

# SUCCESS THROUGH SUSTAINABILITY



Green Approaches to Waste  
Management for Small to Medium Sized  
Businesses

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## Success Through Sustainability: Green Approaches to Waste Management for Small to Medium Sized Businesses

It is reported that more than 60 percent of small businesses fail in the first 18 months<sup>1</sup>. Add to this alarming statistic that between 2008 and 2010--the height of the economic downturn and recession--more than 170,000 businesses with less than 100 employees went under<sup>2</sup>.

Small- and medium-sized companies are presented with plenty of obstacles just to remain in operation, not to mention turn a profit. With an already full plate, it's no surprise that sustainable business practices are not top of mind for these organizations. Green concepts and social responsibility, while viewed as commendable, have largely been regarded as a costly waste of time and effort. The reality, however, is that more and more businesses are finding real value and customer retention benefits by going green.

This white paper outlines sustainability practices for small- to medium-sized businesses, including:

- why it's important economically, environmentally, and for your brand's image;
- the proper approach to sustainability for your business,
- how to get senior management buy-in,
- the best ways to sing the praises of your sustainability efforts, and more.

### What Is Sustainability?

At its most basic, Merriam-Webster defines "sustainable" as "a method of harvesting or using a resource so that the resource is not depleted or permanently damaged."<sup>3</sup> In terms of sustainable business practices, society is seeking solutions to the "linear throwaway economy in which products and services follow a one-way trajectory from extraction to use and trash."<sup>4</sup> Consumers want to feel good about the products and services in which they invest, and it's up to the market to evolve to meet those changing needs.

In black and white terms, the sustainability concept seems straightforward--provide something of value without being wasteful in the process. Yet the reality might be better described as looking a lot grayer.

Implementing sustainability practices can require a complete operational shift, one that touches every point of your business. Strategies, employee training, consumer marketing, vendor sourcing, and even the very products or services you provide may need to be approached from a new, lean perspective. Suddenly the trade-off between profitability and responsibility feels fraught with complication.

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<sup>1</sup> <http://www.sba.gov/sites/default/files/sbfaq.pdf>.

<sup>2</sup> <http://www.bizjournals.com/bizjournals/on-numbers/scott-thomas/2012/07/recession-claimed-170000-small.html>.

<sup>3</sup> <http://www.merriam-webster.com/dictionary/sustainable>.

<sup>4</sup> Chris Laszlo, Nadya Zhexembayeva, *Embedded Sustainability: The Next Big Competitive Advantage*, Stanford University Press, 2011, Page 29.

While effort will be required to make the sustainability switch, the task is neither as daunting as it may seem nor will your dedication go unnoticed or unrewarded. Positive effects will follow not just for the environment but also your business.

## Why Is Sustainability Important?

Mark Dwight--founder of Rickshaw Bagworks, a San Francisco maker of custom bags, and SFMade, a nonprofit focused on building the city's manufacturing sector--might have best summed up the importance of sustainability within an article for *Inc.*: "Sustainability is a journey, not a destination," says Dwight. "Once you embrace the fact that sustainable business practices save money, simplify operations, and build brand equity, you will continually seek new ways to embrace them. At the same time, you will be making things better for the environment and for future generations. After all, sustainable business is just good business."<sup>5</sup>

You no longer need to choose between doing what's profitable for your small- to medium-sized business and doing what's sustainable for the Earth. With expert guidance and innovative solutions, you can do both - including eliminating unnecessary costs and maximizing your resources. Other ways sustainability creates value include:

- **Mitigating Risk:** Managing sustainability related business risk is not so much about value creation as it is about avoiding value destruction.
- **Improving Efficiency:** Opportunities are available to cut the quantity and intensity of energy, waste, and materials.
- **Differentiation:** Environmental and social programs can vary your product and service offerings by expanding the definition of quality or performance.
- **Paving Paths to New Markets:** When businesses and consumers demand solutions to environmental or social problems, it creates new market opportunities.
- **Protecting and Enhancing Your Brand:** The image and quality of a brand name are increasingly influenced by perceived environmental and social performance.
- **Radical Innovation:** The potential to use environmental and social performance to drive deep innovation is great. Think creatively about the fundamental nature of business and you'll find ways to reconfigure the whole system by which your business creates value and delivers to customers.

All businesses have different motives and reasons for adopting business models built on sustainability practices, but three to top the list are economic value, environmental stewardship, and brand enhancement.

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<sup>5</sup> <http://www.inc.com/magazine/201311/mark-dwight/sustainability-without-the-sanctimony.html>.

## **Economic Value**

Staying in the black is a must if an organization is going to prosper, regardless of the state of the economy. Going green is a great strategy for staying out of the red, since operations are often made more efficient, which can lead to reduced costs.

Traditional lean concepts speak of the "Eight Wastes of Lean," but when thinking about sustainability, there is one more to consider: "Waste."

1. Defects
2. Overproduction
3. Waiting
4. Transportation
5. Inventory
6. Motion
7. Extra Processing
8. Non-Utilized Talents
9. Waste

The ninth waste in lean for sustainability includes waste from processes, packaging, production errors, and expired materials. It also considers wasted energy, water, and other natural resources. Eliminating waste results in reduced cost since businesses pay for all of the components of waste--from purchasing through disposal.

## **Environmental Stewardship**

Beyond the financial gains that come paired with sustainability practices, being a good steward of environmental resources creates goodwill. Goodwill may seem too warm and fuzzy a concept to qualify as a business benefit, but it can be the heart of positive employee morale and company culture. Both benefits tend to result in higher productivity and less hired staff turnovers--money-savers in their own right. Additionally, adopting such practices may be critical to the future of your organization as well as future generations. Knowing your business can thrive in the current market is one thing, but sustainability practices can give it staying power for decades to come.

Specifically, taking a green approach with your business can lead to:

- A smaller carbon footprint.
- Lower emissions.
- Efficient use of resources, such as paper, energy, and water.
- The ability to motivate vendors toward greener practices.
- Use of cutting edge products.

## Brand Enhancement

When “going green” first started trending, businesses engaged in environmental responsibility by offering green products and focusing on energy conservation. Today the expanding sustainability landscape requires practices that function at the core of the company.<sup>6</sup>

“People don’t buy what you do...they buy why you do it.” This quote from Simon Sinek’s book *Start With Why: How Great Leaders Inspire Everyone to Take Action* is a testament to how consumers interact with companies today. The products or services offered may have once been the sole focus, but now consumers are looking for a company who cares more about being a good corporate citizen than they do about profitability and dollar signs. The uncanny reality is that corporate responsibility and profitability just may be mutually exclusive.

Increased consumer buy-in to your business also has an effect on your company’s perception in the marketplace. Sustainability isn’t simply a buzzword, but a critical factor behind socially responsible investing (SRI). Neuberger Berman, an asset management firm offering SRI services, explains that environmental impacts have always been an integral part of investment analysis, as it recognizes that things such as climate change is real and can have material impact on businesses, communities, and the environment. “Investors who focus on sustainability look for companies demonstrating leadership in the environment, community, and workplace, including diversity and employment practices. Key issues also include a company’s record in public health, the nature of its products, and its overall corporate citizenship.”<sup>7</sup>

Whether it’s investors looking to make sound financial decisions or consumers responding to social issues by supporting companies that align with their values, sustainability is and will be a contributing factor to your business goals and brand image.

## Businesses Successfully Blazing the Sustainability Trail

Navigating the road toward sustainability was once like making your way through a maze in the dark. However, with more and more companies finding great success via corporate responsibility, it’s easier than ever to glean good tips to put to practice in your organization. The following are a few companies helping to lead the way and tips based on their own operations.

**Patagonia** is an apparel company that uses resources and produces waste, and in recognition of this impact on the environment, they feel a responsibility to give back.<sup>8</sup> They approach all facets of their business, resources and waste included, by<sup>9</sup>

- Avoiding new construction of buildings and instead opting for environmental efficiency upgrades. Patagonia’s oldest corporate building was built in the 1870s.
- Using energy efficient resources, such as solar panels, LED lighting, and even an air-

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<sup>6</sup> [http://www.deloitte.com/view/en\\_US/us/Insights/Browse-by-Content-Type/deloitte-review/c5852eca57a05310VgnVCM2000001b56f00aRCRD.htm](http://www.deloitte.com/view/en_US/us/Insights/Browse-by-Content-Type/deloitte-review/c5852eca57a05310VgnVCM2000001b56f00aRCRD.htm).

<sup>7</sup> from <https://www.nb.com/sri/>.

<sup>8</sup> <http://www.patagonia.com/us/patagonia.go?assetid=2927>.

<sup>9</sup> <http://www.patagonia.com/us/patagonia.go?assetid=1964>.

conditioning unit designed to create an “open window environment,” bringing in air from the outside, cleaning it through ultraviolet air cleaners and filters before circulating it back into the building.

- Implementing a “Drive-Less” employee program that provides monetary benefits for carpooling, bike riding, using public transit--or any other means that reduces waste and pollution.
- Thinking outside the cardboard box. In addition to traditional recycling efforts, Patagonia elevated their composting of food and organic materials generated in cafes from a small “backyard effort” early on to a commercial-size endeavor. Through a pilot program initiated by the city of Ventura, California--home base for the outdoor clothing and gear mogul--Patagonia combined with other businesses of all kinds to compost 225 gallons of food per week, waste that would otherwise end up in landfills.

**Subaru** puts out an estimated 180,000 cars a year, yet their plants recycle or reuse 99.8 percent of the waste--trash that would have been destined for landfills. Where Subaru is today with its sustainability efforts is a direct result of a 2002 challenge by its parent company to become zero-landfill by 2006. Here are some of the ways they reached their milestones:<sup>10</sup>

- All waste is either recycled or turned into electricity.
- Vehicles are built to last, so that cars don’t have to be replaced as often, which leads to waste generation. Ninety-six percent of Subarus built in the last 10 years are still on the road today.<sup>11</sup>
- Dealership buildings were designed and built with sustainability in mind, including: energy use, water efficiency, and recycling and waste management.

**The Dow Chemical Company** was one of only nine chemical companies to be recognized in the World Index in 2013, representing sustainability performance in the top 10 percent of the industry.<sup>12</sup> To achieve such consistent honors, Dow<sup>13</sup>

- Dedicates a specific team of employees to track and respond to waste management and hazardous materials.
- Researches new and existing technology and leverages it for use in efficient waste management practices.
- Seeks opportunities to reuse waste products to create packaging for new consumer products.

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<sup>10</sup> <http://www.subaru.com/csr/environment-sustainability.html>.

<sup>11</sup> Based on Polk U.S. Vehicles in Operation registration information for MY 2001-2013 as of January, 2013, as reported on <http://www.subaru.com/csr/environment-sustainability.html>.

<sup>12</sup> <http://www.dow.com/news/press-releases/article/?id=6293>.

<sup>13</sup> <http://earth911.com/work/cleaning-companies-reducing-solid-waste/>.

**General Electric (GE)**, well-known creator of appliances, lighting, power systems, and other products, seeks ways to influence change through business operations, the marketplace, or improving society. GE recognizes the limited availability of fuel, water, food, and raw materials and feel it is the responsibility of businesses to help society respond to those demands.<sup>14</sup> To do so,<sup>15</sup>

- GE installed its 20,000th wind turbine installation. In total, the 20,000-turbine fleet has the ability provide Hong Kong and London power for an entire year.
- GE Oil & Gas Chesapeake Energy designed “a compact refueling solution, a compressed natural gas system called CNG In A Box™. For every fleet vehicle filled with CNG instead of gasoline, carbon dioxide emissions equivalents are reduced by about 24 percent annually.”
- “GE, in partnership with Azul Brazilian Airlines, Embraer, and Amyris Inc., conducted a demonstration flight using an innovative, renewable jet fuel produced from Brazilian sugarcane. This jet fuel could reduce greenhouse gas emissions up to 82 percent, as compared to conventional fossil-derived jet fuel.”

While the companies identified--and many just like them--have been focused on implementing environmentally focused strategies for years, and thus have made impressive efforts, it all started with a commitment to doing more than just running a business and making a profit. Your business can do the same.

Even small steps toward sustainability can make a big difference.

## **How to Approach Sustainability in Your Business**

Maybe you've been interested in boosting your business's sustainability efforts for a while, but just never quite knew how or where to start. The improvements other companies have achieved, such as those mentioned above, are inspiring. Looking upon these respectable achievements can also have a paralyzing effect, given the mass amount of options and the seemingly long road that lies ahead.

It's important to remember that each industry is different. If you are in the construction industry, your sustainability efforts are going to look a lot different than an organization within the medical research industry. Even businesses within the same industry will have different needs, goals, and resources available. Despite the differences, each company can use the following steps when looking for greening strategies.

### **Start Smart**

Instead of selecting sustainability goals as if you were blindly throwing darts at a dartboard, be strategic in your approach instead. Look at your business operations through a new lens, and begin to identify opportunities that will result in positive outcomes for you and the planet. Don't

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<sup>14</sup> <http://www.gecitizenship.com/about-citizenship/our-approach/>.

<sup>15</sup> from [http://static.gecitizenship.com.s3.amazonaws.com/wp-content/uploads/2013/06/GE\\_2012\\_Sustainable\\_Growth.pdf](http://static.gecitizenship.com.s3.amazonaws.com/wp-content/uploads/2013/06/GE_2012_Sustainable_Growth.pdf).

lose sight of the idea to work smarter, not harder. This is true of both the end results of your efforts as well as how you begin. There are a number of resources available to help you identify the components of the right game plan, including:

- **Books:** Sustainability's popularity means there are number of books written specifically to help you make your business better. Some examples are:
  - *Earth, Inc.: Using Nature's Rules to Build Sustainable Profits* by Gregory Unruh
  - *Embedded Sustainability: The Next Big Competitive Advantage* by Chris Laszlo and Nadya Zhexembayeva
  - *Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage* by Daniel C. Esty and Andrew S. Winston
  - *Natural Capitalism: Creating the Next Industrial Revolution* by Paul Hawken, Amory Lovins, L. Hunter Lovins,
  - *The Responsible Business: Reimagining Sustainability and Success* by Carol Sanford
- **Trade Publications:** Instead of reinventing the wheel, look to trade publications for your industry for examples of companies, technology, and resources that are available to your organization. Learn from other companies' data, best practices, and losses before pursuing similar strategies for your own business.
- **Online:** While the Internet borders on information overload, a safe place to start for sustainability is the Environmental Protection Agency (EPA). It offers a wealth of knowledge, tools, and references regarding regulations for handling hazardous and medical waste, tips for reducing waste generation, and so much more.

### **Know Where Your Company Stands**

Understanding your organization's waste may seem like a daunting task, but it all comes down to a review of the products or services you offer, also called a "life-cycle assessment." According to the EPA, a life-cycle assessment is "a technique to assess the environmental aspects and potential impacts associated with a product, process, or service, by:

- Compiling an inventory of relevant energy and material inputs and environmental releases.
- Evaluating the potential environmental impacts associated with identified inputs and releases.
- Interpreting the results to help you make a more informed decision."<sup>16</sup>

At the basic level, a life-cycle assessment looks at the complete process beginning with raw materials that come from the earth to the end products and what goes back into the environment. This concept is sometimes described as "cradle-to-grave," because it gives an overall perspective of every product stage as a whole.

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<sup>16</sup> <http://www.epa.gov/nrmrl/std/lca/lca.html#define>.

When conducting a life-cycle assessment, four stages are necessary:

- **Goal and Scope Definition:** Define the context for the assessment, including a description of the product, process, or activity.
- **Inventory Analysis:** Specify the raw materials used, such as water and energy, and the environmental emissions, such as air pollution and wastewater.
- **Impact Assessment:** Use the inventory analysis to identify the impact of emissions on humans and the environment.
- **Interpretation:** Evaluate the inventory and impact to identify how best to meet the goal of the assessment.

Performing life-cycle assessments on existing and future products or services can help to ensure that the changes you make to your business operations are not simply shifting impact from one environmental area to the next. Instead comparisons can be made efficiently and effectively, allowing you to focus in on areas of specific concern.

### **More Information Is at Your Fingertips**

In addition to a life-cycle assessment, you have more data readily available to you.

- **Employees:** There are no better people to ask for ideas from than those who work with the materials and processes day in and day out. The first month in Subaru's zero-waste challenge, employees were asked to submit ideas on how to meet the goal. More than 265 ideas came in focusing on eliminating unnecessary packaging pieces, and ways to reuse and recycle materials. Create incentives for employees to improve upon the daily business. They'll likely feel better about working for a company trying to change its impact on the environment, while also feel like they themselves can be agents of change.
- **Bills:** A high-level look at the water and energy your company consumes as well as the waste generated is likely available in the form of monthly bills. "Your monthly bills are valuable tools that can be used as a 'score card.' Spend some time analyzing your bills throughout a twelve-month period. Identify cost-saving opportunities by checking the utilities websites for no-cost opportunities, incentives, and on Demand Response Programs."<sup>17</sup>
- **Experts:** You don't have to traverse the sustainability path alone. Professionals, such as those of Pegasus Sustainability's [Hazardous Waste Experts](#), can guide you through the process. Assessing your business, setting attainable objectives, and developing strategies are at the core of their services. Experts offer not only the experience of working with different industries and businesses, but also the knowledge to perform the task efficiently, effectively, and within a given budget.

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<sup>17</sup> <http://www.triplepundit.com/2012/05/start-implementing-sustainability-practices-business/>.

## **Go for Measurable Goals**

The saying, “go big or go home,” simply doesn’t work when building sustainability practices. As much as big goals might shine a spotlight on your company from a public relations standpoint, being too big might equate to an inability to deliver results, which is more of a PR loss than win.

Additionally, the goals you set--no matter what the size, really--should always be measurable. Set objectives that repurpose the data you’ve gleaned from the above exercises. If you want to see company bills lowered, set a dollar sign to your goal. Use a specific percentage to identify an increase in recycled materials. Make the goals as specific as possible and outline the steps it will take to reach each.

Armed with sustainability strategies and your own company data, begin to look for opportunities to improve your business. How can you make small steps toward:

- Changing and reducing the waste you produce?
- Educating employees on more effective recycling efforts?
- Reducing the energy you consume? Do opportunities to generate energy exist within your operations?
- Leveraging your organization’s land for green initiatives?
- The collection and repurposing of storm water?
- Reducing food waste in employee cafeterias?
- Identifying smarter packaging options for the consumer and from your vendors?

Again, look to employees and sustainability experts to set goals that make strategic sense. It’s important for the goals to be realistic and achievable. You can always add bigger and more ambitious objectives later; baby steps now can turn into major milestones in time.

## **Get Senior Management on Board**

Some small- and mid-size businesses may not have senior management or stakeholders with which to sway, but the ones that do need the buy-in of these groups before sustainability can become reality. While it seems that this shouldn’t be an arduous task, those in charge may see things from a different perspective.

For example, it’s already been noted that being an environmentally responsible organization takes effort - effort of one or two staff members or effort of the entire organization. To stakeholders, the work being dedicated toward sustainability may be regarded as taking away from other critical operations within the business. Senior management and stakeholders are charged with ensuring the success of the company. Even if benefits exist with sustainability in the future, projected benefits may have difficulty contending with the current day operations.

“To make sure executive commitment is secured, it is important to understand what is happening in the company already, and how social and environmental issues can be framed as

a source of business opportunity.”<sup>18</sup> Senior management and stakeholders want to see hard data--facts, figures, man-hours, resource use, etc. When proposing a plan, it's important to put yourself in their shoes.

- Respond to priorities defined at the executive levels with sustainable activities. Demonstrate how the company can reach its quarterly, annual, and long-term goals by implementing socially responsible strategies.
- Bring in experts both from within the company as well as outside consultants to assist in selling the strategies. Government agencies, nonprofit organizations, and professionals specializing in sustainability practices pair well with internal experts to paint the big picture.
- Anticipate questions and have knowledge and resources available to answer them strategically. Remember to keep what is important to the stakeholders as the focus of your response.
- Demonstrate the sustainability wins that are already taking place within your organization. Often times, employees are taking small steps to minimize waste or create efficiency in an outdated process without upper management's knowledge. Showing such examples can provide proof that environmental responsibility is possible without added cost or loss of productivity. In fact, just the opposite could be possible.
- Let the executives lead the way. Find ways to plant the seed of sustainability efforts into future business planning meetings among the stakeholders. Sustainability success will come if they are the ones leading the effort.

## Make Sustainability a Company Priority

Just as important to your organization's sustainability success as executive support is employee engagement. Even the best-developed plans can fall flat if employees don't help breathe life into them. After all, they are the ones most familiar with the intricacies of operations, client needs, available resources, and product and service knowledge. While sustainability can simply be mandated as part of an employee's job, a better approach would include one--or all--of the following:

- **Make It a Team Effort:** Invite employees to the sustainability discussion table. Build strategies from ideas they offer, concerns they have, or improvement opportunities they've identified. Appoint people interested in helping to implement the strategies into daily operational practices.
- **Teach:** Provide training and education regarding sustainability. For employees who are unfamiliar with terms or why sustainability is important, training will give them the tools they need to see their job from a different perspective and the ability and confidence to communicate effectively any ideas or solutions they may have.
- **Create a Friendly Competition:** Develop sustainability goals throughout the company in which departments or teams can compete against one another. Not only could it help your organization reach its goals, but it also lends itself well to team-

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<sup>18</sup> Chris Laszlo, Nadya Zhexembayeva, *Embedded Sustainability: The Next Big Competitive Advantage*, Stanford University Press, 2011, page 177.

- building opportunities.
- **Demonstrate Direct Impact:** Help employees understand how the company can improve through the efforts made, making sure to qualify the results to the employees specifically.
  - **Improve Their Situations--Not the Other Way Around:** Again, the idea is to work smarter, not harder. Avoid making the employee's job more difficult. For example, if changing to energy efficient light bulbs is on the green to-do list, be sure you're not leaving the employee in the dark in the process. Sustainability practices will take effort, but they shouldn't come at the cost of a person's health or safety.
  - **Incentivize the Plan:** Find ways to reward employees for their increased efforts. Days off, free lunches, gift cards, and recognition are all easy ways to encourage employees.

## Sing the Praises of Your Sustainability Efforts

With brand image and public relations topping the list of sustainability benefits, spreading your own good word is key to capitalizing on your efforts. The image and quality of a brand name are increasingly influenced by perceived environmental and social performance. Environmental and social programs can differentiate your products and services by expanding the definition of quality or performance.

### Share Your Success

Once you've committed to sustainable solutions, don't keep it to yourself. Share it with your customers, even if you're just starting out. People may be more inclined to do business with you if they know your efforts toward social responsibility are paved with good intentions. No matter what stage you're at, try these tips when it comes to singing your sustainability praises:

- **Social Media:** Facebook, Twitter, Instagram, and others are all easy ways to share your company's goals and plans toward environmental impact. Be genuine about your efforts, making sure that your goals don't just feel like you're "greenwashing"--or following a trend of looking sustainable without any intention of making a true difference.
- **Product Packaging:** If you've made changes to packaging to eliminate waste or leverage recycle materials, share the news on the product packaging. Consumers will see firsthand the changes you've made and likely be influenced by the important business decisions you've made.
- **Partner with Others:** Suppliers and vendors can often be a large source of created waste for your business. Look for ways to partner together to reduce unnecessary materials, and then share the news with both sets of customers to get a two-for-one deal.
- **Be Creative:** Customers want to be socially responsible themselves, so put them to work for you. Look for ways, such as contests and events to allow customers to help you be more sustainable. Even just starting a dialogue with them will make them feel more connected to your business and your bigger goals.

Big or small, sustainability can make a difference to your business. Start with a plan, get employees and customers on board, and share it with everyone you know. Before you know it the planet and your company will reap the benefits.

