

Beyond first-mover advantage: Unleashing the power of collaborative innovation

From the Wright brothers taking flight to Google revolutionising the internet, society has always been captivated by stories of pioneering "firsts". In the business world, being a first-mover has long been viewed as a powerful competitive advantage.

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In the realm of Environmental, Social, and Governance (ESG) initiatives, companies that adopted sustainable practices early often gained a competitive edge, benefiting from enhanced brand reputation, investor appeal, and regulatory favour, thus solidifying their position as industry leaders. But in today's volatile marketplace of economic pressures, rapid digital disruption, and conscious consumerism, the conventional first-mover advantage for ESG is losing its lustre.

Today's businesses are facing the unprecedented challenge of balancing resilient growth with ESG compliance and excellence and they're no longer leveraging 'first mover' as a competitive advantage since peers and competitors are keeping up, while regulatory changes and complexity make true leadership a challenging feat.

In today's market, if you're a company trying to single-handedly transform your value chain and reshape consumer mindsets, you will be looking at stratospheric costs and resource constraints. But with consumers, investors, and regulators all demanding authentic corporate responsibility and sustainable practices, the landscape of future-proofing

business success is revealing a new truth: collaboration, not isolation, is the real catalyst for transformative change.

While some recent first movers have bucked this 'truth' - Unilever committing to investing €1B in climate, nature, and waste reduction projects via its Climate and Nature fund and Patagonia putting nature on their board, the reality for most businesses is that going solo is no longer a viable path to creating lasting change or driving resilient commercial success.

The smartest pioneers are recognising that they are dependent on a vast, interconnected web of partners across entire value chains; and that collective action from governments, businesses and civil society will lead to shared resources, knowledge and innovation that can drive the large-scale changes needed in energy, transportation, supply and consumer behaviour, and foster resilience and adaptability.

The case for collaboration

As the limitations of independent efforts become clear, the benefits of collaboration are gaining prominence. Pooling resources, sharing knowledge, and tackling challenges collectively are proving effective.

For example, the Renewable Energy Buyers Alliance (REBA) unites large energy buyers to scale up renewable energy. By aggregating demand, REBA members negotiate better terms and drive clean energy infrastructure expansion more efficiently.

Similarly, TerraCycle's Loop platform, where major consumer goods companies offer products in reusable packaging, shows how competitors can collaborate on sustainability challenges.

On a global scale, the Paris Agreement demonstrates the power of

collective commitment in addressing climate change, providing a framework for nations to work together toward common goals.

Collaboration extends beyond high-level partnerships. Innovative companies recognise their interdependence with partners across the value chain. In the fast-moving consumer goods sector, companies are revolutionising sustainable sourcing by working closely with suppliers, farmers, and even competitors to establish more sustainable practices from farm to shelf.

Multifaceted benefits of the collaborative approach

So what's in it for your business? Plenty, beyond shared resources and knowledge:

- Accelerated innovation: Diverse minds generate groundbreaking ideas. Cross-pollination of knowledge and expertise leads to solutions no single entity could conceive alone.
- Economies of scale: Larger demand reduces costs for sustainable technologies and practices. As demand increases, prices typically decrease, making sustainable options more accessible.
- Harmonised standards: Collaboration fosters unified sustainability standards and metrics, simplifying compliance and providing clearer benchmarks for progress, eliminating confusion about what 'sustainable' means.
- Enhanced policy influence: Unified industry voices gain governmental attention. Collaborative efforts lead to more effective advocacy for supportive regulatory frameworks.
- Shared risks and costs: Sustainability initiatives often involve significant upfront investments and uncertainties. Collaboration distributes these risks and costs, making ambitious projects more feasible.

While being a first-mover has its appeal in places, companies seeking lasting, transformational impact must abandon a ruthless focus on this. Embrace collaboration and imagine a future where organisations identify where and how they can collaborate pre-competitively towards a common goal.

That's the power of collaboration, and how we'll create a net-zero future for everyone—people and planet.

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