

Leading with Purpose: 'If there's no planet, there's no profit.'

Guest Speaker **SHEVAUN HAVILAND**

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Nik Gowing

Welcome to talking about "Thinking the Unthinkable", our latest leadership conversation and podcast. I'm Nik Gowing. Hello, Founder and Director of the "Thinking the Unthinkable" project since 2014.

How successfully are you identifying then handling the unthinkable and unpalatable, whatever the size of the firm or organisation you work for? It's a daily, sometimes hourly challenge for every leader at every level. And the challenges are ever tougher, especially because of the pressures to act against the existential threats to our planet and all that we take for granted.

Well, to gauge the success - or maybe lack of - I'm joined for these 18 minutes by Shevaun Haviland, Director General of the British Chambers of Commerce since 2021. The BCC represents almost 70,000 businesses of all shapes and sizes, from the smallest local businesses to the largest international companies. Collectively, they employ 6 million people.

Welcome, Shevaun. Thanks very much indeed for joining me for this podcast. You've said many times, many leaders tell you, quote, "it's never been this hard in my 40-year career." What are the roots of anxieties of leadership at the moment?

Shevaun Haviland

Hi, Nik, thanks for having me on the podcast.

Indeed. So in this job running the British Chambers of Commerce, I have the privilege of getting to travel the country and meet business leaders from Penzance to Inverness, and everywhere in between. They really do tell me that it is very tough. I don't need to run through the challenges with you: from Brexit to COVID, to an energy crisis, huge inflation on raw materials, and a very tight labor market. All of that makes it really tough for business leaders.

But at the same time, you know, after they've laid out the challenges, they then all turn and say, "You know what, Shevaun: we're launching a new product over here, or we're thinking about a new investment over there, or we're training our people to do this."

I mean, it's so inspiring, that can-do, solution-orientated, entrepreneurial attitude and leadership that British businesses have. So you know, it's great to see and it is inspiring. And that is what makes me feel really positive and optimistic about where our economy's going.

Nik Gowing

Well, what's central to your leadership, though, is inspiring businesses to overcome the vital green challenges, especially reaching net zero.

And a recent report from your chambers starts, and I quote here, "the clock is ticking on the climate crisis. And solutions lie in the collective ingenuity of British businesses," end of quote.

Is enough ingenuity being shown?

Shevaun Haviland

Right, great question. So what I'll say on the green challenge is, a couple of things.

We say to our businesses, you know, there is no "If there's no planet, there's no profit." So if you don't get on this bandwagon, you're not going to be around in 20 years time.

There are huge impacts already happening. And sometimes I think we have a bit of collective amnesia. If I can just take you back to last summer when large parts of the Mediterranean were on fire, we were dealing with 40-degree heat in the UK. The National Farmers Union recently talked about the last 18 months being the wettest since 1836. And 25% of our businesses on our last survey said they were already being impacted by extreme weather events. And I think that's probably on the low side.

So it's already here. It's already happening. What are our businesses doing about it?

And getting our nation to net zero really is a massive challenge. Because if you are running a business, and you, you know, well, firstly, you're already concerned about the cash you've got in the bank, right? And secondly, someone says, "Well, you need to measure your carbon footprint." How many people in your business do you think can measure a carbon footprint? I do this quite a lot. When I meet, when I do big audiences, I make people put their hand up and see who in the room can measure a carbon footprint. It's normally about 3% of the room. So A, I've got to work out how to do it. And then B, I'm worried that I'm going to get a report back that says you need to spend 100 Grand on new heating or lighting or some, you know, green investment in the business, well, I

haven't got 100 grand sitting in the bank. So maybe I might put that in the too difficult box for the moment.

So there's the challenge of helping our businesses, helping our members see the business case for that transition. Of course, eventually, it will mean lower energy bills, it will be a better proposition to your customers. In a lot of cases, if you're part of a supply chain, that, you know, your customers are going to force you into some of these environmental measures. But of course, it's about retention and recruitment of staff, you know, people are interested in these sorts of issues. So what's the business case for your organisation getting to net zero, and then getting you on the road and the Chamber network, you know, do a lot of that they do a lot around education and helping you measure your carbon footprint.

So that's one side that I would say, the challenging side. And in terms of all the costs that you've been facing over the last, however long.

Nik Gowing

Let me just jump in there. Because of course, the phrase is, "it's the business opportunity of the century." Is that resonating with the leaders you're talking to, of every size, whether it be the big companies, or the smaller SMEs?

Shevaun Haviland

I think it's beginning to. I think that's the other side of the coin, that huge opportunity for UK PLC in green products and services is absolutely what we are saying to our businesses: where are you innovating? How are you innovating? And if you're not, you should really be thinking about it now, because that is the future of this economy.

And I think, you know, having recently spent some time in the US where they have the Inflation Reduction Act, they will see huge investments in the green transition. On in the EU, we have the Green New Deal. We in the UK, you know, we can't compete on that, those sizes of subsidies. But we here have huge assets in our universities, in our innovators and entrepreneurs, in our businesses. And also, of course, the city, we have the city and the financial, you know, the financial strength of the city. So actually, there's a real space for us, I think, as a nation, to innovate in this area.

Nik Gowing

Imagine there are leaders, though, watching, leaders to be as well, watching this, saying, "I still can't afford to take the risk. I'm not sure we've got the cash. I'm not sure we've got the initiative." What do you say to them about the risks that need to be taken? The risks that need to be taken? Because if they don't, then actually, it'll be even worse in the medium to long term?

Shevaun Haviland

I mean, that is what we say. I mean, as a business leader, you need to look at two things, don't you? You need to look at the risks, the risk register of your business, and you need to constantly be looking for new opportunities. And the green transition presents both at the same time. So what

are the risks? And how are you going to manage them? But how can you use innovation to move out of old products and services and into new?

We, for example, across the chamber network, lots of chambers, their members, they do a lot of training and education to understand how to get on the journey. They offer opportunities to go and measure your carbon footprint. And in some places, we run accelerators, where businesses who've got new ideas in your space can go in and, you know, help make them a reality. So there are lots of places and spaces out there. You just need to go out and find them. And that's what leadership is about, isn't it?

Do you think there's a realisation of the scale and the urgency that's really needed? Because scientists are ever becoming ever more pessimistic. In other words, you know, it's actually the threat to the stability of our society, the stability of our communities and so on, is the enormity of what is coming down the track really something which they are aware of, which they can begin to counter and be very effective in countering?

I think it's a, it sort of depends a lot on the sector and the size of your business. So there are sectors of the economy that are really still carrying things like COVID loans, you know, still working on really tight margins, tricky times getting people, it's just really hard. And then there are larger businesses in certain sectors who are really, you know, advancing, who are really leading in this space. And we think it is down to those who are advancing, who are ahead of the game, to help, you know, help the rest of the economy. We've done a lot of work at the Chambers on that policy piece more generally. So we've also done a lot of work outside helping businesses build a business case, working with government to say, what can they do to help the economy, to help businesses more easily move forward.

So, you know, playing, putting the climate challenge at the heart of all government decision-making is what we want to see. We want to see the long-term economic plan for this country, and we want a green industrial strategy to go with it. And that is everything. I mean, again, as I travel the country, from the success of Cornish Lithium down in the southwest, to wind energy, carbon capture, sustainable airline fuel in the northeast, in Scotland, I mean, you see it wherever you go. But there are real challenges. So things like planning, getting planning permission to build new grid across the country to move the electricity around, expanding your factory, putting solar panels on your premises, all of it is really time-consuming, and it's hard. So we need the government to sort of change the mechanisms out there to make it easier for businesses to drive the green transition.

Nik Gowing

Do you think, and going back to that phrase I used right at the beginning coming from you, I have to say Shevaun. Do you think those leaders are really engaged in it, in seeing it as a challenge, as opposed to something which is really driving them to the wall and suddenly, which leads them quite panicky? About where things are going? Is there an ability to all learn from each other here, which perhaps isn't being exploited as much as it could be?

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Shevaun Haviland

I mean, we know that one of the best ways that business leaders like to learn is from each other. So we run a lot of peer-to-peer networking, because that's the way that you find out, you know, so and so's tried it, it worked for them, okay, it's gonna work for me.

However, one of the, I would say concerning data points that we got recently was around whether moving to green technologies will improve productivity. And 20% of businesses thought that moving to green technologies would decrease their productivity 20%. And that's really concerning. And that is driven by things like, "I want to move my fleets to EV, for example, I want to move my fleet of five vans to electric. But where am I going to plug them in? I don't have the infrastructure is not in place. My drivers take their vans home at night. They live in flats, they don't have places to plug them in." You know, you can begin to see when you're running a small, particularly small

business, how these are real practical challenges. So you know, it's up to us to help drive the infrastructure, grid planning, abilities that will allow businesses, those frameworks, you know, the government frameworks that allow business to come in behind it.

Nik Gowing

Let me quote someone you know very well and admire, I know, Paul Polman, the former chief executive of Unilever who's now running net positive and is an absolute campaigner on everything we're talking about. But he says what's missing? And we had, he was our last podcast before you, Shevaun. What is missing is courageous leadership. We need a critical mass of leaders across business, politics, and civil society to drive the changes needed at speed and scale. Can you see an accelerator, a multiplier happening here?

Shevaun Haviland

Oh, good question. I think we need the voices pushing this agenda, who are, you know, it's, I'm sure Paul would have said this to you. It's hard sometimes if you're leading FTSE and you have quarterly results, and you have shareholders who don't all necessarily feel the same, to really be loud and proud on this subject, which is why we always come back to, what is the business case? What's the business case here? Let's help you show that it is a long-term positive investment, which of course is what Paul also always says. And then those of us outside those roles can really push for the things that those leaders find harder to do. And particularly organisations like ours, I mean, all our work, Nik, is evidence-based, it's all based on survey work and stories. So we run quarterly economic surveys. It's been running for 30 years, the UK's biggest private sector survey, like 5,000 businesses a quarter. We use that data to say to government, "This is what you need to do to help businesses move more quickly."

I was at a meeting recently, and someone said to a minister, "I have billions to invest. And I can't get that money out the door quick enough." And this is in the green transition. "I can't get the money out the door quick enough because I can't get planning. And I can't plug my units into the grid." And it's that sort of infrastructure and the reforms we need to see. Because, you know, if you think about the UK, we were world leaders in wind, offshore wind. We had Contracts for Difference. That was real innovation in policy development. We're falling behind because we just haven't kept up with, you know, that sort of leadership. And we, by the way, didn't do enough to build on onshore supply chains locally for those sorts of things. So there is great leadership going on out there. We need to help them make it easier.

Nik Gowing

Let me, in our last three minutes, just see where you think this is going. Because one of the things which has emerged in the literally in the last couple of years, is the disrespect for nature, the abuse of nature and biodiversity and so on. Do you think that is ingrained yet? Anything like as deeply as it needs to be into the way businesses are thinking, realising that when you push the rubbish out of that chute or that sewer, it doesn't just disappear and get sorted out? It's actually poisoning the planet. Is that part now of the next stage of what you've got to do on green?

Shevaun Haviland

I think the nature, biodiversity question is very new to businesses, what's strangely new, and I think they find it really hard to get their heads around. The person who led some of our green work, Emma Howard Boyd, is, you know, chair of the Green Finance Institute, talks about biodiversity and the nature of it on a regular basis. We feel businesses, and I think people to a degree, feel disconnected to nature and biodiversity and find it hard to understand. But it's crucial. I mean, without, you know, without biodiversity and nature, we will have no more agriculture, we will have no more food. It feels very disconnected. But those stories need to be told. It's hard for businesses to wrap their head around that, but then it needs to be done.

Nik Gowing

One of the other interviewees on podcasts was Professor Colin Mayer, Emeritus Professor at the Saïd Business School, and it's central to his work is that businesses must solve problems, not create them. There has to be a fair and just profit coming from whatever they produce. Do you think that has a chance of resonating within the kind of membership you've got, your 70,000 around the world?

Shevaun Haviland

I would say that the businesses who are members of our chambers, in their places in their communities, already are hugely net positive. They already support local jobs, the local environment, their communities. And when I talk to them about why they're members of their chamber and why they're involved, they ultimately say, "This is my place. I'm from here, I've built my life here, and I want to give back to it," which is why I'm part of the chamber. So people absolutely want to build positive environments for their families and their kids. Now, I spent some time a while ago in Doncaster. They've just been given city status, huge celebration across the community businesses.

Nik Gowing

Northeast of England, I should say.

Shevaun Haviland

Government, but they were also talking about the challenges of their city centers and the environment there and what they wanted to do about that next, so you really do see communities in action when you travel around and see all the parts of it. And it has to be government, business, people, communities working together to really drive those great outcomes.

Nik Gowing

Shevaun, final thought, we're interviewing you because you have a reputation as what's called a can-do crusader. In 30 seconds, what's the can-do message you want to urge upon businesses, and particularly the leaders, the human beings who are running these companies, who are developing

these companies, who are often struggling to survive, but actually, hopefully not struggling. If all goes well, what's your message to them?

Shevaun Haviland

It looks really hard to do; it looks difficult, and on your own, it is difficult. So go and find someone who's started on the journey, who's worked out what at least the first two steps are, and follow them, and get on the journey because it will absolutely 100% give you a return on your investment.

Nik Gowing

Shevaun Haviland, thank you so much for joining us. You can reference every detail that Shevaun has given us. A transcript of the podcast is posted in parallel or on our website, along with contact details for us and for Shevaun at the British Chambers of Commerce.

Do please join us when we have our next conversation about Thinking the Unthinkable from me, Nik Gowing, until the next time, keep thinking unthinkables. More than ever, it's possible and as we've just heard from Shevaun, very necessary. Bye-bye.