

WHAT DOES BIG BUSINESS KNOW ABOUT BEING GREEN?

SOCIAL STATUS IN THE SUSTAINABILITY STAKES IS ALL THE RAGE AT THE BIG END OF TOWN. SURELY WE CAN LEARN SOMETHING?

Barely a month slips by without another slickly produced sustainability report emerging, bursting with photos of rolling green hills peppered with windmills, or healthy-looking kids playing in the sun. Not to mention lots of pie-graphs and quotes from people with the word 'sustainability' centre-stage of their title.

However, many Australian corporations are making genuine headway in becoming part of the environmental solution, rather than just a large part of the problem. And although small-to-medium sized businesses may not wield the same cash or clout, they have several advantages over the big guys when it comes to doing their bit.

The green chain gang

No small business-owner enjoys the mountain of paperwork involved in keeping a business afloat. After hurdling BAS, GST, changing workplace relations laws and the many other record-keeping necessities, dealing with your company's environmental impact can seem downright unreasonable.

But with corporations now peering further than their own CBD stomping grounds to scrutinise their supply chains, it may mean the difference between winning or losing a lucrative contract.

"Tenders and B2B supply agreements are increasingly including environmental performance in the list of requirements," says Brad Pace, director of environmental consulting firm Emission Statement. "The demand for companies that are openly searching out ways to positively

contribute to climate change is expected to increase."

It is unlikely that any supply-side small business could afford to watch as its 'supplier of choice' status evaporated due to lack of green credentials.

As resources such as energy and water increase in cost, implementing more efficient practices now will help reduce future costs. And in a tight labour market, businesses able to display their sturdy environmental practices will attract better candidates.

A colossal weight

Jean Cannon operates her own small business, an environmental management consultancy called EnviroAction (www.enviroaction.com.au/thank-you.html). She has worked with SMBs (small-to-medium businesses) for 20 years and sees the imperative for their involvement in starker terms.

"SMBs should not be treated differently," says Cannon. "Everyone, including private individuals and big businesses, need to pull their weight."

When it is added up – this weight is colossal. The Council of Small Business Australia (COSBOA www.cosboa.org/webs/cosboa/cosboaweb.nsf/) estimates there are around 1.8 million small businesses operating in Australia, employing around 3.6 million people. The impact of one business may be tiny but collectively SMBs can make a huge impact.

"It's amazing how much energy even one small office sucks up," says Cannon. "An average small server creates as much greenhouse gas per year as a four-wheel drive. I was



horrified to realise that about my own server but it made sense, considering I've been storing it in the laundry to dry the washing!"

Little but lithe

While SMBs feel the pressure of paperwork and complex tax systems, listed businesses are increasingly feeling the heat as more investors examine their sustainability qualifications. Green Capital (www.greencapital.org.au/index.php) has worked with business, government and NGOs in furthering corporate sustainability and responsibility since it was founded in 2002.

"Sustainability considerations are moving away from the boutique ethical investment houses into the more mainstream finance community," says Danielle Domone, Green Capital sustainability education manager.

As such, these companies are looking at issues such

ACTION POINTS

- Ask questions: Where are your products coming from? Are there alternatives that have less environmental and social impact?
- Engage staff as instruments for change. Ask them for ideas, give them incentives and measure and celebrate your successes.
- Collaborate with other SMBs and share resources and knowledge.
- Consider using a carbon offset service.
- Purchase a Kill A Watt device to measure the operating costs of your electrical equipment.
- Replace inefficient bulbs with compact fluorescent bulbs, install motion detectors for after-hours lighting and use reflectors on lights.

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MAKE YOUR BUSINESS GREEN

No matter what size your business, the 'low-hanging fruit' in terms of internal operations will probably be the same.

"Energy efficiency, fuel, water and paper reduction tend to be the first issues businesses look at and are an excellent place to start," says Domone. Many businesses are encouraged by the cost savings generated by these measures and go on to drive further sustainability initiatives.

When looking at further environmental initiatives, the trick for smaller businesses is to keep it simple.

"Larger companies can often make it bigger than Ben Hur and it scares people off," says Cannon. She prides herself on a pragmatic approach that replaces jargon and red tape with something she calls "no-bullshit EMS".

"You identify your business activities and legal requirements, determine which ones are harmful or potentially harmful to the environment, then allocate resources to manage that risk," she says.

Cannon helps her SMB clients through a process that includes the following:

- Do an initial environmental impact audit that identifies risks. In some cases, business owners can audit themselves with good guidance and the right tools.
- Create an environmental management system (EMS) based on the risks found in the audit. Include any legal compliance, regulation and license conditions.
- Put a system in place to ensure the EMS is working and there is a feedback loop. Put resources and people in place to manage the system effectively and set dates to re-assess progress and schedule retraining if necessary.

There are many resources available to help SMBs kickstart an environmental strategy, with the local Chamber of Commerce a good place to start.

"Depending on how far you want to take it, an environmental management system does not have to be difficult," says Cannon. "If SMBs keep it lean they will find they make savings and increase profits."

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as human rights in the supply chain, good governance and increasing their transparency and reporting. There are escalating expectations for businesses to join measurement and reporting initiatives such as the Global Reporting Initiative, Carbon Disclosure Project or the Dow Jones Sustainability Index. Big business is also busy preparing for the introduction of an official carbon trading scheme by the new Federal Government in 2010. It is no wonder they are creating departments dedicated to managing their sustainable operations.

"It is increasingly common for larger companies to employ a Sustainability Manager or a team with key responsibilities," says Domone. "However, to make sustainability a reality, it really depends on senior management commitment."

Which is where small-to-medium businesses have the distinct upper hand. In a smaller business, senior management commitment does not require wading through layer after layer of departmental sign-offs. By default of their smaller size, SMBs can make authoritative decisions faster and implement them sooner. In effect, they can start walking the talk while big business is still gathering together its internal communications materials.

Small-to-medium businesses also have the ability to personally connect with their workforce – a huge boon when making changes to habitual work practices that will help reduce environmental impact.

"Reducing impact works best when the entire workforce is enthusiastically involved and this is far easier with smaller businesses," says Cannon. "Often, there's only one floor in which to go around and switch off printers and monitors, for example. It's harder for the message to get lost."

Cannon has worked with large business in the past but says she prefers the down-to-earth approach of small business.

"Personally, I find the firewalls in larger businesses to be frustrating. People tend to be more up-front in SMBs."

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