

Getting to Know David McEwen

What inspired you to start your business? What are your goals and values?

I had been working in sustainability for commercial property and was keen to look at opportunities beyond so-called green buildings. Given a third straight year of record global average temperatures in 2016 and little hope of keeping global warming within “safe” levels, I started looking at climate change as a market disruptor: how would it change demand for the products and services produced by today’s businesses, and what new products and services might be needed in the future? With that in mind I teamed up with operational risk specialist Rod Crowder and strategic marketing expert Dr Paige Carlyle to form Adaptive Capability, a strategic consultancy aimed at helping companies answer those sorts of questions.

We’re about helping businesses transition their products, services, operations and supply chains towards resilient and sustainable outcomes, while also taking advantage of increased demand for certain products, or requirements for new products that can be met by exploiting their existing core competencies.

What was the driving force behind your decision to

specialise in this area of business?

Climate change as a business opportunity has two sides to it: mitigation and adaptation. Mitigation is about reducing greenhouse gas emissions in the hope that we can prevent so-called dangerous levels of warming and climate change. That side includes investment in renewables, energy efficiency, electric vehicles, other clean tech and emissions reporting.

Scientists tell us we’ve already locked in significant levels of warming and we are starting to see the effects, such as this year’s dramatic coral bleaching event on the Great Barrier Reef and average snow levels rising up mountain-sides. Given the lag between emissions and climatic change and the lack of global political will to take decisive and rapid action, we’ve taken the view that we’re going to need to adapt to the effects of a changing climate. That’s going to take a range of products and services, and we want to help our clients capture a slice of that demand.

We’re not just talking about sea walls to deal with rising sea levels. We’re also expecting there will be a bunch of tipping points that cause shifts in consumer sentiment towards the environment, which in turn will influence government policy.

What types of customers do you help? What experience do you have helping small business customers?

While most of what we do is aimed at medium to large corporates, our message applies to all sizes of business: think about how a changing climate, and changing attitudes towards environmental issues, will affect the resilience of your business, but particularly the demand for your products and services. There are many niche opportunities for small business, such as those that are exploiting emotive environmental causes such as recovering plastic that winds up as ocean rubbish and turning it into recycled products. And if you run a business that depends on a natural asset that might be threatened by climate change, think carefully about the timing of your exit strategy: will there be a “see it before it’s gone” boom before a bust and what will that imply for asset values?

What are the main reasons that someone would choose you to help grow/develop/improve their business?

We’re the only consultancy in Australia that’s looking at adaptation to climate change as a business disruptor and potential source of value. We look at risk and resilience and environmentally sustainable behaviour as part of the

package, but we also really focus on opportunity: where are the revenue streams that could accrue to our clients.

What process, services and support do your clients receive?

We usually start with a new client by taking them through our diagnostic tool. It explores how deeply an organisation is thinking and acting with regards to sustainability and adaptation to climate change and delivers a report with a score and a series of clear recommendations for improvement along a capability scale. We also have a service that takes a deeper dive into an organisation's risk profile and how those risks change as we hit the sorts of tipping points mentioned above. What we really enjoy doing is workshopping a client's product/service and operational portfolio, looking at how we can use their core competencies and USP to innovate where we expect demand to grow, and developing a strategic roadmap to help them preserve and create value into the future.

What challenges did you face in setting up your business?

We're basically trying to create a new service category, and it's for a topic that can still be quite polarising. So we have the challenge of explaining what we're about to business leaders and we still encounter people who don't want to believe that the climate is already changing.

Tell us about some of the expectations that you had. Have they been met?

Inevitably with a new start up there are a few bumps along the road. We had hoped that the change in government leadership last year might create a more receptive business environment. But the evidence that the climate is changing is now becoming hard to



ignore, and we were heartened by a poll released in September that found over three quarters of Australians now believe it is happening and two thirds want Australia to lead the world in [solutions](#).

Do you provide services nationally?

Yes we do.

Do you have any plans for overseas expansion?

As a consultancy our services are readily portable and we have already undertaken assignments across the Tasman.

What would you say to someone looking for a business consultant and what advice would you give them?

You need to know what you want from the consultant. In some cases, people use consulting firms to justify decisions they've already made. Sometimes they just need to augment the capacity of their in-house resources. In other cases people are genuinely looking for a new perspective on their business and are willing to listen to fresh ideas. That's the bracket that we're interested in.

Have you written a book? If so, please tell us a bit about what business owners can get out of it.

We've just released *Navigating the Adaptive Economy*, which is a guide for businesses that spells out potential risks and market opportunities from a changing climate, and provides a host of tools to help business owners assess their prepare.