




Market Entry Strategy



Venture Activate Group 1
Third i Management

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1 Background

Third i Management currently carries out two avenues of business, sustainability consulting and software development, using their exclusive modelling processes. Their work is heavily based on improving organisational decision-making by gathering qualitative stakeholder inputs and assisting clients in the development and justification of sustainability strategies through quantitative insights. Thus, they conduct impact measurements, track accountability, and assess performance/operations against the United Nations Sustainable Development Goals. Third i Management's modelling process gives the company competitive advantage as these outputs of social impact calculations have not been attained by any competitors in the sustainability consulting industry, especially in such a streamlined way.

With Third i Management ready to roll out their latest software development, Goalie, the company is preparing for capital investment. This funding will support the development and programming of this SaaS so it is able to simplify stakeholder perspectives and communicate these insights through visual dashboards to determine solutions that generate the highest probability of success.

This report aims to prepare Third i Management in preparing for capital influx by analysing their current situation, presenting the main themes found within industry research, and recommending the best avenues for new market entry/growth the company should consider.

goalie's Unique Offering

Third i Management is looking to expand into more lucrative consulting markets to fund the development of its Machine Learning, goalie. Once completed goalie will allow for a massive increase in Third i's throughput. Currently, Third i Management is searching for high profit ventures to continue its developmental stage and has requested Group 1 to identify potential market entry sites and strategies.

goalie is a decision-making software which focuses on measuring social impact and sustainability through applying the SDG targets. goalie can work to cover nearly every target covered in the SDGs, from the impact of internal culture on minority groups to the environmental sustainability to the impact of social outreach programs. Through collecting qualitative data from a variety of sources, goalie will be able to provide tailored solutions according to sustainability targets. The key features of Third i Management's goalie include the following: -

Standardized impact reporting framework

goalie aligns corporates' sustainability target by offering a standardized impact reporting framework using the UN SDGs targets. Unlike traditional impact reporting where corporations rely on general impact management guidelines to develop their approaches, goalie's machine learning component analyses corporates' input of SDGs targets and stakeholder responses and provides achievable targets to each stakeholder group to address sustainability issues.

Real-time reporting and monitoring of SDG targets performance

Another unique feature of goalie is its real-time reporting of sustainability targets to identified stakeholders. goalie's interactive dashboard enables ongoing monitoring and adjustments of stakeholder responses to improve sustainability approaches during implementation.

More effective and proactive stakeholder engagement

The interactive nature of goalie enables proactive multi-stakeholder engagement by filtering target insights to relevant stakeholders for continuous collaboration in areas where sustainability solutions are implemented.

Cross-team collaboration on sustainability targets achievement

goalie streamlines sustainability target achievements across different teams by allowing multiple concurrent access to the platform, thus facilitating collaborative monitoring of impacts throughout a project lifecycle with increased transparency and accountability.

Potential Target Market

Goalie works best when utilised as an extension of standard quantitative data analysis by providing qualitative outcomes of a project rather than an analysis of the inputs. A clear example is an effective measure of the economic changes in developing economies through asking for the experiences of affected people rather than vague measures such as increase in GDP or hours worked. Through combining qualitative and quantitative data, deeper outcomes can be reached. In any field where the outcome of stakeholders is more complex than spreadsheet values, goalie has its applications.

The markets for Third I to focus into will

1. Have business models focused on achieving set goals for stakeholders OR require close management of clients for good operations
2. Be businesses that desire increased detail into their stakeholder's beliefs
3. Working with the business will result either in a significant financial capital gain for Third I with a desire for generating social capital

2 Problem Statement

Given the new approach towards achieving sustainability targets that goalie is offering in the sustainability consulting and social impact assessment life cycle, the key question is what has to be done to **build up goalie's reputation** as a method for achieving improvement across ESG metrics. The current absence of substantial ESG metrics and standardized framework in most corporate sustainability reports identifies a gap where goalie adds value and assists target-setting that aligns with corporate sustainability goals. Another issue associated with market entry is the **limited knowledge** among corporations regarding sustainability targets, measurements and outcomes, presenting a gap in aligning SDG targets documentation across industries.

The problem that Third i Management is facing is how to **establish goalie as a state-of-the-art software** that is required in the corporate sustainability reporting and social impact assessment market. A way to achieve that is to set up partnerships with universities and non-governmental organizations to amplify the impact and penetration of goalie. Social capital is required to allow for a fully realised goalie to be respected when issuing guidance. Ideally, in line with Software as a Service model, clients will be long term with repeated rounds of analysis and direction.

Another major issue in sustainability reporting and social impact assessment is the scepticism about the claims being made. The lack of consistent ESG metrics and scale discourages investors to invest in "impact" funds. Investors recognize the possibility of **"impact washing"** - corporates making ESG claims they cannot fulfil to align their company values with investor funding; and require more **transparent and consistent** impact reporting methodologies¹ (Dew, 2020). This sets a perfect scene for goalie to fill the gap with **reliable visualization of sustainability targets with probability of success**. goalie's algorithm mitigates corporations' tendency to "impact wash"; attracts investment opportunities, thus builds reputation in the long run. The major challenge of goalie's offering is, however, how effectively Third i can sell both sustainability consultancy and social impact assessment in one single package.

¹ Dew, L., 2020. 'Impact Washing' Hurting True Impact Investments: Pengana | Money Management. [online] Moneymanagement.com.au. Available at: <<https://www.moneymanagement.com.au/news/funds-management/impact-washing-hurting-true-impact-investments-pengana>> [Accessed 16 December 2020].

3 Market Analysis

Global Sustainability Consulting Market

Sustainability consulting burst into the mainstream consulting market in 2007. But it has been a challenging segment for these firms due to small deal sizes, the illusionary budgets of sustainability leaders and competition from not for profits with heavily networked consulting arms. However, years on, consolidation occurred through some notable acquisitions. Deloitte acquired several small firms, and the other major firms began building specific practice areas around sustainability. BCG began its partnership with the MIT Sloan Management review studying corporate sustainability in 2010 and McKinsey published their first “Sustainability and Resource Productivity” report in 2012. (reference needed)

The global environmental consulting services market is expected to decline from \$31.3 billion in 2019 to **\$30.4 billion in 2020** at a compound annual growth rate (CAGR) of -2.9%². The decline is due to economic slowdown across countries in response to COVID-19 outbreak. The market is then expected to recover and grow at a CAGR of 3% from 2021 and reach **\$33.3 billion in 2023**.

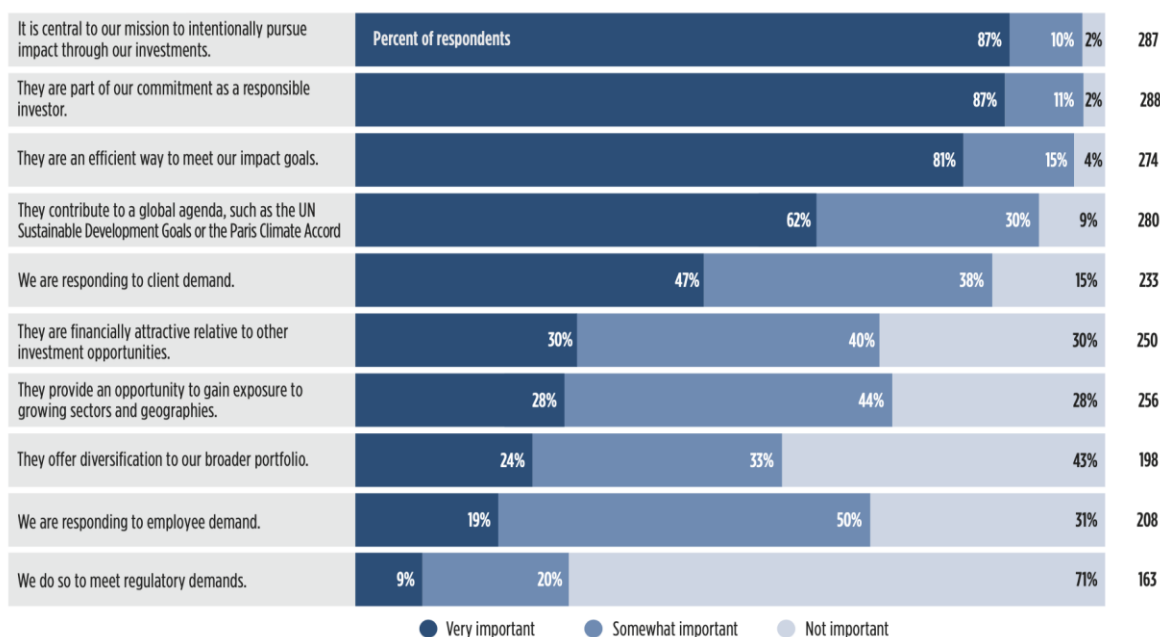
North America was the largest region in the global environmental consulting services market, accounting for **50% of the market** in 2019. Europe was the second largest region accounting for 19% of the global environmental consulting services market.

With **investments funds** expanding their portfolios into new and upcoming markets and start-ups, traditional measures of company success have become less important. Combined with financial tricks (such as supply chain financing) that can be utilised to obscure company performance, new metrics of analysing a company have begun to form. Utilising analysis of earning reports with **AI speech analysis** has already begun. Goalie can be utilised in a similar nature, and detect issues brewing in companies before they are widely known to investors.

² WIRE, B., 2020. Environmental Consulting Services Industry Outlook 2020-2030: COVID-19 Impact And Recovery - Researchandmarkets.Com. [online] Businesswire.com. Available at: <<https://www.businesswire.com/news/home/20200429005264/en/Environmental-Consulting-Services-Industry-Outlook-2020-2030-COVID-19-Impact-and-Recovery---ResearchAndMarkets.com>> [Accessed 16 December 2020].

Impact investing funding

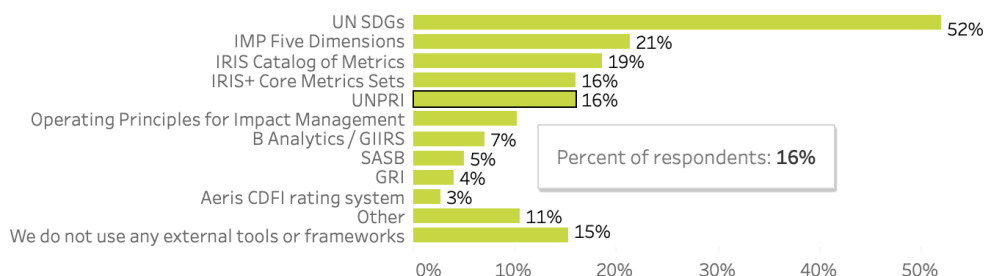
Traditional investing is becoming archaic and investing which seeks social and environmental impact alongside financial returns is moving into the norm. According to the 2020 Annual Impact Investor Survey is the 10th edition of the GIIN's flagship report, the global impact investing market has grown 12% per annum to 715 billion. Impact investing market is believed to be growing steadily. **3% impact investing companies** are headquartered in **Australia**, while 5% impact investing is allocated in Oceania³.



Motivations for making impact investment (Source: GIIN, 2020)

To set impact objectives and to measure and report impact performance, impact investors use a wide variety of industry frameworks, tools, and systems. Most commonly, respondents use the SDGs (73% reporting use for at least one purpose), the IRIS Catalogue of Metrics (46%), and IRIS+ Core Metrics Sets (36%).

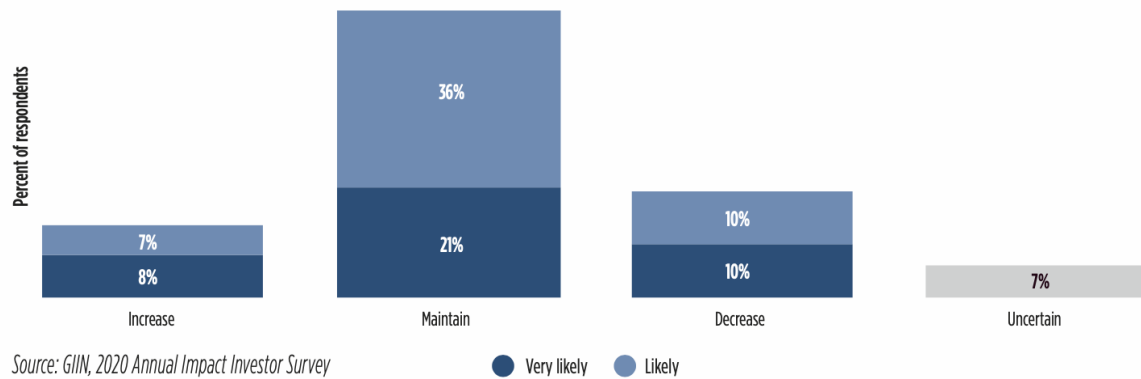
Over half of impact investors use the SDGs to set impact objectives...



Use of tools, frameworks, and systems, by purpose (Source: GIIN, 2020)

³ The GIIN. 2020. 2020 Annual Impact Investor Survey. [online] Available at: <<https://thegiin.org/research/publication/impinv-survey-2020>> [Accessed 16 December 2020].

The **COVID-19 pandemic** is perhaps the most defining global event of 2020, and unquestionably so in terms of the breadth of its global effects. Given that the wide-reaching health and economic issues caused by COVID-19 seem likely to alter investors' investment plans. Most respondents indicated that they are unlikely to change the amount of capital they had planned to commit to impact investments in 2020 as a result of the COVID-19 pandemic (57%,). However, 20% are at least somewhat likely to commit less capital than they had planned; 15% are likely to commit more.



Changes to planned investment activity for 2020, as a result of the COVID-19 pandemic
(Source: GIIN, 2020)

Big Data as emerging global demand in decision and policymaking

Despite the many challenges that aligning business goals to SDGs presents, understanding the growing amount of digital information human communities' produce can be invaluable in providing them with support and protection. The notion that policy decisions should be based on sound evidence has become widely adopted by many public administrations. Strengthening science-policy interface is also highlighted in the Rio+20 outcome document "The Future We Want" as well as the 2030 Agenda for Sustainable development. Data technologies are amongst the valuable tools that policymakers have at hand for informing the policy process, from identifying issues, to designing their **intervention and monitoring** results. More data often means we can do more with analytics, especially advanced analytics. Big data and new forms of data collection will give citizens new information they need to live better lives and earn more secure livelihoods.

	Governments	Multi-National Organizations	Statistical Bodies	R&D Bodies	Civil Society	Private Providers
Data	x		x	x	x	x
Financial Resources	x	x	x	x		x
Standards and Regulatory Frameworks	x	x				
Skills and Knowledge		x	(x)	x		x
Brokering, Facilitation, Capacity Strengthening	x	x	x	x		
IT Infrastructure			x	x		x

Roles of stakeholders in data ecosystem (Source: XXX)

Good quality data yield not only **social benefits**, but also real **economic returns**, such that, in the medium term, a data revolution could pay for itself. First, if governments invest in better economic data, this can improve investor confidence. The **IMF** has found that, if countries invest in better-quality data, it is cheaper for them to borrow internationally. It investigated the effect of its data standards on sovereign borrowing costs in 26 emerging market and developing countries and estimated that countries that sign up to its more stringent data standard reduce borrowing spreads (that is, the cost of borrowing) by an average of **20%** (Martijn et. al., 2015). Another important aspect is the **cost reduction in policy making** by replacing or substituting traditional data collection and evaluation methods. The large amount of data readily available will enable more timely analysis of policy interventions.

Big data offers a chance for policymaking and implementation to be more citizen focused, taking account of citizens' needs, preferences, and actual experience of public services, as recorded on social media and other platforms⁴. As citizens express policy opinions on social networking sites such as Twitter and Facebook or rate or rank services or agencies on government applications, policy makers also have access to a huge range of data on citizens' actual behaviour, as recorded digitally whenever citizens interact with government administration or undertake some act of civic engagement, such as signing a petition.

Data mined from social media or administrative operations in this way also provide a range of new data which can enable government agencies to **monitor and improve their own performance**, for example through log usage data of their own electronic presence or transactions recorded on internal information systems, which are increasingly interlinked. And they can use data from social media for self-improvement, by understanding what people are saying about governments, and which policies, services or providers are attracting negative opinions and complaints, enabling identification of a failing school, hospital, or contractor, for example. They can solicit such data via their own sites, or those of social enterprises. And they can find out what people are concerned about or looking for.

Efficient procedures to draw links between large-scale data-processing technologies and existing expert knowledge in major policy domains would potentially offer chances to make policy development processes more citizen-focused, considering public needs and preferences supported with actual experiences of public services. Big data can contribute to the transformation of citizen-state relations. Data can be used to track service provision, enable citizens to reallocate local budgets, make changes in their communities, hold their governments to account and to participate better in democratic processes to ensure their needs and concerns count-often for the first time.

⁴ The Rockefeller Foundation, 2014. Big Data And Positive Social Change In The Developing World: A White Paper For Practitioners And Researchers. [online] Available at: <<https://www.rockefellerfoundation.org/wp-content/uploads/Big-Data-and-Positive-Social-Change-in-the-Developing-World.pdf>> [Accessed 16 December 2020].

Australian Sustainability Consulting Market

In Australia, **92% of ASX200 companies** included sustainability reporting components into their annual reporting mechanism as of 2019 (ASCI, 2019). While Global Reporting Initiative (GRI) remains the most adopted framework, **60 out of 200** ASX200 companies mentioned the use of **UNSDGs** as part of their sustainability reporting framework in 2019, showing increasing emphasis on sustainability goals, with the top 5 report SDGs being climate action, decent work and economic growth, gender equality, good health and well-being and responsible consumption and production⁵.

The ASX20 Disclosures on the Sustainable Development Goals research report⁶ done by the Think Impact in 2017 revealed that out of the ASX20 companies, only **49%** of them has shown **commitment** to the SDGs; **44%** showing management of board and **executive structures** for the SDGs; **29%** revealing **actions and participations** in the SDG movement and only **19%** of them provides **measurement and reporting** of progress towards the SDGs. This shows that the documentation and alignment of business goals to SDGs are still in a conception stage, without any standardized indicators of success, especially in terms of measurement and reporting.

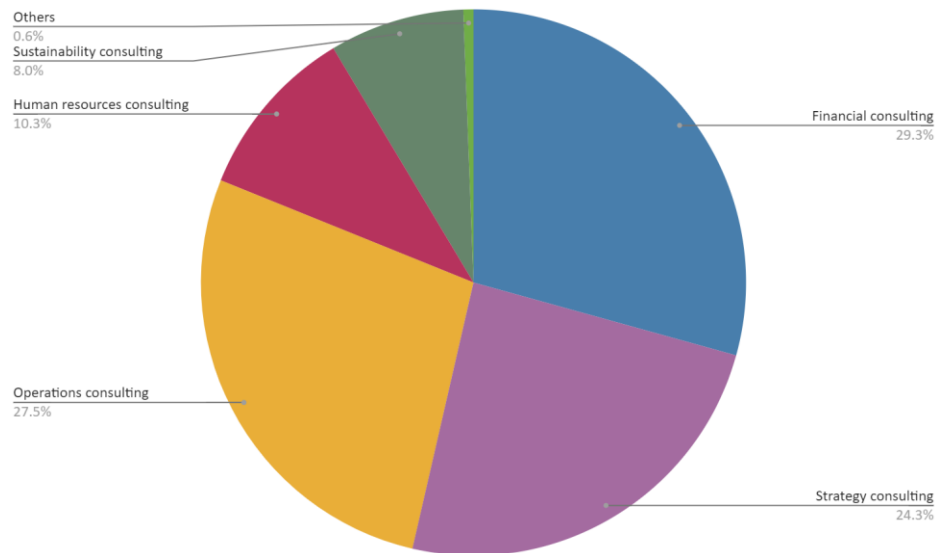
	Criteria	Scoring Structure
Commitment	1.1 Public statement supporting SDGs	(0 - no disclosure, 1- general statement supporting SDGs, 2 - public commitment supporting SDGs from a senior executive)
	1.2 Recognition of importance of SDGs for the sustainability and success of the business	(0 - no disclosure, 1- recognition of importance of SDGs to sustainability and success of the business, 2 - recognition of importance of an integrated approach to SDGs for the sustainability of the business)
	1.3 SDGs applied to business and its stakeholders	(0 - no disclosure, 1- statement that SDGs apply to its business, 2 - statement that SDGs also apply to key stakeholders (e.g. agent, customers, suppliers or contractors))
Structure	2.1 Sustainability and/or SDGs managed by either a dedicated committee or board member(s)	(0 - no disclosure, 1- sustainability and/or SDG issues are addressed by a committee or a board member(s), 2 - sustainability and/or SDG issues are managed by a dedicated sustainability committee)
	2.2 An organisational structure to address SDGs	(0 - no existence or evidence of SDG structure, 1 - evidence of structure)
	2.3 Evaluating and compensating the performance of senior executives in relation to agreed sustainability and SDGs objectives	(0 - no disclosure, 1- senior executives are evaluated against sustainability KPIs, 2 - compensation of senior executives is linked to achievements of sustainability KPIs)
Action and Participation	3.1 Participation in groups supporting the SDGs (e.g. UN Global Compact)	(0 - no disclosure, 1- participation in any group, 2 - Global Compact member, 3 - Global Compact Australian Network member)
	3.2 Actively building capacity and increasing awareness of SDGs	(0 - no disclosure, 1- policies or training in place to improve awareness of internal stakeholders on SDGs, 2 - policies or training in place to improve awareness of internal and external stakeholders on SDGs)
	3.3 SDGs linked with internal programs and material issues	(0 - no disclosure, 1- SDGs linked with internal programs, 2 - SDGs linked with programs and aligned with material issues (e.g. materiality assessment))
Measuring and Reporting	4.1 Alignment of impacts with SDGs	(0 - no disclosure, 1- alignment of potential impact(s) with SDGs goals, 2 - alignment of potential impact(s) with SDGs targets and indicators)
	4.2 Sustainability targets set and aligned with SDGs	(0 - no disclosure, 1- targets set and aligned with SDGs goals, 2 - targets set and aligned with SDG targets and indicators)
	4.3 Evidencing contributions	(0 - no disclosure, 1- qualitatively demonstrating contributions to the SDGs goal(s), 2 - quantitatively demonstrating contributions to the SDGs goal(s), 3 - quantitatively demonstrating contributions to the SDGs targets and indicators)
	4.4 Communicating contributions to the SDGs	(0 - no disclosure, 1- general comment on progress made, 2 - detailed disclosure on progress made considering previous performance or baselines)

ASX20 reporting assessment criteria (Source: Think Impact, 2017)

⁵ Australian Council of Superannuation Investors, 2019. ESG Reporting By The ASX200. [online] Available at: <<https://acsi.org.au/wp-content/uploads/2020/02/2019-ACSI-ESG-Report-FINAL.pdf>> [Accessed 16 December 2020].

⁶ Think Impact, 2017. ASX 20 Disclosures on The Sustainable Development Goals.

The Australian management consulting records a market size of \$5.9 billion in 2019⁷, in which about **\$470 million** was dedicated to the field of **sustainability consulting**. The Australian consulting market is segmented into five major business lines, with 29.3% in financial consulting; 24.3% in strategy consulting; 27.5% in operations consulting; 10.3% in human resources consulting and 8% in sustainability consulting.



Australian management consulting market segmentation 2019 (IBIS World, 2020)

⁷ IBIS World, 2020. Management Consulting In Australia. Hard to manage: Demand and revenue have declined due to the effects of COVID-19.

Case Study: Telstra Corporation (TLS) Sustainability Reporting 2020

“Where we previously identified and prioritised topics of greatest significance to our stakeholders, and compared them to Telstra’s business priorities, this year stakeholder priorities were compared against the ESG impact of each issue for Telstra, our peers and customers, and for the environment, economy and society more broadly.”

--- Telstra Bigger Picture 2020 Sustainability Report⁸

Telstra’s annual reporting of 2020 followed various standards and guidelines, including Global Reporting Initiative (GRI) Standards, UNGC Communication on Progress, AccountAbility’s AA1000 Principles Standard 2008 and Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, with GRI being the most adopted framework throughout the document.

In 2020 Telstra identified a total of 4 priority SDG targets and 11 targets to address. The four SDG priority targets are (5) Gender Equality; (8) Decent Work and Economic Growth; (9) Industry, Innovation and Infrastructure and (13) Climate Action.



The **indicators of success** mentioned in the sustainability report, however, are **mostly descriptive**, supplemented with some quantifiable metrics. For instance, in response to achieving gender equality (SDG5), the report documented a 32.3% female representation, a new paid parental leave policy in Australia that provides 16 weeks leave to primary and secondary carers, a provision of 6,500 smartphones to women impacted by domestic and family violence as well as an investment of over \$5 million to support new digital innovation precinct at the University of Melbourne, including scholarships for women and Indigenous Australian studying STEM. There are, however, no explicit mention of how these success indicators relate to the achievement of the SDG goals exactly, rather the targets are linked to Telstra’s goals of internal business lines.

SDG priority goals and targets	Supply Chain		Telstra			Customers & Community		
	Manufactured Products	Service Providers	Purpose, vision & values	Products & solutions	Network & operations	Customer	Community	End of life
GOAL 5: Gender equality Achieve gender equality and empower all women and girls								
Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation	●	●	●				●	
End all forms of discrimination against all women and girls everywhere	●	●	●	●	●	●	●	
Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women			●	●	●	●	●	

Telstra’s target related to gender equality (goal 5 of UNSDG)

⁸ Telstra, 2020. Bigger Picture 2020 Sustainability Report. [online] Available at: <<https://1u0b5867gsn1ez16a1p2vcj1-wpengine.netdna-ssl.com/wp-content/uploads/2020/09/Telstras-Bigger-Picture-2020-Sustainability-Report.pdf>> [Accessed 16 December 2020].

Summary of observations of Telstra's Sustainability Reporting

Observation	What does it translate to goalie?
<p>Reporting Standard</p> <p>Use of a mix of GRI Standards, UNGC SDGs and CoP and TCFD recommendations (with GRI as the most adopted framework)</p>	<p>It presents potential friction in switching to entirely SDGs - goalie services as an assistive role in streamlining the reporting process. GRI may guide more specific action items while SDGs fundamentally assist integrated business approach decisions.</p>
<p>Progress Monitoring</p> <p>No substantial mention on progress monitoring of sustainability targets</p>	<p>The real-time multi-user nature of goalie's platform enables ongoing monitoring and evaluation of sustainability targets.</p>
<p>Measurement of Success</p> <p>Mostly directional and descriptive despite having component of metrics to define success for each target, i.e. mentioned "what to do" and "what not to do" in comparable indicators - however, no explicit linkage to financial loss/gain</p> <p>General acknowledgment on sustainability as materiality risks, especially on climate-related risks; Other materiality risks include health, safety, wellbeing, environment, yet limited mention of connection of impact to financial loss, i.e., a potential increase in turnover rate - loss of manpower</p>	<p>goalie provides concrete success indicators with probability of success of each sustainability target for further development to financial implications.</p>
<p>Quality Assurance</p> <p>Assurance by Ernst and Young (EY) in accordance with ISAE 3000 and 3410 regarding GHG and energy performance as part of Telstra's National Greenhouse and Energy Reporting (NGER)</p>	<p>goalie supports multi-user access to the platform, which translates to better quality assurance by fostering collaborative governance of sustainability target achievement.</p>
<p>Stakeholder Engagement</p> <p>Stakeholder engagement as a key part in sustainability achievement, however, no mention of standardized tool for ongoing engagement for all stakeholders</p>	<p>goalie facilitates stakeholder engagement by offering a common platform for collaborative monitoring and evaluation of targets with defined roles and responsibilities, enhancing transparency and accountability in the long run.</p>

Key Trends in Corporate Sustainability Reporting

Increased Focus on Stakeholder Relations

As corporations are becoming more customer-centric, stakeholders' perceptions on company practices complement companies' learning process through sustainability reporting. In 2020, **79% of ASX200 and over 90% of ASX50 corporations** aligned their long-term sustainability goals to create value for stakeholders apart from short-term financial goals⁹. However, a huge communication gap between corporations and investors over ESG matters was identified. Investors often found that the **lack of standardized framework and rigorous data set** was missing in most corporate sustainability reports which, to a certain extent, hinders their investment decisions (KPMG, 2020). This presents a huge opportunity in providing a robust ESG reporting framework to ensure the quality and assurance of ESG reporting through maintaining stakeholder and investor relationships in the long run. The interactive and real-time nature of goalie offers a common platform for stakeholder groups including investors to monitor progress of sustainability targets, enhancing transparency in company ESG matters disclosure and cultivating communicative stakeholder relations.

Assurance of Sustainability as a Major Practice

A key theme at the World Economic Forum was a refocus on clear and factual reporting of ESG metrics, spurred by the massive growth of GreenTech start-ups in 2019. The **lack of consistency in ESG reporting metrics** often undermines the quality of ESG reporting and presents a need to standardize the reporting framework for meaningful comparisons across corporations. As investors acknowledge the value of disclosure of ESG matters, there is a prevailing trend of having ESG matters disclosure independently assured by a third party to allow for enhanced transparency. Within reporting metrics, reporting of progress towards achieving the **UN's SDGs** is also on the rise, **increasing by 54%** since last year in ASX200 companies (KPMG, 2020). Coupled with the progress KPMG is making towards standardising the reporting of SDGs, this style of reporting can be expected to dramatically increase.

Increased Focus on Contingency Responses in Post COVID-19 Era

In 2020, **96% of ASX200** corporations documented the change in business and sustainability practices in response to COVID-19 (KPMG, 2020). These focuses include not only financial impacts on corporate expenditure due to COVID-19, but also implications and support to employees and stakeholders, changes in supply chain logistics as well as transition to technology use (KPMG, 2020). Internal factors such as human resources management are being emphasized more frequently in contributing towards corporate sustainability, apart from the external factors mentioned in traditional sustainability reports. This shows that short-term actions in response to the external environment to safeguard company values for business continuity and survival shall be an integral part of ESG reporting, alongside with long-term sustainability goals.

⁹ 2020. Corporate Reporting FY20 Challenges, Investors And Other Stakeholders Drive The ASX200 To Apply Integrated Reporting Principles. A review of corporate reporting trends in the year to 30 June 2020 across the ASX 200 and beyond. [online] Available at: <<https://assets.kpmg/content/dam/kpmg/au/pdf/2020/asx200-trends-in-corporate-reporting.pdf>> [Accessed 16 December 2020].

Data-Driven Reporting Approach as a Rising Global Demand

The emergence of data analytics shifts sustainability reporting towards a **data-driven approach** where **stakeholders data** are acquired to perform time-series analysis and predictive modelling to facilitate investors making investment decisions. A data-driven approach also helps corporations to better manage and foresee risks and opportunities, thus pinpointing specific sustainability issues to be addressed.

In the United States, for instance, the boom for data continues despite COVID-19. This is evident from the fact that data centre spaces continue to increase despite the lockdown. This does not only show the vast amount of data that is generated but reflects the opportunities that quantitative data presents to make effective and impactful decisions¹⁰. As much as 40% of businesses are inclined to make data-driven decisions by increasing their marketing budget¹¹. Business executives in Asia are also aware of the importance of data analytics in making effective decisions for businesses. Research Company IDC estimated that spending on data analytics would increase to the US \$15.3 billion in Asia alone in 2018. This is a 14% increase from the spending recorded in 2017¹².

Documentation on Climate Change as Material Risks

60% of ASX200 companies documented climate change as a material risk and the corresponding responsive measures as part of their sustainability reports. This increase in awareness aligns with the work by Task Force on Climate-related Financial Disclosures (TCFD) in presenting climate change matters as financial risks to corporations.

¹⁰ Dawn-Hiscox, T., 2020. CBRE: North American data center boom continues despite Covid-19. [Online] Available at: <https://www.datacenterdynamics.com/en/news/cbre-north-american-data-center-boom-continues-despite-covid-19/> [Accessed 28 November 2020].

¹¹ Lead Forensics, 2020. Use data-driven decision-making to fuel growth in 2021. [Online] Available at: <https://www.leadforensics.com/use-data-driven-decision-making-to-fuel-growth-in-2021/> [Accessed 28 November 2020].

¹² The Economist, 2020. The Data-Driven Enterprise. [Online] Available at: http://eiuperspectives-stage.economist.com/sites/default/files/download/eiu127-oracle-asia_pacific.fin_1_0.pdf

Summary of goalie's cutting-edge features (with respect to key trends)

Trend	What can goalie deliver?
Increased Focus on Stakeholder Relations	Interactive dashboard for monitoring of sustainability progress
Assurance of Sustainability as a Major Practice	Multiple login software access that enables cross-team collaboration on targets achievement
Increased Focus on Contingency Responses in Post COVID-19 Era	Integrated graphical user interface (GUI) for real-time reporting, monitoring and evaluation of sustainability targets achievement
Data-Driven Reporting Approach as a Rising Global Demand	Machine-learning algorithm allowing for data-driven solutions on sustainability targets
Documentation on Climate Change as Material Risks	Alignment with SDGs targets for provision of action plans and strategies with probability of success

4 Contextual Analysis

SWOT Analysis

The SWOT analysis summarizes the internal and external influences on Third i's goalie offering. The table is used as a guidance to formulate goalie's market entry strategies that recognizes the identified influences in later sections.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Able to streamline qualitative data analysis process, allowing for mass data collection and processing • Easy data visualization - built-in dashboard • Real-time monitoring and evaluation of SDGs achievement goals • Significantly reduced human capital expenditure • SDG utilisation inline with upcoming standardisation of ESG reporting • Capable of accurate gauging internal company culture • Lower error rates than human analysts • Constantly improving predictive capabilities • Similarities to WEF ESG standards means results should be easily understood • Integration of multiple corporate initiatives - offer solutions for both HR, corporate governance, social responsibility, and environmental sustainability 	<ul style="list-style-type: none"> • Lacks pedigree and economy of scale of other large consulting firms • Cannot cover whole spectrum of sustainability, limited to quantitative survey participants data • High costs on client relations maintenance - SaaS requires long-term and repetitive engagement with clients, limiting the number of potential clients/projects concurrently. • Cannot easily alter data outcomes (harder to greenwash) • Context-specific - potentially limiting non-English market penetration • Does not fully fit into WEFs new ESG reporting standards • Limited by available data inputs • Loss of definition due to standardisation of data • (Compared to outsourced services to large consulting firms) Require extra internal staffing and resources to develop data to be input the software • Goalie can confuse clients due to its numerous uses
Opportunities	Threats
<ul style="list-style-type: none"> • Addressing company cultural issues with clean slate after COVID-19 shutdowns • International standardised reporting of ESG utilising SDGs • Increased demand for ESG reporting prior to investments • Reporting cultural qualities of a company to investors/part of lending requirements • Cannot easily alter data outcomes (harder to greenwash) • Excellent tool for dealing with power imbalances in the workplace 	<ul style="list-style-type: none"> • Failure to maintain business before machine learning completed • Unable to utilise new ESG reporting framework • Current gap in market swallowed by larger consultancies • Loss of social capital due to delivery failures • Risk of type casting into single kind of consultancy • Market growth of 8% p/a being dominated by larger companies (Consultancy.com.au, 2019) • Covid drastically reduced market size of consultancies (-12%) in the asia pacific (Consultancy.com.au, 2019)

TOWS Strategies

	Strengths	Weaknesses
Opportunities	<p>Sell goalie as an extension of new ESG reporting</p> <p>goalie as tool for measuring success of investment</p> <p>Sell goalie focusing on its inability to lie and its low error rates</p> <p>Sell multiyear programs with focus on constantly improving analysis thanks to machine learning</p>	<p>As goalie cannot lie, build pedigree on truthfulness in reporting</p> <p>Ensure data collection system is as independent from the company being surveyed as possible to avoid managerial steering of results</p> <p>Focus on entering markets for yearly health and safety reports as a baseline of business</p>
Threats	<p>Rather than compete with new model of ESG reporting, work to sell Third I as an extension of the model</p> <p>Enter markets with high possibility for social capital accumulation</p> <p>Specialise in the quantitative data collection and analysis that separates you from other consultants</p>	<p>Do not directly compete with large consultancies, sell it as its own program</p> <p>Focus on Australia and New Zealand for now</p> <p>Work to find diverse clientele</p> <p>Aggressively hold any space in the market you can</p> <p>Prioritise the completion of contracts over finding new contracts</p>

Key Takeaways

New reporting schema set the stage for goalie to be well understood and integrated into reports

With the World Economic Forum adopting a new standard for ESG reporting based on SDG targets, the recommendations of goalie are adaptable into reporting without large degrees of adjustment. This similarity of data reporting allows for the sale of Third I's services to be sold as an easy and informative extension on top of existing ESG reporting. This allows for Third I to avoid competition in the short run with existing management consultancies.

Need of staged market entry process to build up reputation

Currently Third i Management cannot compete with larger consultancy firms in its appeal. While a Hail Mary contract with a large corporation may be possible, Third i Management should seek to gain social capital by engaging with culturally important but less profitable clients. An example of this would be Universities or iconic Australian brands. The lack of existing similar services translates to the requirement of experimenting behavioural patterns among users. Ongoing client support and engagement to follow up user satisfaction is desired especially in the initial market entry stages.

5 Recommendations

Preliminary Strategies

Deriving from the TOWS strategies, a total of 7 metrics is developed as indicators to evaluate the suitability and relative strength of the following proposed market entry strategies. These strategies are formulated to address the weaknesses identified in the SWOT analysis.

Effectiveness Metrics of Strategies

Strength of offering	This refers to how strong the strategy will be at allowing Third I Management to meet client requirements.
Market Attractiveness	This refers to how effective the market will be at generating both social and financial capital for Third I.
Stakeholder Power	This refers to how powerful the people being surveyed are to company performance. (a casual clerk is low but a senior engineer is high) -100 to 100
Stakeholder Interest	How much data needs to be collected from the group for good operation -100 to 100
Cost of entry	This reflects the initial cost required to enter the target market. This higher the score, the higher the cost.
Growth potential	This evaluates the potential for future work in this area arising from the said strategy. The higher the score, the larger possibility for the product to become a keystone in the industry.
Length of contract	This reflects the length of the contract. The higher the score, the more engagement responsibilities required.

Social Impact in the ASX200

Around 84% of large Australian businesses now report a focus on diversity and inclusion in their workplaces, however recent reporting from Mercer displays a **lack of action-oriented steps** being taken. With nearly half of Australian companies reporting qualitative targets for diversity and inclusion, there is a clear gap for Third I to exploit in generating effective targets and strategies for increasing diversity and inclusion in Australian businesses.

Across the board, the majority (58%) of Australian businesses are not performing adequate measurements of reimbursement and career development to ensure that pay inequities are being reduced, despite having access to both data and the methods required to report and diminish pay inequalities. In addition, 60% of large Australian companies do not maintain staff dedicated to addressing diversity and inclusion issues with their company. This disconnect between reporting a focus on diversity and inclusion and a failure by most businesses to address this issue suggest that a majority of Australian businesses are impact washing their internal culture.

Due to this **potential impact washing**, Third i must select clientele which are front of the pack in diversity and inclusion or select clientele with expressed desires in improving diversity and inclusion but may be limited due to the geographic distribution of workplaces or other such factors.

A key group of potential clients are **resource firms**. Every major Australian resource extraction firm reports quantitative numbers of their diversity and inclusion programs however the geographic dispersion of workplaces often means that head office cannot functionally oversee stated diversity and inclusion program. Being well funded and having existing, somewhat strong diversity and inclusion efforts, they represent a strong potential market. Combined with the power of many of the employees, due to their roles in engineering and management, the maintenance of strong relations is important for maintaining internal talent.

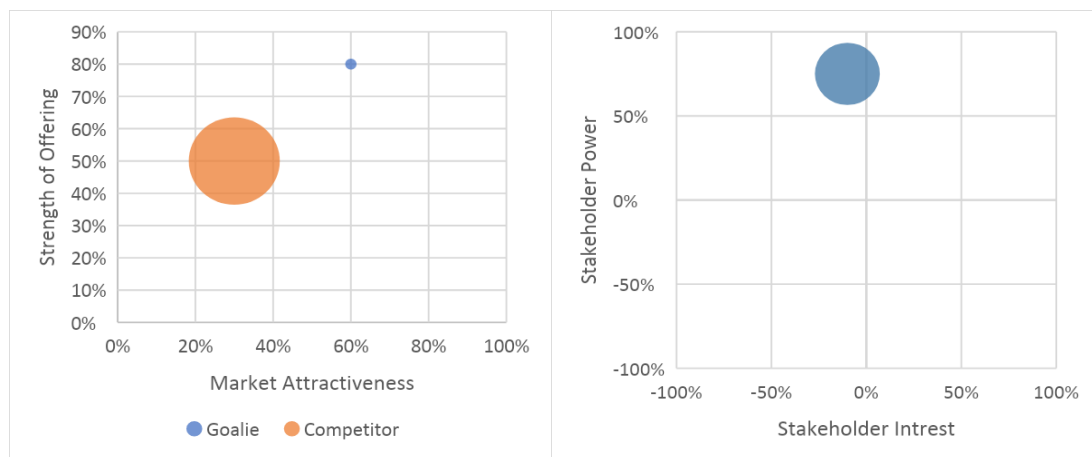
Costs to entry are high due to ongoing engagement with impact investors, however the potential for growth is strong and long-term partnerships are clearly possible. Risks in the field are average and will likely change with demands from the individual companies.

Impact Investing

Traditionally, impact funding measures the social impact by performing due diligence on potential investee companies, which is the first and only opportunity a fund must gather the information it needs about potential investees to identify potential social and environmental impact. This process can **minimize the impact risk** of the fund's pipeline and helps allocate the fund manager's time and resources. Within larger firm, impact screening may be conducted by their internal impact committee. They oversee collection, synthesis, analysis, and evaluation of information. These duties are normally shared by several people. With the help of goalie, it could **reduce the process of impact screening**, which result in **reduction of staff cost**. Also, subscription fees for software may be tax deductible against income of a business each year.

Engagement with Universities

Universities in Australia are front and centre in the development and adoption of new technologies. As centres of creating a new world, universities both need to improve the sustainability of their operations, manage a diverse group of students as stakeholders, industry groups as partners and operations on the day to day. Goalie allows for the **collection and synthesis of this data into directable actions**. Universities in Australia are still reeling from several reports (references) into the need for cultural change on campus. Despite recommendations detailing the requirement for long term change, there is currently a **lack in effective monitoring tools for social impact** in universities. Every large university in Australia signing up to an action plan including monitoring and evaluation, however this appears limited as ten college students that were asked for comment did not receive any survey about culture on campus. There is a clear market for Goalie in stakeholder engagement within Australian universities by responding to the lack of large-scale stakeholder analysis within Australian university



Universities offer a clear market where stakeholder engagement is in demand. While interest varies across the large student body, surveys can be targeted for the greatest effect. The **utilisation of AI to increase turnaround** is key for universities who are eager to address problems rapidly. While the ethics approval and tailoring of questions to meet higher standards decreases the attractiveness of the market, the skills and agility of the Third I team allows for significantly better offerings than competitors.

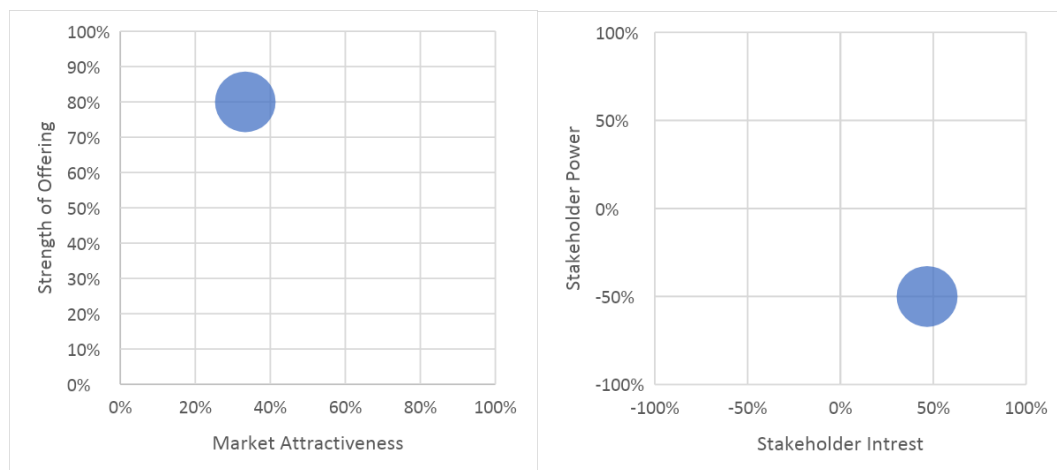
Engagement with allows for the acquisition of more than just revenue. Association with respected public institutions like universities allows for the **generation of social capital**, which will increase the standing of Third I Management.

Costs of entry are moderately low, due to increased labour will be associated with ethics approval and required quality. The generation of this social capital is key to challenging existing consultancy agencies. While unlikely to be as lucrative as some other jobs, the generation of social capital is key.

Working with Affinity Groups

Roughly 18% of Australians live with some form of disability. While both government and affinity groups perform surveys, these focus on quantitative data and are often performed annually. Goalie can offer a more direct form of measurement, running constantly from survey results throughout the year to offer the status of a group. By gathering cross sections of target groups, the outputs from goalie provide detailed information in a fraction of the time that standard surveys take. Along with this, the ability to **collect data from social media** can mean that a constant stream of analysed data can flow to disability groups, allowing for always up to date recommendations and therefore better outcomes.

Working with Affinity Groups also offers 2 key outcomes for Third I. Firstly, it will act as a **proof of concept** for future partners for the effectiveness of gathering of data through social media and secondly, it will allow for the **generation of social capital** through being closely involved with key social movements and reports to Government.



With Third I being on the cutting edge of this kind of analytic tool, its strength of offering surpasses competition. However only a handful of groups would have the reach and finance to afford and utilise goalie, lowering the attractiveness of the market. In relation to the stakeholders engaged, their disabilities mean that they and their supporters are heavily interested outcomes but do not wield a great deal of power.

Due to the limited number of groups capable of affording the most expensive plans from Third I, the growth into this market will be limited. However, this is contravened by the **low cost of entry** and the **potential for long term contracts**.

Proposed Stages of Entry

Stage 1: Gaining reputation (1-2 months)

In the initial stage, the main goal is to gain reputation and credibility from well-known institutions. For those institutions such as NGOs, universities, affinity groups, goalie might provide a discounted price to increase the initial rate of usage and scalability. In addition, beta testing could be applied at this stage, as it provides a relatively large user base.

Stage 2: Targeting ASX200 (3-6 months)

After the beta and trial testing, goalie should have established certain reputation regarding software quality, which could be more attractive to big corporations. As most of them are not cost-sensitive groups, the price strategy should be value-based. Software assistance and relationship maintenance are important to facilitate communication at this stage.

Stage 3: Penetrating second-tier market to increase the scalability (3-6 months)

Though big corporations have real money, the market is quite limited. goalie could spend more efforts to explore potential markets which are potentially interested in sustainability such as impact funding and construction development. Though those small businesses might not currently be “required” to have sustainability reporting, they might be intrinsically attracted to sustainability services.

Stage 4: Rolling out internationally

After gaining traction and reputation locally in Australia, friction of rolling out to an international user base would be eased. It is noteworthy that, however, international audience may have a different context or approach towards sustainability achievement that goalie should perhaps consider adjusting software features to suit local context, e.g. tailor-made user interface with appropriate language and jargons.

Market Entry Cost Estimates

6-month social outreach cost assumption:

- Discount for clients
- Transportation and hotel costs
- Build a website suitable for clients
- train employees to negotiate and social
- Develop a customer relationship management(CRM) platform
- Make a tutorial video about using Goalie
- Social media ads

6-month Social Outreach Program Cost (AUD)	
Items	Cost
Discount-10% for Business mode for each NGOs	\$ 600
Discount-10% for Team mode for each NGOs	\$ 300
One-time transportation and hotel costs	
NSW/VIC	\$ 500
SA	\$ 1,000
WA	\$ 2,000
Setup cost to build a website suitable for customers	\$ 1,000
Train employees to negotiate and social (per person)	\$ 2,200
Develop a customer relationship management (CRM) platform	\$ 24,000
Make a tutorial video about using Goalie	\$ 5,000
Social media ads-Facebook(Cost-per-thousand-impressions)	\$ 10

Based on the above assumptions, supposing you go to NSW, VIC, SA and WA once in six months, and put 100,000 impressions on Facebook, Social Budget is estimated at around **AUD 37,200**. For discounts, different companies need different modes. Since the number of customers is unknown, the discounted part is not included in the estimate.

6 References