Promoting Sustainability – Inside and Out
NHBSR 2011 Webinar Series
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Introduction and background: SymbioSus™

• **Mission:** To help small to medium-sized businesses increase profits and competitive advantage by integrating environmental sustainability actions with core business operations
  
  – **Reduce** risk, cost, energy/resource use, waste, and environmental footprint
  – **Increase** resource efficiency, customer, employee, and community satisfaction, and profits

• Help organizations assess, plan, implement, measure, and report improvements that benefit:
  
  – People, planet, profit

• We work with wide range of companies and industries, and scale projects to meet the specific needs of each client.
Key topics

• Brief sustainability overview

• Internal communication – sustainability business case

• Optimizing implementation

• External communication – sustainability actions & results
Sustainability – definition, criticality, stakeholder view
Sustainability: The 21st-century definition

Sustainability

The ability to meet today’s economic, environmental, and social needs without compromising the opportunity for future generations to meet theirs.¹

A balanced focus on “people, profits, and planet”

Sustainability: Critical to survive & thrive into future
Sustainability: A broader stakeholder view

**Stakeholders**

— Formerly limited in scope & impact

— New reality:
  - Much broader stakeholder awareness & interaction required
  - The environment itself is a stakeholder
    - Affects:
      » Employee & community health
      » Raw material / resource availability & costs
      » Organizational reputation

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Successfully communicating the business case for sustainability to internal stakeholders
Promoting the sustainability business case internally
Why should business care?

- Businesses pursue sustainability for any or all of these reasons
- Choose any 1, 2, or all 3
  - Each are valid
- Business tends to prioritize RR & VC over RTTD – *AND THAT’S OK*
  - There must be – and is – a business case for sustainability
Six sources of business value from sustainability

- **Business Context**: Positively influencing industry practices, regulatory environment, legislation, or other “rules of the game”
- **Brand / Culture**: Increasing customer, employee, community loyalty (& resulting financial benefits) due to sustainability culture/identity
- **Market**: Penetrating new markets & opening new market opportunities based on sustainability; product-of-service opportunities
- **Product**: Product differentiation & new product opportunities based on sustainability
- **Process**: Reducing energy & resource use, waste & cost; increasing resource efficiency & productivity; reducing, re-using, recycling resources
- **Risk**: Reducing regulatory, legal, public relations, and business risks.

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Risks & impacts of a lack of sustainability focus

<table>
<thead>
<tr>
<th>Increased business risk &amp; cost</th>
<th>Increased risk of lost revenue</th>
<th>Increased resource scarcity &amp; cost</th>
<th>Decreased ability to compete</th>
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<tbody>
<tr>
<td>• Fines / compliance</td>
<td>• B2B Customer demands</td>
<td>• Resource depletion</td>
<td>• War for talent</td>
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<td>• Pollution</td>
<td>• Wal-Mart</td>
<td>• Oil, water, others</td>
<td>• Missed opportunity for 6 sources of value</td>
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<td>• CO2</td>
<td>• U.S. Government</td>
<td>• Direct cost</td>
<td>• Lost competitive advantage</td>
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<td>• NGO / shareholder resolutions</td>
<td>• B2C Customer demands</td>
<td>• Forced substitution</td>
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<td>• License to operate</td>
<td>• License to operate</td>
<td>• Government ban</td>
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<td>• Climate / Weather / Environmental damage &amp; insurance risk</td>
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<td>• REACH, RoHS</td>
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<td>• B2B customer ban</td>
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<td>• REACH, RoHS</td>
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<td>• Internal list</td>
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<td>• B2C customer ban</td>
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<td>• Demand for alternatives</td>
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## Promoting sustainability UP the chain

| **Identify the Value** | • Understand the sources of value & risk avoidance  
|                        | • Focus on those that fit your company & situation  
|                        | • Link to company mission, values, business goals & challenges |
| **Know Your Audience** | • Motivators, fears, perceptions; appetite for risk & new initiatives  
|                        | • WIFM?  
|                        | • Primary/secondary motivators - Upside pursuit (Value Creation) or Risk Avoidance/Reduction? Where does RTTD fit in? Does it fit in? |
| **Communicate Concisely** | • Lead with the conclusion, then provide support  
|                          | • Top management expects/needs executive summaries  
|                          | • Facts & data needed, but perfection not required |
| **Go Step by Step** | • Be prepared to take small steps to build managerial confidence |
Promoting sustainability DOWN the chain

**Communicate**
- Early, clearly, and OFTEN
- Communicate big-picture vision, goals, benefits, and path to goal
- Use informal communication network as well
- Employees like to know they are part of something that matters

**Know Your Audience**
- Motivators, fears, perceptions; appetite for risk & new initiatives
- WIFM?
- EQ matters – feelings, emotions, personal impacts more important

**Be Inclusive**
- Educate and empower employees throughout organization
- Front-line managers are often most critical to new initiatives

**Go Step by Step**
- Be prepared to take small steps to build momentum, early wins
Sources for supporting data

- Sustainability news sites - GreenBiz, www.businessweek.com/green_business_news/, others

- News sources - web, business press

- Books - see resources slide

- Websites of leading sustainability organizations – public & private
  - EPA, NHBSR, green industry organizations
  - Leading private companies like Interface, Stonyfield Farm, Timberland, Patagonia, others

- External support / consultants
  - Often no-charge resources on websites, news blogs, etc.
  - Can also provide full support of sustainability opportunity assessments if budget allows

- Reasonable assumptions
  - Apply learning to your specific organizational situation
Ensuring you achieve the business benefits from your sustainability initiatives
Ensuring sustainability investment pays off

It starts with a mentality:

Consider sustainability as being just as mission-critical as other key business functions, such as:

- Strategic Planning
- Budgeting, forecasting, financial reporting
- Product quality
- Customer service
- Employee safety
- Marketing
Ensuring sustainability investment pays off

**Commit**
- Top management (CEO, management team) commitment
- Broad, grass-roots buy-in, empowerment, involvement
- Committed core planning & implementation team(s)

**Set the Course**
- Develop quality sustainability plan; reduce ad-hoc activity
- Set clear, cyclical planning process (calendar)
- Synergize with existing operational strategies/projects/goals
  - Efficiency goals, scrap minimization, EH&S, etc.
  - Leverage existing planning processes
- Prioritize projects based on company-specific criteria
Ensuring sustainability investment pays off

**Scale it Right**

- Scale sustainability plan and actions to resources available
  - Don’t set company / team up for failure
  - Consider pilot, expansion, and full-integration stages
  - Achieve continued success & improvement in stages

**Create Strong Linkages**

- Regular, open communication – up and down the chain
  - Published goals, plan, metrics, results communication
  - Establish & communicate clear roles & responsibilities
  - Link sustainability goals/actions to performance review & reward system
  - Consider linkage with stakeholders for input on progress
Ensuring sustainability investment pays off

**Measure to Manage**
- Set, communicate, measure, and report on key metrics
- Ensure metrics are appropriate to goals & actions
- Remain disciplined to tracking, reporting, & responding accordingly
  - Lack of follow-up on metrics is often a key downfall

**Continuously Improve**
- Hold regularly scheduled progress reviews
  - Review progress vs. goals & metrics and adjust accordingly
  - Understand and communicate that it is a cyclical, iterative process
  - Continuous improvement is more important than perfection
Successfully and credibly communicating sustainability results to external stakeholders
The rapidly-changing external stakeholder communication environment

**New Stakeholder Expectations**

- Open, transparent communications – both product and process
- “More facts, less fluff” – facts, not platitudes
- Authenticity & accountability – take ownership & show results
- Relationship – with company, with other users or recommenders
- More proactive leadership - not just reaction & response
- New media savvy - Ability to adopt to new message expectations and new media for delivering them

**New Stakeholder Actions**

- More likely to be more demanding
- More likely to switch quickly if expectations not met
- More likely to share (good or bad) with others – social media has made this much easier
- More likely to trust someone they have a relationship with (person or company) than an unsubstantiated claim
- More industry self-policing (competitors)
## Best practices for external stakeholder sustainability communication

<table>
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<tr>
<th>Category</th>
<th>Practice</th>
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<tr>
<td><strong>Communication</strong></td>
<td>• Open, transparent communication</td>
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<td><strong>Factual Support</strong></td>
<td>• Customers tiring of &amp; tuning out unsubstantiated green claims</td>
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<tr>
<td></td>
<td>• But don’t need every scientific factoid, either</td>
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<td><strong>Authenticity</strong></td>
<td>• Demonstrate results via actions, not just words/claims</td>
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<td>• Demonstrate clear understanding that it is a pathway of continuous improvement; clear commitment to improvement</td>
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<td><strong>Balance</strong></td>
<td>• Proper combination of assertion/promotion and modesty/humility</td>
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<td></td>
<td>• Fair presentation of successes as well as what still needs to be done</td>
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<td><strong>Inclusiveness</strong></td>
<td>• Include key stakeholders in process – develop the relationship</td>
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<tr>
<td><strong>Know Your Audience</strong></td>
<td>• Tailor finer points of communication to the given stakeholder group</td>
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External communication – methods & media

Use appropriate media & methods to communicate

**Do Less**
- “Thud Factor” – large, printed reports
- Large, yearly reports with few updates
- Superficial emphasis of positives only

**Do More**
- More frequent, web-based updates
- Periodic, concise online reports on key sub-topics
- Appropriate use of social media, web 2.0
- Direct interaction with key stakeholder representatives
  - Live webchat Q&A, input sessions
  - Live discussion panels
- Credible inclusion in promotional materials
External communication – examples of what NOT to do

- **Nike & Gap**
  Workplace / labor conditions

- **Coke**
  India water impacts

- **Fiji Water**
  Water impacts, indigenous impacts, greenwashing

- **Some hotels & inns**
  Linen re-use programs
External communication – examples of what TO do

http://www.patagonia.com/us/environmentalism

http://www.nikebiz.com/responsibility/


http://www2.gapinc.com/GapIncSubSites/csr/EmbracingOurResponsibility/ER_Overview.shtml
External communication – examples of what TO do

http://www.stonyfield.com/healthy_planet/what_we_do/index.jsp

http://www.youngsrestaurant.com/going_green.html


### Key Takeaways

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<th>Situation</th>
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<tr>
<td>• Sustainability becoming more critical, for environmental, business risk, and business upside reasons - all are valid drivers</td>
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<th>To successfully promote internally</th>
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<tr>
<td>• Identify, support, and concisely communicate business benefits</td>
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<tr>
<td>• Use open communication, inclusiveness to empower employees</td>
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<tr>
<td>• Understand audience and tailor message appropriately</td>
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<td>• Be prepared to go step by step</td>
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<th>To implement successfully</th>
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<tr>
<td>• Commit to high-quality implementation just as you would for any other mission-critical function</td>
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<th>To successfully communicate externally</th>
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<tr>
<td>• Use open communication of factual information</td>
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<td>• Demonstrate authentic commitment and actions</td>
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<tr>
<td>• Maintain balance of assertion/promotion and modesty/humility</td>
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<tr>
<td>• Develop stakeholder relationships</td>
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Thank you very much!

Questions / Discussion

For more information:

Reference & resources slides at end of presentation

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www.symbiosus.com
bsheehan@symbiosus.com
774-285-6823
References


<table>
<thead>
<tr>
<th>Item / Resource</th>
<th>Successfully Promoting Sustainability Business Case Internally</th>
<th>Successfully Implementing Sustainability Actions</th>
<th>Successfully Promoting Sustainability Actions &amp; Results Externally</th>
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<tbody>
<tr>
<td>Article: “The Business Case Benefits of Increased Sustainability”</td>
<td>✅</td>
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<tr>
<td>Presentation: “The Criticality of Sustainability: Why the Small to Medium-Sized Business Can’t Afford NOT to Increase its Sustainability Focus”</td>
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<tr>
<td>Webinar version (slides and audio): <a href="http://www.symbiosus.com/The-Criticality-of-Sustainability.wmv">http://www.symbiosus.com/The-Criticality-of-Sustainability.wmv</a></td>
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**Additional Resources List**

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