

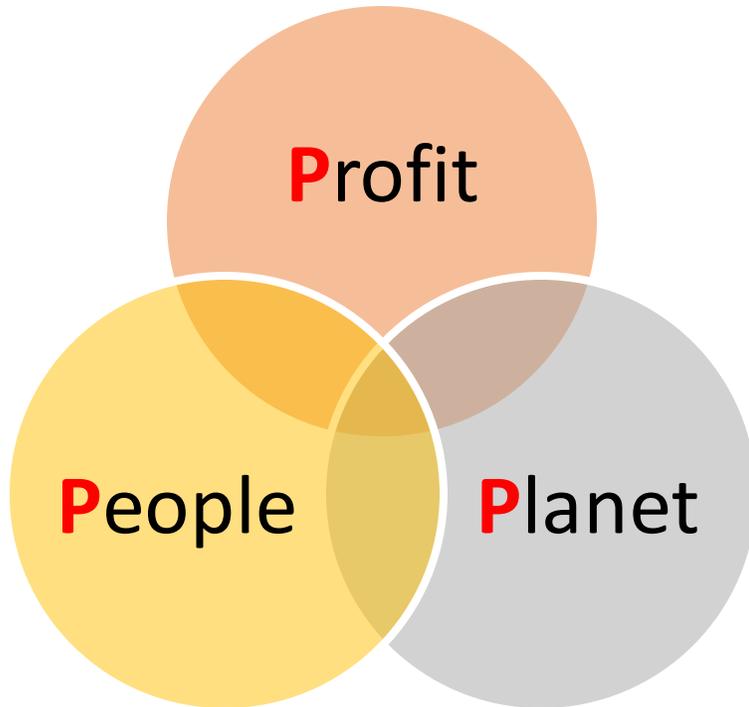
tradigenia:

business creativity & common sense

Service & Profit & People & Planet

Understanding TBL Virtuous Circles in Services

The Tripple Botttom Line (TBL) / The 3Ps.



Value creation in services is a feedback and evolutionary circular System.

The value created in one dimension can either fuel or hinder the value creation in the next. If this value creation positively and progressively influences one dimension over another, we foster a virtuous circle. However, if value is eroded or insufficient value is created in any of the dimensions, we risk negatively impacting the other dimensions of the System and triggering a vicious circle.

The Services & Benefits model, developed by Prof. Luis M. Huete, describes the composition of this value creation cycle and what elements or levers can be used to enter this virtuous circle.

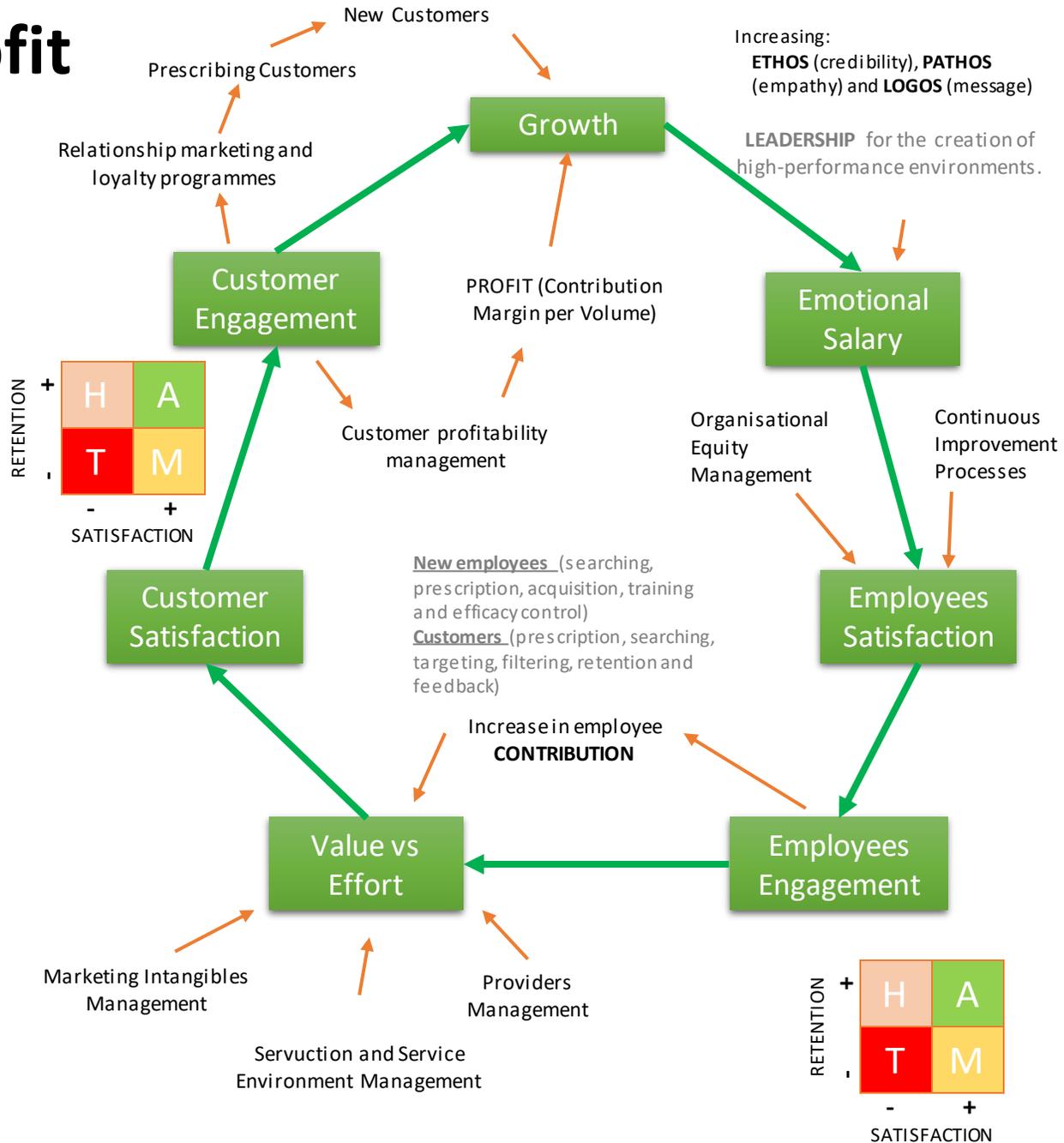
All of the mentioned above has to do with the retro-feeding character of the cycle. The evolutionary part concerns the evolution of the outputs of the system at two levels:

- At the level of the single dimensions that make up the System, the expectation of value creation is evolving in each dimension. What is very good for customers at one moment will no longer be so in the future, or at least will not be considered reasonable. The same is valid for employee satisfaction, and it can also be true for the satisfaction of the ownership of the organisation providing the service.
- At a consolidated level, at a general level, until recently, the service or company's profit and loss account measured the evolution of the System's profit-generating capacity: its economic profit (and, in a more financial way, its ROI). Nowadays, organisations and companies' internal and external contexts are more demanding of their operating results, focusing on the Triple Bottom Line (TBL). In this triple bottom line approach, we focus at the same time on the economic result of the operation (Profit), the result in environmental terms (Planet), and the result in social or personal terms (People). This approach is what is known as the 3Ps of TBL.

In this document, we will review this triple bottom line and how to manage it in the search for a sustainable virtuous circle from all three perspectives.

This document combines Tradigenia's previous developments with the results of the European projects LiveCircularCanvas and C-TOUR, of which Tradigenia was a partner between 2020 and 2024.

Profit



Dynamic drivers to power the Profit wheel creating a virtuous circle.

Below we present some examples of Profit wheel dynamizers. All of these dynamics influence the inner dynamic of the cycle and, if executed skillfully, create a positive effect of increasing the satisfaction and engagement of customers and employees alike.

A. Boosting employee satisfaction:

- Introduce recognition and reward programs to acknowledge and reward outstanding employee performance and contributions.
- Offer employee development opportunities like skills training, and leadership development. Investing in employees' skills and career growth demonstrates a commitment to their success and encourages loyalty and advocacy for the organisation.
- Transparent communication between leadership and employees. Keep employees informed about company updates, goals, and initiatives, and encourage feedback and suggestions to make them feel valued and involved in the decision-making process.
- Initiate employee well-being initiatives like flexible work arrangements, and a supportive work-life balance along with team building events. Show genuine care for employees' physical and mental health, creating a positive work environment conducive to loyalty and advocacy.

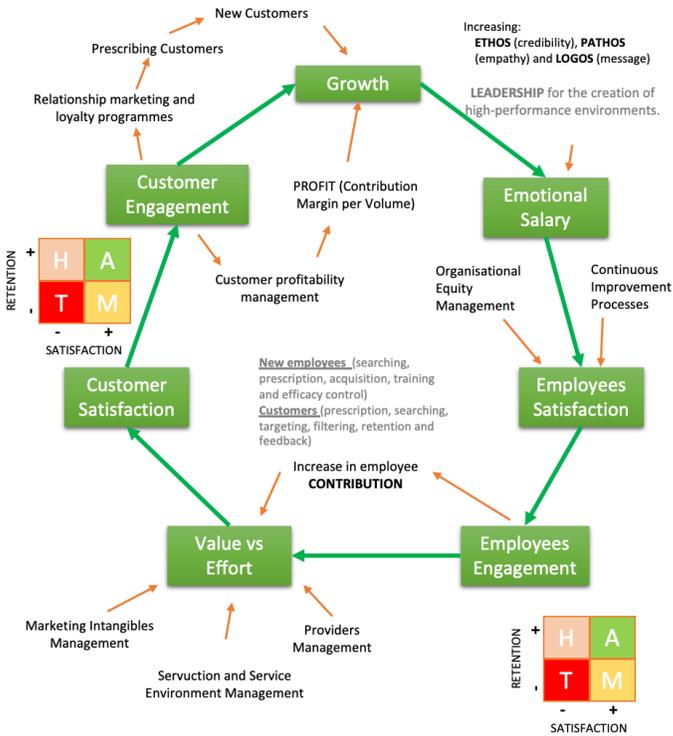
B. Securing customers satisfaction:

- Provide outstanding customer service that exceeds expectations and leaves a lasting positive impression. Train employees to anticipate and address customer needs promptly and effectively.
- Tailor products, services, and interactions to meet the unique needs and preferences of individual customers. Use customer data and insights to personalise marketing communications, recommendations, and offers, enhancing the customer experience and fostering loyalty.
- Implement customer loyalty programs that reward repeat purchases, referrals, and engagement with the company. Offer exclusive discounts, perks, and rewards to incentivize customer loyalty and encourage advocacy among satisfied customers.
- Regularly solicit feedback from customers through surveys, reviews, and other feedback mechanisms. Actively listen to customer feedback, address concerns promptly, and make improvements based on their input, demonstrating a commitment to customer satisfaction and continuous improvement.

Profit



Planet



Introduce drivers over the Service&Profit diagram that perform **Environmental / Planet** focus in each service system element (Growth, retribution, satisfaction, etc.)

Planet Aspect

EMPLOYEE SATISFACTION *circular* improvement drivers:

A. Environmental Stewardship:

- Circular projects focused on the Planet aspect, such as ecological produce or sustainable energy initiatives, demonstrate a commitment to environmental sustainability and conservation.
- Employees who are environmentally conscious appreciate working for companies that prioritise eco-friendly practices, leading to increased satisfaction and pride in their organisation's efforts to protect the planet.

B. Resource Efficiency and Waste Reduction:

- Circular projects that emphasise reuse, waste management, and resource optimization contribute to a more sustainable and efficient workplace.
- Employees benefit from initiatives that minimise waste, reduce resource consumption, and promote responsible resource management, leading to greater satisfaction and alignment with the company's environmental values.

C. Innovation and Creativity:

- Circular projects promoting optimization and virtualization stimulate innovation and creativity among employees.
- Encouraging employees to find innovative solutions for resource optimization, virtualization of processes, and sustainable practices fosters a culture of innovation, leading to increased job satisfaction and engagement.

Improvement Drivers source: C-TOUR Erasmus+ EU Project / Module 6 - Niels-Ole Ankerstjerne (FO-Aarhus)

Planet Aspect

CUSTOMER SATISFACTION *circular* improvement drivers:

A. Environmental Responsibility:

- Circular projects promoting ecological produce, sustainable energy, and waste reduction appeal to environmentally conscious customers.
- Customers value businesses that prioritise environmental responsibility and sustainability, leading to increased satisfaction and loyalty to brands that align with their values.

B. Sustainable Practices and Innovation:

- Circular projects focused on resource efficiency, waste reduction, and innovation in sustainability practices demonstrate a commitment to environmental stewardship.
- Customers appreciate businesses that innovate to reduce their environmental footprint and embrace sustainable practices, leading to increased satisfaction and brand loyalty.

C. Quality and Value:

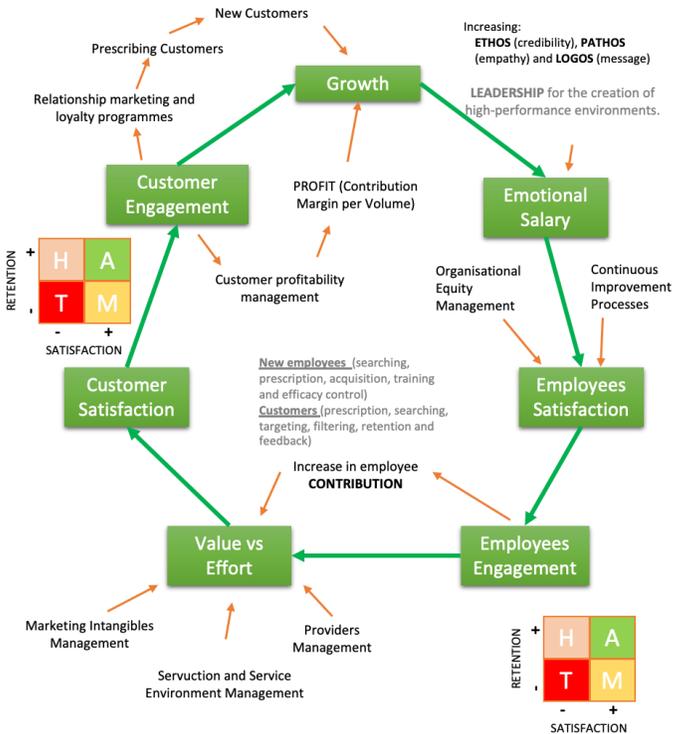
- Circular projects that optimise processes, reduce waste, and enhance product quality contribute to a positive customer experience.
- Customers perceive businesses that prioritise sustainability as offering higher quality products and services, leading to increased satisfaction and willingness to support environmentally responsible brands.

Improvement Drivers source: C-TOUR Erasmus+ EU Project / Module 6 - Niels-Ole Ankerstjerne (FO-Aarhus)

Profit



People



People / Social Aspect

EMPLOYEE SATISFACTION *circular* improvement drivers:

A. Sense of Purpose and Community:

- Circular projects focused on social aspects, such as hiring vulnerable people or supporting local communities, can provide employees with a sense of purpose and belonging.
- By actively contributing to initiatives that give back to society, employees feel proud to be part of an organisation that prioritises social responsibility, leading to increased job satisfaction and motivation.

B. Opportunities for Learning and Growth:

- Circular projects promoting training and lifelong learning opportunities, such as skill development programs or sustainability workshops, empower employees to expand their knowledge and expertise.
- Investing in employees' personal and professional development demonstrates a commitment to their well-being and career advancement, fostering a positive work environment and higher levels of satisfaction.

C. Safe and Healthy Work Environment:

- Implementing circular initiatives that prioritise employee safety and well-being, such as providing a safe work environment or promoting health and wellness programs, enhances job satisfaction and morale.
- Employees value organisations that prioritise their health and safety, leading to increased loyalty, engagement, and overall satisfaction with their work environment.

Improvement Drivers source: C-TOUR Erasmus+ EU Project / Module 6 - Niels-Ole Ankerstjerne (FO-Aarhus)

People / Social Aspect

CUSTOMER SATISFACTION *circular* improvement drivers:

A. Ethical Consumption and Community Support:

- Circular projects that support local communities, hire vulnerable people, or contribute to social causes resonate with customers who value ethical consumption and community support.
- Customers appreciate businesses that prioritise social responsibility and community engagement, leading to increased satisfaction and loyalty to the brand.

B. Transparency and Trust:

- Circular projects promoting transparency in sourcing, production, and community impact build trust and credibility with customers.
- Businesses that openly communicate their social initiatives and ethical practices foster trust and loyalty among customers, who value transparency and accountability.

C. Sense of Contribution and Impact:

- Circular projects that engage customers in social initiatives, such as charitable giving or community involvement programs, provide a sense of contribution and impact.
- Customers who feel they are making a positive difference through their purchases are more likely to feel satisfied and connected to the brand, leading to increased loyalty and advocacy.

Improvement Drivers source: C-TOUR Erasmus+ EU Project / Module 6 - Niels-Ole Ankerstjerne (FO-Aarhus)

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