

Doing Well by Doing Good

Making the business case for improved environmental performance

The phrase “doing well by doing good” is mentioned in business circles a lot these days. It’s a compelling though slightly vague expression; one that deserves to be clearly understood. Quite simply, leading companies are finding that improved environmental performance saves money and provides competitive advantage. Doing well (financially) by doing good (environmentally).

How well you ask? Ray Anderson, Chairman & CEO of Interface, Inc., the world’s largest producer of commercial floor coverings guided his company towards sustainable manufacturing that resulted in savings of over \$50 million in waste elimination at 26 manufacturing sites around the world.

“We’ve seen a new way to win in the marketplace,” said Anderson. “One that doesn’t come at the expense of our grandchildren or the Earth, but at the expense of the inefficient competitor.”

But “doing well by doing good” is not the exclusive turf of huge global corporations. Companies of all sizes and sectors have improved environmental performance and realized wide benefits by reducing waste, maximizing resource efficiency and improving product and service design. For example, small to medium size companies here in Wisconsin are providing “green” products and services for residential and commercial construction in the emerging “green” building marketplace. Dane County businesses such as Rayovac, Placon and Windsor Homes have found value and competitive advantage from environmental initiatives.

So how does your business “do well by doing good”? Primarily by using good technology, practices and mindset. While strategies to improve environmental performance may differ depending on a company’s sector, size and culture, leading companies follow a series of steps to manage their environmental impact.

Environmental policy development: Companies committed to reducing their environmental impact start by creating a set of environmental principles, standards and goals. These statements express a company’s intentions toward the environment in the design, production and distribution of its products and services. Leadership companies also recognize that to be effective an environmental policy needs to be endorsed by top management and embraced by employees.

Developing eco-audits: Before a company attempts to reduce its environmental impact it’s important to first gain a full understanding of it. This usually involves some kind of environmental audit. A wide range of audit approaches are available that help companies understand the type and amount of resources used and the types of waste and emissions generated. Companies use this data to quantify bottom-line benefits and establish priorities for future business decision-making.

Innovative waste reduction: At the heart of many companies' environmental commitments is the reduction of toxic chemicals, energy and waste throughout their operations. Leadership companies promote the idea that "waste" represents something they can't sell -- in short, lost profit. Minimizing or eliminating waste involves a wide range of initiatives to ensure that all processes from desk-top to dock-door are examined for waste reduction opportunities.

Supply-chain environmental management: Many companies that are "greening the supply chain" find that working with suppliers on environmental issues not only generates environmental benefits but also offers opportunities for cost containment and strategic and competitive advantage. Businesses see a range of benefits with an effective supply-chain environmental management program.

Green Design: Green design applies to both products and buildings. Many leadership companies are designing and building environmentally conscious buildings where the life-cycle costs (the total cost of building, owning and maintaining the structure) are equal to or lower than that of a conventional building. Green product design includes a variety of techniques and strategies to increase a product's recycled content or create a system for its reuse or recycling.

Business environmental responsibility in the new millennium will involve more than compliance with government regulations or implementing recycling and energy efficiency initiatives. Leadership companies will take a more comprehensive approach which integrates environmental responsibility as a core business value at all levels of their operations. And as we say at WEI, may the most eco-effective company win!