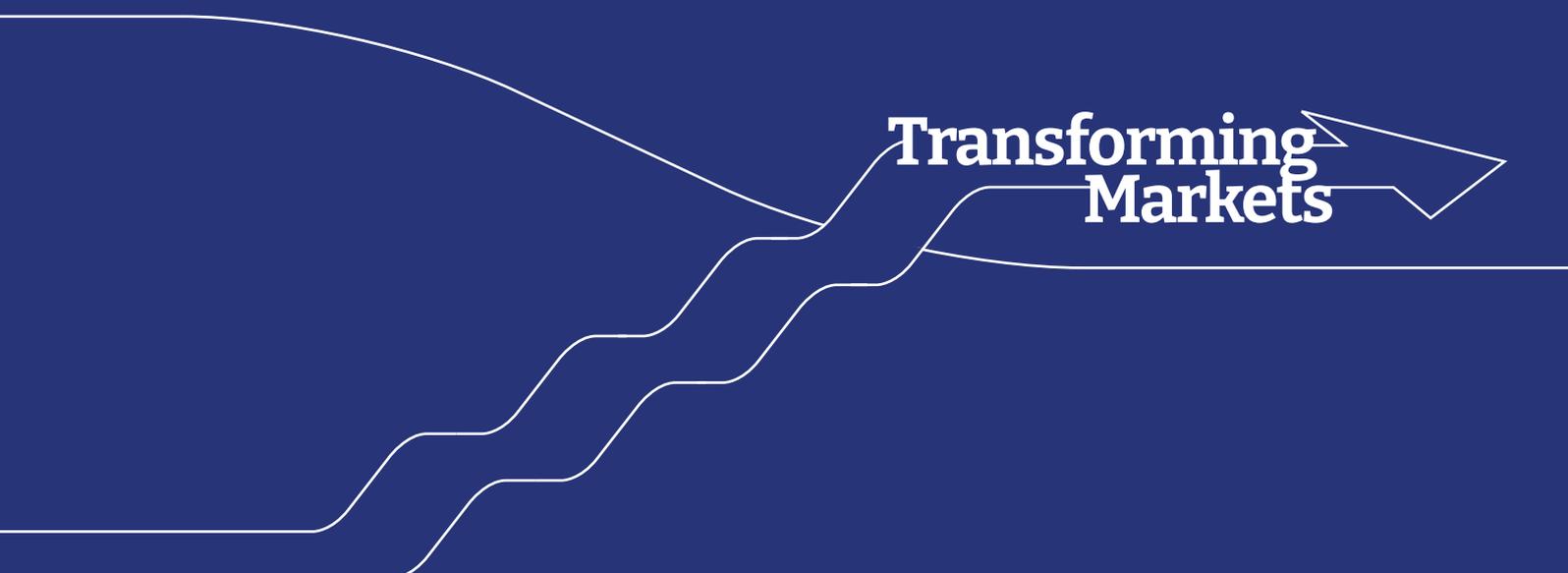




Competing in the Age of Disruption

A business briefing by the
University of Cambridge Institute
for Sustainability Leadership



**Transforming
Markets**

Competing in the Age of Disruption

Key Priorities and Executive Summary from University of Cambridge Institute for Sustainability Leadership's new business briefing

This new CISL report sets out a pathway for the private sector to proactively respond to the current volatile geopolitical context while continuing sustainability efforts.

Written by CISL's CEO, Lindsay Hooper, and CISL Fellow, Paul Gilding, with contributions from over 20 senior business leaders, it demonstrates that innovation to drive market-wide change can create a level playing field for business action to address climate and nature risks.



Key takeaways

Politics may change but the laws of nature do not.

Politics affect the speed of change, but not the ultimate direction. Change is inevitable because it is driven by the laws of nature and technology innovations – and their economic consequences – rather than by sentiment, ideology or good intentions. Pay attention to geopolitical shifts and adapt tactics accordingly, but do not lose sight of the deeper structural forces already reshaping markets. Transition may not be linear, but its momentum is real, and in many sectors it is already underway.



The competitive landscape is transforming and there is huge value at stake.

Systemic sustainability risks are increasingly driving – and destroying – business value. Climate instability, resource scarcity, environmental shocks, social unrest and the consequent political and economic volatility will reshape markets faster and more profoundly than most businesses expect. Disruptive technologies, radical innovations and major industry transitions will accelerate in response. The next generation of corporate giants is likely to be built on clean technology, artificial intelligence (AI)-optimised resource efficiency, sustainable food production and circular business models – not on extraction, waste and emissions.



Swift action is needed to create and protect value, and secure the future of markets.

Cascading crises as a result of collective inaction will force costly and abrupt state interventions, weaken government capacity and fuel volatility. Dominant states and private monopolies will shape the transition on their terms, deepening instability, while nations retreat from trade and co-operation. Business action to accelerate transition is not just a route to create and protect value – it may be the only way to sustain a functional, open global economy.



4

The challenge is one of pace – in markets that don't yet incentivise innovation and investment.

Without deliberate action to accelerate the transition, the alternative is unmanaged decline – marked by escalating crises, abrupt state interventions, and growing threats to economic stability and open markets.

5

Hope is not a strategy. Build the markets you need – do not wait for them to emerge.

Businesses cannot secure their futures, and the markets on which they depend, by optimising within a broken system or passively waiting for favourable market conditions to emerge; it is in businesses' own interest to proactively work to drive market change. Innovate, disrupt, shape demand, accelerate market transformation and position yourself ahead of the curve before others do. The biggest risk is not acting too soon – it is being too late.

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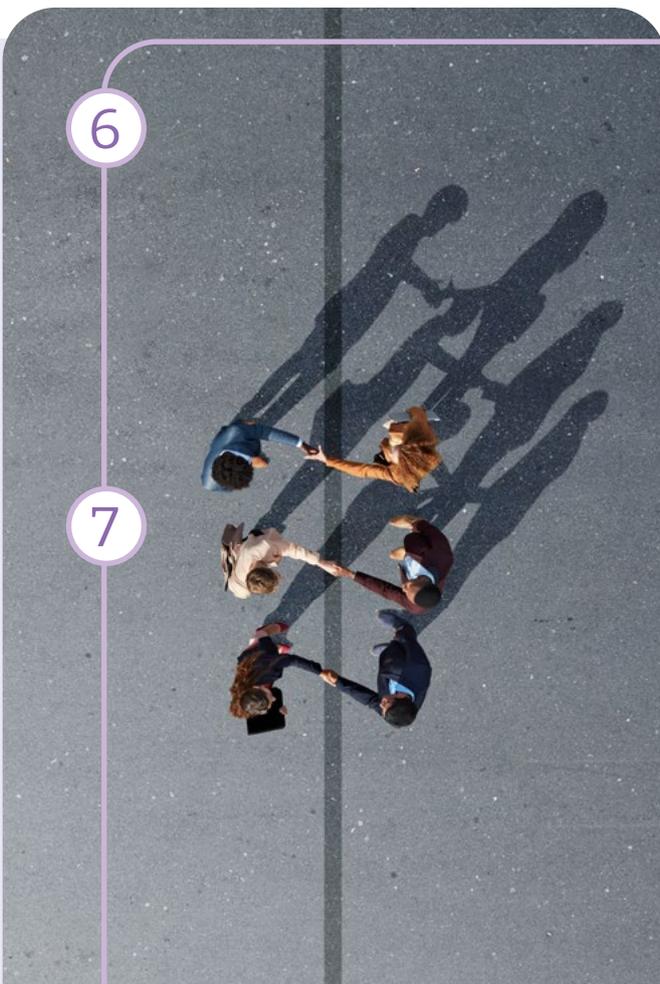
Work to change the rules of the game to create a level playing field for action.

Where market barriers limit action, work to change the rules of the game to create a level playing field. The required advocacy by businesses must focus on those jurisdictions open to change and be strategic, sustained and at the highest level of influence.

7

Identify allies and work together to 'move the middle'.

Market-wide change will require concerted and strategic action by multiple players to build a critical mass of support to create incentives for action and remove the competitive disadvantage borne to date by early movers – while preparing to compete aggressively in free and fair markets.





8

Know the tactics of those opposing action and be willing to match them.

It is essential to be clear-sighted on who is opposing change and how they are working to delay progress. Use every lever of business power – from compelling narratives to build political and social support, to proving that transition is not only possible but underway and unstoppable – to counter their resistance.



9

Moments of political and economic turmoil create opportunities for change.

In a time of political and economic instability and regime change, the opportunity to reshape markets is greater than ever. Periods of disruption rewrite the rules of the game, creating openings for those who act decisively. In a context of widespread fear and declining trust, there is strong latent support for those who will drive action to build markets that profit by sustainably meeting society's needs. **This is why businesses should step up now and take leadership – in their own interests.**

Executive summary

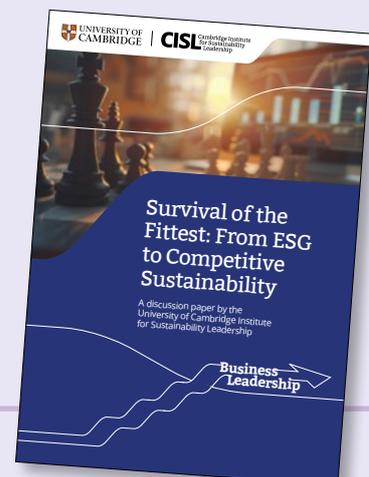
A global industrial and economic transition is underway – restructuring how economies produce and consume resources and create value. This shift is being driven by hard, non-negotiable forces: the laws of nature and the limits of planetary boundaries. The direction of travel is clear.

The challenge is one of pace. Without deliberate action to accelerate the transition, the alternative is unmanaged decline – marked by escalating crises, abrupt state interventions, and growing threats to economic stability and open markets.

Strategic private sector action can change this trajectory. Businesses and investors have a critical role to play – not only in managing risk but also in reshaping markets and the rules that govern them. Those who act now to accelerate transition will gain a powerful early-mover advantage, set future standards, and influence the direction of policy and capital flows.

The financial stakes are significant. Businesses face existential risk from two directions: from systemic instability if the transition fails to scale, and from competitive displacement if it accelerates faster than they can respond. But the upside is equally significant. Entire sectors are being rebuilt, and the market for sustainable solutions is projected to reach trillions in value – rewarding those who move early to lead in clean technology, resource efficiency and resilient, low carbon business models.

In ***Survival of the Fittest: From ESG to Competitive Sustainability*** we made the case for why it is in the private sector's own interests to accelerate market-wide transition, and to innovate and prepare to compete on a level playing field that rewards superior sustainability performance.





This follow-up report, *Competing in the Age of Disruption*, sets out a pathway to achieve this ambition. It outlines six key priorities:



Shift mindset – from compliance and incrementalism to value, competition and transformation.



Escape the ESG trap – by ending tokenistic, reputational and defensive actions and redirecting effort towards market-wide impact.



Prepare for transformation and competition – by embedding strategic foresight, leadership alignment and board-level ownership of transition.



Innovate to create and protect value – by scaling disruptive technologies, shaping demand and triggering tipping points.



Change the rules of the game – through strategic policy advocacy that dismantles barriers and builds fair, future-fit markets.



Build momentum for change – by mobilising industry coalitions, aligning lobbying with long-term value and winning the public debate.

In today's context of political and economic instability and regime change, the opportunity to reshape markets is greater than ever. It is in moments of disruption that the rules of the game are rewritten, creating openings for those who act decisively. This is precisely why business should step up now – in its own interests.

By 2035, sustainable industries are likely to be the dominant forces in global markets. In multiple sectors, from energy to finance to food production, those who lead the transition stand to gain the greatest advantage, while others risk falling behind. This is not speculative, it reflects the direction innovation, investment and competitive pressure already shaping the global economy.

At this historic moment of geopolitical regime change and economic transformation, the question for businesses is whether they will step up to shape the future – or be shaped by it.

[Read the full report here](#)