

BUILDING A SUSTAINABLE BUSINESS

Why green your business? For many companies, the initial motivation is financial. Energy and other consumables are commodities. And like most commodities, if you use less, you pay less. Save energy, and you save money. Reduce the amount of paper you waste, and you pay less for paper. Plus, as the costs of these resources continue to fluctuate, your reduced usage can lessen the impact on your cash flow.

Beyond bottom line savings, being green can help your company in other ways. A growing number of consumers look to buy from companies that comply with eco-friendly practices. Promoting your commitment to sustainability can help your company differentiate itself in the crowded marketplace. Employee morale can be improved as staffers rally around the idea of doing the right thing for the environment.

“Sustainability” really refers to the idea that a company uses only as much of a resource as it can generate in return. The term is most commonly used to refer to environmental sustainability – how a company manages its use of environmental resources such as energy, water, waste management, emissions and the like. In other words, the company holds itself accountable for the resources it uses.

How your business actually implements its sustainability program will depend on a number of issues. Certainly the industry you are in will have an impact – a manufacturer may want to look at everything from the way its assembly line uses energy to how it handles certain chemicals in the manufacturing process to the environmental practices of its subcontractors. A smaller, services-oriented company may have



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fewer concerns. How your company currently handles environmental issues is another matter. Companies don’t “go green” overnight, so if you’re just starting out on sustainability, you may need to create a list of actions you are willing to take as your company moves toward a green future.

What steps can you take to create a sustainable business? Start by defining the goals of your business and then determine where and what sustainable practices fit best. Some key areas to target include:

— ENERGY SAVINGS

It is no secret that energy costs have been rising considerably, and the impact on businesses can be significant, from higher electric bills to more expensive raw materials to increasing stress on cash flow. For the typical business, energy efficiency is often a matter of taking steps in three key areas – lighting, heating/cooling and your building itself. In terms



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of lighting, replacing traditional incandescent lighting with energy-efficient alternatives such as compact fluorescent bulbs or LEDs is a good first step. Another basic is to institute and enforce workplace policies requiring employees to turn

off lights and other electronics when not in use. In many areas, HVAC (heating, ventilation and air conditioning) systems may be the biggest part of a business' energy bill. The keys here are to turn it off when it is not needed, run it less by using more efficient temperature settings and make it more efficient. Finally, the physical aspects of your building or office can have an impact. A poorly insulated roof, for example, can cause your HVAC system to work overtime.

There are many resources available to businesses looking to reduce energy consumption. Start by contacting your electric utility and ask for an energy audit – utilities may offer this for free. The evaluation will generally look at both your energy usage and your current systems and offer specific incentives for reducing consumption. Finally, there also may be tax incentives available to help you further reduce energy use. For example, clean energy programs may offer tax rebates for putting in place solar panels used to provide heat and hot water.

PROMOTE YOURSELF AS A GREEN VENDOR

You've done the work and made the investment in going green. Now you may be able to promote your efforts and results.

Being green can be a clear differentiator in the market. Larger businesses that want to maintain an environmentally sustainable supply chain may be seeking green sources to help them meet their own environmental goals. Consumers and other businesses increasingly prefer to purchase environmentally friendly products, and may even be willing to pay more for them.

Here are some steps you can take to promote your sustainability efforts:

- **Certify your business** — Look for ways to have reputable third parties certify your sustainability efforts. For example, Green Seal identifies environmentally responsible products and services. The Green Business Alliance has a program that certifies efforts made by businesses to “greenify.”
- **Get listed in green directories** — A growing number of environmental organizations now put out business directories to help consumers identify companies that meet their green business criteria. These include Co-op America's Green Pages, Greenopia's “Green Living” guides and various local groups.
- **Beware of “greenwashing”** — The term “greenwashing” refers to making misleading claims about the environmental benefits of your product or service. Consumers are becoming increasingly savvy when it comes to judging green business claims, and doing so falsely or misleadingly can backfire on your company.

— WASTE MANAGEMENT

Take a close look at what your company consumes and look for ways to reduce, reuse and recycle materials. Consider the concept of the “paperless office.” Start your efforts by reducing the number of printouts your company makes. Next, look for ways to reuse paper by printing on both sides, turning old sheets into scratch pads or shredding paper to use as packing material. Encourage all waste paper to be recycled, and when possible, use recycled paper products.

Look at other areas of waste. Encourage employees to use washable and recyclable dishes and coffee mugs in lieu of paper or plastic goods. Refill ink and toner cartridges instead of relegating them to a landfill. Instead of throwing out old phones or equipment, create a pass-down strategy within your organization or donate them to charities or schools – there may even be a tax write-off.

— EQUIPMENT

Computers, networks, printers and copiers can be major energy users. Look for solutions that comply with Energy Star, the government’s program for energy efficient design. For more computing-intensive companies, technologies such as virtualization (where one server does the job of several) can help reduce power and cooling requirements. Proper disposal and recycling of computers and other equipment should also be a top priority as are policies that require employees to turn off computers, printers, faxes and other office equipment when they leave for the day.

— TRANSPORTATION AND LOGISTICS

Transportation can have an impact both in terms of emissions of pollutants and the cost of fuel. If you need a company car or small truck, consider a hybrid – there may be tax incentives for purchasing or leasing these kinds of alternative motor vehicles. Look for ways to

MEASURING SUSTAINABILITY

In today’s business climate where accountability is key, it’s not enough to institute green business practices. You have to measure the results. While there isn’t a hard and fast metric for quantifying sustainable business practices, there are some steps small businesses can take to evaluate their performance:

- Define key environmental goals and understand the business drivers for each goal.
- Determine what data is necessary to measure each goal and drive performance.
- Continually refine the goals and commit them to paper so there is some measure of accountability. Make sure you set interim goals so you don’t lose sight of the big picture.
- Apply business analytics to turn that raw data into actionable business intelligence. For example, when making environmentally driven purchases, consider “total cost of ownership” — what a product or service will cost you over its lifetime instead of just at the moment of purchase. In many cases, initial higher prices are quickly offset by lower long-term costs.
- Put goals in context so employees, outside partners and customers can monitor your progress. Consider publishing your accomplishments in a newsletter or on your Web site to garner the best traction as well as to elicit feedback.

help employees commute more efficiently – set up carpools, promote public transportation options or encourage low impact options such as cycling.

— **GREEN COLLABORATION**

Reduce your carbon footprint by taking advantage of technologies that encourage remote collaboration. Web-based meetings and conference calls can take the place of air travel. High-speed Internet connections can enable employees to telecommute instead of having to physically drive to the office every day. ■



RESOURCES

Trends in business sustainability are continually evolving. Listed below are some resources* that may help you keep up with the latest developments:

- **Co-op America** www.coopamerica.org — This 25-year old, non-profit membership organization of socially and environmentally focused companies has a wealth of information about green issues and topics. It maintains a national “green pages” (www.greenpages.com) where certified small businesses can profile themselves.
- **Energy Star** www.energystar.gov — From the EPA and the Department of Energy, find out about products in more than 50 categories that sport Energy Star certification for reduced energy consumption.
- **Environmental Defense Fund** www.edf.org — An environmental advocacy group, the EFR often focuses on market-based solutions to environmental problems.
- **Natural Resources Defense Council** www.nrdc.org — This environmental action group uses law, science and the support of 1.2 million members and online activists to protect the planet.
- **Business for Social Responsibility** www.bsr.org — The non-profit association provides sustainability consulting and other socially responsible business solutions.
- **EnviroLink** www.envirolink.org — The group’s site provides access to thousands of online environmental resources.
- **Green Business Guide** www.business.gov/guides/environment — The U.S. government official business site provides a guide on going green for small businesses.
- **Greenopia** www.greenopia.com — A guide to living green, Greenopia also offers listings on local green companies in select markets.

* Companies and URLs listed are not affiliated in any way with American Express Company, and no endorsement is made by their reference herein.



2. USAGE — HOW MUCH ARE YOU SPENDING?

Review current utility bills to determine areas where costs and usage can be cut.
Contact utilities to determine what support services or incentives may be available.

— ELECTRICITY

— GAS

— WATER

— WASTE DISPOSAL

— OTHER

3. REDUCE, REUSE, RECYCLE

How can resources and commodities be used more efficiently in your company?
Review various segments of your operations to assess how this can be done.

LIGHTING —

HVAC —

WATER CONSUMPTION —

OFFICE EQUIPMENT —

CONSUMABLES —

OTHER —



4. ENVIRONMENTAL COMPLIANCE/POLLUTION PREVENTION.

What compliance issues does your business face? List potential environmental issues that may be unique to your business. These may include issues such as hazardous material disposal, waste management, manufacturing requirements, etc.

HEALTH —

AIR QUALITY —

WATER QUALITY —

STORM WATER RUNOFF —

WASTE REDUCTION —

— OTHER



5. GREEN PURCHASING.

What compliance issues does your business face? List potential environmental issues that What requirements do you have for purchasing goods and services for your own business? Determine if there are guidelines that will have an impact if you need to buy something new or replace or repair something.

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