4.4: Weak Ties

Learning Objectives

• Understand the notion of weak ties.
• Know how and why weak ties contribute to innovation.

Firms that carve out positions on the cutting edge of sustainable business share a common feature. They reach out to attract new information from nontraditional sources. Developing the capacity to seek, absorb, and shape changing competitive conditions with respect to human activity and natural systems through weak tieMark Granovetter, “The Strength of Weak Ties,” American Journal of Sociology 78, no. 6 (1973): 1360–80. cultivation holds a key to successful innovation. This is not surprising. Business success depends on continuous revitalization of strategic capabilities. Good strategy creates the future in which a company will succeed.

Not all individuals or companies can embrace change, however. In the past, revitalization of existing firms meant analysis of standard factors: competitors, market size and growth, product attributes, past consumer behavior, pricing strategies, and marketing programs. We suggest that limiting yourself to conventional analysis constrains strategic options.

To compete in the sustainability arena, companies must go beyond what has worked in the past and seek perspectives outside the historically assumed subset. We argue that incorporating rigorous sustainability analysis into your market positioning is likely to yield opportunities that can be keys to future success. What does this mean when it comes to environmental topics, opportunities in green chemistry applications, implementing sustainability principles in operations, and the myriad other environmental and health imperatives that fall under the term sustainability? It means developing what are called, in the academic literature on networks, weak ties with unconventional partners who provide you with increasingly essential strategic information. This does not mean that “the answer” will be easily found. It does mean that the net must be thrown wider to access information relevant to strategic success.
Sustainability innovation and entrepreneurship involves traveling across new ground. Imagine you will be accompanying the early nineteenth-century explorers Lewis and Clarke to explore the unfamiliar territory of the American West. You will be the first European Americans to chart a course from the eastern seaboard to the Pacific Ocean. The year is 1803, and there are very few maps of the American interior. The ones that exist are sketchy at best. How would you prepare for such a journey? You might talk to your friends and acquaintances to learn what they know about the terrain you’ll be covering. To get the information necessary to survive this foray into the unknown, however, you would probably go outside your immediate circle to talk with trappers, Native Americans, French traders, natural scientists, and other voyagers—people from diverse walks of life. You would need to build new relationships, or weak ties, to access a wide range of people who will provide you with the necessary information to move forward.

These ties are called “weak” not because they lack substance or will disappoint you but because they lie outside the traditional network of relationships on which you or the company depends. Contrasting weak ties with “strong ties” highlights their unique characteristics. Strong ties, as a category of network relations, have immediate currency and often long-standing rich histories with extensive mutual exchange. An example in an established company would be an existing relationship with a funder or supplier; for a start-up, it may be someone with whom the company has a history of successful collaboration. Typically, strong ties are to people and organizations you see often and to which you frequently turn for input. In the case of large firms, important strong ties may be those formed between heads of independent business units within the same organization. Alternatively, they might be ties to reliable suppliers or even to the board of directors and the people with whom that group associates.

Research indicates, however, that the longer the duration of strong ties between two entities, the more similar the entities’ perspectives are. People from the same circles tend to share the same pools of information. Under normal circumstances this is fine; we augment and reinforce each other’s understanding of how the known world works. However, it is likely that information from strong ties will add only minimal value to the information you already possess. When we want to take action in an arena outside the familiar terrain, information from strong ties often proves insufficient. We would argue, moreover, that relying solely on strong ties can actually deprive you of information, thereby insulating you from potentially important emergent data and trends.

In contrast, weak ties bring new or previously marginal information to the forefront. They enable you to reach outside the normal boundaries of “relevant” strategic information. Weak ties trigger innovative thinking because they bring in fresh ideas—viewpoints likely to diverge from yours or from senior management’s—and data otherwise overlooked or dismissed because they have not been a priority historically. Sometimes the most fruitful weak ties are to individuals or organizations previously considered to be your adversaries. Not surprisingly, the most innovative ideas for success may well come from those quarters most critical of how business has traditionally been done.

To successfully traverse the relatively unfamiliar territory of entrepreneurship and sustainability, you need to seek information from weak ties to access emergent perspectives and new scientific data that make what used to be peripheral issues—as many ecological and environmental health issues have been—now salient to strategic success. Perspectives gained from weak ties enable discerning companies to differentiate themselves and gain relative to their competitors. They can be formed with a range of individuals and organizations—including academics, consultants, nonprofit research institutes, government research organizations, and nongovernmental organizations (NGOs). The latter community is often business’s harshest critic on environmental issues. It is for this reason that business is increasingly forming weak ties to NGOs to engage them in thinking strategically about solutions.
Toward this end, it is important to understand that the NGO community is not homogeneous. There is a spectrum of groups active on environmental and sustainability issues. They range from those that view business as antithetical to social and ecological concerns to those that seek partnership and joint solutions. Certainly any weak tie relationship requires due diligence and partnerships must be considered carefully, but there is a wealth of untapped expertise and stakeholder value that is potentially available to you.

The accounts that follow illustrate effective use of weak ties to help craft sustainability strategies. Home Depot’s president Arthur Blank found new perspectives through weak ties by seeking input from NGOs critical of the company’s old-growth forest purchasing practices prior to 1999. That year Home Depot, the largest home improvement retailer in the United States, was also the largest lumber retailer in the world, selling between 5 and 10 percent of the global market. The company recorded $38 billion in sales and over 200,000 employees in 930 stores. It also had been repeatedly voted “Most Admired Specialty Retailer.”

Faced with negative publicity and store boycotts by activist groups, however, the company’s openness to learning about alternative sourcing opportunities led to invitations to NGO representatives to meet with Home Depot’s senior management. Those new contacts—and the information flows they facilitated—helped put Home Depot on a track and timetable for dramatically reducing and ultimately ending old-growth forest wood purchasing and store sales. Stated Arthur Blank at the time, “Our pledge to our customers, associates and stockholders is that Home Depot will stop selling wood products from environmentally sensitive areas. Home Depot embraces its responsibility as a global leader to help protect endangered forests. By the end of 2002, we will eliminate from our stores wood from endangered areas—including certain lauan, redwood and cedar products—and give preference to ‘certified’ wood.”

Certified wood is defined as lumber tracked from the forest, through manufacturing and distribution, to the customer to assure that harvesting the wood takes into account a balance of social, economic, and environmental factors. Home Depot’s ultimate goal was to sell only products made from certified lumber, but initially only about 1 percent of timber available was certified. How was Home Depot’s demand—let alone the industry’s—going to be met? The answer was that Home Depot’s decision moved markets. Vendors were asked to dramatically increase their supplies of certified lumber, driving demand back through the supply chain to lumber companies that expanded their activity in sustainably managed forestry.

Evidence that companies are seeking new perspectives grows each year as firms expand their range of conversations about improved practices to citizens groups, environmental scientists, and even international experts from other countries and industries. These groups are outsiders—examples of weak ties—because historically they have not been sought for strategically relevant information. However, this pattern has increasingly been shared by companies for which market scanning processes were previously limited to competitor and narrowly conceived industry trend data.

As the larger picture of economic activity’s impact on nature’s life support systems and the quality of life becomes more important to business, these ties now serve as conduits for knowledge on how and where the company might improve its overall strategy and performance. The known link of deforestation to climate change and species extinction combine with the implication of raw material processing methods in ecological and human health threats and known mutations to require—for fiduciary reasons—that companies buying and selling lumber pay attention to these issues. Firms that actively seek new perspectives that may have a bearing on their business success going forward will have a distinct
advantage over those whose efforts are minimal, poorly designed, or viewed as marketing “greenwash.” Gaining true strategic leverage requires leadership. Home Depot was fortunate to have a leader with the broad intellect capable of seeing and implementing a wise path for the firm.

Statement from Home Depot on Wood Purchasing

We pledged to give preference to wood that has come from forests managed in a responsible way and to eliminate wood purchases from endangered regions of the world. Today there is limited scientific consensus on “endangered regions” of forestry. We have broadened our focus to understand the impact of our wood purchases in all regions and embrace the many social and economic issues that must be considered in recognizing “endangered regions” of forests. To fulfill the pledge, it was necessary to trace the origin of each and every wood product on our shelves. After years of research, we now know item by item—from lumber to broom handles, doors to molding and paneling to plywood—where our wood products are harvested. Home Depot, “Wood Purchasing,” accessed March 16, 2011, corporate.homedepot.com/wps/portal/Wood_Purchasing.

General Electric, Dell, and IKEA each pursued different types of weak ties. General Electric (GE) publicly announced the integration of environmental issues into product research and development (R&D) strategy and pursued weak ties to help develop strategy both by systematically contacting outside experts and by convening a series of gatherings of national experts and senior GE executives. In the process, GE unearthed previously unappreciated areas of technical innovation of great current and potential value to the company and launched a new corporate R&D strategy called “Ecomagination.” Dell worked with some of its harshest NGO critics to understand the emerging perspectives on managing electronic waste. The NGO links were Dell’s weak ties. This process of engagement not only helped Dell manage a public relations problem but—much to the company’s surprise—created a profitable new secondary service business that differentiated Dell as an industry leader in managing electronic waste. In another example, IKEA searched for assistance in its effort to reorient strategy after being embarrassed by a product that failed to meet European environmental regulatory requirements. IKEA’s weak tie to NGO consultant The Natural Step not only helped IKEA solve immediate product issues but helped fundamentally reorient company strategy on materials. IKEA’s openness to new information played a role in differentiating the company and augmented its existing reputation for design and low cost. The following sections include accounts of these company’s activities with lessons to be learned about profitably pursuing weak ties.

GE


Specifically, GE announced it would more than double its research investment in cleaner technologies, from $700 million in 2004 to $1.5 billion by 2010. GE also pledged to improve its own environmental performance by “reducing its
GE’s 2005 strategy was driven to a large degree by the cultivation of weak ties. Characteristic of many large firms active in eco-efficiency, GE had long viewed itself as a leader in environmental productivity improvements because it built energy-efficient airplane engines and other smaller systems and appliances that dramatically reduced resource and electricity use. However, these were design improvements that lacked the broader sweep of a systems view. To bring in new thinking and develop a new competitive stance, GE’s senior management aggressively sought perspectives from atypical sources. Thanks to Jon Freedman at GE Water, formerly with GE corporate marketing and a leader in the Ecomagination policy development process, for information about GE’s activity.

The Ecomagination story begins in 2003 and 2004 when three-year strategic plans drawn up by GE’s business unit CEOs were presented to corporate CEO Jeff Immelt. These indicated market opportunities in green-friendly products across all the units. Core customers were asking for products designed to address escalating resource scarcity and pollution pressures. Clean water and clean energy featured prominently. At the same time, Immelt had received periodic inquiries publicly (in the form of shareholder petitions) and privately as to how GE would respond in an increasingly resource-constrained world. What was GE’s position on environmental issues? Did it have a position?

A project to research the questions and trends was assigned and scoped out. GE assembled a team to interview thought leaders and experts outside the company in a variety of sectors. Academic experts in many fields, futurists, other business leaders, and leading NGOs were systematically interviewed as part of the information gathering that ultimately informed top management.

Through this process, topics were identified as relevant to GE’s markets and offerings. In 2004, GE hosted by-invitation-only meetings of top GE decision makers and a subset of outside experts to look at trends in water and energy concerns five to ten years out. Major customers, the dozen top executives at GE including the CEO, and a select group of outside expert advisors were present at the meetings from beginning to end, an attendance record unusual in the corporate world. In total, over one hundred experts inside and outside GE were consulted, forty leading companies studied, and multiple internal GE seminars and brainstorming sessions convened to discuss megatrends influencing GE’s future businesses.

As a result of this process, GE found that it was already seeing $10 billion annual revenues from existing green technologies and services. The relative value of this activity was unexpected. Rather than being something foreign or new, GE was already seeing high returns from existing green technology innovations. This perspective, when combined with the outside expert feedback on likely trends, confirmed for GE management that their efforts should be redoubled to generate revenues of at least $20 billion by 2010, with application of more aggressive targets thereafter.

Weak ties influenced GE’s strategy formation in a number of ways. First, the ties helped GE design metrics to measure the current and potential values of some of its “green” technologies. One of GE’s weak ties was to GreenOrder, a New York–based consultancy specializing in sustainable business. According to GreenOrder, GE identified 17 products representing about $10 billion in annual sales as part of the Ecomagination platform on which it planned to build. In doing so, the company undertook intensive processes to identify and qualify current Ecomagination products, analyzing the environmental attributes of GE products relative to benchmarks such as competitors’ best products, the installed base of products, regulatory standards, and historical performance. For each Ecomagination product, GE created an extensive “scorecard” quantifying the product’s environmental attributes, impacts, and benefits relative to comparable products. Joel Makower, “Ecomagination’: Inside GE’s Power Play,” GreenBiz, May 10, 2005, accessed December 3, 2010, http://www.greenbiz.com/news/columns_third.cfm?NewsID=28061. Doing this analysis was one of the key roles played by GreenOrder.

As a result of these metrics, GE’s corporate Global Research Center doubled its R&D spending on Ecomagination products and associated services. Business units are required to focus on enhanced internal environmental performance and new product offerings. By October 2005, a senior vice president and officer of the corporation was appointed who reported directly to the CEO and took responsibility for the quantitative tracking of business units’ progress to both “walk the talk” internally and drive new product ideas.

The firm’s strategy change was driven by a historically unprecedented search for new information that used many weak ties to gain emerging perspectives and new science data. This process gave senior management a broader view of global resource trends and allowed the company to gauge how it could best leverage its assets and capabilities to both profit from and contribute to solutions.

In contrast to many firms that are low-key about their environmental activities (to avoid criticism of falling short of the ideal), Jeff Immelt put GE out on a limb. The company, already criticized for environmental transgressions such as that in the Hudson River, In 2002 the EPA decided to dredge 2.65 million cubic yards of sediment—enough dirt to fill an area the size of ten football fields to a height of 145 feet—which is expected to cost GE about $460 million. The dredging is aimed at removing polychlorinated biphenyls (PCBs) dumped into the river from GE plants in Hudson Falls, New York, and Fort Edward, New York, from 1947 to 1977, before PCB use was banned. Deborah Brunswick, “EPA: Hudson River Dredging Delayed,” CNNMoney, July 26, 2008, accessed December 3, 2010, http://money.cnn.com/2006/07/28/news/companies/hudson_river, will be held to a higher, self-defined standard. There is reasoned debate, moreover, on the “greenness” of some of the technologies that GE is putting forward (nuclear power, “clean” coal, etc.). No company with a brand as well known as GE’s can afford to not deliver. Time will tell how successful GE’s strategy will be, but suffice it to say that a company such as GE does not make such a significant and public move without a thoroughly reasoned strategy. The GE example shows the formative role that weak ties can play in a company’s strategic transformation.

Dell

Next, we look at Dell. The article read, “Las Vegas, Nevada, January 9, 2002, environmentalists dressed in prison uniforms circled a collection of dusty computers outside the Consumer Electronics Show…to protest Dell Computer’s use of inmates to recycle computers. ‘I lost my job. I robbed a store. Went to jail. I got my job back,’ chanted five mock
prisoners wearing ‘Dell Recycling Team’ signs and linked by chains. While Dell’s executives gathered at the huge electronics convention, the ‘high-tech chain gang,’ members of the Silicon Valley Toxics Coalition, attracted a small crowd outside."Janelle Carter, “Senate Rejects Felon Vote Bid,” Associated Press, February 15, 2002, accessed December 10, 2011, www.sjcite.info/prison.html. Dell executives were understandably embarrassed by this incident. The assumption inside the company was that the company was doing what it reasonably could do about product recycling—a thorn in the paw of the industry lion. However, this public relations fiasco drew attention to an issue that no one in the industry was adequately addressing: electronic waste is a burgeoning problem that, if not dealt with, would come back to all players in the industry.

Disposal of electronic products represents one of the fastest growing industrial waste streams. Roughly one thousand hazardous materials used in manufacturing personal computers alone pose problems of human exposure to heavy metals, drinking water contamination, and air quality problems. With the rapid retirement of old models, a staggering volume of computers and other electronic equipment now migrates around the world. Only a small fraction goes to reuse programs. The majority are shipped to landfills and incinerators, or sent as waste to foreign countries. In response to the public health threats from hazardous materials in electronics waste streams, the European Union, Japan, China, and states within the United States are regulating electronic waste. One such regulation in the European Union is the Restrictions on Hazardous Substances in Electrical and Electronic Equipment.NetRegs, “Restriction Of Hazardous Substances in Electrical and Electronic Equipment (RoHS),” last updated October 15, 2010, accessed December 3, 2010, www.netregs.gov.uk/netregs/63025.aspx. “Product take-back” laws—and the threat of more such regulations in the future—are stimulating companies to experiment with a variety of means to take back and reuse products. (See the sidebar in this section.) Whether you agree or disagree with these actions, they are one of many drivers of sustainability strategies today:


Dell is one of the largest personal computer manufacturers in the world. It is an information technology supplier and partner and sells a comprehensive portfolio of products and services directly to customers worldwide. Dell dealt with a US government contractor, UNICOR, which employed prison inmates to recycle outdated computers. The justification was cost; since recycling products was assumed to be a net cost to the company, efforts were made to cut associated expenses.

In February 2002, the Basel Action Network released an alarming report about end-of-life electronics exported and dumped in Asia. The report, “Exporting Harm: The High-Tech Trashing of Asia,” focused a significant amount of media and NGO attention on what computer manufacturers were doing to offer customers options for responsible electronics disposal. Later that year, the Computer Take-Back Coalition launched its “Toxic Dude” website, targeting Dell for not doing enough on computer recycling and reuse. Socially responsible investors (SRIs) and a variety of NGOs, including...
the aforementioned Silicon Valley Toxics Coalition and the Texas Campaign for the Environment, increased pressure on Dell to do more about electronic waste issues.

Following the prison-garbed protest, Dell began engaging in frequent conversations with these and other NGOs. These were Dell’s weak ties—new sources of information outside the company. Dell found that having conversations with these groups helped the company create a more strategically astute direction for its product end-of-life programs. Dell, a relatively young company that had grown rapidly, had not previously formed relationships with health and environmental NGOs. Through these conversations, Dell fundamentally reconfigured its recycling and reuse services for customers. As a leader in supply-chain management, productivity, and efficiency, the company designed an “asset recovery” program for end-of-life products—a program that would maximize quality and minimize costs for its recycling programs. Much to Dell’s surprise, the program not only minimized cost but generated value while also enhancing Dell’s brand and reputation as a responsible corporate citizen.

Early in 2003, Dell restructured its recycling program to make it easier for users and more proactive for the company. The “Dell Recycling” program was simplified and made more visible to customers. The company launched a national recycling tour consisting of one-day no-cost computer recycling events in cities across the country, with the objective of raising consumer awareness of computer recycling issues and solutions. When Dell first offered printers among its array of products, the company included free recycling of old printers. Ongoing discussions with NGOs informed the approaches chosen.

In late 2003 Dell broadened its national network of approved recyclers by partnering with two private companies to support its environmental programs for retiring, disassembling, reusing, and recycling obsolete computer equipment. Dell discontinued its partnership with UNICOR. These changes helped Dell grow its environmental programs more quickly and efficiently, improve the economics and convenience for customers, and properly dispose of customers’ old systems with minimal environmental or health impact. Moreover, the company began to see value in reclaiming assets rather than just costs in disposing of waste, a fundamental reorientation that would not have been possible without the weak ties that helped the company rethink its relationship with waste.

Tod Arbogast, who led Dell’s sustainable business efforts, stated,

The early discussions we had with NGOs and SRIs led to brainstorming sessions both within the company and with these stakeholders. Stakeholder input helped shape what we are doing now and it continues to be a valuable dialogue to this day. We came to realize that we could meet both our business objectives as well as the environmental goals we were being asked to adopt with new product recovery services offered to our customers. For example, our product recovery programs for our business customers have both helped grow the amount of used computers we are recovering and have become profitable. We’ve taken this same focus of meeting both sustainability and business goals into many areas since then including workplace conditions in our supply chain, chemical use policies and regular transparent reporting on all of these efforts to a broad set of external stakeholders. Connecting our sustainability objectives to our business objectives helps us get a broader set of internal colleagues supporting our efforts and helps us continue to expand our sustainability programs. Tod Arbogast, interview by author in preparation of book manuscript, summer 2006.

By engaging with vocal critics and environmental advocates and having open and honest dialogue with NGOs, the company effectively improved its end-of-life disposal offers by making them easier, more affordable, and more visible to customers. Dell was able to reach outside the company to get the additional information it needed to make this possible.
By learning from the feedback it received and adjusting several of its tactics for raising awareness among consumers about responsible computer recycling, Dell created what is today one of the industry’s most aggressive and comprehensive recycling offers. In addition to the positive brand enhancement that came with having an environmentally responsible business offer, Dell also gained from showing customers that it could manage the entire life cycle of its technology equipment.

The story of electronics waste is not over. Dell and other leading companies are under intense scrutiny by NGOs to fulfill their commitments on waste management and toxics issues. Moreover, as a society, we still have a long way to go. To inspire more corporate action, in 2005, Calvert Investments and other SRIs filed shareholder resolutions with six computer companies, asking them to begin planning for recycling and take-back. As a result, Dell was the first US computer company to commit to setting recycling and take-back goals for personal computers.

IKEA

Global home furnishings retailer IKEA was stunned by claims in the 1990s that one of its most popular products—the Billy bookcase—was off-gassing formaldehyde at levels above German government safety standards. The resulting crisis for this company led to IKEA’s search for ways to prevent such an issue from happening in the future. After talking with different environmental groups and receiving much criticism but little concrete direction, IKEA turned to The Natural Step (TNS), an environmental educational organization headquartered in Stockholm, Sweden. Karl Henrik Robèrt, founder of TNS and an oncologist who became an environmental health activist due to children’s inexplicably rising cancer rates, was repeatedly invited to talk with IKEA’s senior management team and train them in TNS process. By teaching the group about overlooked market conditions that would increasingly impinge on IKEA’s worldwide practices, Robèrt catalyzed the group to commit to the first step of designing a green furniture line offering—and this weak tie ultimately helped IKEA develop its overarching sustainability strategy.

The task of “fixing” the company after its regulatory embarrassment seemed enormous to senior executives at the time. But the basic environmental education and criteria for designing both products and strategy offered by TNS educational framework allowed the senior executives to see a path forward. The major learning point is that without seeking outside perspectives from the very groups that had been most critical of the corporation, IKEA would not have found Dr. Robèrt and TNS ideas that were eventually integrated into the company’s strategy.

Working with Robèrt helped IKEA leaders see their industry from the outside; thereafter, they viewed steps transitioning toward “sustainable business” as noncontroversial. IKEA leaders were simply adapting to new scientific and health research data and integrating that data with their strategic choices. In their earliest experience with TNS, that meant certain chemicals known to be toxic to cells (causing cell mutation) would not be used in any production steps required to make residential household furniture. The solution of removing unsafe materials fit with IKEA’s corporate purpose of improving the lives of its customers.

The first concrete product that resulted from this solution was IKEA’s “eco-furniture” line, but the perspectives on materials and IKEA’s strategic positioning went far beyond one product line. IKEA continued to set some of the highest environmental strategy standards in the industry. As one of the first adopters of sustainability standards, IKEA has set the bar that others seek to match. The company’s initial corporate environmental action plan was called Green Steps, which was based on four intended actions/conditions posed in the form of questions:
1. Is the company systematically reducing its dependency on mining and nonrenewable sources?

2. Is the company reducing the use of long-lasting, unnatural substances?

3. Is the company reducing its encroachment on nature and its functions?

4. Is the company reducing unnecessary use of resources?

To ensure this policy is followed, IKEA trains all employees and regularly provides them with clear and up-to-date environmental information. The company also established an internal Environment Council, and all business plans and reports describe environmental measures and costs pertaining to the Green Steps.

IKEA does not manufacture its own products but instead commands a large international supply chain. The IKEA Group has nearly 220 stores in 33 countries. Nearly 1,600 suppliers manufacture products for IKEA. IKEA’s purchasing is carried out through 43 trading service offices around the world. IKEA mainly sources from European countries, but purchases from developing countries and countries in transition are rapidly increasing. A limited part of the supply comes from the industrial group of IKEA, Swedwood, which has 35 factories in 9 countries.

IKEA has taken steps to work with and educate current and potential suppliers on its environmental specifications and expectations. In this way, the company is shifting the industry standards, as captured in “The IKEA Way on Purchasing Home Furnishing Products” (IWAY). This guiding document supports the IKEA vision and business idea, outlining in great detail its expectations and procedures for suppliers. IWAY is administered and monitored by IKEA of Sweden Trading Services Office and by a global compliance group. “IKEA & the Environment—An Interview with Anders Berglund,” EarthShare Washington, accessed December 3, 2010, www.esw.org/giving/ikea.html.

IKEA has won many environmental business awards and is a leader in setting high standards for its products, particularly environmental standards. As one of the early adopters of a green strategic approach to how it conducts business, IKEA now enjoys brand recognition as the company that not only sells low cost, well-designed home furnishings but clean and safe products as well.

These examples illustrate senior managers responding to a changing business environment by establishing weak ties to outsiders who provide content on a new strategic direction for the company. These managers took advice from sources considered unconventional—even threatening—and used it for their companies’ financial and strategic gain. In these cases, we see three types of weak ties: to professional experts, to NGOs, and to an environmental educational organization.

There is no way to predict what outside source will offer weak tie benefits to your venture. However, a good way to find such sources is to identify the pool of weak ties from among your insider strong-tie group to relevant outsider voices. As noted, environmental groups and other NGOs are not homogeneous; some are more willing and able to work with entrepreneurs and companies than others. Certain leaders and their organizations are well established and widely respected. You need to research the topics that represent opportunities for your venture and then identify individuals and organizations with whom conversation may be fruitful. Ideally, you want to initiate weak tie conversations with individuals and groups aligned with sustainability solutions who do not take issue with your proposed or existing practices. You need a set of weak ties willing to join with you over time to help inform strategy.

In summary, if entrepreneurs do not seek outsider perspectives on the shifting state of the competitive game, they will be blinded to forces that hold, in some cases, the overnight potential to undermine the venture’s efforts. On the positive
side, access to emergent perspectives and new scientific data on sustainability issues holds promise of strategic advantage. Access to this information enables discerning entrepreneurs to gain relative to competitors because information flows from weak ties bring tighter cohesion between a firm’s strategic thinking and the shifting conditions that shape market opportunities. Weak ties are a bridge to innovation, competitive differentiation, and new market opportunities. This discussion draws on the work of Mark Granovetter, “The Strength of Weak Ties: A Network Theory Revisited,” Sociological Theory 1 (1983): 201–33, accessed March 7, 2011, www.si.umich.edu/~rfrost/courses/SI110/readings/In_Out_and_Beyond/Granovetter.pdf. Using weak ties for sustainability innovation can be understood as a parallel to adaptation in biology. As the complexity of business decisions and market dynamics grows, the effective use of weak ties can mean the difference between learning and not learning, at the individual, corporate, and supply-chain levels. We would argue that in the twenty-first century, it is essential to seek better information drawn from wider sources logically linked to a firm’s social and environmental footprint to adapt intelligently.

KEY TAKEAWAYS

• Incorporating sustainability considerations into business requires reaching out beyond conventional sources of business information.
• Entrepreneurs and businesses that tap into weak tie relationships around sustainability concerns can use them to find new ideas for products and services.
• Adaptation to the new business conditions in which environmental, health, and community concerns have become more important requires cultivation of weak ties.

EXERCISE

1. Identify a business you would like to create. What health, community, and environmental concerns might emerge as you imagine building your firm? Where would you turn for advice and information to anticipate how you should respond? Why?