Early this year, the International Society of Sustainability Professionals (ISSP) collaborated with New York City-based research, advisory and consulting firm Green Research on its 2012 global sustainability consultant survey. Green Research analyzed responses from 1,548 sustainability consultants from around the world and produced a summary, which you can download for free here. The following article is the first in a series that ISSP will publish to provide further insights from the survey data and other research and to address the questions:

1. What is the market for sustainability consulting?
2. What are the key competencies a sustainability consultant should have?
3. What are the key associations and tools a sustainability consultant should know about?

Sustainability Consulting
Riding the Wave of Opportunity
By Linda Lovett

The Future’s So Bright…
The sustainability “megatrend” has created a dynamic, global market for sustainability and corporate social responsibility (CSR) consulting services. Despite the weak global economy, corporate investment in sustainability continues to rise: in 2009, 25 percent of respondents to MIT Sloan Management Review’s sustainability survey of global corporate leaders said they were increasing their commitment to sustainability. In the 2010 survey, the number climbed to 60 percent, and nearly 70 percent of respondents predicted that their organizations would step up investment in 2011.¹

• Independent analyst firm Verdantix reports that spending on energy, environment and sustainability initiatives by US firms with revenues of more than $1 billion grew from $28 billion in 2010 to $39.8 billion in 2012.
• Verdantix estimates that the market will grow to $60 billion by 2014.²
The Sustainability Megatrend

In his 1982 bestseller *Megatrends*, John Naisbitt popularized the term meaning a general shift in thinking or approach that could affect entire countries, industries, and organizations. In a 2010 *Harvard Business Review* article, David Lubin from the Sustainability Network and Daniel Esty of Yale University explain how events in the previous decade facilitated the rise of sustainability as a megatrend that is forcing fundamental shifts in how companies compete:

- Environmental issues had steadily encroached on businesses’ capacity to create value for customers, shareholders, and other stakeholders.
- Globalized workforces and supply chains created environmental pressures and accompanying business liabilities.
- The rise of new world powers, notably China and India, intensified competition for natural resources (especially oil) and added a geopolitical dimension to sustainability.

In response to these pressures, companies began integrating sustainability principles into their operations to manage opportunities and risks arising from climate change, water shortages, energy demand and other sustainability issues.

Quantifying spending on sustainable business consulting is difficult, largely because sustainability budgets are often dispersed across business functions. Sustainability improvements may be included in business-as-usual activities or embedded in other corporate priorities and initiatives, such as lowering operating costs and acquiring and retaining customers. Moreover, research firms trying to size the market use different methodologies, which makes comparisons difficult. However, they share the conclusion that the market is buoyant:

- In 2010, Forrester Research published one of the first reliable research papers on the global sustainability consulting market, estimating that it was worth $2.7 billion that year and would grow to $9.6 billion by 2015.
- Verdantix predicts that the US spend on sustainable business consulting will grow from $5.8 billion in 2011 to reach $10.5 billion in 2014.

Figures 1 & 2: Sustainability Consulting Market Predictions
Likewise, the number of sustainability consultants has grown rapidly in the past five years, even as the global economy has been in recession. While there are many well-established firms and highly experienced consultants, 60 percent of the consultants responding to the Green Research/ISSP survey entered the field less than five years ago. This is no doubt due in part to the growing interest and concern about sustainability issues, but it also is a reflection of the rapid growth in the consulting profession overall. The number of new firms has soared as many workers have either given up or been forced out of the salaried world. A 2010 *Wall Street Journal* article entitled “How to Succeed in the Age of Going Solo” noted that some 20-23 percent of U.S. workers were operating as consultants, freelancers, free agents or contractors, with the number expected to rise in coming years. 

![Figure 3: Years of Consulting Experience](image)

Whatever the motivation for pursuing sustainability consulting, respondents to the Green Research/ISSP survey were optimistic about business prospects. Forty-nine percent said business conditions were somewhat or very strong, as compared to only 23 percent who said conditions were somewhat or very weak. Sixty-two percent of respondents expected a strong business environment in six months, while only 16 percent expected weak conditions.

![Figure 4: Perceptions of Business Conditions Today and in Six Months](image)
…But Are Salaries Keeping Pace?

Salary trends are another critical indicator of where the sector is headed, but it is important to acknowledge the data’s limitations when attempting to compare remuneration levels across geographic regions, job functions and titles, and survey methodologies. For example, Green Research speculates that the rising number of sustainability consultants may be putting downward pressure on salaries and fees. However, another recent report—the CR and Sustainability Salary Survey 2012 conducted by four UK-based firms—asserts that average salaries are “defying economic uncertainties” and continuing to rise.

The conflicting results are probably due to the two surveys’ very different respondent pools: Green Research/ISSP surveyed primarily smaller consultancies and sole practitioners, while the CR and Sustainability Salary Survey targeted key professionals whose sole focus was CSR—largely managers working in corporations or specialist consultants working in the private sector.

- According to Green Research, US consultants’ 2011 median annual income was $70,000, while North Americans consultants (i.e., not in-house staff) who responded to the CR and Sustainability Salary Survey earned an average of $86,000 annually.

There is no question, however, that individuals working in the sustainability consulting sector can command high levels of cash remuneration (salary and bonus). Among US-based consultants, incomes as high as $310,000 were reported in the Green Research/ISSP survey. The CR and Sustainability Salary Survey found that the top 10 percent of consultants worldwide received an average of $238,000 annually.

Figure 5: Percentage of Working Time Spent on Consulting

High Demand for General Consulting Skills

Across the Green Research/ISSP sample, the top focus of consulting activity by a considerable margin was Strategy development and planning (56%). This may reflect the fact that many organizations are at a relatively early stage of their sustainability journey.

Defining metrics and/or benchmarking holds the second spot at 45 percent, with Project planning and management and Reporting (and data collection) close behind. It is not surprising that these categories—all of which are related to planning, implementation, and tracking sustainability initiatives—would be key areas of business focus because they are required in a wide variety of organizations. Likewise, companies are calling upon consultants to help with outreach and communication efforts, as reflected in the relatively high numbers for Training, Employee engagement, External stakeholder engagement, and Marketing/communication.
The remaining categories are more specialized, so while demand for these services may be lower, there also may be fewer consultants with the technical expertise to conduct them. This creates opportunities for consultants who—in addition to having general consulting skills—can market to more niche areas such as auditing, supply chain management, product design, management systems, procurement, transportation and logistics, and packaging.

Figure 6: Most Common Business Areas that Projects Focused on in 2011

The Green Research/ISSP survey supports the notion that, to succeed as a consultant in these difficult economic times, it helps to join industry networks and team up on projects. The Wall Street Journal notes, “Most successful consultants are in a network or community of consultants… The dated image of the lonely consultant toiling in isolation has been replaced by networks of consultants cropping up to tackle bigger projects requiring more resources.” Only 17 percent of survey respondents said they did not collaborate with other consultants in 2011 and nearly a quarter said they collaborated more than 50 percent of the time.

Figure 7: Collaboration with Other Consultants
For most sustainability consultants, pro bono work is not a significant part of their business. Nearly a third of respondents to the Green Research/ISSP survey performed no pro bono work in 2011, and 44 percent said that less than 25 percent of their organization’s sustainability or CSR projects were performed pro bono. For sustainability professionals who have time to work pro bono, however, it could be a good way for a new consultant to build a portfolio or for a seasoned practitioner to develop new skills. It also is a way to network, collaborate, enhance one’s reputation, and help deserving organizations.

Conclusions

As seen through the lens of the latest market research, prospects for sustainability consulting careers appear bright: the demand for new CSR and sustainability recruits is high, and pay and job security are rising. By all accounts, sustainability consultants are engaged in what they do and are valued by their employers.

Over the next few years, consultants will need strong skills in strategy and planning, where much of the work is now being done, and to differentiate themselves through industry and functional expertise. As the sustainability field matures, Green Research expects the mix of services companies require from consultants to move from strategy and planning toward more tactical, technical or project-oriented work. Furthermore, as knowledge of sustainability concepts and practices become more widespread, consultants with expertise in particular industries and business functions may have an edge over generalists.

Like most business trends, sustainability has not emerged in a vacuum. It is a reaction to the growing risks and uncertainties companies face, such as scarcity of natural resources and looming environmental regulation, as well as pressures from consumers, supply chain customers, advocacy groups and investors. Consequently, consultants who position themselves to help companies identify and address those risks, uncertainties, and pressures should rarely be at a loss for opportunities.

Stoking the Megatrend

Industry analysts predict that sustainable business spending will only grow in the next decade, driven by:

- **Strict environmental regulation.** Governments are interceding with unprecedented levels of new regulation, such as the 2010 SEC ruling that climate risk is material to investors, the EPA’s mandate that greenhouse gases be regulated as a pollutant, and state-level greenhouse gas regulations and renewable energy policies.
- **Competitive dynamics.** Competition will drive growth in sustainability spending even faster than compliance; sustainability has become a key factor in enhancing and differentiating brands.
- **Changing consumer attitudes/demand.** Public and governmental concern about such issues as high oil prices, climate change, pollution, food safety, and natural resource depletion is escalating. Consumers are seeking out sustainable products and services or leaning on companies to improve the sustainability of conventional ones.
- **Risk management.** Externalities such as carbon dioxide emissions and water use have become material to a firm’s performance; investors and stakeholders expect companies to manage them and share information.
- **Innovation.** Companies are placing strategic bets on innovation in energy efficiency, renewable power, resource productivity, and pollution control.
About the Author:  Linda Lovett specializes in integrating sustainability practices into the core strategies and functions of organizations. She began working on environmental and corporate social responsibility issues while employed as a business research analyst for Hewlett-Packard. She subsequently earned an M.B.A. in Sustainable Business from the Bainbridge Graduate Institute and served for five years as the Sustainability Supervisor for the City of Corvallis, Oregon.

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6 CR and Sustainability Salary Survey 2012, Acre Resources, Acona, Ethical Performance, Flag.