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MANAGEMENT SYSTEMS

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Trimtab Management Systems' Communication On Progress Reporting on its participation in The UN Global Compact

July 9, 2007

Trimtab Management Systems is pleased to state its continued, active support for the work of The UN Global Compact.

Trimtab Management Systems first became a supporter of The Global Compact in October of 2001 and has been honored to participate in many of the events organized by The Global Compact to date, including those involving The Global Compact's USA Network, the Business as an Agent of World Benefit conference in the fall of 2006, and both the 2004 and 2007 Leadership Summits.

The leading-edge nature of these events and the benefits to Trimtab Management Systems that result continue to make it worth the investment required for Trimtab Management Systems to remain active in this very innovative, global network. These benefits can be summed up in one phrase: *thinking differently*. Rather than continuing to do more of what it already knew how to do, participation in The Global Compact has forced Trimtab Management Systems to re-think its entire approach to its CSR activities. The result has literally been a transformation in how Trimtab Management Systems operates within the CSR community.

At a time when the entire CSR movement appears to be headed towards a transformation of its own, Trimtab Management Systems is delighted by the fact that its participation in The Global Compact positions it to contribute to this larger, global transformation as well.

Trimtab Management Systems' current and planned activities in support of The Global Compact's principles are detailed below.

Yours for a world of peace and prosperity for all,

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Founder & Principal

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Description of Practical Actions to Implement the Global Compact's Principles

A. Overview:

As a strategy consulting business, Trimtab Management Systems seeks both to implement the Global Compact's principles within its own daily activities, where applicable, and to effectively advocate the adoption of those principles by the people and organizations it is in contact with. Additionally, Trimtab Management Systems' seeks to apply the core principles at the heart of its work – *Idealized Design and Systems Thinking*- to how it implements and communicates the Global Compact's principles.

Specific to its daily organizational activities, Trimtab Management Systems has installed compact florescent bulbs throughout its office and switches off its entire computer system (including internet access equipment) each night to save energy. To reduce the environmental impact of its vehicle use, Trimtab Management Systems will be switching from a leased business vehicle (with carbon offset through Terrapass.org) to a shared ownership vehicle plan through ZipCar.com (where the Prius will be the vehicle of choice) in September of 2007. Terrapass.org will be consulted regarding appropriate carbon offset actions under the ZipCar.com plan. Office products are purchased in ways that minimize environmental impact. Printer ink cartridges are recycled; printer paper is manufactured from recycled paper. Trimtab Management Systems' address has just changed, and its new business cards will be printed on recycled paper. To the maximum extent possible, Trimtab Management Systems' financial activities are performed on-line, so as to save paper. When Steve Brant attends a conference, Trimtab Management Systems pays that conference's carbon offset fee and Steve has the hotel staff clean his room only every other day to minimize the use of energy and chemicals related to washing and cleaning associated with his stay.

Even though its daily activities do not directly involve The Global Compact's principles related to human rights and labor relations, Trimtab Management Systems engages in advocacy and support efforts to champion all of The Global Compact's principles whenever possible. Trimtab Management Systems knows that what an organization communicates to its stakeholders about the CSR movement – as well as to the public at large - is just as critical as what it does within the CSR movement itself.

This is true because the nature of the *global conversation* regarding CSR and sustainability helps determine future developments within these parallel movements, just as the individual activities going on within those movements does. The old expression "*What you see is what you get*" sums up how future realities come into being pretty well. The Zen perspective on this idea is "*If a tree falls in a forest and no one is around to hear it, did it really make a sound?*"

In "The World Is Flat", Tom Friedman states that *hope and fear are currently battling each other over which will control what the future will look like*. He further states that America – which used to be a huge source of hope for the world – in now contributing too much fear and not enough hope into the mix. Trimtab Management Systems agrees with Tom Friedman's assessment that the global sociopolitical economic system is at risk of mutating into one dominated by fear (and the related conditions of mistrust and open conflict). Trimtab Management Systems believes that *through specifically designed communications strategies the global CSR movement can become a huge source of hope to the peoples of the world*.

B. Description of Practical Actions by Trimtab Management Systems:

1. Participating in Global Compact USA Network meetings, where Trimtab Management Systems champions a marketing strategy designed to increase awareness of the work of The Global Compact among the public at large. The goal of this strategy proposal is to create a demand on the part of the people in the USA for *all* USA-based corporations to become socially responsible and to get support in that journey by participating in The Global Compact. This proposal was first offered at the network meeting in June of 2004. Like all innovative proposals, it has had to wait until the network is ready to act on it. Based on (a) the statements regarding the importance of marketing which Trimtab Management Systems heard at the “United Nations - Business Partnerships” session at the just completed Leadership Summit, (b) the positive response to Steve Brant’s comments on the subject at the Leadership Summit by such people as Jane Nelson (of Harvard University and the IBLF), and (c) the reaction to the communication strategy component of Steve Brant’s 27 June 2007 presentation at the International Center for Corporate Accountability’s “Globalization and the Good Corporation” conference, 2007 would appear to be the year when this proposal will be formally discussed and acted upon. This opinion also results from the related points made by Peter Senge in his essay in the Summer 2007 issue of the Journal of Corporate Citizenship, edited by Malcolm McIntosh. In that essay, Peter discusses the need for corporations to become vehicles through which the public becomes educated about the CSR movement, so that the full power of the public’s buying decisions can be brought to bear on the challenge of creating a sustainable world for us all. To quote from Peter Senge, **“If companies are willing to face the dysfunctions of global systems of which they are a part, and upon whose health their future depends, they can also tap potentially the greatest leverage for changing these systems: the purchasing choices of consumers who care about the future.”**
2. Championing the potential partnership between the USA Network of State and Local Malcolm Baldrige National Quality Program organizations and The Global Compact based on their common ground in The Global Compact’s *Performance Model*. The two-part goal of this strategy proposal is (a) to increase the capacity of The Global Compact to advance the use of its Performance Model by USA-based corporations and NGOs by tapping into this existing, nation-wide network of “quality management” experts and their existing, Performance Model-like advocacy, learning forum, and organizational assessment activities, and (b) to increase the capacity of the USA Network of The Global Compact to champion and facilitate the use of its Performance Model, so that *the CSR movement in the USA becomes a family of learning organizations and, ultimately, a learning community*. Steve Brant has lectured on this strategy proposal at the 2005 and 2006 State and Local Baldrige Program Workshops hosted by the National Institute of Standards and Technology. Steve is also championing this strategy within the organization in Pennsylvania that belongs to this network – the Keystone Alliance for Performance Excellence (KAPE), of which Steve is a founding board member.
3. Championing the contribution that systems thinking professionals can make to The Global Compact and helping set up a structure to support the systems thinking community in making that contribution. Through his professional relationship with Dr. Russell Ackoff, the dean of America’s systems thinking community, Steve Brant is in the early stages of developing and launching a non-profit organization that will bring this

community together under the umbrella mission of offering its transformational social systemic redesign skills to the cause of transforming the global sociopolitical economic system. Steve Brant recognizes that this community is uniquely qualified – due to (a) its focus on examining whether the fundamental assumptions that underlie the systems in which we function are accurate or obsolete, (b) replacing those assumptions that are obsolete with ones that are up to date, and (c) redesigning the system accordingly – to assist in transforming the global sociopolitical economic system from one based on the obsolete *scarcity mental model* to one based on the scientifically correct *abundance mental model*.

4. Reaching out to the public at large through The Huffington Post (HuffingtonPost.com), the progressive news and opinion web site. Steve Brant is a Huffington Post blogger. *His special focus is on ending corruption as it relates to the interaction between business and politics in the United States of America*, so that America's political system can someday return to its founders' original vision of it being a government "of the people, by the people, and for the people". And as can be seen by his Huffington Post piece on Al Gore's book "The Assault on Reason," Steve also uses this very public communication vehicle to focus on the contextual issue of the need for people to *think differently* in order to heal the underlying systemic problems in our society. This "thinking challenge" is the focus of "The Assault on Reason". In the future, Steve will increasingly use The Huffington Post as a vehicle for communicating about the CSR movement.
5. Since June of 2006, Trimtab Management Systems has engaged in an effort to reach progressive journalists regarding the subject matter they cover. Steve Brant is a participant in the Media Giraffe Project (MediaGiraffe.org) of the School of Journalism at the University of Massachusetts at Amherst, having attended both its 2006 conference and the related "Media That Matters" conference in Memphis, TN in 2007. In August of this year, Steve will participate in the Media Giraffe Project's "Journalism That Matters" conference in Washington, DC in August, at which he will seek support for an initiative born of his experience at the just completed Global Compact Leadership Summit. Inspired by the just-launched Principles for Responsible Management Education, Steve told Global Compact staff member Gavin Power of his idea to create the *Principles for Responsible Journalism*. As a former journalist, Gavin encouraged Steve to move forward with making this happen. Steve will be presenting a full proposal to The Global Compact on this subject after he returns from the Journalism That Matters conference.
6. This year Trimtab Management Systems re-launched its web site using blog-based technology. The purpose in doing this is (1) to simplify the process of adding video to the site (including planned video "evening news" type reports), and (2) to enable people to publicly comment on the information on this site (which could lead to *the site being a home for CSR and sustainability-related conversations*, not just one-way communications from Trimtab Management Systems. Inclusive conversations – conducted in the spirit of respect and *appreciative inquiry* - are a key element to advancing the vision of a sustainable future and the work of The UN Global Compact.

C. Concluding Thoughts on the Practical Actions by Trimtab Management Systems:

The initiatives described above result from Trimtab Management Systems use of its own core business principles - *Idealized Design and Systems Thinking* – as well as its commitment to *innovation and giving customers what they don't yet know they can have*. Trimtab Management Systems believes these management principles are specifically relevant to the work of The Global Compact, because The Global Compact recommends the use of a Performance Model to guide all organizations in their CSR journeys. Because the Performance Model is based on the recognized organizational development and improvement philosophy known as “quality management”, Trimtab Management Systems recognizes that the Performance Model is meant to give The Global Compact's participants access to the powerful organizational effectiveness tools of the modern management profession: a natural fit for The Global Compact's corporate participants, who are students of modern management theory themselves.

In fact, Trimtab Management Systems believes The Global Compact should go much further in its advocacy of the use of the management professions' effectiveness and transformation-oriented thinking tools.

As a participant in the Performance Model Working Group led by Claude Fussler of the World Business Council on Sustainable Development, Steve Brant acknowledges the breakthrough awareness on the part of The Global Compact in introducing the Performance Model's effectiveness tools to the challenge of creating a sustainable world. However, an even brighter future awaits The Global Compact if it responds to *the call for increased effectiveness and impact* on the part of the CSR movement and its NGO friends as a whole by continuing to *explore the power that the full spectrum of the management profession's transformational thinking tools have to offer*.

In the final practical action of this Communication on Progress, Trimtab Management Systems pledges to support the entire Global Compact community in engaging in the critical intellectual exploration of what can be accomplished by using certain transformational management principles and thinking tools.