



Demystifying sustainability

No one would deny that sustainability is a good thing. But what does it mean? And how is it relevant to your business? That's where things get hard to pin down

It's safe to assume that everyone agrees sustainability is a good thing. If your business isn't sustainable, you won't be around for long. But lately, sustainability has taken on a broader meaning, encompassing the survival of not just a company, but of the entire planet. And that's where the confusion comes in.

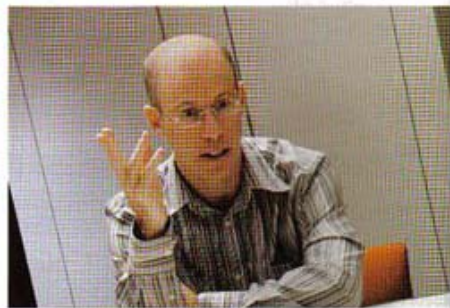
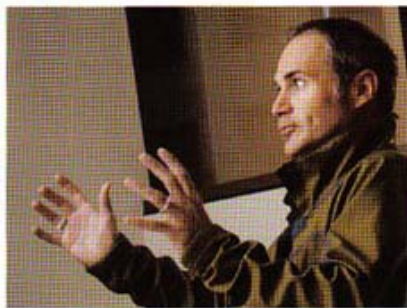
The average business owner can understand "green," and might organize a car pool or install a composter in the corporate lunchroom. She might even champion "corporate social responsibility" and donate to local charities. But when it comes to saving the planet, where do you begin?

BCBusiness convened a panel of experts who for years have been helping companies untangle the

meaning of sustainability, and build it into their daily operations.

Rob Abbott is a public speaker, writer and consultant who now calls Calgary home, but still spends about a week every month in Vancouver, where he lived until about a year ago. Coro Strandberg, principal of Strandberg Consulting, helps companies integrate social and environmental values with measurable business goals. (More on what that means in the pages to come.) Boyd Cohen is a professor of sustainable entrepreneurship at SFU, and a founder of the Green Building and Consulting Company.

Here's what the experts say about one buzz word businesses can't afford to ignore.



DISSECTING SUSTAINABILITY: (l-r) Coro Strandberg, Rob Abbott, Boyd Cohen and David Jordan, *BCBusiness* associate editor, hash out what sustainability means for local businesses

BCBusiness: Let's start with the big question: define sustainability.

Rob Abbott: Sustainability is a process, not some kind of utopian end event. It's about creating financial and social wealth or well-being in a way that doesn't, frankly, trash people and the planet. Too many people frame this as an environmental proposition and the hole in the doughnut, too often, is the social dimension.

Coro Strandberg: I define it as an integration of social and environmental and economic considerations in your decision-making, and doing it in a way that balances the factors so economics doesn't always trump the environment or social considerations and vice versa.

BCB: That's all very well, but how do we bring it down to the level of daily operations for, say, a business owner with six employees?

RA: If I'm a small business owner, I've got a whole variety of issues: people issues, systems issues... Within each of those, I can probably begin to have a conversation that starts by asking questions like, how can I reduce my environmental footprint? Where am I sourcing my materials? Do I have a sustainable purchasing process in place? Who are the people that I'm dealing with as suppliers and how green are they?

CS: Employee engagement is critical for any sustainability strategy. An easy first thing to do is to get them all together and say, "Hey, I've been thinking about these issues and what's on your mind?" Chances are, they're sitting there thinking about some practices that the company might do differently. And then you've got a group of engaged, motivated employees who are prepared to go the extra mile in helping you advance your program.

RA: Include your critics, and let them know you're going to give them an opportunity to be heard. You're not necessarily going to respond to everything they have to say, but it's important to begin sowing those seeds and benefiting from their perspectives.

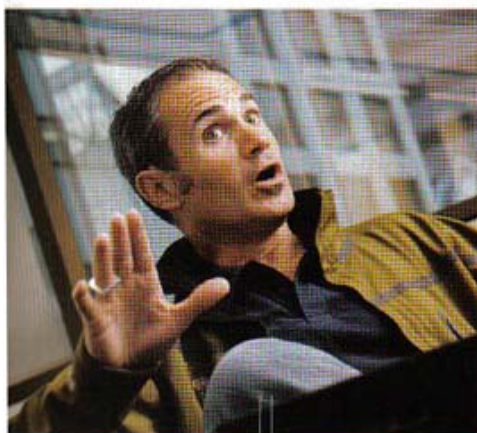
BCB: So as a starting point I might engage my employees, my critics and my suppliers. But how do I sustain it over the long run? Do I formulate a sustainability policy, strike a committee?

Boyd Cohen: I'm opposed to doing sustainability departments or committees if they're on the side, because they never have teeth. I've seen somebody hired into a company as a sustainability officer or VP, but who doesn't actually have any bearing on executive decisions. Their role is to advise departments on how they can enhance their sustainability. Well, when push comes to shove, you're not going to care what this tree hugger over here is saying.

CS: A couple of approaches seem to work. One is setting up an employee engagement team. You might just have one employee champion team and liberate them to set some targets and provide some resources for them. Then, as the CEO or the general manager, you can indicate to the rest of the employees that you're totally behind the effort.

Another aspect is to think more about your impact on the land and how you engage with communities. It's really not about whether you have an extra \$10,000 to give to the community or whether you have an extra hour to do your recycling program. It's actually about how you run your business day to day. You might want to rethink your business process or look at your product. Can you hardwire an environmental or social attribute into your product?

RA: It matters much less what is written down or enshrined in policies than what is talked about in the corridors of the company. Every employee needs to understand



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- Rob Abbott



what matters to the CEO or the owner/manager. A fundamental step is to establish baselines, measures of environmental performance, social performance, financial performance, ethical performance. And there must be, at a minimum, a commitment to internal reporting on these levels of performance. But there also needs to be external reporting, some kind of scorecard or measurement report.

BCB: How can you measure sustainability?

RA: You'd actually be surprised how many things can be measured if you think innovatively. The Global Reporting Initiative – the GRI – is an international initiative to help companies figure out how to report on their sustainability performance on an annual basis, and they're starting to do it by sectors. It's practically free to get all this information, so you can measure yourself against your peers around the world who have similar firms of similar size.

There are also things locally, like Canadian Business for Social Responsibility, which has regular meetings and resources and ways to actually tap into the network to get information.

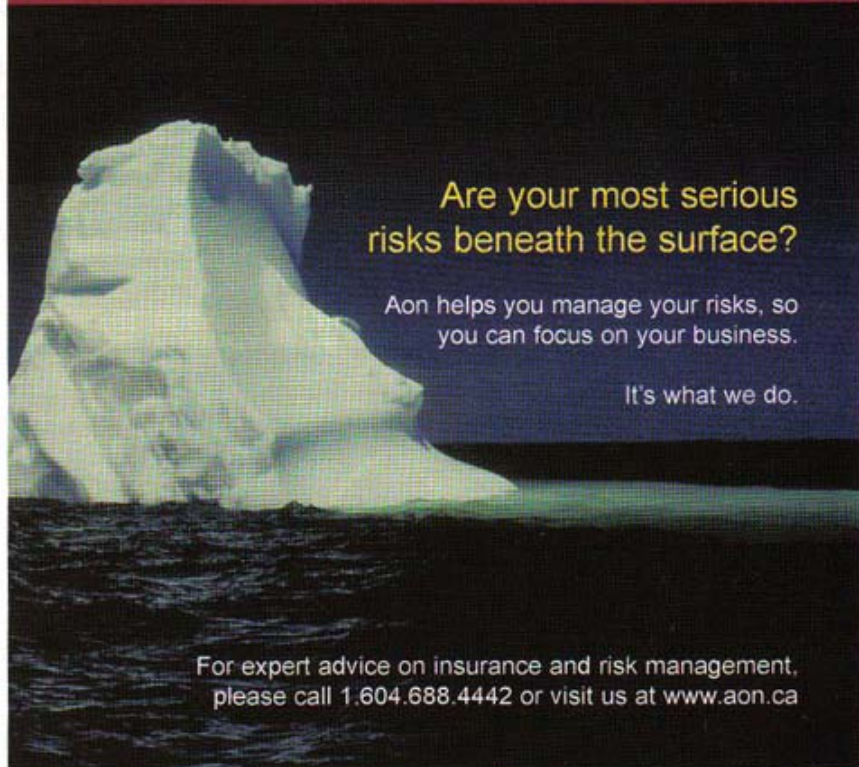
CS: Small businesses can be quite overwhelmed by this idea of reporting and measuring. But it's very motivating for employees, who are the chief ambassadors for your product and for your role in society, if you set a benchmark. So on the social side, maybe it's employee volunteering: what per cent of employees would you like to have volunteering? Or how many hours a month would it be reasonable for them to volunteer? Or how many community organizations would you like to see benefited by the community volunteering?

So even though it's hard to measure happiness or social welfare, you can set a target depending on what your particular priorities are.

RA: The imperative to measure and use

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WHERE DO I START?

■ Canadian Business for Social Responsibility

A national organization with strong ties to Vancouver, CBSR offers resources for businesses looking to up their social-responsibility quotient. Visit the website to sign up for a newsletter and plug in to local events. cbsr.bc.ca

■ GVRD: SmartSteps

Here you'll find resources for small- and medium-sized businesses seeking to boost their eco-efficiency. In addition to accessing online tips and tools, you can contact a SmartSteps business adviser with specific questions about your business. gvr.bc.ca/SmartSteps

■ Local business schools

Sustainability is a hot topic in the business faculties of local universities; students and recent graduates are itching for real-world experience. Call the business faculty of SFU or UBC and ask if there are any students seeking internships or recent graduates looking for work.

■ Trade and professional associations

Whether you're in building management or dentistry, you can bet that others in your field have published papers, delivered talks and convened discussion groups about sustainability. Your professional



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— Coro Strandberg

measurement as a useful feedback mechanism is just part of good, strategic decision-making and planning that all organizations should engage in. So I'm not advocating that every business, regardless of size, should produce a triple-bottom-line report. But I am saying that for most organizations, especially smaller ones, there are maybe seven, plus or minus two, measures that very quickly tell whether that company is heading in the right direction.

BCB: Where do I get that list of seven key indicators?

CS: That'll cost you – two grand a day! But seriously, it would begin by asking what per cent of your products or services have an environmental or social component. It

association can link you to a global network of like-minded people.

■ **Business organizations**

Chances are, a lot of other companies are struggling to figure out how to make sustainability relevant to them. Contact your local chamber of commerce or board of trade: they can help convene meetings or bring in guest speakers.

■ **Global Reporting Initiative**

GRI is a non-profit organization dedicated to standardizing ways of measuring and reporting economic, social and environmental performance. It is primarily for large businesses with the resources to

develop sophisticated reporting mechanisms, but the website includes valuable resources for companies of all sizes.

globalreporting.org

■ **Government**

The City of Vancouver's sustainability web page describes the city's official position on the topic and includes helpful definitions city.vancouver.bc.ca/sustainability.

The government of Canada offers an online toolkit to help you set up sustainability reporting. sustainabilityreporting.ca □

would include engagement with community, employee well-being...

RA: I would add voluntary turnover. I would want to know why people are leaving my company voluntarily. I would also weigh in on the social side and ask, "Hey, to what extent does my workforce reflect the demographics and the population of the jurisdiction I operate in?"

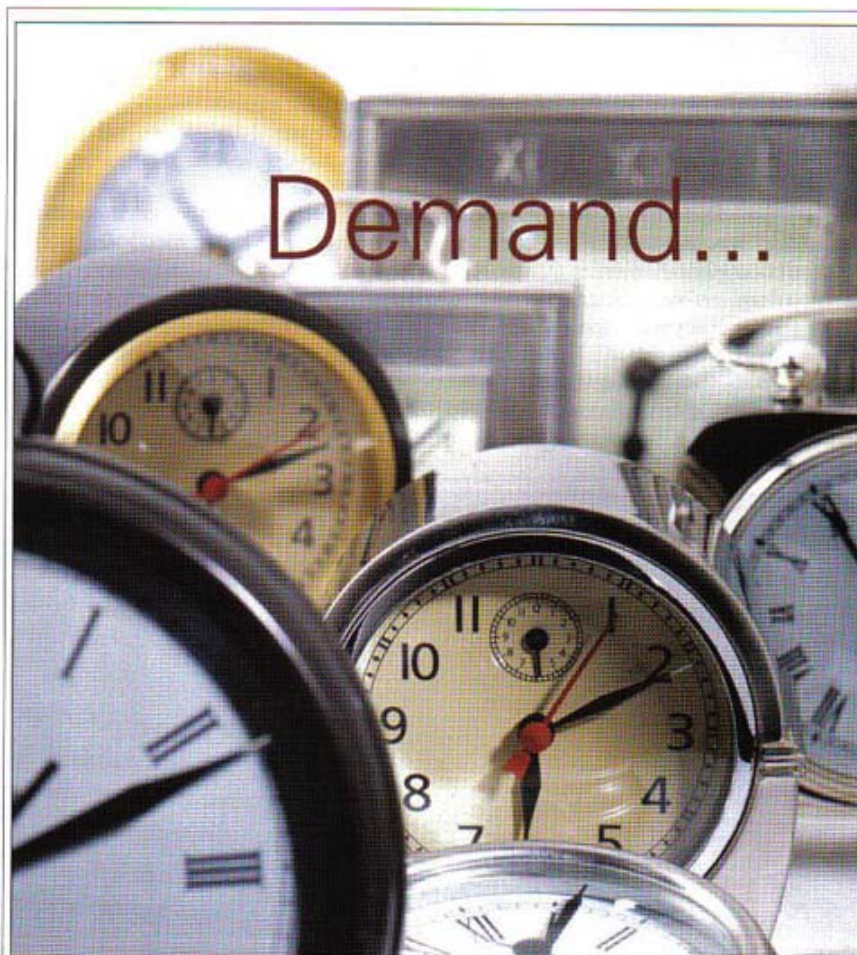
BCB: How can employee turnover be a measure of a company's commitment to sustainability?

CS: Turnover can be a measure of the degree to which the employees believe the company's actions and behaviours are in line with the stated values of the company. It's a way of indicating to executives whether they're walking their talk. If they're not, you're going to see employees leaving the company for other companies that are demonstrating higher social and environmental integrities.

BCB: Once we start talking about employee satisfaction, the definition of sustainability gets awfully diffuse and seems to just mean "good business." Business schools have been teaching good business practices for more than a century without a newfangled term like "sustainability."

RA: But the responsibility of business has evolved. It's gone from a time when it was primarily creating jobs, or the owner's responsibilities to the employee and the arts and "society," to today, when *Fortune* magazine recently had a story on Wal-Mart changing the world, potentially. If business can step up to the problems of society today – climate change chief among them – this is why we talk about good business and the responsibility of business to society.

CS: The Wal-Mart story is an example of how supply chain is becoming a huge driver for sustainability. All these large multinational



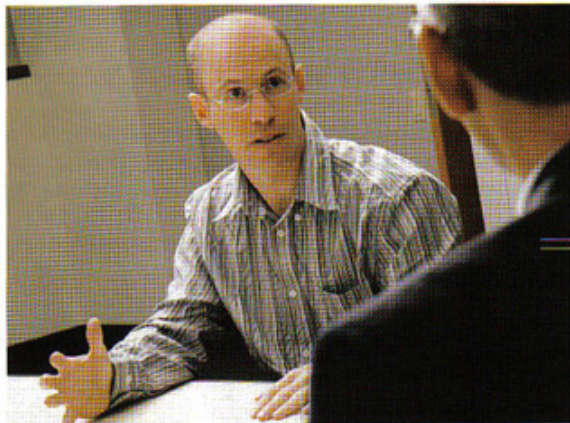
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– Boyd Cohen

corporations are looking into their supply chain as a way to create efficiencies, to reduce cost, to boost innovation and to manage reputational and environmental risks.

If you are in anyone's supply chain – and almost every business is in somebody else's supply chain – then one day you're going to have an opportunity to respond to an RFP, and it's going to say, "What are you doing to

demonstrate your social or environmental commitments?" A lawyer friend of mine, for example, came across this in responding to a Telus bid. A lawyer! So we're not just talking about manufacturing companies and dry-cleaning companies.

BCB: Can we bring this back down to the micro level again? I'm a small-business

person, I sunk \$60,000 of my life savings into some little business and all these things sound great, but where do I start? Do I have to hire a consultant like you? Where are some resources?

BC: You can start with recent business-school graduates. Students are actually demanding – this happened at UVic and now at SFU –

34 **BCBusiness** November 2006

PERRY ZAVITZ

that the faculties in business bring more sustainable business education to them because they know that's where the world is moving, and they're jazzed about it. So if you're a small firm and you're hiring some people right out of school, those people are going to be educated and motivated to actually help bring your company in that direction.

And they'll also be more likely to stay if you give them a voice and allow them to help take some leadership in the company in terms of doing some research, going to events, coming up with some ideas about how we can practically apply sustainability in our company in a way that would be profitable down the road.

CS: You could have one of these students as an intern in your company. Some of them have to do projects, so you can contact your local college and say, "Are there some students around that might want to help me design a sustainability strategy?"

Also, almost every industry has a trade association that is plugged into global networks, and they often have tools and resources on their website or elsewhere that you can tap into.

And don't overlook your chamber of commerce – chances are there'll be lots of other companies who are struggling with the

same issues. Can the local chamber or board of trade convene some meetings and bring people together and bring in some speakers from the outside to give you some ideas?

RA: The Greater Vancouver Regional District has a program called SmartSteps, which is intended for the small- and medium-sized enterprise. It's a program that says, "Ask yourself some big questions: here they are." It can help get you started with small steps. If you've already got the composter in the kitchen and organized a carpool, SmartSteps can point out some more ambitious things to be considering. And it's available free. The GVRD will put one of their businesspeople in your company, working with you cheek-by-jowl.

And in Vancouver, there's a network now of other businesses and business leaders in this town who, in my experience, are happy to share their experience and their expertise.

CS: The federal government also has a guide on how to implement corporate social responsibility in your organization and they have little topic boxes for small business. That's a handy, website-based guide.

BCB: Any closing thoughts?

BC: A lot of our conversation has been focused on how can you improve your process so that you're more sustainable in your own business activities. But what really excites me is innovation and all the financial opportunities that exist for firms that recognize where the world is moving. You look at, for example, the green-building sector. As of five years ago it was less than one per cent of the development industry in North America and now it's about six per cent, which is somewhere around \$20 billion worth of construction every year. Think of all the companies that supply windows and roofing materials, and subcontractors who are involved in that: they're talking to founders and companies about where they can innovate for sustainability and achieve profitability as a result, recognizing where market trends are taking us.

RA: I think what binds the entire conversation together is that this is becoming a new business ethos. This is not one of these things where you've got a few leaders, and five or ten per cent of companies, and everyone else is still doing the old thing. The entire playing field within which all businesses operate is changing. To survive, much less prosper, you have to be ready to adjust to those new rules of the game. ■