

**Getting Started  
With Environmental Sustainability**

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***Strategy. Sustainability. Synergy.***

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## **We Want Our Company to Be Environmentally Sustainable How Do We Get Started?**

*The most popular definition of sustainability can be traced to a 1987 UN conference. It defined sustainable developments as those that "meet present needs without compromising the ability of future generations to meet their needs"(WECD, 1987). Robert Gillman, editor of the In Context magazine, extends this goal oriented definition by stating "sustainability refers to a very old and simple concept (The Golden Rule)...do onto future generations as you would have them do onto you."*

Small and mid-sized businesses are increasingly interested in incorporating environmentally sustainable business practices into their planning and operations, but don't know how to get started. They may be afraid of taking their eye off the bottom line, particularly during a challenging economy. They may feel that environmental sustainability is a concept that only large corporations can afford. Or they may simply not know what to do first.

The purpose of this paper is to describe a variety of ways in which any company can start on its path towards being more environmental conscious, regardless of size, industry, or financial resources.

### **Reasons for Moving Towards Environmental Sustainability**

Small and mid-sized enterprises (SME's) may be interested in becoming more environmentally sustainable for a variety of reasons, including:

- Decrease the costs of energy and materials that are shrinking profit margins,
- Respond to pressure from clients or customers who want a "green" supplier,
- Minimize the risks created by climate change and expected government regulations such as carbon caps,
- Demonstrate their concern for the environment to regulators, their community, or environmental watchdogs,
- Take advantage of growing customer interest in products that don't harm people or the environment,
- Attract top employees who want to work for companies that share their personal values,
- React to the interest of a strong internal environmental champion who wants to incorporate sustainable business practices.

### **Introduction of the Options**

There are four main options for companies that want to get started on the path toward sustainability, or to continue on that path. The four options offer a range of benefits and costs, and different options are applicable depending on the company and its needs. The options include:

1. Ad hoc initiatives,
2. Special projects with specific objectives,
3. Environmental Management Systems and ISO 14000 Certification,
4. Environmental sustainability strategy with synergy to company strategy.

In the rest of this white paper, we will explore the above options and make recommendations on how a company might proceed. Please note that the four options do not necessarily exclude each other. For example, a company might have a top down environmental strategy, while at the same time certain initiatives might originate from the bottom up, e.g. eliminating water bottles from vending machines and replacing them with filtered water dispensers.

Compliance only is not included as an option, because a company doing so is merely meeting the minimum legally required environmental standards. It is doing nothing to move towards the definition of sustainability outlined above. Companies that operate with a compliance only mindset are not taking advantage of environmental initiatives that would make them more profitable and more competitive.

### **Option 1: Ad Hoc Initiatives**

This is the simplest option to start implementing, can have an immediate impact, and might have little or not cost. It's a great starting point for very small companies, or companies that have previously never focused on environmental initiatives. Typical projects would be small and easy to implement, such as printing on both sides of paper.

Top management involvement can be as simple as announcing to employees that it would like the company to become more "green", and that it would welcome ideas that will move the company in that direction. It is beneficial to have a volunteer or committee to act as a champion of the environmental initiative. Their role would be to gather and assess ideas, coordinate activities, and report to management. The ideas might come from employees within the organization, or from a list of best practices found on the internet or from an industry resource.

### **Option 2: Special Projects**

Special projects might be initiated in response to a specific company need. The company would generally expect a return on investment, although the project might be initiated for other personal reasons. A special project might not even be identified as a "green" project, but it would have an environmental benefit. An example would be an initiative to decrease electricity usage at a manufacturing plant. The financial benefit is obvious – lower usage of electricity means lower costs and increased profits. The environmental benefit includes a decreased effect on global warming, lower toxic releases, and lower utilization of limited energy resources. The social benefits include a decrease in illnesses within the employees and the community from toxic releases.

### **Option 3: Environmental Management Systems and ISO14000 Certification**

Manufacturing companies generally need an environmental management system (EMS) in order to establish solid environmental performance, similarly to the way that companies implement quality control management systems in order to implement high quality. The main benefits of an EMS are the systematic identification of key environmental aspects within a company, a methodology for consistently decreasing environmental impacts, and a way of following through on compliance.

EMS demonstrates a significant commitment towards implementing environmentally sustainable processes. It entails an up front commitment of management time, and generally requires a financial commitment toward obtaining external assistance and implementing software systems that track performance. An EMS is frequently implemented as a company matures in its manufacturing and management capabilities.

Companies that want to demonstrate their commitment to the environment to outside parties can choose to obtain ISO 14000 certification. Such certification can be particularly beneficial when a company is a supplier to larger firms that require strong environmental performance from its suppliers, such as the automotive, electronics, and chemical industries. (The chemical industry has its own certification protocol – Responsible Care.) Certification is a significant commitment of time and money, and requires an ongoing commitment to meeting the certification standards.

## Option 4: Implementing an Environmental Sustainability Strategy

Options one to four are mostly tactical in nature, and primarily involve middle management or line employees. They can be effective in focusing on environmental issues within the company, and in implementing a continuous improvement regime. Since their focus is internal, they do not generally include factors such as marketing opportunities, supply chain considerations, product design, or climate risk.

In contrast to the tactical nature of the previous options, implementing an environmental strategy is a strategic effort that requires top management involvement and commitment. This approach takes a high level view of the ways that environmental issues affect the company, its customers, suppliers, and other stakeholders. When properly implemented, there is synergy between the environmental strategy and the corporate strategy.

Implementing an environmental strategy is the only way to get a big picture view of the environmental issues that face the company, internally as well as externally. This approach will help the company to identify opportunities that might not have been obvious from down in the trenches. It will help the company to see the full value of environmental initiatives, and to prioritize them based on the greatest impact. In many cases, looking at the company through a different lens will allow it to identify opportunities and risks that might otherwise not have been visible.

## Conclusions and Recommendations

Companies have a variety of options for implementing environmental change within their operations, ranging from ad hoc projects to an environmental strategy. The choice of the approach is dependent on the company's financial and time resources, the pressures from external and internal stakeholders, and the interests and experience of its management team. One of the options above is appropriate for all companies, regardless of size and financial resources. In general, the following guidelines would apply:

- If you are committed toward embarking on the path of environmental sustainability, and want to do so in a way that is synergistic with your corporate strategy, then you should perform an **environmental assessment** and create an **environmental strategy**. This approach will minimize the environmental risks that your company might be subjected to by internal company actions as well as by the outside world, and allow you to provide value to your suppliers and customers by helping them to meet their environmental needs.
- If your company is small and has not previously focused on environmental issues, then start with **ad hoc projects** and get informed on how the environment impacts your business.
- If you have a pressing environmental concern such as high energy prices, then initiate a **special project** focused on that area.
- If you are a manufacturing firm, then implement an **environmental management system**. The larger the firm, the more complicated the EMS will typically be.
- If you are being pressured by clients to demonstrate that you follow good environmental practices, then you may choose to get **ISO 14000 certification**.

***Zbig Skiba of Skiba Consulting specializes in working with small and medium sized businesses in developing sustainable business strategies. He is also a facilitator and business coach with The Alternative Board®, which helps business owners to change perspective, improve business, and enjoy life. To schedule a free assessment and determine which environmental option is right for you, call Zbig at (847) 242-9156 or e-mail him at [info@skibaconsulting.com](mailto:info@skibaconsulting.com).***