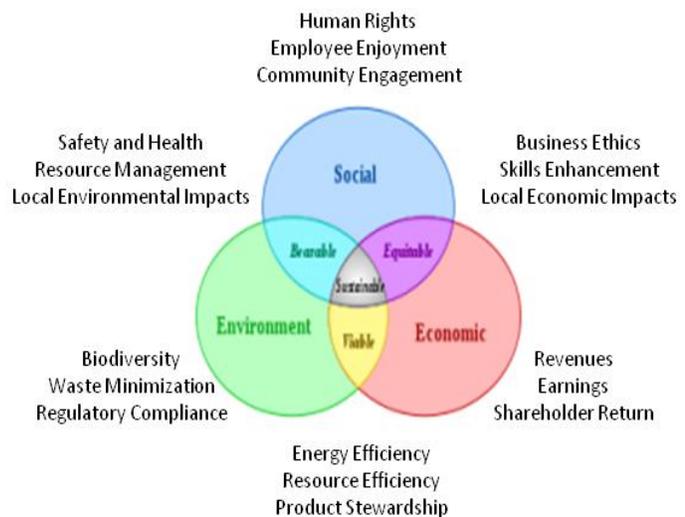


Green Resources for Small Businesses

By: Guy Holt, CCM

Corporate social responsibility (CSR) has become both a matter of business ethics and nearly as much of a business necessity as product quality, reliable delivery, or excellent customer service. While larger business may have had more comprehensive initiatives underway for several years,¹ the rapid expansion of the Internet has led to an equally rapid proliferation of knowledge, ideas, and innovations about business and ethics, giving even smaller businesses the resources to emulate big business in a number of respects. Many small businesses now seek to pursue corporate social responsibility as a matter of business ethics, community responsibility, and economic advantage, and one of the most feasible places for small businesses to begin making a difference is with programs to reduce their environmental impact.

There seems to be no space left under the carpet, for businesses that would still hope to sweep away the evidence of



¹ “Engaging Small Business in Corporate Social Responsibility – A Canadian Small Business Perspective on CSR,” (Canadian Business for Social Responsibility, Oct. 2003), <http://info.worldbank.org/etools/docs/library/114189/Engaging%20SME%20in%20CSR%202003.pdf>.

their environmental impact, and most simply don't want to, anymore. People on every side of the issue – entrepreneurs, investors, and consumers – have become aware that they have been exposed to a variety of social dangers emanating from unchecked industrialism, including unthinkable physical damage to the Earth on which they live, and they are starting to genuinely worry about the world that their grandchildren will have to survive in. Issues of financial pressures, legal pressures, and social pressures are all leaning on businesses, pushing for measures of environmental responsibility.

Consumers have shifted from hoping for, to demanding, corporate social and environmental responsibility from business. The same Internet that has provided so much eye-opening information about business practices also makes it remarkably easy for customers, clients, and other community members to voice an opinion about the small business.² If a business is not behaving responsibly (or worse yet, it's trying to fake it), the criticisms that used to be voiced over the dinner table are now broadcast to the world-at-large, and businesses are more frequently judged in terms of their environmental stewardship.³ Consumer disapproval on these grounds is producing some harsh results for unresponsive businesses.

Take retailing giant, Wal-Mart, for example, which has fallen under sharp and highly publicized criticism for thumbing its nose at complaints about exploitation of both domestic and foreign workers, small communities, and the environment. While many of its responses may remain subject to criticism as isolated efforts and blatant PR tactics, not tangible improvements, even this Goliath corporation is acknowledging and bowing under to the pressure to correct these issues rapidly and contribute its weight toward a brighter, and greener, vision of the future.

² Slawski, Bill. "Social Responsibility And The Small Business," (From the column, "Small is Beautiful," 07/17/2008)(SearchEngineLand.com), <http://searchengineland.com/social-responsibility-and-the-small-business-14397>.

³ Mazurkiewicz, Piotr, "CORPORATE ENVIRONMENTAL RESPONSIBILITY: Is a common CSR framework possible?"(Worldbank.org), <http://siteresources.worldbank.org/EXTDEVCOMSUSDEVT/Resources/csrframework.pdf>.

Patches of Green: Ad-Hoc Seeding Will Not be Enough

One project offered up by Wal-Mart may wind up making a measurable contribution to both its own environmentalism and to the ability of the small businessperson to address similar issues. As part of a three-phase project, the industry giant says that it intends to work with a coalition of environmental and educational authorities, along with other retailers and suppliers, to develop a global “Sustainability Index,” a system rating the environmental impact of each product on its shelves.⁴

By planning to make this database of information open to anyone, Wal-Mart will be taking socially responsible action with potentially far-reaching consequences. With active assistance from contributors, such a database could be expanded to reach far beyond the aisles of the nearest SuperStore, including listings for products and perhaps even processes utilized in every industry, and aiding not just consumers, but other businesses, to make socially responsible choices in their daily operations.

On the other hand, such initiatives may represent an ad-hoc approach to supporting environmentalism, rather than a fundamental change of direction, and the fact that such action would have enormous positive social benefits could be viewed as secondary to the good press generated by the promise of action. Positive public relations moves may tend to generate short-term profits for a business, but the changing face of environmental CSR, in light of the recession and new information about the pace of global warming, seems to indicate that adoption of more comprehensive business practices will be the course more likely to prove profitable in the long run.

⁴ “Walmart's Sustainability Index, Version 1.0,” (GreenBiz.com, 07/16/2009), www.greenbiz.com/research/tool/2009/07/16/walmarts-sustainability-index-version-10.

In fact, as the U.S. climbs out of its recession and the world begins to recover from the financial repercussions, there are signs that even banks, those guardians of the bottom line, will begin to require environmental accountability as a pre-requisite to lending, and environmental CSR may become as fundamental an inquiry as past repayment practices or the existence of security, when an enterprise seeks financing for future projects.

The World Bank, for example, has already taken the position that the promotion of growth must proceed with “an awareness of the natural systems on which all life depends,” describing economic development and natural systems as “intimately linked.”⁵ With its goal of poverty reduction in developing countries, areas where environmental standards typically suffer the most at the expense of development, the World Bank’s task is surely greater than that faced by private-sector businesses in the United States and other developed nations. Banks lending their support to private enterprise in the U.S., even that of small business, are destined to follow the World Bank’s lead; the only question is how quickly the effects will trickle down. In other words, banks are already requiring environmental due diligence before lending, and at some point, banks may announce quite suddenly that businesses without demonstrable, progressive programs of environmental CSR are ineligible for further financing.

Then there is the threat of litigation that may be faced by some businesses that refuse to take action. Lawsuits for personal injury from exposure to environmental hazards have met with increasing success in recent years, from tobacco litigation to suits filed for exposure to asbestos hazards. Even unsuccessful lawsuits of this kind generate enormous defense expenses for the budget of the average small business. In Kansas City, for example, two lawsuits filed in March, 2010⁶, alleged that a woman contracted cancer from her exposure to asbestos in a county courthouse. One of these suits was a class action, and attorneys were advertising publicly for

⁵ “World Bank Issues Report On Its Environmental, Social Commitments,” (CleanAirNet.org, 02/03/2005), <http://www.cleanairnet.org/cai/1403/article-59501.html>.

⁶ “Lawsuits Alleging Asbestos Exposure Filed Against Jackson County Courthouse,” (Fox4KC.com, 03/18/2010), <http://www.fox4kc.com/wdaf-asbestos-lawsuit-jackson-county-031810,0,647532.story>.

plaintiffs who had been exposed from 1983 forward.⁷ Although this is a public building, the same legal principles would extend liability to private buildings, and the proprietors of private buildings actually have much less legal protection than government entities have from such claims. If nothing else, small businesses should consider a program to address environmental issues simply to avoid such situations.

Big business certainly is not waiting to take action. A global association of more than 200 businesses, led by CEOs and including a host of familiar names, like energy companies, that used to be associated negatively with environmental concerns, the World Business Council for Sustainable Development (WBCSD) has issued a report, “Vision 2050: The New Agenda for Business,”⁸ which aims to lay out “a pathway leading to a global population of some 9 billion people living well, within the resource limits of the planet by 2050.”⁹ Among other things, the report emphasizes that this pathway offers “tremendous business opportunities for companies that turn sustainability into strategy,”¹⁰ and addresses three core questions: “What does a sustainable world look like? How can we realize it? What are the roles business can play in ensuring more rapid progress toward that world?”¹¹

Framing a “new agenda for business: to work with government and society worldwide to transform markets and competition,” the Vision 2050 group, made up of 29 global corporate members of WBCSD, representing 14 industries, plans to “reframe environmental challenges as economic challenges, driving innovation and competition in the direction of sustainability and away from resource- and energy-intensive production.”¹²

While the Vision 2050 report includes a recommended course of action for big business to pursue now, another of its key projects is a “forward looking initiative to identify what

⁷ “Jackson County Courthouse Asbestos Class Action Legal Help,” (LawyersandSettlements.com, 03/18/2010), <http://www.lawyersandsettlements.com/case/asbestos-class-action-jackson-county-courthouse.html?ref=rss>.

⁸ “Vision 2050: The New Agenda for Business,” (WBCSD.org, pub. 02/04/2010), http://www.wbcd.org/DocRoot/aORHrurQSXJepNYBrS8I/Vision_2050_FullReport_040210.pdf.

⁹ “Document Details, Vision 2050: The New Agenda for Business,” (WBCSD.org, current on 03/19/2010), <http://www.wbcd.org/Plugins/DocSearch/details.asp?DocTypeId=25&ObjectId=MzczOTc>.

¹⁰ “Vision 2050: The New Agenda ...,” (WBCSD.org, 02/04/2010).

¹¹ Id.

¹² “Document Details ...,” (WBCSD.org, curr. 03/19/2010), <http://www.wbcd.org/Plugins/DocSearch/details.asp?DocTypeId=25&ObjectId=MzczOTc>.

sustainability skills will be needed in 2020 and how to influence universities and governments to ensure they are developed.”¹³ Many educational institutions are already actively pursuing similar agendas. Universities worldwide have begun offering advanced degrees in environmental CSR.¹⁴ The result is a flow of information on environmental CSR that is reaching toward the corners of industry and making its way to the small businessperson who knows where to look for it.

Where Should the Small Business Begin?

Many forward-thinking small business owners are searching for information about what their businesses can do, beyond turning the lights off and cutting paper consumption, to make a genuine contribution to a better, greener world. Some of the common answers beg the question. “Offer green products,” they say. How can you determine the ultimate “green” factor of the product or service that you sell? “Use green vendors,” they urge. How can you know whether the suppliers or distributors you select are behaving in an environmentally-responsible manner?

What small businesses need is comprehensive information, advice that goes beyond the usual ad-hoc environmental initiatives. Programs need to begin at the top of the corporate management structure and permeate operations, from the boardroom to the break room, and they must also make sense to the bottom line. A business that wisely chooses to prioritize environmental CSR needs a program of action that embraces logical steps: assessment, program design, program implementation, the measurement of results, and continuing refinement of the program. The ultimate goal should be to achieve compliance with environmental laws, corporate management systems, standards of conduct, and standards for performance, reporting, and assurance, while maintaining or improving the profitability of the business.

In the past, such initiatives may have been too burdensome an undertaking to be considered by most small businesses. Answering questions of ultimate environmental impact required intensive research into a variety of scientific fields so extensive as to be intimidating and even

¹³ “Business Role: Implementing sustainable development,” (WBCSD.org, curr. 03/19/2010), <http://www.wbcd.org/templates/TemplateWBCSD5/layout.asp?type=p&MenuId=NjU&doOpen=1&ClickMenu=LeftMenu>.

¹⁴ “MSc Corporate Social Responsibility with Environmental Management,” The York Mgmt. Sch., Univ. of York (UK)(York.ac.uk, 02/18/2010), <http://www.york.ac.uk/management/taught-masters/environmental>.

cost-prohibitive to small business; reliance on the oft-opposing opinions voiced in the media; and a large portion of individual guesswork or intuition. Financial assistance and incentives for small business environmental initiatives were rare or non-existent. The small businessperson has been relegated to following a hunch as to whether a product that proclaims itself green really has a lower environmental impact than some other one, or whether a potential business associate, like a supplier or vendor, might produce an environmental embarrassment somewhere down the road.

More Options for Small Business Environmental CSR Programs

A comprehensive program of environmental CSR is still no do-it-yourself project for the average small business, but affordable consultation with experts is more prevalent now than it has ever been before. Professional environmental assessment and management are now becoming major components of CSR programs in a vast array of businesses.

Part of what makes a professionally-designed program easier to afford is simply the increased prevalence of information sharing and advanced technology. Progressive environmental CSR programs like Vision 2050 and others, initiated by partnerships among big business, government, educational institutions, and environmental groups, have provided a free flow of information from all corners of the world, and the environmental consultants educated by this rising tide of information are now able to offer not just tested, mainstream ideas but also cutting-edge technologies and processes that are more affordable, in the assessment, design, and implementation of systems to resolve small business environmental problems. A massive amount of information sharing is going on.

Education for the Small Business Facing Environmental CSR Issues

The small business owner who is thinking about engaging a consultant to formulate a program of environmental stewardship for the business should take advantage of the multiple resources available now to provide education on the basic issues. Familiarity with the fundamentals will

make the small business owner a more productive participant in the relationship with consultants and enhance ability later to maintain the programs that are implemented as a result.

Education is available now from several easily-accessible sources. For example, the Global Environmental Management Initiative (GEMI)¹⁵ is a group of businesses dedicated to helping other businesses achieve environmental sustainability and corporate citizenship, through the collaborative sharing of tools and information,¹⁶ including a free “Guide to Successful Corporate-NGO Partnerships,”¹⁷ which contains a wealth of helpful information for businesses of any size.

From the UK, BusinessLink.com offers “practical advice for business,”¹⁸ developed by a partnership of UK government with business organizations, and the section on “corporate social responsibility”¹⁹ offers practical suggestions for trimming your own environmental consumption, along with guides to using environmental assessment techniques²⁰ and the basics of environmental management systems,²¹ similar to quality or safety management systems, which assess your business and help you increase efficiency, ensure environmental compliance, and develop initiatives for higher levels of environmental performance.

Back in the U.S., many state governments or other localized groups provide resources, like Small Business Environmental,²² accessible online, or CaliforniaGreenSolutions.com.²³ MissouriBusiness.net provides a list of environmental resources for small business²⁴ as does the Kansas Small Business Environmental Assistance Program (SBEAP). The U.S. EPA website provides a listing of such state and local environmental resources for small businesses, including

¹⁵ www.gemi.org

¹⁶ www.gemi.org/AboutGEMI.aspx.

¹⁷ www.gemi.org/resources/GEMI-EDF%20Guide.pdf.

¹⁸ www.businesslink.gov.uk/bdotg/action/aboutus?r.s=h&page=AboutUs&r.lc=en&lang=_w.

¹⁹ www.businesslink.gov.uk/bdotg/action/detail?type=RESOURCES&itemId=1075408504&lang=_w.

²⁰ www.businesslink.gov.uk/bdotg/action/layer?topicId=1079397173&r.s=e&r.l1=1074404796&r.lc=en&r.l3=1075408468&r.l2=1074446322&r.i=1075408504&lang=_w&r.t=RESOURCES.

²¹ www.businesslink.gov.uk/bdotg/action/layer?topicId=1079422683&r.s=e&r.l1=1074404796&r.lc=en&r.l3=1075408468&r.l2=1074446322&r.i=1075408504&lang=_w&r.t=RESOURCES

²² <http://www.smallbiz-enviroweb.org/>

²³ www.californiagreensolutions.com/cgi-bin/gt/tpl.h,content=2162.

²⁴ www.missouribusiness.net/sbtdc/library/regulations_taxes.asp#environmental.

information about assistance with financing compliance measures. More locally, consider joining Bridging the Gap and the Environmental Excellence Business Network (EEBN). They provide outreach, education and networking opportunities throughout the Kansas City Metro Area.

Funding a Small Business Environmental CSR Plan

Another factor that makes professionally-designed environmental CSR initiatives more affordable for small businesses is the existence of federal, state, and private funding for such initiatives. As discussed above, private banks may soon begin to require such plans as a prerequisite to the grant of any business financing. Some private banks are already willing to help a small business to finance a program of environmental stewardship, either through private loans or through partnerships with government entities. A variety of public and private entities now make grants, loans, and opportunities for angel or venture capital available for small business development, including development of environmental management programs in small businesses.

Some general financial assistance already available to the small business can be utilized for environmental improvements, like the traditional small business loans made available through the U.S. Small Business Administration (SBA), in partnership with private lenders. SBA offers a number of such loan programs, along with loans for special purposes, like Pollution Control Loans²⁵ for the planning, design, and installation of a pollution control facility, or the CAPLines Builders Line loan for renovation.²⁶

Other funding sources target specific businesses, with traditional environmental problems, like the programs noted by the Coordinating Committee for Automotive Repair (CCAR), a partnership of industry, education and government based in Overland Park, Kansas.²⁷ The federal Dept. of Agriculture has long funded direct grants for conservation purposes. An

²⁵ "Finance Start-Up," (SBA.gov), http://www.sba.gov/smallbusinessplanner/start/financestartup/SERV_POLLUTION.html.

²⁶ "SBA 7(a) Loan Program," (SBA.gov), http://www.sba.gov/financialassistance/borrowers/guaranteed/7alp/CAP-LINES_7A-LOAN-PROGRAM.html.

²⁷ <http://www.ccar-greenlink.org>

example is the Agricultural Management Assistance grant,²⁸ but there are many others, like the Rural Business and Industry Guaranteed Loan²⁹ program, aimed at improving the economic and environmental climate in rural communities.

Private assistance in the form of grants may be available to a small business from any number of non-profit groups dedicated to environmental advancement. The Small Business Environmental website maintains an excellent list of both federal government and non-profit financial assistance programs for greening the small business.³⁰

Tax and other incentives also create affordability in the overall budget of the small business. The Database of State Incentives for Renewables and Efficiency (DSIRE), funded by the U.S. Dept. of Energy and maintained by the Interstate maintains comprehensive information on state, local, utility and federal incentives and policies that promote renewable energy and energy efficiency. DSIRE offers two online state-based databases, one for renewable energy incentives and one for energy efficiency incentives.³¹

The Missouri Environmental Assistance Center, maintained by MissouriBusiness.net, includes an entire section on small business finance, and multiple helpful links to both funding and incentive opportunities for Missouri small businesses.³² The Kansas SBEAP, mentioned earlier, also provides information directing the small business to potential funding sources directed toward assisting with environmental upgrading.

What Steps are involved in Developing a Program of Environmental CSR?

The first step to take toward developing a responsible environmental program for a small business is **assessment**. Occu-Tec is a full-service environmental firm that can provide the small

²⁸ "Agricultural Management Assistance (10.917)," (federalgrantswire.com), <http://www.federalgrantswire.com/agricultural-management-assistance.html>.

²⁹ "Business and Industry Guaranteed Loans (B&I)," (USDA.gov), http://www.rurdev.usda.gov/rbs/busp/b&i_gar.htm.

³⁰ "Federal and Nonprofit Financial Assistance Programs," (smallbiz-enviroweb.org), <http://www.smallbiz-enviroweb.org/Resources/funding/fedprograms.aspx>.

³¹ <http://www.dsireusa.org>

³² "Top tools and Resources," (MissouriBusiness.net), <http://www.missouribusiness.net/sbt/dc/tools.asp>.

business with an assessment of its current environmental footprint and an evaluation of its relative position, in light of its broad organizational goals and the external developing forces that may affect strategic planning. Assessment may involve the investigation and quantification of contaminants streams involved in doing business, inventory of greenhouse gas production, or even the evaluation of indoor environmental quality. It may involve appraisal of compliance issues with governmental regulations and litigation dangers from the government or private parties. It may also involve an evaluation of business operations in light of known available technology for renewable energy, recycling possibilities, and other potential technological improvements. Assessment needs differ, and they are as various as the many businesses served by Occu-Tec.



Next, the small business needs to **design** a program that works for it. This process involves calculating possible improvements, identifying key measures that are necessary and what is feasible after a cost/benefit analysis, and developing a roadmap for implementation of the plan. This step may address remediation measures necessary to achieve legal compliance or avoid litigation dangers, such as asbestos removal. It may also address optional measures, from those that are free/low-cost (like recycling) to those that require an investment (like modifications to existing systems for use of electricity, ventilation, heating, wastewater treatment, etc.). How far a business can go toward true greening of its operations depends on the business and the budget allotted for key measures, but every business can afford to design some kind of plan for environmental CSR. Many such plans may actually save money for a business or open up the possibility of new financing sources.

Implementation is next. Depending on the specific program tailored for a business, implementation may involve no more than starting up a system for the use of no cost or low cost options, the use of programs to improve employee participation, or a combination of such options with action involving a monetary investment in remediation or sustainable development. All steps in the implementation continue to be made with an eye toward contributing to the goal of producing the best possible results with the available resources.

Finally, once the initial implementation of a plan is underway, the small business will want to implement methods to **measure** the results of the program. This will involve tracking, whether it be tracking the output of contaminants, tracking reduction of expense, tracking employee participation, or some other factor. Measuring also requires the business to analyze the results obtained through tracking, and to generate reports on them, which can be useful for the next step.

Finally, the company will take steps to **optimize** its plan. Optimization may involve revising the design or manner of implementation of plan measures, in order to improve performance as reported from the previous step. It could involve anything from tweaking current measures to adding entirely new ones. This is a point at which professional consultation is especially helpful, where the consultant involved can provide updated information on new ideas and new technology.

Occu-Tec can also provide comprehensive advice and services throughout the process of developing a tailored environmental program for a small business. Occu-Tec also encourages business owners to make their own efforts to stay abreast of current developments, through utilization of the kinds of resources identified throughout this paper. Such efforts can reduce the time and cost of consultation and cooperative efforts can make the relationship with an environmental consultant more fruitful.

The resources listed above are just a few of the dozens available to the small businessperson who is trying to find the best path to “greener” pastures. In the coming decade, increasing globalization will continue to merge these geographically-diverse information sources, and

knowledge on the issues, along with increased financing options, will become more readily available. As both the public demand and the small businessperson's desire for greater corporate responsibility grow, so will resources grow to aid those who seek to work more productively, while giving back to the future of the community.

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