

SMALL BUSINESS INNOVATION

Social Responsibility

Forward thinking entrepreneurs find value in triple-bottom line practices

BY LORI BAMBER

After completing a study on the economics of sustainable community food systems, management consultant David Van Seters felt he'd identified the ideal sustainable business model – an organic food delivery company.

Such a business would protect the environment by buying local, organic, minimally packaged and eco-friendly products; build community by connecting producers and consumers; reduce traffic and pollution by delivering groceries on a set route; create a social benefit by saving precious time for customers; and donate leftover food to food outreach groups and disadvantaged families. There was also a strong financial business case: operating from a low-rent warehouse would allow the usual cost of retail space to be reallocated into delivery vehicles, providing customers with home delivery at the same cost they would pay at their local grocery store.

On that ethical premise, Mr. Van Seters created Small Potatoes Urban Delivery – SPUD.

In response to the common argument that small business owners can't afford the 'luxury' of sustainability, Mr. Van Seters says (of the now-thriving SPUD), "Our guideline is 'progress not perfection.' We try to be better than we were last year. We would love to have a fleet of all hybrid delivery vehicles, for example, but we can't afford that yet. So we're slowly shifting to vehicles that allow us to use bio-diesel.

"If someone is setting up a small business," says Mr. Van Seters, "the best way is to find a business where you can design in sustainability principles. We believe the consumer is becoming more and more aware of social and environmental issues, and as that happens, sustainability has an ever greater business value."

With a significant portion of the global economy driven by small business, the future health of the planet – and our children and grandchildren – may depend on leadership from this sector. But as SPUD demonstrates, there is a solid business case, too. In fact, sustainability consultant and co-founder of the Sustainability Purchasing Network, Coro Strandberg, says that if small businesses aren't looking at how they can integrate social and environmental effects into their business, they should be aware their competitors are doing so.

"(Our network members) look to their suppliers to see which of them can address their social and environmental concerns. There is a big trend toward that, both globally and locally. Those small businesses that have incorporated a social and environmental perspective will be more successful at getting new contracts and growing their markets."

Businesses can begin at entry level, she says, by setting up recycling programs, turning off computers at night, implementing a sustainable purchasing program and/or introducing an employee volunteer program.

"Showers and bike racks for employees – even providing flexible employee options to support family and community life – are all elements of social responsibility. Companies that demonstrate they are taking responsibility for their impact



PHOTO: SUPPLIED

David Van Seters is the driving force behind SPUD, a Vancouver-based organic grocer that is on a business model that places high priority on ethics.

will be more likely to get those contracts and may be more likely to attract free media coverage, raising their profile in the community."

There is support available for small business owners interested in moving toward sustainable operations. At BALLE (Business Alliance for Local Living Economies) BC, Penny Isbell, executive director, says that, in focus groups, small business entrepreneurs consistently mention their need for marketing support and visibility, for help in "operationalizing" sustainability – and for personal, peer-to-peer support.

"The busy entrepreneur needs time to connect," says Ms. Isbell. "We've just recently pulled these requirements together in a new program. We want to create cohorts of entrepreneurs that come together, maybe over a glass a wine, with a content expert in the room. Entrepreneurs report horror stories in those early years – it can be really hard. The premise of BALLE is about networking and networks: for entrepreneurs to network, it has to be end of day, it has to be useful, and it has to be fun."

BALLE BC also conducts focus groups with consumers. "They don't want to do a lot of research," says Ms. Isbell. "Consumers want to make responsible, conscious choices, but they want it to be easy. So businesses at the leading edge of that will benefit."

"People want to do the right thing for their community, their family. We try to make that easy for them. Businesses that are not paying attention to what consumers want are going to be left behind. It's an imperative – this is clearly the fastest growing market segment." ■

Sustainable roots

In March 1998, David Van Seters made his ideal business model a reality, launching Small Potatoes Urban Delivery (SPUD) from a warehouse in Vancouver's downtown eastside.

"To say we had modest beginnings is a huge understatement," he says. "On our first day of operation, we had only three staff and made just nine deliveries – and we thought that day would never end."

Today the company delivers to more than 6,000 socially conscious and/or time-challenged customers in the Vancouver area, Greater Victoria, Seattle and Calgary.

"In our industry," says Mr. Van Seters, "almost all the Internet-based grocery companies that arose during the dot-com era are gone. We're one of the few that survived, and we believe our social mission is the reason we're still alive. One of our customers put it beautifully: 'It's like getting free karma with every order.'"

Baked with heart

Nancy Rubuliak's Tree Stone Bakery is no typical artisan bread-shop. Located in Edmonton's Strathcona district, Tree Stone is accessible to neighbourhood pedestrian traffic in the manner of old-style, European bakeries. More than that, however, Ms. Rubuliak says her bakery is an expression of her "deep commitment to tradition and a reverence for life."

Using pure ingredients such as organic flour milled on site and natural sourdough starter, Ms. Rubuliak purchases ingredients from local, small-scale producers whenever possible, including potatoes grown organically by her uncle. She also minimizes wastes by reusing, recycling and composting. "It's a real effort and requires a lot of energy," says Ms. Rubuliak, "but it has to do with my personal values in life. Why would I alter that in my business?"

"I'm not sure if our customers are loyal to us because of (our business model) or just because they love our bread. But people who share our values feel good about supporting a business that operates according to these principles."

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