A Blueprint for how business innovation can deliver solutions to the Sustainable Development Goals
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Preface
Starting the Journey

The Sustainable Development Goals (SDGs) is the first global strategy addressing the most pressing social, environmental and economic barriers to sustainable growth and prosperity. The private sector has been called upon to contribute with new solutions, new business models and new technologies that can contribute to solving the challenges facing humanity and our planet today.

Our journey with the SDG Accelerator for small and medium-sized enterprises started with a joint ambition to demonstrate how the private sector can use the challenges addressed by the SDGs as a starting point for business innovation. We wanted to explore how the SDGs could be translated into a practical framework for accelerating business innovation by starting the ideation process through addressing concrete societal or environmental needs.

Albert Einstein once said that we cannot solve our problems with the same thinking we used when we created them. The world’s use of resources, our production and consumption patterns, the way we design our cities, our transportation system and financial infrastructure all need to be revitalised to meet the needs of future generations.

To succeed, we must find pathways to turn global challenges into local business opportunities; we must empower our business leaders with actionable tools and inspire them with frontrunner cases so that they can support the journey. Finally, we need to create new collaborations across industries, sectors and silos to foster new thinking and innovation.

In this Blueprint, we showcase the great cases and learnings from the SDG Accelerator for SMEs 2018 and we present how the SDGs can be used for innovation, business development and for entering new markets and sectors.

We hope that the Blueprint will be used to inspire other companies and to accelerate their engagement in sustainable development.

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Particular acknowledgement goes to the Danish Industry Foundation for pushing the team to think bigger.

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Note: https://www.unglobalcompact.org/what-is-gc/our-work/sustainable-development
Introduction

SDG Accelerator for SMEs

The SDG Accelerator for SMEs is a UNDP programme funded by the Danish Industry Foundation. The programme was launched in 2018 aiming to demonstrate how the SDGs can be operationalised in a business innovation context, pursuing commercial gains while leaving a significant positive impact on the goals.

**Theory of change**

The idea behind the SDG Accelerator is to help businesses view the SDGs as unmet challenges that call for viable commercial solutions. To achieve the SDGs by 2030, it is not enough to continue 'business as usual' and only align existing sustainability activities with the SDGs as the new 'header'.

The world needs new solutions that deliver tangible and significant impact on the SDGs, and with its unmatched power of ideation, production and distribution, the private sector is well positioned to bring these solutions to market and at a considerable scale.

In many cases, businesses engage in the sustainability agenda through a risk reduction and compliance lens.

The SDGs opens up for a different point of entry, the one of business innovation and core business.

The theory of change behind the SDG Accelerator implies that business innovation for the SDGs can serve as an engine to open the doors to the broader sustainability agenda.

The underlining hypothesis is that business leaders seldom move sustainability into the core of their business, if the starting point is risk reduction and compliance. Innovation and strategic business development geared towards addressing the unmet needs of millions of customers now and in the future can, conversely, place sustainability front and centre of business leaders’ efforts.

**SMEs in focus**

As the vast majority of global businesses are small and medium-sized enterprises, SMEs are critical to economic activity and to the realisation of the SDGs.

However, working with the SDGs often represents new territory for SMEs, and despite an interest in working with the SDGs, they may lack the capacity, knowledge or resources to explore the potential of the sustainability agenda in a way that provides business value.

Companies part of the SDG Accelerator 2018
In 2018, 13 SMEs participated in the SDG Accelerator. The companies were identified through dialogues with around 200 companies in the SME segment. Each of the participating companies employs more than 30 people, has some form of production and works in a sector with global relevance.

**Three components**
The SDG Accelerator comprises three key components: the SDG Innovation Journey, external communication activities; and an employee engagement toolkit.

**The SDG Innovation Journey** is the main component of the SDG Accelerator and is a guided innovation process of five steps: an idea generating/brainstorming session; two days in the Innovation Lab, where ideas are worked into concepts; a follow-up session; an acceleration day, where a roadmap for implementation is drafted; and a final touchpoint to make sure the companies are well on their way to turning the concept into reality. The Innovation Journey is kicked off with a VIP event for the participating companies.

**External communication** activities support the dissemination of results and cases developed through the programme, which will serve as inspiration for others. The pilot in Denmark generated significant media attention.

**The Employee Engagement toolkit** provides campaign concepts, materials and instructions for how to connect the entire organisation (or relevant parts of it) to the SDGs. The toolkit can be used as part of the SDG Innovation Journey or separately as a stand-alone campaign or as inspiration for individual initiatives.

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**UNDP and the private sector**

UNDP has longstanding experience with private sector engagement on sustainable development issues. With an extensive field network and subject matter expertise within the broad development agenda and the individual SDGs, UNDP has a critical role in convening private sector actors in the SDG agenda, including not only businesses but also investors and foundations. The goal is to enable private sector actors to become transformative partners in pursuing the SDGs.

UNDP remains committed to working even more closely with partners across the UN system. The UNDP Administrator is the Vice-Chair of the UN Sustainable Development Group (UNSDG), which unites the funds, programmes, specialized agencies, departments and offices of the UN system that play a role in sustainable development. As the UN’s broadest development agency, UNDP has a significant global network and activities in more than 170 countries. This gives UNDP a unique position and platform in relation to implementing the SDGs across sectors, industries and markets and for showcasing new collaborative models for delivering on the SDGs.

In the SDG Accelerator, UNDP draws on its knowledge and learnings from a host of initiatives UNDP has developed to support private sector engagement in the 2030 Agenda, including the Business Call to Action (BCtA). UNDP has furthermore developed a range of industry- and sector-specific approaches for working with the SDGs. These existing tools and approaches have helped inform the development of the SDG Accelerator for SMEs.

**Partnership between the UNDP, the Danish Industry Foundation and Monitor Deloitte**
The SDG Accelerator for SMEs itself is the result of a strong partnership between different actors, who have brought complementary perspectives to bear throughout the process. As a trusted and neutral partner to governments and multiple stakeholders, with deep insight into the SDGs, the individual goals, and an exemplary level of transparency, UNDP is uniquely placed to drive such an initiative for the SDGs. In addition, UNDP can leverage the world’s largest knowledge network, the whole UN system, with access to most specialized expertise through UNDP’s sister agencies and networks of partners and programmes. Monitor Deloitte has delivered strategic and practical business knowledge, market insight, process facilitation and innovation capabilities. For other organisations interested in leveraging the SDG Accelerator for SMEs Blueprint, it is recommended to include an implementing partner who can have the lead on the business innovation process and attain a similar balance of complimentary perspectives in the facilitator team.

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Note: 1. https://www.businesscalltoaction.org/
How to use it

About this Blueprint

The SDG Accelerator Blueprint is designed for facilitators, who are guiding one or more companies through an SDG Innovation Journey and for companies seeking inspiration for their own SDG Innovation Journeys.

What is the purpose of the Blueprint?
The purpose of the Blueprint is to provide a practical and inspiring guide aimed at placing the SDGs at the core of business development and accelerating product, service or business model innovation. Together with the supporting toolbox, the Blueprint thus provides a guide for facilitating SMEs through a SDG Innovation Journey.

What does the Blueprint not cover?
The Blueprint focuses on supporting the SDG Innovation Journey and is not intended to support an assessment of sustainable practises across the company. It is also “forward-looking” in its focus on business and SDG innovation and thus not intended to support reporting activities.

What does the Blueprint cover?
The Blueprint describes the SDG Innovation Journey of the SDG Accelerator. The SDG Innovation Journey draws on experience from a host of building blocks including the Inclusive Business Maturity Toolkit developed by BCtA and UNDP’s Istanbul International Center for Private Sector in Development (IICPSD), the UN Global Compact, BCtA and the UNLEASH Global Innovation Lab for the SDGs. It also draws on research, experience and frameworks developed by the Global Reporting Initiative, the World Business Council for Sustainable Development (WBCSD), international private corporations, global consulting firms, NGOs and other international organisations. The innovation process and methodology are inspired by design thinking and various innovation frameworks developed by Monitor Deloitte.

Who is the Blueprint and toolbox for?
The Blueprint is for facilitators, who are guiding one or more SMEs through the SDG Innovation Journey and for companies who seek inspiration for their own SDG Innovation Journey. It provides a practical guide on how to leverage the SDGs in business innovation.

However, the SDG Accelerator is a multi-stakeholder process that mixes individual sessions between facilitator and companies with joint sessions bringing together companies, facilitators and external experts. This means, that the implementation of the full process is likely to require external facilitation - particularly if applied with and by SMEs - but the individual tools and modules can be used in a self-directed process.

SMEs and others are encouraged to use the Blueprint as inspiration and to seek out the elements that can serve their specific needs.
New solutions

Why business innovation matters to the SDGs

Achieving the SDGs will rely heavily on innovations across areas such as production, agriculture, sustainable cities, clean energy, water and infrastructure – all areas that depend on the dynamism, innovation, creativity and capacity of the private sector – in partnership with others.

**Sustainable Development Goals**
In 2015, world leaders adopted the SDGs – a truly universal and transformative development agenda. The SDGs constitute the first global strategy to comprehensively address the most pressing social, environmental and economic challenges facing humanity and the planet. The SDGs cover 17 goals and 169 targets that describe the barriers to sustainability, human development, security, growth and prosperity towards 2030.

**The SDGs need the private sector and the private sectors needs the SDGs**
The private sector, alongside the public sector and civil society, will have an increasingly active role in building collaborative solutions that addresses the SDGs. No single actor can innovate and develop the required solutions alone.

To maximise the chances of delivering the SDGs effectively and efficiently, companies and the market must be mobilised to take part. The market is an incredibly powerful institution in society, and the private sector its main actor.

Fortunately, there is growing awareness and commitment to the SDGs from within the business community. Many companies already know of the SDGs and try to support them in various ways.

However, genuine contributions to the SDGs from the private sector requires commitment beyond merely aligning external communications efforts with them. The SDG Accelerator has proven to be an effective way of ensuring such commitment through its combined focus on SDG impact and business development.

**Unmet market needs**
The SDG framework is essentially an agenda comprising global challenges that need to be addressed. The call to action for businesses is to identify how their knowhow and competencies can help spearhead new solutions to address these challenges unmet needs.

Companies can leverage the SDGs to come up with solutions that are both financially viable, scalable and demonstrate significant positive impact on people or the environment.

Most of the shifts in the way we produce, consume, eat, transport ourselves, dispose of waste, recycle etc. which are required to achieve the SDGs also represent business opportunities. This is because every shift is made easier if there are smart and accessible alternatives. Businesses at the forefront of developing these alternatives are destined to win in the marketplace.

**SUSTAINABLE FOOD PRODUCTION**

Our current food production systems are unsustainable. They account for 20% of total greenhouse gas emissions and is a cause of land and soil degradation affecting the livelihoods of more than 1.5 billion people worldwide. The dramatic increase in energy consumption, fertilizer, and herbicides as well as animal feed, water, and long-distance transportation are all components of the problem. We need to find ways to make food production more sustainable while being able to feed a growing world population.
**SDG Opportunity Cards**

As part of the SDG Accelerator for SMEs, the 169 targets of the SDGs have been translated into business opportunities in the SDG Opportunity Cards. The cards are used to identify concrete market opportunities and challenges that businesses can tap into and use as the point of departure for their innovation process.

More specifically, the cards outline the SDG targets that are most directly relevant for the private sector and operationalise them by highlighting the underlying challenge of the targets and the potential role for businesses in addressing these. Each card describes an unmet need and a challenge that companies can turn into a business opportunity.

The SDG Opportunity Cards can be downloaded at [http://www.sdg-accelerator.org/content/sdg-accelerator/en/home/library/SDGOpportunityCards.html](http://www.sdg-accelerator.org/content/sdg-accelerator/en/home/library/SDGOpportunityCards.html)

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**SDGs as drivers of business innovation**

Being innovative does not only mean inventing new things. Business innovation can mean changing a business model, adapting to changes in the environment or market to deliver better or more dynamic products or services, catering to new customer segments, using existing products differently, or enhancing existing processes or collaboration models.

As with any commercial idea, the focus should be on identifying needs and problems and coming up with commercial solutions. The notion of the market opportunities intrinsic to the SDGs is thus a powerful business narrative for delivering on the SDGs.

Looking through the lens of sustainable development, sustainable innovation will be a catalyst for future growth in the marketplace and a way for business to adapt their core business to the changing needs of people, the planet and economies worldwide.
Small and medium-sized enterprises

Despite the growing interest from businesses in sustainable innovation, the SDGs are largely new territory for SMEs.

Moreover, many SMEs are owner-managed, and experience shows that owner-managers tend to take a long view of their company valuing stewardship for future generations highly. This implies that sustainability, which often requires choosing long-term over short-term gain, is a natural concept.

What to expect for the SMEs?

Key to success in the SDG Accelerator process is commitment and engagement from the CEO of the company who is expected to take active part in the process or as a minimum to fully back it and empower a trusted senior staff to lead the work. Further, each company is likely to benefit from setting up an interdisciplinary working group, including people working within business development, strategy or innovation.

The company is expected to ensure that the right people from across the organisation are involved and are allocated with sufficient time to contribute to developing the solution.

Additionally, the company is expected to ensure that they meet the deliverables of each step of the journey. As such, the working group must determine, who will be the main caretaker of the process and responsible for ensuring progress between sessions. The CEO is not recommended as the the day-to-day caretaker.

The facilitator is responsible for guiding each company through the SDG Innovation Journey providing insight into the SDGs, mastering the innovation process and ensuring encouragement and motivation throughout. However, it is ultimately company who is responsible for ensuring progress and results from the journey.

In focus

The case of SME engagement

As the vast majority of global businesses are small and medium-sized enterprises, SMEs are critical to economic activity and to the realisation of the SDGs.

Criteria for participation

In order to ensure the success of the companies participating in the SDG Accelerator 2018, a list of specific participant criteria was defined.

- More than 30 people employed in the company to ensure capacity
- Strong leadership commitment to the programme
- International activities, e.g. in terms of production, sales, geographical presence, significant supply chain activities, or an innovation idea with global relevance
- Production activities, i.e. not pure service companies

Additionally, each company paid a participant fee, which, together with the funding received from the Danish Industrial Foundation, helped co-finance the facilitation of the programme.
E.ON is developing a model for replacing fossil fuels in local heat production with eco-friendly and cheaper heat pumps in housing blocks, townhouses and schools. Heat production in many Danish housing associations is still based on fossil fuels like oil and gas. Moreover, a large number of the plants are outdated and not maintained after many years of wear. This results in high energy losses and unnecessary operating costs.

Aller Aqua has developed an app that educates fish farmers on sustainable use of fish feed, starting in Nigeria. With good fish feed, farmers need a lot less feed, but many farmers do not know this. The result is poorer profitability and bad water quality. To ensure proper use of feed products, Aller Aqua is developing an app for local farmers, helping them to scale their production, ensure greater earnings and better living conditions.

DESMI EnviRo-Clean has developed module-based equipment that can be used for cleaning some of the world’s most polluted rivers, including the Ganges delta in India. The solution stops plastic waste from flowing into the oceans where it is even more difficult to contain. The collected waste is then processed on site to generate energy, using proven technology while creating local jobs.

The catering company uses sensor technology to ensure that the right amount of food is produced at the right time. The big challenge for the catering industry is the large gap between the food that is produced and the food that people actually eat. By using sensors, Jespers Torvekøkken can collect data on consumers’ eating habits and reduce food waste. The final solution is expected to be marketed towards the global catering industry.

Read the full SDG solution cases on www.sdg-accelerator.org
Cases
SDG solutions

Palsgaard has developed a special coating for plastic food packaging. The coating causes condensation water to not accumulate as large opaque drops, but rather as a completely thin transparent film.

It is 100 percent plant-based, food-approved, sustainable, produced on CO2-neutral facilities and furthermore competitive on price compared to non-sustainable alternatives.

TripleNine want to make clams a new feed ingredient and use their ability to absorb nitrogen from the ocean. Fish farming can have an adverse impact on the environment, although significantly less than land based breeding of animal protein. TripleNine collaborates with a number of partners from public, private and research-based organisations developing a solution in which clams are grown near aquaculture or where agriculture emits nitrogen.

BLUETOWN has developed a solar-powered Wi-Fi hotspot that connects rural communities that would otherwise be isolated from the world. In addition to internet access, the hotspot allows access to a local cloud, where local authorities, private companies and NGOs can post free learning material to the communities. With a local cloud, governments, private companies and NGOs can provide materials that are readily accessible for the communities.

With a detailed picture of soil, plant and climate conditions, software from Ingemann has developed a solution that can optimise crop yields. The first target group are the farmers of Central America. With Agroclimática they are creating new knowledge of local production. The results are communicated to farmers by e-mail or text, who can also find detailed instructions on what should be done on the ground so that the crops get optimal conditions.

Read the full SDG solution cases on www.sdg-accelerator.org
Cases

SDG solutions

**New partnership creates circular loop for hard plastics**

Together with a municipal resource company, Nomi4S, and a waste-to-fuel industry partner, QuantaFuel, Plastix has developed a new circular business model that ensures chain integration of post-consumer hard plastics. Nomi4S sorts the plastic from domestic household waste and delivers the cleanest fraction to Plastix. The non-recyclable fractions go to QuantaFuel. It is a partnership where all parties win and with great potential for scaling.

**Logistics tool will optimise logistics and reduce CO2 emissions**

RGS Nordic is developing a new digital tool that can help to optimise logistics and reduce CO2 emissions significantly for the resource company and their many customers. With the results of the tool, both RGS Nordic and their customers can look forward to a significant cost reduction. However, to succeed, all partners involved must be willing to share information and data that is often considered confidential.

**Reducing energy loss using digital technology**

In Denmark, approximately 65 percent of all buildings are heated with district heating, but far too often, the water is too hot when it is returned, wasting precious energy. Using digital monitoring systems, Brunata plans to detect the hotspots of too high return temperatures. This enables the company to fix problems in the heating system, which leads to reduced heat loss.

**Circular model to prolong the useful life of children's shoes**

ATC Footwear, which produces the acknowledged shoe brand ANGULUS, is developing a new children's shoe that can be reused by several children. At the same time, the company is testing a circular business model. Through ANGULUS CIRCLE, parents can receive new shoes through a circular subscription plan. This model would also have a positive impact on the environment by eliminating waste.

Read the full SDG solution cases on www.sdg-accelerator.org
SDG Innovation Journey

The SDG Innovation Journey is a five-step process that starts with the search for ideas with significant SDG impact and commercial potential - and ends with a roadmap ready to integrate into business operations.

**Building blocks**
The SDG innovation Journey incorporates a host of recognised building blocks for innovation and business development.

The SDGs are the foundation for the ideation process and for the development of the solution. The solutions needs to demonstrate significant impact on the SDGs as well as commercial potential to be viable.

While the five-step SDG Innovation Journey is depicted as linear below, the ideation process of the company may, in fact, not be linear. Ultimately, working with innovation is an iterative process where the company should be prepared to iterate between the problem and the solution throughout.

**Role of the facilitator**
The facilitator is the project manager and the process guide and needs to have significant experience with process facilitation. The facilitator seeks to enhance the outcomes of the process and ensure team effectiveness, however without taking control or doing the work. The facilitators should be ready to coach and encourage teams to try new ways of thinking and doing. The facilitator of the SDG Innovation Journey must further have deep insight into business innovation, value creation, understand the context of SMEs, and be able to translate the SDGs into business opportunities. She is also responsible for planning all sessions with the companies and for reaching out to relevant experts and for involving them.

**Role of experts**
Experts in business innovation and specific SDG-related themes are invited to the Innovation Lab (step 2) and to the Acceleration workshop (step 4) with the purpose of discussing specific questions with the companies related to their solution and SDG issues. The involvement of experts is carefully prepared by the facilitators, who also matches each company with relevant experts based on the challenges faced by the company at that time and the questions they need to have answered in order to progress their solution and their SDG impact. Some experts may continue to work with the companies outside of the Innovation Lab and the Acceleration workshop.

**SDG Innovation Journey**

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Getting started
Each step of the SDG Innovation Journey has one chapter in this Blueprint covering the purpose of the step, expected outcomes and the tools relevant for each session. The supporting toolbox includes a high-level agenda for each session, all tools in template format and instructions on how to use them.

Planning sessions
The SDG Innovation Journey mixes individual sessions of 3 hours between the facilitator and the company (step 1, 3 and 5) and joint sessions bringing together all companies, facilitators and external experts (step 2 and 4).

The first joint session comprises a two-day Innovation Lab and the second joint session covers a one-day Acceleration workshop.

Each session is conducted with one month in between.

The facilitator plans and coordinates all sessions and makes sure to catch up and liaise with the companies between sessions. The companies are responsible for the follow-up activities in between each session as agreed during the meeting.

Kick-off the SDG Innovation Journey
Before heading into the process, the facilitator is encouraged to host a kick-off event bringing together all the companies in the process as well as other interested stakeholders relevant to the context. The aim of the kick-off event is to ensure senior leadership commitment, to inspire, and to ignite the feeling of contributing to something bigger. To enhance the likelihood of a successful programme and implementation for the participating companies, they are all encouraged to involve their CEO at an early stage.

Preparation for the facilitator
- Get acquainted with each company before the process and match expectations
- Familiarise yourself with the line of business, strategy, sustainability and communication efforts of the company
- Understand the group of companies and tailor the process to their needs
- Factor in that different cultures may require different focus areas e.g. in relation to communication, management involvement and decision-making
- Make sure the Innovation Journey is enjoyable and informal. A fun and engaging atmosphere promotes good results

Preparation for the company
- The SDG Innovation Journey requires strong ownership. Determine who will be the caretaker from the outset
- The journey is highly interdisciplinary, so establish a working group with relevant people from across the business including, for example, sales, sourcing, operations and management
- Share company relevant resources and with the facilitator before kick-off
- Organise an internal kick-off, explaining to colleagues the purpose of the project and how the work contributes to the corporate vision. This paves the way for connecting employees to the project and to the SDGs
Step 1 – Framing the problem and idea selection

Understanding the SDGs
The first individual session starts with a comprehensive introduction to the SDG agenda, the 17 goals and the 169 underlying targets.

The SDG targets are presented as unmet market opportunities in need of new solutions and the group discusses the implications. The emphasis is on the SDGs as a driver of innovation and commercial growth.

To understand the scope of the company’s impact on the SDGs today, relevant interfaces between the company and the SDGs are explored by discussing products, services, value chain, international presence and practices.

Any specific problems that turn up in the discussion a something that could be interesting to explore further are noted down.

Brainstorm problems and ideas
The SDG Opportunity Cards are introduced into the brainstorming exercise as inspiration for what could be relevant problems to address and ideate from. The group brainstorms and presents suggestions in the group.

Discuss each suggestion in the group by following these questions:
1) Which SDG challenges are relevant to the industry?
2) Which of these are critical to the company today and in the future?
3) Where is the biggest potential for innovation for the business?
4) Where could the company have the biggest impact?
5) What would be the motivator for solving the challenge for the company?

Prioritise ideas
All ideas are prioritised into the Prioritization Matrix template, by assessing the SDG impact and the value to the business of the idea and the underlying problem.

The matrix depicts the value of each idea relative to each other and the ideas with the biggest value to the SDGs and to the company are selected for further refinement.

Case for change
Finally, the group starts filling in the Case for change template and frames the selected ideas to make sense of the information and perspectives discussed. The Case for change template is used to qualify the specific idea that will be in focus for the rest of the SDG Innovation Journey.

Preparation for step 2: Select idea before Innovation Lab
The company qualifies the list of selected ideas further. An idea can be qualified in various ways depending on the topic, for example by seeking information about the underlying problem, the people affected or the business value. The strongest idea is selected based on the balance between SDG impact and business value.

The company refines the Case for Change template for the selected idea, substantiates the idea and the identified problem, and by giving words to the value it brings for the business and for the SDGs. If possible, include the relevant SDG target in the description.

Key tools

SDG Opportunity Cards
- Provide inspiration for concrete sustainability challenges that business can address with commercial solutions.

Prioritization matrix
- Prioritise ideas in terms of SDG impact and business value.

Case for change
- Detail the idea by describing how the idea addresses the underlying problem, the SDGs and has commercial potential.

Purpose: Introduction to the SDGs and relevant interfaces with business, frame the problem, and brainstorm ideas for solutions.

Key outcome: A well-defined Case for Change for the selected idea.

Format: Session between facilitator and company.

Time: 3 hours
**Step 2 – Transition from problems to ideating solutions**

**Innovation Lab**
The Innovation Lab aims to transition the companies from the identified problem and idea to developing a viable business solution with significant SDG impact.

Over the course of two full days, each company works to progress their idea into a solution, guided by a designated facilitator.

Throughout the Lab, each company has the chance to share perspectives and get input from invited experts and each other.

**Experts**
By convening all companies, facilitators and experts, the Lab brings together different perspectives that can validate and help progress the solutions.

All experts are carefully selected to match the companies. To ensure efficiency and effectiveness, the experts receive a briefing by the facilitator on each company and their ideas before going into the Lab.

During the Lab, the companies can book sessions with one or more experts in order to discuss specific questions or assumptions about the solution, for example in relation to the market, the SDG impact, the user needs or the business model.

**Sounding Board**
The Sounding Board comprises of a number of experts (4-6) with a diverse background and competencies spanning both commercial and SDG expertise. They collectively validate and provide feedback to the company on their solution and the envisioned SDG impact during the Lab, for example at the end of each day.

**Plan for day 1**
The focus of day 1 is to understand and define the needs of the user of the solution, clarify how the needs are addressed most effectively, and to start framing these insights into a value proposition.

The value proposition works in conjunction with the Business model canvas, which is introduced at the beginning of day 1, and serves as the guiding tool throughout the two days.

**Case for change**
Revisit the Case for change from step 1 and discuss any new insights and refinements that the company has made since last time.

If the company has prioritised between several strong ideas before going into the Lab, they present why they have chosen this specific idea.

**Business model canvas**
The canvas is the key tool of the Lab as all the exercises applied during the two days ultimately feed into the canvas.

The business model canvas helps to ensure that all the different elements are aligned. It also ensures that all the necessary components needed in a viable solution are being addressed.

However, all the elements of the canvas are subject to change in the early stages of the development of the solution. Therefore, the canvas is meant as a snapshot - a picture that requires continuous updating.

Using this structure thus helps to keep discussions focused and bring everyone onto the same page. Insights about the solution at this stage and from the Case for change are noted into the canvas.

**Purpose:** Conceptualise ideas into one viable solution addressing the chosen problem, and start testing at an early stage.

**Key outcome:** Business model canvas and Testing plan for the solution.

**Format:** Joint workshop bringing together companies, facilitators and experts.

**Time:** 2 full days

**Solution criteria**
Identify the needs, wants, pains, insights and impacts on the key stakeholder, as well as who is paying for the solution. If the user or beneficiary is different from who is paying for it, this is often just as important to understand as the actual customer.

Remember to consider other relevant stakeholders, who have a stake in the problem that the solution is trying to solve.

The solution design should be grounded in a deep understanding of the user, their pains and gains, and if relevant also of the other key stakeholders involved.

**Sketch three solutions**
Three different ways of performing the task (addressing pains, ensuring gains) are now sketched out based on all the things the group now knows about the solution, the user and other key stakeholders. The idea is to brainstorm on alternative ways of addressing the same problem in order not to hold on to the first idea, if there are other solutions that may bring more value and impact.
Value proposition
At the end of day 1, the Value proposition template is introduced and used as a tool to summarise all outcomes and results so far. The Value proposition template is centred around two building blocks – the user profile and the value proposition of the solution. Assess and ensure that there is a fit between the proposed solution and what the user values and needs.

Plan for day 2
The focus of day 2 is to start working more in depth with the value proposition to the company and to the user, as well as the business model of the solution. Both elements are at the core of the Business model canvas.

Revisit Value proposition
Revisit the Value proposition template from day 1 and refine it, if relevant. Defining the value proposition usually generates a lot of assumptions that should be noted down and included in the Testing plan by the end of the day.

Fill in Business model canvas
The canvas lays out all elements of the full solution. By now, the group should update the canvas with all the findings and results, they have so far and answer the question intrinsic to the canvas: ‘Can we do it’, ‘Is there demand’, ‘Is it worth it’, ‘Should we do it’.

Define market potential for the solution
The market or user potential is the entire size of the obtainable market or number of users in the target group (if the customer is not the same as the user) for a solution. It represents the upper limits of the market for the solution. It works in conjunction with defining the revenue model.

Define revenue model and cost structure
Start brainstorming around the full range of options for the solution to generate revenue.

For SDG solutions, the revenue model may be different from ‘traditional’ products or business models.

It may benefit from inspiration and examples from other industries, which can be used in the brainstorm.

Set up a Testing plan and agree on next steps
The Testing plan helps to list the unanswered questions and primary assumptions that the working group has identified so far, and how the group intends to test and validate these.

All assumptions are grouped by using the four categories of the canvas.

The group agrees on what are the next steps and what to test before the next session. These actions are noted into an action plan.

Preparation for step 3
The group follows the Testing plan from the Innovation Lab and syntheses all results and feedback received on the solution. Test results and feedback are used to adjust and detail the solution further.

This is an iterative process, and the group may need to change the solution based on new knowledge and the insights they obtain about the problem and customer/user behavior and preferences throughout the testing.

Key tools

Case for change
Revisit the Case for change and discuss any new insights and refinements made since last.

Sketching solutions
Diverge and come up with 3 solutions that can address the problem in different ways.

Value proposition
Understand the user needs and design to meet those needs. Works in conjunction with the Business model canvas.

Business model canvas
An overview of the solution describing the different building blocks of the solution. The Value proposition feeds into the canvas.

Testing plan
List of all assumptions and unanswered questions that needs to be tested and a description of how to test them before the next step.
Recap on test results
The second individual session starts with a recap of all the test results and feedback received relating to the solution since the Innovation Lab. The working group presents test results and actions taken to refine and detail the solution since the Innovation Lab.

Business case
The development of the actual business case commences already at session three, as the further process and development of the solution will likely start to require more resources, expenditures or outside investment.

The business case requires thought and data to fill in, and obviously the more data the company has, the more elaborate and detailed they can – and should - make the case. If data it lacking, the company should start with a light version, identify ways of generating the needed data and refine from there.

The business case includes a chapter on how the solution connects with the SDGs and how impact on the relevant SDG targets will be measured going forward. A clear demonstration of how the solution delivers impact is not only a key element of the SDG Innovation Journey, but it also prevents potential tendencies of ‘corporate greenwashing’.

In sum, the business case must explain why the organisation or an outside investor should fund the solution and what the forecasted impact will be for the business and for the SDGs.

SDG impact forecasting
The chapter on SDG impact forecasting focuses on how the solution connects to the SDGs and how it will address concrete SDG challenges once integrated into business operation.

This is described through a combination of text and data that demonstrates how the solution delivers positive change on one or more SDG targets.

SDG impact guidance
Helps to define how the solution will create positive change and to whom and how to measure impact going forward.

Purpose: Describe the business case of the solution and define relevant SDG indicators for impact forecasting.
Key outcome: Business case and SDG impact indicators.
Format: Session between facilitator and the company.
Time: 3 hours

Preparation for step 4: Acceleration workshop
Before heading into the joint Acceleration workshop, the company finalises the first draft of the Business case including the SDG impact chapter with the data and insight available at this point.

Before the workshop, the business case is used by the facilitator to brief all experts in the workshop, to make sure that they come prepared with a good understanding of the solution.

Examples of output-oriented indicators from the SDG Accelerator

<table>
<thead>
<tr>
<th>Plastic waste</th>
<th>Access to education</th>
<th>Sustainably use oceans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post-consumer plastic recycled as a result of a new business model</td>
<td>Access to vocational training on fish farming in Nigeria as through app</td>
<td>Nitrogen reduced in due to growing muscles as new feed ingredient</td>
</tr>
</tbody>
</table>

SDG Target 12.5 SUBSTANTIALLY REDUCE WASTE GENERATION
SDG Target 4.3 EQUAL ACCESS TO AFFORDABLE AND QUALITY EDUCATION
SDG Target 14.3 REDUCE OCEAN ACIDIFICATION
Step 4 – Acceleration workshop

**Acceleration workshop**
The Acceleration workshop provides the companies with the option to connect with outside experts and receive feedback on a range of predefined topics and questions related to their solution.

The workshop is mainly structured around 3-4 deep dive sessions between one expert and one company and one or more peer feedback sessions between relevant companies.

The expert deep dive sessions can include themes like SDG impact, Business model, Customer journey, Digital solutions, Storytelling and communication, Public-private partnerships, and External funding.

All themes are carefully selected to match the group of companies and the specific challenges and unresolved issues that need to be resolved to refine the solutions.

**Signing up to deep dive sessions**
As part of the preparation for the Acceleration workshop, each company receives an overview of the available deep dive sessions during the workshop. Each company signs up to the sessions they prefer and shares their business case with the facilitator and with the experts in due time.

**Expert deep dive sessions**
The experts used in the Acceleration workshop may be different from the experts who participated in the Innovation Lab while some may be invited to both workshops.

The key criteria is that they are qualified and come prepared to provide in-depth input to the companies.

Each company is expected to define specific questions they would like to discuss with the expert in advance. Together with the business case, those questions are the primary focus of the deep dive sessions.

**Peer feedback**
Getting peer input and feedback can be a valuable source of ideas and new insights. During the workshop, each company has the option to engage in structured peer feedback sessions with one or more of the other companies discussing questions related to the solution or other relevant sustainability issues.

**Preparation for step 5**
Based on the sparring and feedback received during the workshop, the companies may choose to update their business case and enrich the solution to reflect any new insights.

Additionally, preparation for the next and final step includes refinement of the SDG impact indicators and to consider what to include in a future roadmap for the integration of the solution into the operative business.

**Purpose**: Refine and enrich solution and business case based on sparring from experts and from peer feedback sessions.

**Key outcome**: Enriched business case and solution.

**Format**: Joint session bringing together facilitator, companies and experts.

**Time**: 1 full day

**Key tools**

**Business case**
Describes all elements of the solution so that management or investors can decide if the solution is worth investing in.

**Expert deep dives**
Sessions going into detail with an theme about a specific topic relevant to advance the solution.

**Peer feedback**
Sessions with peer companies, exchanging feedback and ideas relating to the solution or other relevant sustainability issues.

**Inspirational talk**
Consider including an inspirational talk in the Acceleration workshop agenda with the purpose of injecting energy and enthusiasm into the day and ensure that everybody still feels part of a bigger journey towards sustainable development. This could for example be a prominent CEO from a company excelling in sustainable business.
Recap on the business case
The third individual session starts with a recap on the business case and any new insights, challenges or needs that have come up since the Acceleration workshop.

The working group presents any steps taken to refine and detail the solution since last.

Developing a strategic roadmap
Building on the initial structure of the Business model canvas and the elaboration from the Business case, the strategic roadmap shows the strategy, goals and milestones of the solution from its current state to full future implementation.

It is a helpful tool to further elaborate, visualise and anticipate what needs to be prioritised month-by-month or year-by-year to achieve the solution.

To reduce some of the complexity, the solution is broken down into smaller components that sequentially fit together and form a roadmap to reach the goals. Most organisations are able to clearly visualise what they will be doing the next year, but past that, the future often becomes a little fuzzy and less certain.

Therefore, building the strategic roadmap is a process, not a one-off event. The companies should revisit and update the roadmap regularly going forward.

Splitting the solution into components
A big task like building and launching a new solution can seem overwhelming. To break down the solution into something manageable, the working group should define and elaborate on which departments should lead each component in the roadmap and what type of know-how, resources and systems are needed for each of them.

In this discussion, it is important to consider to what extent the company has the needed know-how, resources and systems in-house, how to source them if they are not in-house, or if outside partners should be leveraged.

Know-how can be specific capabilities or knowledge within technology, strategy, product design or something else. The need for resources may cover external investment, internal financing, man-hours or other assets. Systems can include specific IT-solutions, processes, performance management, etc.

Making a project plan
The project plan is key to ensure that the company has a plan for executing on the strategic roadmap. The project plan includes all the components defined in the previous exercises and clear responsibilities and deadlines for each. The project plan also visualises status on progress and budget spending for each component and underlying activities.

Purpose: Develop a milestone-based plan for how the solution will be integrated into core business operations, how to succeed and who will lead.

Outcome: A strategic roadmap and a project plan for integrating the solution.

Format: Session between facilitator and company

Time: 3 hours

Step 5 – Integrating the solution into the operative business

Key tools

Strategic roadmap
A milestone-based plan, which outlines the goals and steps to integrate and succeed with the solution in the short and long term.

Integrating in current business
Define solution components and what deliverables needs to be in place in order to integrate the solution.

Project plan
Outline the defined goals, required deliverables, roles and a timeline for completing the solution.

Closing event
Consider organising a closing event after the last session of the SDG Innovation Journey to celebrate all the hard work and achievements of the companies in the process. To inspire others and spur interest in the agenda, consider also inviting external stakeholders relevant to the context.
The objective of forecasting impact on the SDGs from the solution, is to understand and demonstrate how the solution concretely connects to the SDGs and deliver tangible impact at different levels and in different ways.

**Scope**
In the SDG Innovation Journey, each company works to determine the right indicators for demonstrating the specific outcomes and impacts delivered by their solution, when it is implemented into its business operations.

The scope is to understand how the solution creates change over time by setting up relevant indicators to predict the contribution of the solution to the SDGs. Business practices or activities that the company undertakes, but which are not directly related to the solution, are not part of the scope in this context.

**SDG targets and indicators**
The 169 targets under the 17 SDGs are not all relevant to business, some are directly aimed at governments. At the same time, most targets are not formulated in a way so that companies can easily measure impact against them, just as the 232 indicators underneath the targets are still to be completed.

Companies need also to be aware that the SDG targets are a mix of output and impact targets. This is an important distinction, as the impact dimension (typically long-term effects of an intervention) generally adds a longer timeframe and more complexity to an indicator than outputs (specific products, capital or services resulting from an intervention). In this way, both terms are used to describe results and changes from a solution, but at different levels.

In their formulation of specific indicators for their solution, companies are encouraged to seek inspiration in the indicators already listed under the SDGs.

**Impact and output from the solution**
SDG impact can be defined as the specific positive change resulting from the solution on one or more SDG targets.

However, impact is not an easy thing to forecast nor measure. It is topic and industry-specific and often requires data from outside of the company as well as new approaches to measuring impact beyond traditional business metrics.

Forecasting impact on the SDGs can be more difficult than predicting the output. In the case of expanding Internet connectivity in rural areas, for example, it may be fairly easy to measure an outcome, such as the number of people connected to the Internet in a specific area as a result of the solution (e.g. SDG Target 9.c). The impact, which may be an increase in health (relates to SDG 3) as a result of access to health information on the Internet may, however, be more difficult to measure and needs greater specificity.

The indicators should be as specific as possible, while acknowledging that there is no one-size-fits-all approach to tracking impact.
In some cases, it will be possible to identify or develop relevant indicators or metrics, while in other cases, the aim might simply be to understand how the solution creates positive a change related to the SDGs based on a theory of change. A theory of change is a simple way of describing causality between an action and a result and the assumptions underpinning this causality.

**Risk of adverse impact**

In addition to creating positive outcomes and impacts, all solutions will potentially carry risks or negative side effects, such as social, environmental, financial, etc. risks or in relation to human rights.

It is critical that each company conducts a risk assessment that aims to answer the question - ‘what else could happen as a result of the solution?’ by identifying the potential negative impacts, their likelihood of occurring and how they might be avoided.

**Three levels**

Already in the beginning of the SDG Innovation Journey, the challenges intrinsic to the SDG targets are used to set up problem framings, which the companies use to ideate from.

As the companies continue their innovation process and refine their solution, they are likely to further zoom in on how their solution will create positive change and to whom. Each company is encouraged to define 3-5 relevant indicators that can be used to forecast impact on specific SDG targets by using the below three levels.

Indicators can be output or impact oriented, but in general, companies who are not experienced with impact forecasting or measurement can benefit from starting with defining output oriented indicators.

**Approach to forecasting SDG impact**

1) **Primary SDG contribution**
   Define the primary indicator that captures the main result stemming from the solution in alignment with the identified SDG target.

2) **Secondary SDG contribution**
   Define 1-3 indicators that capture other positive results stemming from the solution in alignment with the identified SDG target.

3) **Other positive development effects**
   Define the indicators that capture additional contributions to societal progress from the solution, but not covered by the SDG targets (if any).