

# IN THE GREEN ZONE

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*Execution is everything when it comes to taking 'green' initiatives beyond the realms of PR. Criticaleye speaks to business leaders from a variety of sectors to discover why sustainability is essential when implementing a more eco-friendly strategy*

The brand benefits of a sustainable approach to running a business have long been clear. Over time, this has evolved beyond feel-good marketing initiatives so that sustainability has also become a tool for operational and

strategic change, where the focus is on improved performance, efficiency and growth.

**Martyn Fisher**, Executive Vice-President, Industrial Europe, Veolia Water Solutions

& Technologies, says: "Implementing a sustainability programme is a way of not only attracting new customers, it can add to a company's overall business credibility and reduce costs. All of which will lead to financial gain."

Cost reduction is key when embracing sustainability. **Richard Pamerter**, Head of Environmental Sustainability at GlaxoSmithKline, comments: "I simply don't see any disconnect between being more sustainable and delivering benefits into the bottom line. It's simply a matter of leadership conviction and an ability to step out of the day-to-day whirlwind and see the bigger picture by thinking laterally."

In practice, this can range from introducing energy efficient IT solutions to sharpening up supply chains and logistics. "The drivers for corporations to respond to the green agenda are intensifying, from rising costs of resources and externalities through to rapidly changing regulatory and consumer expectations," says **Peter Lacy**, Managing Director of Sustainability Services, Europe, Africa and Latin America for Accenture.

Aside from the operational trimming, the 'green economy' continues to provide a significant strategic opportunity. "Leading companies are examining their core business capabilities in the context of a rapidly growing market," says Peter, noting that recent estimates suggest that the global market for low carbon and environmentally friendly goods and services is already worth over £3.2 trillion.

#### IN THE FORECAST

There is still plenty of brand kudos that comes with being green. **Mohan Sodhi**, Professor of Operations Management at Cass Business School and a Criticaleye Thought Leader, comments: "If you want sustainability as a PR exercise, which is true for most companies, then it does mean extra costs, including the fees for consulting, 'carbon off-setting' by tree planting, then campaigns and advertisements that could bring a tear to every eye."

But it can also mean a whole lot more. "Sustainability, at the very least, means using fewer resources and that means lower costs," adds Mohan. "If you are truly worried about costs in these constrained financial times,

work to reduce them by improving processes and share resources with other companies."

The retailer, Marks & Spencer, has been widely lauded for its Plan A programme. **Richard Gillies**, Director of Plan A, CSR and Sustainable Business at M&S, comments: "Can a more sustainable business also be a profitable business? We firmly believe so. Last year, Plan A... delivered a net benefit of over £70 million to M&S by making our operations more efficient and opening up new revenue streams."

It goes to the heart of a business. **Ian Wright**, Corporate Relations Director at Diageo, comments: "We have set ourselves challenging targets to reduce our absolute impact on the environment while increasing our production. We undertake a multiplicity of initiatives to reduce our impact, increase efficiencies and reduce operational costs."

**Naomi Wells**, Programme Lead, Property Services Leadership for Waitrose, says: "Businesses need to make sustainability choices as part of everyday decision making and not see it as an add on... It's about placing value on commodities and materials, brand value and reputation, and how through using a wider range of evaluation tools decision making can ensure that a business delivers improved sustainability while still being financially sound."

In a sense, it's about embedding best practice into a business. "Organisations don't need to choose between financial stability or sustainability; they go together and the more successful businesses will be the ones that capitalise on this," adds Naomi.

The driver at board level is that, if executed properly, this will make a company perform better. Richard Pamerter says: "Personally, I see the actions to improve sustainability and deliver business value as entirely complementary – the leadership challenge is to hold this conviction."

Indeed, there is no real argument for rejecting a sustainable approach to running a business. **Niall Trafford**, Chief Operating Officer & Director of Sustainable Development at environmental consultancy BRE, says: "In challenging economic times, sustainability is a key strategic asset which is critical to future growth. Brand value, innovation and access to new markets and knowledge all depend upon it – this is how businesses remain competitive."

**Paul Polman**, the CEO of Unilever, is unequivocal on the matter: "You can wait for

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technology and use that as an excuse, but there are many things that businesses can do now and it does make good business sense. There might be a slight cost in some cases, but they are the exception. The cost of not acting and the cost of failure is going to be far higher. So, my simple message [to those businesses] is just get on with it and start today."

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#### Featuring commentary from:



**Martyn Fisher**  
Executive Vice-President  
Veolia Water Solutions & Technologies



**Richard Gillies**  
Director of Plan A, CSR  
and Sustainable Business, M&S



**Peter Lacy**  
Managing Director  
Sustainability Services, Accenture



**Richard Pamerter**  
Head of Environmental  
Sustainability, GlaxoSmithKline



**Paul Polman**  
CEO  
Unilever



**Mohan Sodhi**  
Professor of Operations Management  
Cass Business School



**Niall Trafford**  
COO & Director of Sustainable  
Development, BRE



**Naomi Wells**  
Programme Lead  
Property Services  
Leadership, Waitrose



**Ian Wright**  
Corporate Relations Director  
Diageo

Contact the contributors through [www.criticaleye.net](http://www.criticaleye.net)



#### COMMUNITY COMMENT

**Gareth Llewellyn**  
Executive Director  
Safety & Sustainable  
Development, Network Rail

"The whole debate has shifted in the last few years away from corporate responsibility to ensuring your business is sustainable and around for the long-term. An issue such as energy is as much about controlling costs as it is about reducing emissions. The smart businesses will achieve both of course"