SM6a: The Timberland Company Business Model Expressed Using SSBMO v1.022

Process

Bio-physical Stock

Name	Description	Related Eco-Systems Service(s)
Humans	The animals which are the actors performing all human stakeholder roles	Secondary Product Recreation and ecotourism Ethical and spiritual values Educational and inspirational values
Livestock	The animals from which leather and other raw materials for Timberlands products are obtained	Secondary Production
Leather	The processed hides from animals	Water cycling Water Purification and waste treatment Maintenance of Air Quality Maintenance of soil quality Assimilation
Timber	The trees from which rubber and other raw materials for Timberland's products and packaging are obtained	Primary Production Pollination
Freshwater	Inland bodies of water, groundwater, rainwater, and surface waters for household, industrial, and agricultural uses	Water cycling Water Purification and waste treatment
Bio-chemicals	Medicines, biocides, food additives, and other biological materials derived from ecosystem for commercial or domestic use	Water cycling Water Purification and waste treatment Maintenance of Air Quality Maintenance of soil quality Assimilation
Hydrocarbon s	Biological material from long-dead organisms - both plant and animal - that have been transformed by geological processes into materials with high amounts of chemical energy	Maintenance of Air Quality Regulation of Climate
Non-Bio- Chemicals	Non-biologically derived (minerals, metals, gases, liquids etc.)	Water cycling Water Purification and waste treatment Maintenance of Air Quality Maintenance of soil quality Assimilation
Oxygen	Required for biological and chemical combustion to transform energy into a form able to do work	Maintenance of Air Quality Regulation of Climate
Manufacturin g / Distribution Waste	Solids, liquids and gasses not incorporated into the finished goods or its packaging	Assimilation
Packaging Waste	Waste from the packaging of raw materials, partially finished, and finished goods	Assimilation
Post Consumer Waste	Finished product which is placed in landfill, i.e. is not reused or recycled	Assimilation
Use Waste	Waste generated during the process of product / service use. In the case of Timberland this included: O Particulate / Aerosols from abrasion and wear of the leather uppers and soles	Assimilation

Туре	Name	Description
Supporting services	Habitat	Natural or semi-natural spaces that maintain species populations and protect the capacity of ecological communities to recover from disturbances
	Nutrient cycling	Flow of nutrients (e.g., nitrogen, sulfur, phosphorus, carbon) through ecosystems
	Water cycling	Flow of water through ecosystems in its solid, liquid, or gaseous forms
	Primary production	Formation of biological material by plants through photosynthesis and nutrient assimilation
	Secondary production	formation of biological materials by animals through ingestion of plants or other animals
	Assimilation	Taking of organisms wastes and transforming them into useful / non-harmful stocks
Regulating Services	Maintenance of Air Quality	Influence ecosystems have on air quality by emitting chemicals to the atmosphere (i.e., serving as a "source") or extracting chemicals from the atmosphere (i.e., serving as a "sink")
	Regulation of Climate - Global	Influence ecosystems have on the global climate by emitting greenhouse gases or aerosols to the atmosphere or by absorbing greenhouse gases or aerosols from the atmosphere
	Regulation of Climate - Regional and Local	Influence ecosystems have on local or regional temperature, precipitation, and other climatic factors
	Regulation of water timing and flows	Influence ecosystems have on the timing and magnitude of water runoff, flooding, and aquifer recharge, particularly in terms of the water storage potential of the ecosystem or Landscape
	Erosion control	Role ecosystems play in retaining and replenishing soil and sand Deposits
	Water Purification and waste treatment	Role ecosystems play in the filtration and decomposition of organic wastes and pollutants in water; assimilation and detoxification of compounds through soil and subsoil processes
	Disease mitigation	Influence that ecosystems have on the incidence and abundance of human pathogens
	Maintenance of soil quality	Role ecosystems play in sustaining soil's biological activity, diversity and productivity; regulating and partitioning water and solute flow; storing and recycling nutrients and gases; among other functions
	Pest mitigation	Influence ecosystems have on the prevalence of crop and livestock pests and diseases
	Pollination	Role ecosystems play in transferring pollen from male to female flower parts
	Natural Hazard Mitigation	Capacity for ecosystems to reduce the damage caused by natural disasters such as hurricanes and tsunamis and to maintain natural fire frequency and intensity
Cultural Services	Recreation and ecotourism	Recreational pleasure people derive from natural or cultivated Ecosystems
	Ethical and spiritual values	Spiritual, religious, aesthetic, intrinsic, "existence," or similar values people attach to ecosystems, landscapes, or species
	Educational and inspirational values	Information derived from ecosystems used for intellectual development, culture, art, design, and innovation

Adapted From Hanson, C, J Ranganathan, C Iceland, and J Finisdore. (2008) The Corporate Ecosystem Services

Review (Version 1.0). World Resources Institute. http://www.wri.org/project/ecosystem-services-review and

http://www.wri.org/publication/corporate-ecosystem-services-review

Pasted from http://en.wikidedia.org/wiki/Ecosystem-services

<u>Capabi</u>	lity
Name	Descri
"Bricks and Mortar"	Stores

Name	Description	Requirea Resources
"Bricks and Mortar" Retail Outlets	Stores or parts of stores (shelf space)	Retail Space Enterprise Applications Finished Goods
"Clicks" Retail Outlets	Websites	Website
Packaging & Labelling	Ability to convey key aspects of the value proposition to consumers	Knowledge
Workers	Motivated, knowledgeable human beings	Employees
Distribution	Ability to receive, store and ship raw materials, finished goods, and post-consumer goods (for recycling)	 Distribution Facility Enterprise Applications Raw Materials Finished Goods Post Consumer Goods
Manufacturing	Ability to create and package finished goods for sale	Raw Materials Manufacturing Facility (insourced and outsourced)
Partnership	Ability to form, grow/evolve and benefit from partnerships	Employees All other stakeholders
Product Design	Ability to create and revise designs for products and create plans for their manufacture	Knowledge

 Unclear what capabilities, resources, activities are in place to initiate (i.e. convince the consumer - e.g. deposi /return) and sustain the reverse logics processes to bring in post-consumer finish goods for recycling / • Unclear how contract manufacturers obtain the post consumer "raw materials" from Timberland, nor what

Resource

Name	Category	Туре	Description	Part of which Bio- physical Stock	Transformed into Which Other Resource / Biophysical Stocks by Timberland Activities	Related Stakeholders & Agreements
Retail Space	Tangible	Technical	Access to retail space	Many	N/A	• Retail
Distributio n Facility: In- sourced	Tangible	Technical/ Biological	Access to facilities equipped to receive, store and ship O Danville, KY, USA Enschede, Netherlands	Many	N/A	 Employment Supplier- Real Estate Supplier- Equipment
Distributio n Facility: Outsource d	Tangible	Technical/ Biological	Access to facilities equipped to receive, store and ship Ontario, CA, USA	Many	N/A	• Supplier- Distribution Services
Manufactu ring Facility: In- sourced	Tangible	Technical/ Biological	Access to Dominican Republic (makes product worth around ~10% of monetary revenue)	Many	N/A	EmploymentSupplier- EquipmentSupplier- Real Estate
Manufactu ring Facility: Outsource d	Tangible	Technical/ Biological	Contract suppliers (makes product worth around ~90% of monetary revenue	Many	N/A	 Supplier- Manufacturi ng
Finished goods	Tangible	Technical/ Biological	Finished goods and their packaging for sale, and subsequent return for recycling	Many	Use Waste Post Consumer Resources Packaging Finished Goods Packaging Waste Post Consumer Waste	Supplier- Manufacturi ng Timberland (internal manufacturi ng ability)
Post consumer goods	Tangible	Technical/ Biological	Goods which have been used by consumers and no longer deliver value to them	Many	Post consumer wasteRaw Materials	Retailers
Raw Materials	Tangible	Technical/ Biological	Raw materials required for making finished goods	Leather Fresh water Bio- chemicals Hydrocar bons Non-Bio- Chemicals Oxygen	 Finished Goods Manufacturing waste Packaging waste 	• Supplier- Raw Materials
Hydro- carbons	Tangible	Biological	All hydrocarbons used directly in all Timberland operations	Hydrocarbo ns	Heat Manufacturing waste Distribution waste Use Waste Post Consumer Waste	• Supplier
Employees	Human	N/A	Motivated, knowledgeable human beings	Many	• (Happier) Humans	• Employment
Knowledge	Intangible	N/A	The net new knowledge which must be created, diseminated, stored, collected, manipulated for Timberland to fulfill its Existence and other value propositions	None	N/A	• Employment
Website	Tangible/ Intangible	Technical	Technology platform to create virtual commerce and communication platform integrated into Enterprise Applications	Many	N/A	Supplier- EquipmentEmployment
Enterprise Application s	Tangible/ Intangible	Technical	Computer software and hardware to enable all management systems within the firm (e.g. ERP, CRM, SCM, SRM, PLM, etc.)	Many	N/A	• Supplier
Electricity	Intangible	Technical	All electricity used in all Timberland facilities	Many	HeatLightSound	Supplier

Category = Tangible, Intangible, Human Tangible Type = Technical Nutrient, Biological Nutrient Unclear if Timberland and/or the contract manufacturers has a commercial and/or momentary relationship with the raw

Activity

Name	Туре	Level	Description		Ecosy stem Servi ces Invol ved	Re ed Sta ho rs Ag me
Order to Cash	Core	Top Level	The activities from stimulating demand, taking orders from retailers, manufacturing/obtaining finished goods, shipping finished goods and		-	3
Marketing		Sub-	receiving payment			-
& Sales		Process				-
 Operations 		Sub- Process	In-house manufacturing and distribution			
Outbound Logistics		Sub- Process				
• Quality		Sub-	Create, execute, measure and evaluate quality policy, including quality			
Policy		Process	assurance and control activities in own factory / warehouses and 3rd party suppliers			
Request to Solution	Core	Top Level	The activities from receiving any request from a consumer or other stakeholder to providing a solution. e.g. warrantee claims, information, etc.			
• Service		Sub- Process				
Requisition to Pay	Core	Top Level	The activities from determining what needs to be acquired from outside the firm for the order to cash and other top-level processes, making agreements to acquire those goods and services, receiving them, and making payment for them.			
• Source		Sub-	5,1,1			
• Inbound		Process Sub-	Includes both raw materials, finished, post-consumer goods and in-house			
Logistics		Process	recycling Includes policies to maximize use of lower impact transportation (i.e.			
Monitor		Sub-	minimization of air transport) Conducts at least annual assessment of suppliers - e.g. factory			
		Process	assessments			
Purchasing Policy		Sub- Process	Create, execute, measure and evaluate purchasing policy including supplier code of conduct, factory assessments, real estate policy (LEED), environmental aspects (e.g. Low VOC, no chlorine, soy inks, FSC paper, low/no carbon energy, renewable energy, carbon offsets, transportation emissions) etc.			
Idea to Commerciali zation	Infrastructure	Top Level	The activities in determining based on market and/or technological knowledge new / changed products to offer, based on the firms value propositions, the design of those products, and the creation/acquisition			
• Problem	***************************************	Sub-	of the capabilities required to offer them. • Includes working within industry to define and set environmental and			
Finding and		Process	social standards			
• Problem		Sub-				
Solving		Process				
• Choice		Sub- Process				
• Execution		Sub-				
• Control & Evaluation		Process Sub- Process				
Supply Skilled	Enabling	Top Level	The activities from hiring new employees, their assignment, ongoing development, motivation and remuneration, to them leaving the	Empl oyee		
Resources			organization at some point	s		
• Hiring		Sub- Process	Once new positions are open, matching internal candidates, and if required hiring externally			
Employee& Partner		Sub- Process	Conduct training for employees and partners employees			
Employee Training		rrocess	Includes keeping currency on all applicable environmental, social and financial legislation and regulation in all locations the company operates in			
Feedback and	+	Sub-	Feedback, coaching, career planning, objective setting of employees			
and Coaching		Process	based on measures of environmental, social and financial performance. Appears feedback is 360, but not clear whether it is the same process for all levels of employee			
• Donof:		C,.L	Annual employee satisfaction survey			
Benefits		Sub- Process	Select, Execute and Review Benefits Programs (Health, Dentist, Optician, Drug, Disability, Wellness, Transportation, Drugs, Domestic Partner,			
			Employee Share ownership, subsidized broad skills / qualification training/education, counselling, etc)		***************************************	
Separation		Sub- Process	Process for ending (permanently or temporarily) an employment contract whether initiative by the company or the employee.			
• Health &		Sub-	Select, Execute, Measure and Review Health and Safety policies,			
Safety • Service &		Process Sub-	procedures and practices (including committee of employees) Select, execute, measure and review all aspects of the service and		-	
Charity		Process	charitable giving programs		-	ļ
Improve the Business	Enabling	Top Level	The activities required to make changes to all other processes in order to achieve strategic objectives. Change can be anywhere from incremental (e.g. TQM) to radical (e.g. Re-engineering). Drives all "project" work. Monitors and seeks to improve the firms ability and			
Continuous		Sub-	efficiency in changing. The activities to plan, execute, monitor and evaluate all continuous			-
Improvemen t			improvement activities: quality/operational, environmental, social, financial. Includes setting targets for improvement and monitoring their achievement		постояния постоя	
			Includes financial, environmental and social internal-auditing programs (financial internal-audit/controls, carbon inventory, energy conservation/efficiency audit, life cycle assessment, raw materials toxicity, manufacturing waste toxicity [solid, liquid, gases], packaging, water use audit etc.)			
Lead and Manage	Governing	Top Level	The activities involved in setting, revising and agreeing strategic objectives, measuring on the achievement of those objectives, understand, assessing and acting upon perceived gaps between strategy			
BoD CSR sub		Sub-	and execution Sub-committee of the BoD focused on all CSR issues; include large			
sub- committee		Process	majority of "external" board members, including (as of 2009) one from a community organization			
COMMITTEE					1	1

o Likely missing section on retail operations owned and operated by Timberland

o Likely missing aspects of marketing providing mechanising support to all retailers (3rd party, franchise, owned)

Likely not separated wholesale and retail operations appropriately

Partnership / Agreement

Name	Description	Part of which Relationship	Involving which Stakeholders	Part of which Value Propositions
Employment	The partnership between Timberland and its Employees to fulfill a subset of the needs of both	Attract / Retain Employees	 Employees Management Timberland	Employer of Choice All other Value Proposition:
Supplier- Manufacturing	The partnership between Timberland and its contract Manufacturers	Attract / Retail Suppliers Attract / Retail Investors	Suppliers Timberland	 Product Excellence Trading Partnership Factories Responsibili
Innovation	The partnership between Timberland and its NGOs	Gain / Maintain Goodwill & Continuous Learning Enabling Innovation	NGO Timberland	ClimateProductFactoriesService
Other Supplier Real Estate Distribution Services Equipment Etc.				
Retail	The partnership between Timberland its franchisees and 3rd party retailers Includes acting as collection points for post-consumer goods (e.g. start of "reverse logistics")	Attract/Retail Retailers	• Retailers / Franchisees	Brand Differentiati Trading Partnership: Product Innovation- Cradle to Cradle
Supplier-Raw Materials	The partnership between Timberland and the suppliers of the raw material	Attract / Retail Suppliers Attract / Retail Investors	Suppliers	Product Excellence Financial Excellence Trading Partnership Climate Responsibili

Which activities (or parts of activities), requiring which capabilities deliver which (parts of which) value propositions Name Description Required Activities Required Capabilities

Not attempted because requires detailed process and capability knowledge not available

externally.			
<u>Decisio</u>	<u>on</u>		
lame	Description	Stakeholders who are Decision Makers	Value Propositions
orporate Social esponsibility	Recommendations related to the companies non-financial value proposition(s) and performance are made by the CSR sub-committee of the BoD with input from Managers, which may include input from non-Employees (e.g. NGOs) Includes setting targets / goals for social and environmental performance, allocating financial and non-financial resources to achieving these targets.	Officers	All
iving Wage	For decisions for employees made by managers with no outside input For decisions for partners employees decision	Managers Supplier & Retail Partners	 Employer of Choice Factories Trading Partnerships Responsibility Transparency
atio of Executive compensation to owest Salary	Compensation sub-committee of BoD	Officers	Employer of ChoiceResponsibility
nnual Wage ncreases	CFO and CHRO. Pay at or slightly above industry averages for employees.	Officers	Employer of ChoiceResponsibility
nnual Bonus	CFO and CHRO. Not clear if there is an established program or not	Officers	Employer of ChoiceResponsibility
lature, Eligibility nd Level of enefits	CFO and CHRO. Not clear when part time employees qualify for benefits.	Officers	Employer of ChoiceResponsibilityFinancial Excellence
mployment ontract reating / Reducing ob Positions	CHRO with legal advice. • Work schedules (full, part time, flex time, telecommuting, job-sharing) • Short term leave • Not clear what standard termination clause includes (2 weeks notice, outplacement services?) Who decides when the company will create or reduce the number of job positions (full, part time, flex, telecommuting, job-share, diversity,	Officers Officers	 Employer of Choice Responsibility Financial Excellence Responsibility
		O.(;	Employer of Choice
ttrition	Who decided what is an acceptable level of attrition (presumably related to employee satisfaction) and can add or remove programs that change attrition rates	Officers	Employee of ChoiceResponsibility
mployee Ownership ode of Ethics	Who decides on the nature of any employee share ownership scheme and the proportion of employee, officer and external shareholders Includes defining code of ethics, discrimination / harassment, and employee handbook. Input from Employee Representative / Ombudsperson Includes policies on: Weight to be given to internal candidates for open positions Keeping positions open for employees on short term leave Accessibility of all facilities Health and safety	Officers Officers Employees (in the form of Health and Safety Committee)	Employee of Choice Responsibility Employee of Choice Responsibility
ransparency	Which information is shared with which stakeholders	Officers	Transparency
raining Budget	CFO and CHRO. How much does the company spend on training (internal / external), continuing education, professional development?	Officers	Employee of Choice
ocality	BoD. How does the company decide • Which communities it will operate in ? • Which communities it will have relationships with suppliers & service providers in? • Which communities will benefit from the companies service programs?	Officers	• Employer of Choice



service programs? Which locations the company will pick for its offices and facilities (e.g. proximity to public transit, day care, etc.) There is an attestation of no conflict of interest for directors and employees

Timberland The focal firm of this business model consumers at a mark-up (retail prices)

Retailers 3rd party retailers who buy Timberland products wholesale and sell the to "look & feel" of the "retail experience" and other aspects of the retailers Manufactur labour, make Timberlands finished goods to Timberlands specifications, and Service provide distribution services to receive, store and ship Timberlands finished Transportati Companies who provide transportation of raw materials, finished goods (new Materials suppliers (tier 2, 3, 4, etc. suppliers)

Energy Companies who provide energy to Timberland (tier 1 suppliers), or their

Suppliers suppliers (tier 2, 3, 4, etc. suppliers)

Value Proposition / Offering

Name	Description	Value for Which Target Stakeholder	Reason for Value Propositi on	Value Level	Value Life Cycle Stage	<u>Pri</u>
Financial Excellence	"Driving financial excellence" (Annual report p2)	Shareholder	Risk Effort	Innovative Innovation	Ownership	Ma
Employer of Choice	"Striving to be an employer of choice" (Annual report p2)	Employee	Risk Effort	Excellence & Innovation	Realization	Ma
Outdoor Equipment / Apparel Provider of Choice	Act on and communicate ideas which Timberland believes are "the right thing to do"	Consumer	Risk	Excellence & Innovation	All	N/A
Product Excellence	"An integrated product selection that equips consumers to enjoy the experience of being in the outdoors" (personally or professionally) (Annual	Consumer (men, woman, children)	Use	Excellence & Innovation	Use & Renewal	Ma Hig
	report p2) o "Premium materials" o "State of the art design and construction" o "Durability, comfort and craftsmanship" (stressed for Men only) o "Beautiful Styling, performance features, ecoconscious materials" (stressed for Women only) o "Same high-quality standards and materials" with	Retailers	Risk Effort	Excellence & Innovation	Purchase &	Ma Hig
	a "focus on fit, functionality and convenience" (stressed for children only) Principle features which deliver on the above include: Waterproof Leather Direct-attached and seam-sealed waterproof construction Rubber lug outsoles Shock diffusion plates Durable laces Padded collars Enhanced insulation Rustproof hardware Moisture wicking components Earth conscious materials					
Trading Partnerships	Timberland works with all its suppliers and retailers as partners: looking for long term win-win-win outcomes through mutual agreement, including an expectation of mutual assistance to innovation our respective products and operations.	Retailers	Risk Effort	& Innovation	Requirements Establishment, Realization & Renewal	(an abo
	Timberland works to maintain a unique and well known brand offering based on "product excellence" that reduces the risk to retailers of over stocks and returns, and drives repeat traffic through the recycling program	Retailers	Risk Effort	Excellence & Innovation	Realization	Ma
Build Brand and Product Knowledge	Targeting campaigns directed at previous and net new consumers and / or retailers	Consumers Retailers	Risk Effort	Innovative- Immitation	Awareness	N/
Climate - "Protecting the Outdoors"	"From shipping our products, to running our offices, to lighting our stores, there are many things we do that contribute to global warming. Taking steps to reduce our climate impacts and finding ways to encourage our partners to do the same is a tall task—but one that we're up to. " Pasted from http://responsibility.timberland.com/climate/#climate-partners	All Stakeholders, with a specific focus on: Timberland BICEP Climate Group Climate Counts Conversation Business NH	Use Risk	Excellence & Innovation	Varies by stakeholder	N/A
Product - "Innovating	"Making quality boots and shoes is our business. Unfortunately, our business is not without its impacts.	All Stakeholders,	Risk	Excellence &	Varies by stakeholder	N/
Cradle"	with processes and materials that cause less harm to the environment." Pasted from http://responsibility.timberland.com/product/#product-partners	focus on: Timberland Leather working Group Outdoor Industry Association - Eco Working Group Sustainable Apparel Coalition				
Factories - "Improving Worker Lives"	"Ensuring that the thousands of people worldwide who make our products have fair and safe workplaces is part of our commitment to running a responsible business. We believe it makes for a better workforce and better business—besides the fact it's simply the right thing to do." Pasted from http://responsibility.timberland.com/factorles/	All Stakeholders, with a specific focus on: Social Accountability International BSR HERProject Verité Plant Water Foundation CARE Global Social Compliance Programme	Risk	Excellence & Innovation	stakeholder	N/#
Service - "Engaging Communities"	"Once a modest family business, Timberland has grown into a fairly big company—and we owe a lot of our success to the people and places around the world where we set up shop. That's why engaging citizens, employees, and consumers through community service has always been a priority for us." - includes the "GREEN" Service Standard Pasted from - http://responsibility.timberland.com/service/	Communities City Year Unis Cite Green Net Trees for the Future Skills USA FFA	Risk	Excellence & Innovation	Realization	N/A
Responsibility	"Setting the standard for social and environmental responsibility" (annual report page 2)	All Stakeholders	Risk	Excellence & Innovation	Varies by stakeholder	N/A
Governance	In addition to the mandated sub-committees of the Board of Directors (audit, Governance & Nominating, Management Development & Compensation) there is also a Corporate Social Responsibility sub-committee	Shareholders	Risk	Excellence	Realization	N/A
Transparency	The BoD consists of 10 members, 7 of whom are not employees "Timberland is committed to being accountable for our impacts. And we're equally committed to being transparent in reporting them. After all, it's the only way stakeholders can measure our progress and hold us responsible, too. We communicate these impacts in ways that promote dynamic, two-way interaction"	All Stakeholders	Risk	Excellence	Realization	N/A
Existence	Pasted from - http://responsibility.timberland.com/strategy/transparency/> Timberland will continue to exist, and will innovate as required to ensure this outcome is achieved by "enhancing our leadership position in our core Timberland» footwear business through an increased focus on technological innovation and "big idea" initiatives like Earthkeepers™" (Annual Report p2) and a discussion of "Footware Technology" (Annual report p3)	Timberland + All Other Stakeholders	Effort	Innovation	Varies by Stakeholder	N/A
Growth -"#1 Outdoor Brand on Earth"	Grow to "become the #1 Outdoor Brand on Earth" (Annual Report p2) by "expanding our global apparel and accessories business by leveraging the brand's equity and initiatives through a combination of inhouse development and licensing arrangements with trusted partners, and expanding our brands geographically	All Stakeholders*	Risk	Excellence	Varies by Stakeholder	N/A

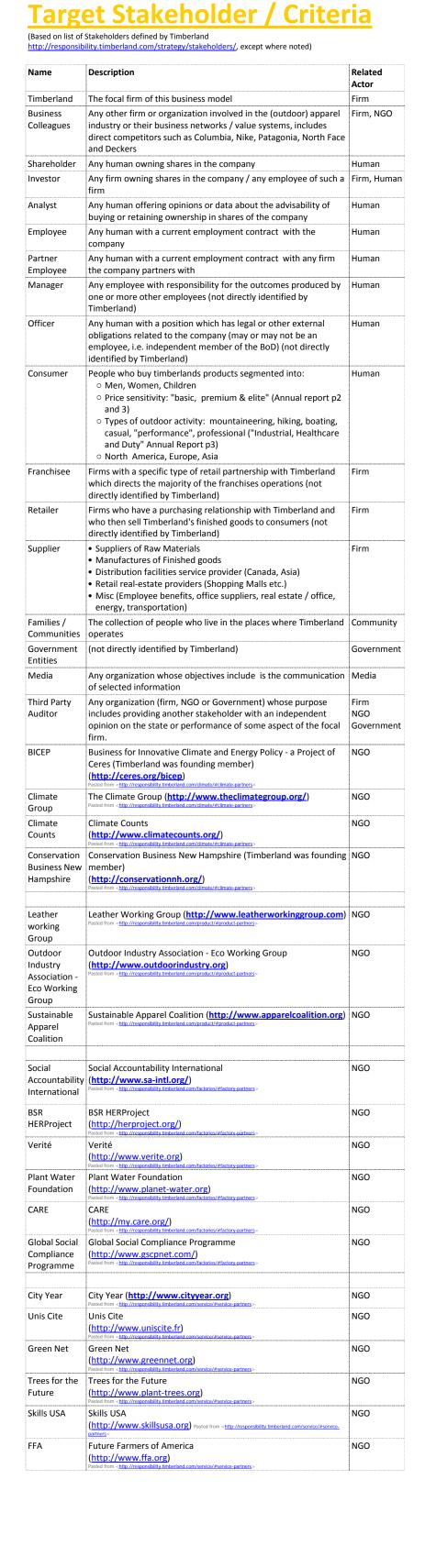
Name	Description	Value for Which Target Stakeholder	for Value Propositi	Value Level	Value Life Cycle Stage	Price Leve
Financial Excellence	"Driving financial excellence" (Annual report p2)	Shareholder	Risk Effort	Innovative Innovation	Ownership	Market
Employer of Choice	"Striving to be an employer of choice" (Annual report p2)	Employee	Risk Effort	Excellence & Innovation	Realization	Market
Outdoor Equipment / Apparel Provider of	Act on and communicate ideas which Timberland believes are "the right thing to do"	Consumer	Risk	Excellence & Innovation	All	N/A
Choice Product Excellence	"An integrated product selection that equips consumers to enjoy the experience of being in the outdoors" (personally or professionally) (Annual report p2)	Consumer (men, woman, children)	Use	Excellence & Innovation	Use & Renewal	Market High-End
	 "Premium materials" "State of the art design and construction" "Durability, comfort and craftsmanship" (stressed for Men only) "Beautiful Styling, performance features, ecoconscious materials" (stressed for Women only) "Same high-quality standards and materials" with a "focus on fit, functionality and convenience" (stressed for children only) 	Retailers	Risk Effort	Excellence & Innovation	Purchase &	Market High-End
	Principle features which deliver on the above include: Waterproof Leather Direct-attached and seam-sealed waterproof construction Rubber lug outsoles Shock diffusion plates Durable laces Padded collars Enhanced insulation Rustproof hardware Moisture wicking components					
Trading	Earth conscious materials Timberland works with all its suppliers and retailers as	Suppliers	Risk	Excellence	Requirements	Market
Partnerships	partners: looking for long term win-win-win outcomes through mutual agreement, including an expectation of mutual assistance to innovation our respective products and operations.		Effort	&	Establishment, Realization & Renewal	1.
Brand Differentiation	Timberland works to maintain a unique and well known brand offering based on "product excellence" that reduces the risk to retailers of over stocks and returns, and drives repeat traffic through the recycling program	Retailers	Risk Effort	Excellence & Innovation	Realization	Market
Build Brand and Product	Targeting campaigns directed at previous and net new consumers and / or retailers	Consumers Retailers	Risk Effort	Innovative- Immitation	Awareness	N/A
Knowledge Climate - "Protecting the Outdoors"	"From shipping our products, to running our offices, to lighting our stores, there are many things we do that contribute to global warming. Taking steps to reduce our climate impacts and finding ways to encourage our partners to do the same is a tall task—but one that we're up to." Pasted from http://responsibility.timberland.com/climate/#climate-partners	All Stakeholders, with a specific focus on: Timberland BICEP Climate Group Climate Counts Conversation	Use Risk	Excellence & Innovation	Varies by stakeholder	N/A
Product -	"Making quality boots and shoes is our business.	Business NH All	Risk	Excellence	Varies by	N/A
"Innovating Cradle-to- Cradle"	Unfortunately, our business is not without its impacts. That's why we focus on ways to create our products with processes and materials that cause less harm to the environment." Pasted from http://rosporsibility.timberland.com/product/#product.partners	Stakeholders, with a specific focus on: Timberland Leather working Group Outdoor Industry Association - Eco Working Group Sustainable Apparel Coalition		& Innovation	stakeholder	
Factories - "Improving Worker Lives"	"Ensuring that the thousands of people worldwide who make our products have fair and safe workplaces is part of our commitment to running a responsible business. We believe it makes for a better workforce and better business—besides the fact it's simply the right thing to do." Pasted from http://responsibility.timberland.com/factories/	All Stakeholders, with a specific focus on: Social Accountability International BSR HERProject Verité Plant Water Foundation CARE Global Social Compliance Programme	Risk	Excellence & Innovation	Varies by stakeholder	N/A
Service - "Engaging Communities"	"Once a modest family business, Timberland has grown into a fairly big company—and we owe a lot of our success to the people and places around the world where we set up shop. That's why engaging citizens, employees, and consumers through community service has always been a priority for us." - includes the "GREEN" Service Standard Pasted from http://responsibility.timberland.com/service/	 Communities City Year Unis Cite Green Net Trees for the Future Skills USA FFA 	Risk	Excellence & Innovation	Realization	N/A
Responsibility	"Setting the standard for social and environmental responsibility" (annual report page 2)	All Stakeholders	Risk	Excellence &	Varies by stakeholder	N/A
Governance	In addition to the mandated sub-committees of the Board of Directors (audit, Governance & Nominating, Management Development & Compensation) there is also a Corporate Social Responsibility sub-committee The BoD consists of 10 members, 7 of whom are not	Shareholders	Risk	Innovation Excellence	Realization	N/A
Transparency	employees "Timberland is committed to being accountable for	All Stakeholders	Risk	Excellence	Realization	N/A
·	our impacts. And we're equally committed to being transparent in reporting them. After all, it's the only way stakeholders can measure our progress and hold us responsible, too. We communicate these impacts in ways that promote dynamic, two-way interaction"					
Existence	Pasted from http://responsibility.limberland com/strategy/transparency/ Timberland will continue to exist, and will innovate as required to ensure this outcome is achieved by "enhancing our leadership position in our core Timberland» footwear business through an increased focus on technological innovation and "big idea" initiatives like Earthkeepers™" (Annual Report p2) and a discussion of "Footware Technology" (Annual report p3)	Timberland + All Other Stakeholders	Risk Effort	Innovation	Varies by Stakeholder	N/A
Growth -"#1 Outdoor Brand on Earth"	Grow to "become the #1 Outdoor Brand on Earth" (Annual Report p2) by "expanding our global apparel and accessories business by leveraging the brand's equity and initiatives through a combination of inhouse development and licensing arrangements with trusted partners, and expanding our brands geographically	All Stakeholders*	Risk	Excellence	Varies by Stakeholder	N/A

Relationship / Function

Stakeholder Interface

Name	Descrip tion	Target Stakeholder	Value Proposition	Chann el	Stakehold er Equity*
Attract Net New Consumers / Existing Customers Make Subsequent Purchases		Consumers	Product Excellence, Product-Cradle to Cradle, Climate, Factories, Service		
Attract / Retain Retailers		Retailers	Build Brand and Product Knowledge		
Attract / Retain Suppliers		Suppliers	Product Excellence		
Attract / Retain Employees		Employees	Employers of Choice		
Attract / Retain Investors		Shareholders, Investors, Analysts	Financial Excellence, Responsibility, Transparency, Governance		
Gain / Maintain Goodwill		Community, NGO, Government, Media	Product-Cradle to Cradle, Climate, Factories, Service, Responsibility, Transparency, Governance		
Continuous Learning Enabling Innovation		All	Existence, Growth, Product Excellence		
		Media			

	Media					
continuous earning Enabling nnovation	All	Existence, Growth, Product Excellence				
	Media					
* Stakeholder of type	e consumer only equi	ty is one or more of: acquisition, retenti	on, add-on selling			
Channe	el / Link					
		y Timberland <u>http://responsibility.timberland.</u>	.com/strategy/stakeholders/, except wh	ere noted)		
Name		Description		Purpose*	Related Value Proposition	Related Stakeholder
Advertising / Adverto	rial	Driving knowledge all relevant value pr	ropositions	AwarenessEvaluation		All Stakeholder
Retailers: Corporate a "Bricks and Mortar" si		• Europe: 47 "Timberland 1) What is the research question?		Awareness Evaluation	Product Excellence	• Consumers
		2) From who's perspective are they at 3) What did they find is important in behaviours? What is missing in the et 4) Where do the stakeholders draw to cooperate and compete? 5) What are the methodological issumit/level of analysis in each article? • iality" and 17 factory outlet stores (At 4 Asia: 75 "Timberland speciality" and (Annual Report p6)	explaining positive or negative xplanation? the line in terms of where they es with working at the intended annual Report p5)	• Purchase • After Sales	Brand Differentiation	
Retailers: "Bricks and	•	Several sorts (annual report p4):		Awareness	• Product	• Consumers
Party "Click" Retailers		 "Timberland speciality stores" (ow "Timberland factory outlet stores Independent Outdoor Retailers "Independent Footwear Retailers" "Better Department Stores" "Athletic Retailers and Other Nations" "Boutique channels in major mark 	(owned by Franchisees) onal Retailers"	Evaluation Purchase After Sales	Excellence • Brand Differentiation	
Retailers: Consumer V Sales and Marketing F	· · · · · · · · · · · · · · · · · · ·	USA: www.timberland.com www.smart	wool.com,	AwarenessEvaluation	Product Excellence	Consumers
		UK <u>www.timberlandonline.co.uk</u> <u>www</u> Japan:	v.howies.co.uk	PurchaseAfter Sales	Brand Differentiation	
		www.shop.timberland.co.jp			D	
Product labelling		Conveying important intangible and in	trinsic attributes of the product	Awareness Evaluation After Sales	Brand Differentiation Climate Product Factories Service Responsibility Transparency	• Consumers
Contact (Call) Centre		Email, web chat, phone		Awareness After Sales		
Information and Comi	nunity Website	Voices of Challenge: Here stakeholded questions and challenges that address responsible businesses." Report Archive: You can find all of our relevant publications on this site, incallow stakeholders to find out a lot mand results.	ss the pressing challenges faced by ur previous CSR reports and other luding "Dig Deeper" papers that	Awareness After Sales	Product Excellence Factories Responsibility Transparency Brand Differentiation Employer of Choice	Employees Communitie Business Colleagues
Surveys and Focus Gro Reporting	oups	On-going survey and focus group activ Goals & Progress: This page is devoted.	ed to tracking performance in all of	1	Financial	Analysts
		our CSR pillars: climate, product, fact see how we're doing against that pul will be updated on a quarterly and an o Includes GRI report	blicly stated targets with data that	AwarenessAfter SalesFor others	• Product Excellence • Factories	ShareholderInvestorsConsumersEmployees
		Pasted from http://responsibility.timberland.com/reporting • Quarterly Reporting: Key performance		o Realization	ResponsibilityTransparency	CommunitieBusiness
		quarter so you can review our performant us to synchronize the disclosure of dicalendar. Pasted from http://responsibility.timberland.com/stratogy/transpa	mance more frequently and allows ata with our overall financial		Brand Differentiation Employer of Choice	Colleagues • NGOs
Suppliers Website / Purchasing Function		<does exist?="" this=""></does>				
Factory Code of Cond Human Rights Initiativ		On going process of assessing all aspec		Requirements Establishment Realization Renewal		Suppliers Employees Consumers Shareholder Partner Employee
Annual Supplier Sumn	nit			Realization Renewal	Trading Partnerships Product Excellence Factories Responsibility Transparency Brand Differentiation Employer of Choice Growth	• Suppliers • Employees • Partner Employee
Supplier Capacity Buil	ding	Range of activities designed to enhanc suppliers	e (efficiency, effectiveness) of	Realization Renewal	Trading Partnerships Product Excellence Factories Responsibility Transparency Brand Differentiation Employer of Choice Existence	Timberland Suppliers Employees Partner Employee
NGO Collaboration Pr	ograms	Direct collaboration or joint program Annual planning and review process	s on CSR objectives	Realization Renewal	Growth Climate Product	Timberland NGOs
		 Annual planning and review process Focused reporting on CSR activities, 	via meetings & conferences	• Renewal	 Product Factories Service Brand Differentiation Transparency Existence Growth 	NGOs Employees
egal and Regulation		Engagement on regulatory issues Adherence to the law Advocacy on climate change		Realization Renewal	Transparency Existence Growth	TimberlandGovernmentBusinessColleaguesNGO
Business Community (Citizenship	Active member of industry alliances Collective CSR ventures	and associations	Realization Renewal	Transparency Existence	• Timberland • Business
Employee Website / F	luman Resource	Conference and training Employee self service		Requirements	Growth Employer of	Colleagues • Employee
-unction		Global Employee Survey "Global Stewards" Recognition Progr Integrity Line (anonymous / whistle below to the survey of the survey		Establishment Realization Renewal		
Wholesale Website / \ Corporately owned w		<pre><does exist?="" this=""> New York City and Atlanta, Dallas, Mia</does></pre>	mi			
Third Part Auditor		Provide third party oversight to aspect results	~~~~		Transparency Governance	Shareholder Analysts
Voice / Web "Confere	nce" Calls	Driving knowledge all relevant value	propositions		Responsibility All but specifically:	• Investors • Analysts
.,		E.g. Quarterly Financial Analysis Calls CSR Stakeholder Calls: Our CEO hosts stakeholders access to top decision-enhance our accountability and allow consider social and environmental opindustry.	s regular calls that give all our makers. These conversations v us to engage stakeholders as we		 Transparency Governance Responsibility Existence Growth 	• Investors
Media interviews and	press releases	Driving knowledge all relevant value p	ropositions		All but specifically: Transparency Governance Responsibility Existence Growth	• All stakeholders
Public Speeches (Conf	erences etc.)	Driving knowledge all relevant value pr	ropositions		All but specifically: Transparency Governance	• All stakeholder

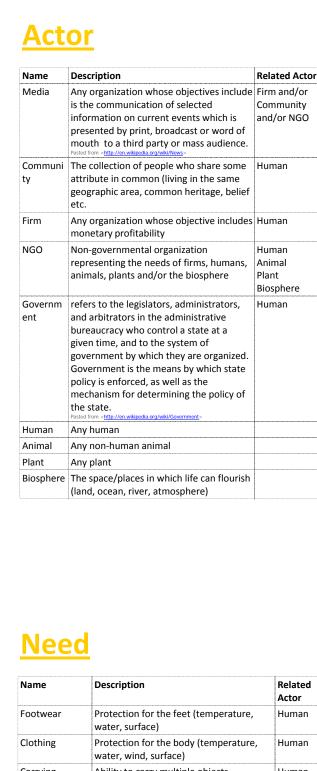


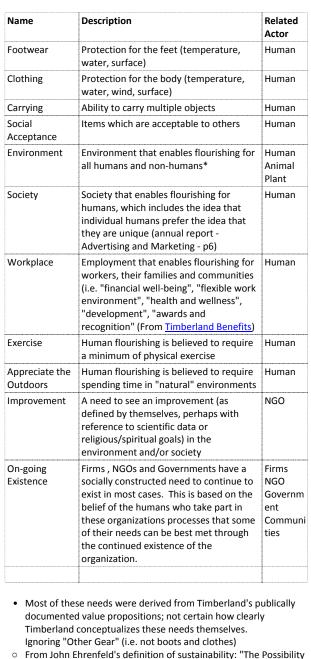
This work © by Antony Upward / Edward James Consulting Ltd., 2012-2013

The Business Model Ontology: A Proposition in a Design Science Approach

(Ph.D., l'Ecole des Hautes Etudes Commerciales de l'Université de Lausanne), 1-172

Based on criticism and review of Osterwalder, A. (2004)





that Human and Other Life with Flourish on this planet forever"

* Stakeholder of type consumer only: Customer Buying Cycle, Awareness, Evaluation, Purchase, After Sales, or Value Lifecycle: Creation, Purchase, Use, Renewal, Transfer, / Requirements, Acquisition, Ownership, Retirement; Added for Employees, Suppliers, Retailers, Communities: Requirements, Establishment, Realization, Renewal >>How do they get old boot back? Via Retailers? >>How do they address the various customer segments?

• Sustainable Living Environment Program "Timberland believes that every person is entitled to food that meets Realization • Factories universal nutritional standards, clothing that reflects the person's innate

call this "sustainable living environments"."

dignity, housing that allows privacy as well as shelter, affordable and accessible health care, and education that cultivates innate gifts and talents and enables the person to contribute to his or her community. We

Driving knowledge all relevant value propositions

stakeholders. Includes Annual General Meeting

Willingness for management to meet / talk privately with any and all

Willingness for management to meet / talk privately with any and all

Consumer and Trade Show Booths

 Factoring Engagement in Service • Employee Engagement in Non-Profit

Private Meetings

Public Meetings

Serv-a-palooza

 EarthDay Path of Service[™]

Boards

Account or Valuation

Environmental Profit measured in mass (Kg) or Energy (J). Difference

creates its value proposition)

between Environmental Revenue (Quantity return to

biophysical stocks or increase in eco-system flows)

and costs (quantity moved or transformed by the

Profit measured in happiness / fulfilment "units".

Difference between social revenue (any positive

impact on any stakeholder) and costs (any negative impacts on any stakeholder created intentionally or unintentionally by the processes the firm uses to

processes the firm uses to creates its value

Measurement

Process Measure

Name	Description		Activity Measured	
CO2 Emissions	GHG Emissions Scope 1 and 2 creation of CO2	Kg/year	All	
Quantity Sold	Quantity of finished goods sold to retailers	Number/ year	Whole and Retail sales	
Quantity Obtained	Quantity of finished goods obtained from contract manufacturers or made in Timberlands own factory	Number/ year	Procurement, Manufacturing	
Community Service Hours	Number of hours spent by Timberland employees working on projects in the community	Hours / year	Community Service	
Attrition	Number of employees who leave voluntarily	Number / year	Supply Skilled Resources	
Accidents	Number of employees who suffer accidents are work	Number / Nature / Year	Supply Skilled Resources	
Factory Performance	Multiple measures of operational, social and environmental performance of contract manufacturers and own manufacturing facilities.	Multiple	Requisition to Pay	

• Goals & Progress: This page is devoted to tracking performance in all of our CSR pillars: climate, product, factories and service. Stakeholders can see how we're doing against that publicly stated targets with data that will be updated on a quarterly and annual basis. Includes GRI report This report was developed based on the Global Reporting Initiative's G3 Guidelines and Apparel and Footwear Sector Supplement (AFSS). While we attempted to create a comprehensive report, there are some G3 and AFSS indicators not included in this report. There are several reasons for these omissions. Our impact may have been immaterial, or we might have lacked enough internal data to provide a report. In the future, our goal is to narrow that gap as we continue to report on social and environmental impacts that are both relevant and strategically important. The 2009-2010 data presented here and indexed according to the GRI

See Annual Report + GRI Report for full details of all the organizations process measures

Guidelines meets GRI's Application Level of B (self-declared).

Account Method(s) Account or Valuation Account Method(s) Account or Valuation Asset types - human, social, manufactured, financial and natural **Tri-Profit** Profit measured in monetary units; difference between Monetary revenues and costs Ways of grouping types of costs, revenues and

assets for to fulfill various external reporting

and management purposes.

Name Description

financial calendar.

Pasted from http://responsibility.timberland

Name	Dimensi on	Type	Description	Related Value Proposition	Related Process Measure	Revenue Stream Type*
Product Sales	Monetar y	Reven ue	Way of measuring the value which retailers derive from the sales made to consumers	Product Excellence	Quantity Sold	Selling
Climate Impact	Environ mental	Cost	Way of measuring the impact of declining CO2 emissions	Climate	CO2 Emissions	
Finished Goods Inventory	Monetar y	Asset	Way of measuring the monetary value of the finished goods in stock at the end of a period of time	Financial Excellence	Quantity Obtained Quantity Sold	
Community Impact	Social	Reven ue	Way of measuring the happiness generated from the community service of employees	Service	Community Service Hours	

 Governance Responsibility Existence

Employee of

Awareness

and Employees