5 COMPASS to Sustainability

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5.1 Introduction to the model

Nowadays, business is facing new demands brought on by globalisation, new information technologies, the idea of services, and a sustainable economy. In order to ensure a high level of competitiveness, more and more companies are searching for ways to:

- Pro-actively involve and satisfy stakeholder demands in daily business;
- Efficiently manage sustainability performance;
- Increase a company’s / sector’s transparency and accountability.

The sustainability COMPASS (COMPAnies’ and Sectors’ path to Sustainability) is a management tool designed to assist companies and sectors to meet these challenges (Kuhndt and Liedtke, 1999). Based on active stakeholder involvement, COMPASS helps a company/sector to understand its main sustainability issues and to develop a sustainability indicator set in order to measure and report on progress made towards sustainable business development. The main objectives of COMPASS are to:

- Help companies/sectors to translate the broad concept of sustainability into specific and measurable targets and indicators useful in day-to-day business decisions;
- Support companies and sectors in sustainability performance management;
- Increase transparency and accountability of companies and sectors through sustainability reporting;
- Pro-actively involve internal and external stakeholders in order to make better consensus-based decisions which increase credibility and facilitate action;
- Enable decision-makers to optimise processes, products and services throughout the entire value chain considering economic, ecological and social aspects.

The COMPASS methodology is based on a Plan-Do-Check-Act management cycle. It combines the following five elements: the four analytical and action orient-
tated elements which are COMPASSprofile, COMPASSvision, COMPASSanalysis and COMPASSmanagement, and a dialogue oriented element, COMPASSreport.

COMPASSprofile aims at describing the state of knowledge about economic, social and environmental performance issues within the organisation/sector and the expectations of different stakeholders facing the organisation/sector. The combination of available knowledge, the alignment of different levels of knowledge, the qualification and motivation of employees from different hierarchy levels, phrasing of visions, guidance and concrete targets is the aim of COMPASSvision. The company creates a picture of the future that it has to work towards. Examples are: high customer satisfaction, high productivity of resources and high health protection. Furthermore, relevant units of measurement are selected such as, for example, assessment of clients and companies or resource productivity, based upon which progress as well as stagnation can be traced.

COMPASSanalysis comprises the actual measurement of performance and thereby identifies particularly critical and important technical and organisational improvement areas. COMPASSmanagement finally ensures the translation of the target set and indicators selected into decision-making processes by providing suitable management instruments. In COMPASSreport a communication plan is prepared that helps to report (according to international standards and guidelines, like those provided by the International Organisation for Standardisation (ISO) and the Global Reporting Initiative (GRI)) to an internal or external audience on performance improvements and achievements.

5.2 The essence

![Figure 5.1. Elements of COMPASS](image)

**COMPASS**
- **vision**
- **profile**
- **analysis**
- **management**
- **report**

*Economy • Environment • Social as integration*