

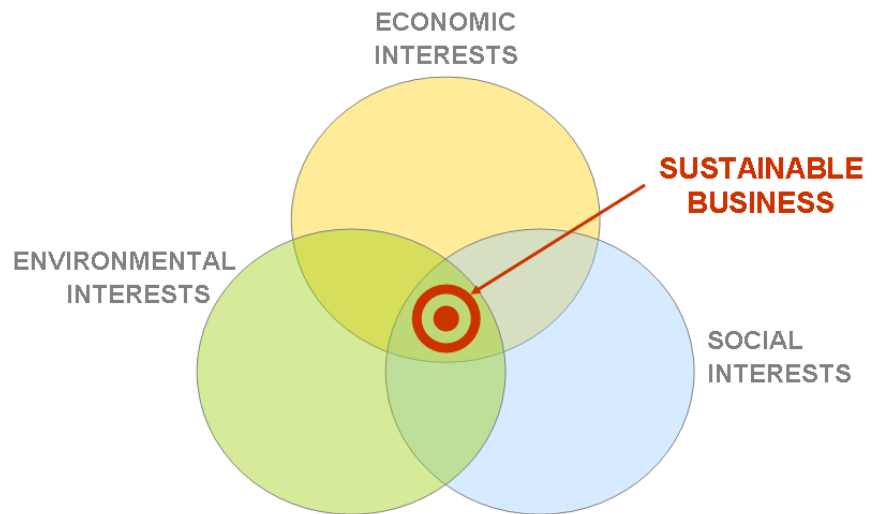
The Business-Case for Sustainability

What is Sustainability?

Sustainability is widely recognized as the state in which society can satisfy its current needs without inhibiting the ability of future generations to meet their needs. Adhering to this principle requires individuals and organizations to consider the impact of their actions on the community, environment, and economy. Every person must ask themselves, “Is my economic livelihood compromising the ability of future generations to satisfy their basic needs for clean air, water, and access to natural resources?”

With greater access to information and scientific data, people today are becoming acutely aware of the impact we are having on our world. Through this awareness, consumers are seeking out socially and environmentally conscious products and services, creating a huge demand for “green” and “fair-trade” alternatives. Businesses are also being prosecuted in the court of public opinion—and in courts of law—for unsustainable environmental and labor practices. In response, companies are being forced to integrate social and environmental interests into their corporate strategy, not just as means of demonstrating good corporate citizenship, but as a means of survival.

While this presents many challenges for companies today, it also provides an opportunity to gain significant market share from competitors who are slow to address these challenges. Research shows that companies who integrate sustainable practices into their business can create a competitive advantage by seizing new market opportunities, lowering operating and production costs, and reducing their overall risk. Ultimately, this not only increases a company’s economic value, but also the value it provides to the society and environment in which it operates.



How can Sustainability help me grow my business?

Companies adopting sustainable business practices have been able to create growth opportunities by:

- Appealing to customer values, building trust, and establishing a more socially and environmentally responsible brand image.
- Launching new products and services that meet the increased demand for socially and environmentally conscious alternatives.
- Improving product safety and quality, in turn leading to greater customer satisfaction and loyalty.
- Seeking out markets for material wastes and other by-products of the manufacturing cycle.
- Increasing partnership opportunities with research institutions, nongovernmental organizations (NGOs), and other stakeholders.
- Increasing access to capital sources and investment opportunities.
- Being recognized as a leader in the industry and a positive economic force in the community

How can Sustainability help me lower costs and increase productivity?

Through the development of more sustainable business models, companies have been able to produce goods and services using fewer resources and at a lower cost by:

- Leveraging alternative sources of energy such as solar and wind to reduce dependency on hydroelectric, coal-burning, and nuclear power sources.
- Improving product design and production processes to: reduce energy and material waste, reduce packaging and shipping cost, and encourage the recycling or reuse of materials in the creation of future products.
- Adopting “lean” techniques to eradicate costs that do not add value to a product or service. For example, the transportation and storage costs associated with holding large inventories.
- Using a Systems Thinking approach to manage suppliers and distributors. Systems Thinking has shown to increase efficiency throughout the entire value chain by decreasing waste, energy use, and material costs and by streamlining efforts with suppliers and vendors.
- Leveraging technology to reduce paper, energy, and water consumption.
- Implementing Total Cost Accounting measures that take into account the ongoing costs and cashflow impact of property, plant, and equipment over the life cycle of the asset.
- Improved working conditions such as cleaner air and natural lighting which have shown to increase worker productivity and reduce employee turnover.

[We] are convinced that in a more globalized, interconnected and competitive world the way that environmental, social and corporate governance issues are managed is part of companies' overall management quality needed to compete successfully. Companies that perform better with regard to these issues can increase shareholder value by, for example, properly managing risks, anticipating regulatory action, or accessing new markets, while at the same time contributing to the sustainable development of societies in which they operate. Moreover, these issues can have a strong impact on reputation and brands, an increasingly important part of company value.

- Reported by Goldman Sachs, Deutsche Bank, Credit Suisse and 16 other multinational banks in cooperation the Investment Financial Corporation/World Bank as part of the U.N. Global Impact initiative (2004)

How can Sustainability help me protect my business?

Sustainable management practices can reduce the overall risk to your business in a number of ways. Some examples include:

- Greater protection against litigation stemming from social and environmental issues.
- Increased safety to customers, employees, and communities by eliminating or reducing the use of toxic substances.
- Prevention of regulatory issues through environmentally sound waste management practices.
- Improved relationships with government, environmental, and community agencies.
- Decreased risk of being targeted by media or consumer advocacy groups.

Where do I start?

With a broad range of industry expertise, Sustainable Business Solutions (SBS) can help you design, develop, and implement sustainable business practices according to the needs of your organization and your customers. We will work directly with internal and external stakeholders to make sure your company gets the strategies, processes, and tools needed to support a long-term shift towards sustainability.

For a free assessment including a comprehensive plan on how you can make your business more sustainable, please email us at info@sustainablebiz.net or call (503) 816-7555.