



Strategies for a Sustainable Business World



How Green Is Your Business?

*Deciphering “green” (environmentally friendly)
products, services and businesses*

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Today, green – environmental friendliness – is the new black. It is everywhere, and it seems to be appropriate for every occasion. More products and services advertise their natural ingredients and environmental friendliness every day. More companies see the influence of green through new customer requirements, new offerings by competitors, questions from employees and articles in the media. Yet, for many businesspeople, green seems like a fuzzy concept. Who knows whether their business really is green, or whether it should be green, for that matter?

As one CEO recently put it, “in our business, the green movement has definitely taken hold, but everyone is still trying to figure out what it means to be green. Is it recycling...sustainability...being LEED certified...reducing waste...carbon credits? There are far more questions than answers at this point, but no one can afford to ignore it.”

Green *is* a fuzzy concept – as far as we know there is no official definition of “green.” To make matters worse, “green” looks different from different points of view. The people who deal with facilities discuss “green” from one viewpoint, people who specialize in marketing from a different viewpoint and the accountants from a third viewpoint. If you put specialists from all three of these disciplines in a room together, the discussion of “green” would probably sound similar to the one among the six blind men who were asked to describe an elephant.

In a common version of the parable of the blind men and the elephant, the blind men stand touching various parts of an elephant. The man who feels the elephant’s leg says the elephant is like a pillar; the one who touches its tail says the elephant is like a rope; the man who feels its trunk says it is like a tree branch; the one who touches its ear says the elephant is like a hand fan; the one who touched its belly says the elephant is like a



wall; and the man who holds its tusk says the elephant is like a solid pipe. Although every blind man is 100% correct, as you can imagine, they end up in quite an argument.

The moral of the story is that people with different viewpoints can all still be right. Success comes from cooperating and synthesizing all of the viewpoints into one picture.

The facilities people, the marketing people and the accountants are describing their own pieces of the green puzzle. What is missing is the big picture that ties all of the pieces together.

The Big Picture of Environmental Sustainability

The underlying objective of “green” is virtually always environmental sustainability – treating the earth with respect and preserving it for future generations.

“Treat the earth well: it was not given to you by your parents, it was loaned to you by your children. We do not inherit the earth from our Ancestors, we borrow it from our children.”

- Ancient Native American proverb

Experts in environmental sustainability look to nature for their operating model, and look for ways that companies can operate within nature’s operating model. They identify several key attributes of organizations and organisms that operate in concert with nature. These attributes are not either/or attributes. In order to be “environmentally sustainable” the organization or organism must meet all of them. The attributes are:

- No waste
- Natural energy
- Safe substances
- Native habitat

No Waste. When something reaches the end of its useful life, it either becomes an input into another product or service or it safely decays back into the earth, nourishing the soil and its inhabitants. Nothing goes to a landfill because it is useless.

Natural energy. Energy for heat, light and locomotion come from sources that occur naturally like the sun, wind, waves, plants or animals. Natural energy replaces fossil fuels like petroleum and coal.

Safe substances. All creative and manufacturing processes use only substances that are entirely safe for humans, plants and animals (and by extension the air, land and water). The products and services that result from those processes are also entirely safe. In other words, safe substances replace chemicals that are carcinogenic, mutagenic, allergenic, bio-accumulate, etc.

Native habitat. People, plants and animals fit within the climate, topography and ecology of the area where they live, and live as part of the interconnected natural system. Locally appropriate architecture, landscaping and agriculture replaces one-size-fits all architecture, landscaping and agriculture.

Today, few businesses or individuals perfectly exhibit all the attributes of environmental sustainability. However, many of us are moving toward acquiring these attributes. Products, services and actions that moves us closer to the attributes of environmental sustainability, are often referred to as “green” as is any organization or individual that is moving closer to acquiring the attributes.

In answer to the CEO who asked, “is green recycling, sustainability, being LEED certified, reducing waste, carbon credits?” Our answer is “yes.” All of these things can be referred to as “green”, along with many more. Environmental sustainability is the umbrella concept and all of the other items in the list fit underneath sustainability.

Environmental Sustainability	
No waste – recycling; being LEED* certified, reducing waste	Natural energy – being LEED certified, carbon credits
Safe substances – being LEED certified	Native habitat – being LEED certified

*LEED is a building certification for Leadership in Energy and Environmental Design.

There are millions of products, services and other actions that can move us closer to environmental sustainability. And, at some point each and every one of them has probably had the “green” moniker attached to it. For example, recycling paper or glass reduces waste, and moving the thermostat a couple of degrees closer to the temperature outside reduces the use of fossil fuels, so these actions are sometimes referred to as green.

Creating a building that is powered by solar and wind energy, has a garden on its roof and has a system for recycling water also moves us closer to environmental sustainability. This is particularly true if the building houses manufacturing operations that produce products made of 100% safe materials. The building and manufacturing operation will undoubtedly be classified as “green” just like recycling and thermostat changes. Yet, the building and manufacturing processes are at a very different level of sophistication.

Since so many things can be classified as “green,” people want to differentiate among them. Is a company recycling paper solely to comply with the regulations in their locality, or are they recycling as part of a much larger initiative to move the company toward environmental sustainability?

In other words, people want to place company actions on different levels. The levels are often described as shades of green with dark green being the closest environmentally sustainable. The diagram below categorizes companies by level or “shade of green” based on the number, sophistication and intent of their green actions.

Company Levels or Shades of Green

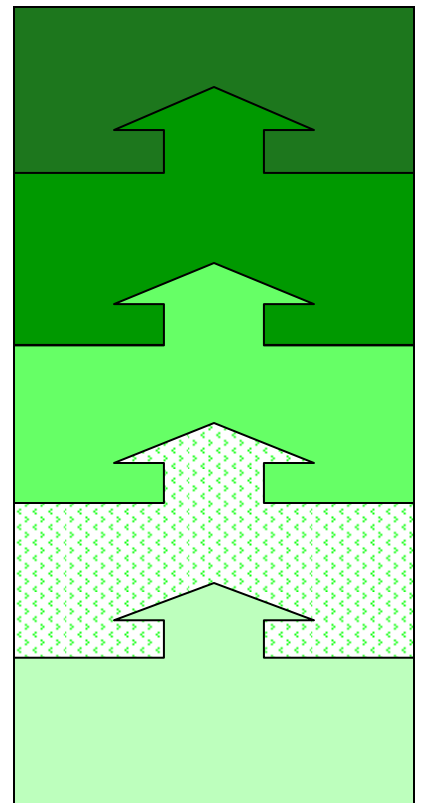
Level 5 – Forest Green. Focus is to achieve outstanding performance on environmental sustainability.

Level 4 – Emerald Green. Focus is on improving performance on environmental sustainability. Offers products and services with at least some of the attributes of environmental sustainability.

Level 3 – Spring Green. Focus is on conserving resources and doing less harm to the environment. These efforts are strategic and throughout the company.

Level 2 – Patchwork Green. Environmentally friendly actions are spotty because they are only implemented when an employee takes the initiative.

Level 1 – Light Green. Company takes environmentally friendly actions when they are required to comply with regulations or they are commonly accepted practices.



Companies typically find that acquiring the attributes of environmental sustainability is a learning process. Consequently, they tend to move from either Level One or Level Two to Levels Three, Four and Five (from lighter to darker shades of green) sequentially. First, they cut back on their old “brown” ways of operating, and then, they move to new “green” ways of operating.

Thanks in part to the recession, it is currently very popular for companies to elect to move from Level 1 (Light Green) and Level 2 (Patchwork Green) to Level 3 (Spring Green). Companies can often save a significant amount of money at Level 3 as they establish and work toward goals for:

- reducing greenhouse gas emissions which saves electricity and reduces electricity and/or fuel costs
- reducing water consumption which saves on the cost of water and may save electricity or fuel costs for heating or pumping the water
- recycling more and/or producing less waste which may provide revenue from recycling and may save waste disposal costs

A related reason companies find it beneficial to move to Level 3 is that it is easier to inspire employees to make another round of belt tightening when it benefits a larger cause such as the planet's health, rather than just the company's bottom line.

Some of the financially stable, market leading companies who are already at Level 3 (Spring Green) and higher see the recession as an opportunity to gain competitive advantage by moving to Levels 4 and 5 (Emerald Green and Forest Green, respectively). These companies are offering green products and services in addition to working internally to move toward no waste, natural energy, safe substances and native habitat. Wal-Mart is one of the companies that is using sustainability to increase its competitive advantage. The company recently made a big splash by announcing a review of their suppliers' own sustainability efforts.

Is your business green? The answer is almost definitely yes. The question is what shade of green is your business today? What shade of green would you like it to be in the future?



Unison Advisory Group is a research-based corporate strategy consulting firm focusing on environmental sustainability. We bring expertise that enables clients to handle “green” in a strategic, focused way. Our work enables companies and investors to identify how to use environmental sustainability as a catalyst to cost savings, growth opportunities, competitive advantage and higher market value. In short, we help companies move from one Level of Green to the next efficiently and effectively.

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