

Creating a Results-Focused Sustainability Program for Your Business

Short-term implementation costs will likely lead to greater rewards in the long run

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With the uncertainty surrounding the future of federal climate change legislation, many companies recognize that the

business world must take the lead in sustainability planning. Pressure from shareholders and consumers is increasing, the EPA is moving forward with regulations, and states continue to implement their own programs.

Rather than wait for Congress to catch up, businesses are responding to various state (and international) requirements by creating companywide sustainability plans and reaping the benefits of cost savings, efficiencies, and good corporate citizenship. If your company does not already have a sustainability program in place, or your current program is not achieving your goals, here are some steps to consider.

Back to Basics

Many companies recognize that sustainability programs make good economic sense but find it difficult to focus on creating or maintaining one in today's challenging economic environment. Business leaders wonder whether a sustainability program will be worth its implementation costs, and if they decide it is, they don't know where to begin or how to get a plan off the ground. We suggest to clients to build a program from the ground up, starting with organizational basics: define your goals, build an internal organization to support them, and implement your program.

Sustainability can mean many things, including reducing greenhouse gas

emissions, conserving energy and natural resources, recycling, using alternative chemicals, using biodegradable packaging, and upgrading buildings and equipment. What sustainability means to you depends, at least in part, on the nature of your business, its location, or the corporate responsibility policy you have. The key to success is to define and pursue a sustainability plan in a way that makes sense for your business.

First Steps

1. Align sustainability goals with your business goals. If your long-term goal is to make more widgets at a lower cost, then you might want to take steps to reduce your energy costs—for example, by investing in on-site renewable generating equipment. Perhaps widget parts are expensive and difficult to dispose of. In that case, you might be able to take back used widgets from customers for reuse and recycling. Or, your customers might have their own sustainability goals that you can help them achieve.

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Sustainability goals may have potential risks, such as short-term increased costs, but may lead to greater rewards, such as customer loyalty or reduced energy/production costs. Analyze the viability of your sustainability goals by weighing the risks against the rewards. The calculation will reveal the goals that make sense for your business.

2. Develop a structure for the program by identifying key people who will commit to the cause and get the job done. Leadership is essential, so it's important to cultivate a champion for your sustainability program at the executive or board level. Execution is also critical, so you'll need to identify someone in your organization who understands metrics

as a means of achieving compliance. Because resources are necessary, look to someone in finance who can articulate the value proposition of your sustainability program to the financial decision-makers.

Implementation and accountability on the ground floor are what will transform a program on paper into actual results, so it's important to identify partners throughout your company who will be responsible for delivering on your sustainability goals. In short, define roles, staff the roles, and put in place procedures that will govern role-players' actions and hold them accountable.

3. Put the necessary tools in place to ensure successful implementation. Familiarize yourself with the laws, policies, and regulations that might affect your goals. Decide how you will measure your results and report on them. Evaluate various technologies to measure your progress.

Use financial performance measurement tools like a return on investment (ROI) analysis to ensure that your goals are flexible enough to accommodate and anticipate longer-term outcomes. Don't forget to communicate the importance of your goals to employees and customers. And fund your program—your program will not be sustainable without funding!

Businesses of all types and sizes are developing or improving sustainability programs as a means to stay ahead of the curve, anticipate change, remain profitable, and have a say in what sustainability means for all of us. ■

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