- Conference Centre Abdijhof Mariënkroon, The Netherlands, www.abdijhof.com
- Connolly Opticians, Irland, www.paulconnollyopticians.ie
- De Laat Coffee, The Netherlands, www.delaatcoffee.nl
- Dialog.Hotel.Wien, Austria, www.amspiegeln.at
- Focolare Carpentry Training Center (FCTC), Philippines, www.focolarecarpentry.ph
- Fronius International GmbH, Austria, www.fronius.com
- GEHA, Austria, www.geha.at
- Gerard&Suus Bakery, The Netherlands, www.gerardensuus.nl
- Hirschmugl KG, Austria, www.hirschmugl.net
- IFE Aufbereitungstechnik GmbH, Austria, www.ife-bulk.com
- IKEA Austria GmbH, Austria, www.ikea.com
- Isabella Tree of Life, Philippines, www.isabellatree.org
- Midra, The Netherlands, www.midra.nl
- Mundell Consulting, United States, www.mundellassociates.com
- Spiritours, Canada, www.spiritours.com
- Stichting Gered Gereedschap Heusden, The Netherlands, www.geredgereedschapheusden.nl
- Tecnodoor, Italy, www.tecnodoor.com

Acknowledgement to a big number of students who performed as junior ESG consultants and made interviews with the case companies.

Universities and conference centres which supported the ESG Business Model Innovation Method in student projects, conferences and management trainings

- Vienna University of Economics and Business, Austria
- University of Applied Sciences BFI Vienna, Austria
- Universidad Nacional de Córdoba, Argentina
- Conference Centre Abdijhof Mariënkroon, The Netherlands