Centre for Social and Sustainable Innovation
Communiqué
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Principle for Responsible Management Education #2: Values
Academic activities incorporate global social responsibility

New business models, innovation: case study, readings, video
What do customers really need? That is, what do they value?
When she posed those questions, visiting scholar Jie Zhang was really asking her audience at Gustavson to reconsider how we think about our daily lives. Do we need to own a car? Or do we want to use a car?
Zhang pointed out that a growing number of companies are re-examining their business model and deciding to market the use of their products rather than the products themselves. They call it Green Servicizing.
According to Toffel (2008) four features define servicizing:
• The transaction involves functionality
• The manufacturer retains ownership of the product
• Customers pay by use (it’s not the same as leasing)
• And the manufacturer is responsible for maintenance and repairs.
Michelin tire customers pay per mile they drive; Atlas Copco clients pay per cubic metre of compressed air they use.
"Servicizing represents the rethinking of our relationship with physical things," says Zhang. “Students of sustainability will find this innovative business model valuable through learning how to redesign business-customer relationship and leverage the service mindset.”

Thanks to Dr. Zhang for sharing these resources:
Here’s a case study video about Philips’ arrangement to light up the UK National Union of Students. MIT-Sloan Management Review published Sustainability Through Servicizing by Sandra Rothenberg in January 2007. Servicizing Policy for Resource Efficient Economy (SPREE) was a three-year project (ended July 2015) within the European Commission’s Seventh Framework Program. Researchers from Israeli, UK and EU institutions identified potential “Servicizing Policy Packages” to help facilitate the transition from selling products to providing services.

Gustavson students and the four pillars
While they’re on exchange, some of our students research and write fantastic blog posts. Check out what Lorna Richards and Katlin Aarma learned, on the student-run SustainableExchange blog.

Finance, international business: readings and a movie
Capitalism under the spotlight: six must-read books, according to The Guardian. Three examples from the list:
The Extreme Centre: A Warning by Tariq Ali (2015)
It’s not the extreme left or extreme right we should be concerned about, argues Ali, but the inertia at the centre.
Capitalism: A Ghost Story by Arundhati Roy (2014) (Available in the UVic library system.)
Man Booker Prize winner Arundhati Roy makes the case that India answers to a handful of megacorporations that run the country in the era of what she calls “the privatization of everything.”
Three small hedge fund managers and a bond salesman bet against the banking system just before the biggest credit bubble in history burst.
Now a riveting film, too.

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