

**THE TRUTH
ABOUT**

GREEN BUSINESS

“You don’t have to choose
between making money
and making sense...”

Gil Friend

President and CEO of Natural Logic, Inc.

© 2009 by Natural Logic, Inc.
Publishing as FT Press
Upper Saddle River, New Jersey 07458

FT Press offers excellent discounts on this book when ordered in quantity for bulk purchases or special sales. For more information, please contact U.S. Corporate and Government Sales, 1-800-382-3419, corpsales@pearsontechgroup.com. For sales outside the U.S., please contact International Sales at international@pearsoned.com.

Company and product names mentioned herein are the trademarks or registered trademarks of their respective owners.

All rights reserved. No part of this book may be reproduced, in any form or by any means, without permission in writing from the publisher.

Printed in the United States of America

First Printing May 2009

ISBN-10: 0-7897-3940-2

ISBN-13: 978-0-7897-3940-7

Pearson Education LTD.
Pearson Education Australia PTY, Limited.
Pearson Education Singapore, Pte. Ltd.
Pearson Education North Asia, Ltd.
Pearson Education Canada, Ltd.
Pearson Educación de México, S.A. de C.V.
Pearson Education—Japan
Pearson Education Malaysia, Pte. Ltd.

Library of Congress Cataloging-in-Publication Data

Friend, Gil.

The truth about green business / Gil Friend ; with Nicholas Kordesch and Benjamin Privitt.

p. cm.

Includes bibliographical references.

ISBN 978-0-7897-3940-7

1. Business enterprises--Environmental aspects. 2. Management--Environmental aspects. 3. Green products. 4. Green marketing. I. Kordesch, Nicholas. II. Privitt, Benjamin. III. Title.

HD30.255.F75 2009

658.4'083--dc22

Publisher

Paul Boger

Associate Publisher

Greg Wiegand

Acquisitions Editor

Rick Kughen

Development Editor

Rick Kughen

Technical Editor

Beatrice Aranow

Publicist

Lisa Jacobson-Brown

Executive Marketing Manager

Judi Morrison

Cover and Interior Designs

Stuart Jackman,
Dorling Kindersley

Managing Editor

Kristy Hart

Project Editor

Jovana San Nicolas-Shirley

Copy Editor

Apostrophe Editing
Services

Design Manager

Sandra Schroeder

Senior Compositor

Gloria Schurick

Proofreader

Water Crest Publishing, Inc.

Manufacturing Buyer

Dan Uhrig

Reviewer

Beatrice Aranow

Introduction

About this book—Green business, increasingly, is big business. Whether driven by market expectations, climate change, shifting regulations, or simply a commitment to do the right thing, green business has moved rapidly from the periphery to the mainstream and holds promise for businesses of every size in every sector.

Green isn't just about environment. It also represents a way of seeing your business, and the challenges it faces, through a new lens—a lens that can bring both risks and opportunities into focus.

The promise plays out at the micro scale—the individual enterprise—in direct opportunities to put money in the pockets of owners, shareholders, and employees by cutting wasteful spending on excessive resource use.

And it plays out at the macro scale—national, regional, and municipal economies—with impacts on jobs, economic development, balance of payments, and quality of life. And—just maybe—it's the engine to power us out of our current financial crises by investing in a new energy economy and clean new infrastructure.

This is not a book about treehuggers' rhapsodic dreams (not that there's anything wrong with dreams) but about the hard-nosed realities of business—and about the innovative new course being set by some of the world's best companies, large and small.

It offers a distillation of my nearly 40 years of experience, in business, government, and the civic sector, bridging the commonly assumed but ultimately false conflicts between business and environment. And it builds on lessons learned over ten years as founder and CEO of Natural Logic, a strategy consultancy that has had the honor to work with clients as diverse as Hewlett-Packard and Odwalla, Conair and Levi Straus & Co., and the city of Berkeley and the World Bank to apply these ideas in the laboratory of the real world.

The Truth About Green Business is designed to help you tackle these grand ideas in simple, practical, profitable, bite-sized chunks. It's intentionally brief, focused, and straightforward, and not encyclopedic (though I refer you to some books that are encyclopedic in the "Resources" appendix available online at www.informit.com/title/9780789739407).

This book is organized into 12 sections (plus appendices available for free download at www.informit.com/title/9780789739407) that summarize the major themes you need to understand to get your business on this new road. These sections include 52 bite-sized Truths that give you practical steps to take and key questions to explore to put these ideas into practice. Profitably.

How to use this book—*The Truth About Green Business* is modular and flexible. Feel free to read it cover to cover or to skip around based on what interests you; you'll notice recurring themes and lots of inter-related material.

This book is not only short, it's also inevitably incomplete. Green business is a rapidly changing field, one in which the best technologies and techniques are evolving daily, so no book on the subject can stay completely up to date for long. It was up to date at the time I wrote it and won't be by the time you read it.

I've done three things to address that:

- 1.** I back up the “how to” specifics with timeless grounding principles that can help you think wisely to apply these Truths in inevitably changing situations.
- 2.** I provide a “Resources” appendix with references to key books that can take you deeper and links to some of the Web sites that I use to stay on top of this field. You can find it online at www.informit.com/title/9780789739407.
- 3.** I invite you to visit me online at www.natlogic.com/truth and my blog <http://blogs.natlogic.com/friend/> and Tweetstream www.twitter.com/gfriend. You can sign up for seminars and online webinars that take you deeper; participate in discussions with me, my team, and other readers dealing with challenges similar to yours; and find out how Natural Logic can support you—with advisory services, education, coaching, and tools—on your path to becoming a greener, more profitable, and more satisfying business.

TRUTH

4

Why now?

“Why now?” should really be “why not yesterday?”

There are a multitude of global trends signaling a need for sustainable business—climate change, population increase, rapidly developing nations, resource depletion, environmental degradation, society’s toxic burden, the loss of biodiversity, the prospect of peak oil, and more. The bottom line is that we need to learn to do more with less—both less stuff and less impact on the environment.

These trends are moving faster than ever, driving an increasingly uncertain world for business. Being green is a way to find certainty in today’s shifting world and to deal with market pressures driving businesses to be greener. (For example, Wal-Mart has declared that its suppliers must use sustainable packaging to keep access to the retail giant’s shelves.) It’s a whole new ball game.

If you don’t lead the way on sustainability, you’re likely to be left in the dust by your competitors. In fact, odds are that other companies around the world are already working on it. You can wait for certainty, or you can lead the way.

As information becomes more transparent to consumers, investors, and regulators, there are new expectations for businesses to be green—and to be able to prove it. Add to the mix a new administration in the United States that has declared its intentions to build a greener economy, and we’ve reached a sustainability tipping point.

Besides, every day your business continues to burn more energy than you truly need, to produce non-product that you can’t sell, is another day of pouring money and resources down the drain.

What now?—A couple of years ago, a client asked me a provocative question: “If we really took this on—if we went beyond baby steps and really told ourselves the truth of what was required—what would we need to know and do?”

The following “Declaration of Leadership for Sustainable Business” was my response. It’s intentionally both terse and provocative. Its purpose: to challenge already good companies, developers, designers, and public authorities to an even higher level of thinking, aspiration, and performance. I think it provides a useful “big picture” frame for the nuts and bolts that you’ll find in the truths that follow.

Because:

- The well being of our economy fundamentally depends on the services from nature that support it.
- Business activity has a profound impact on the ability of nature to sustainably provide those services.
- We are committed, as business and community leaders, to the well being of both economic and ecological systems, of both humans and other living things.
- We believe that these goals are compatible (and where they seem to be incompatible, we are committed to finding better ways to do business that make them compatible).

...every day you continue to burn more energy than you truly need, to produce non-product that you can't sell, is another day of pouring money and resources down the drain.

We envision our company, suppliers and customers, and our community doing business in ways that:

- Preserve, protect, and ultimately enhance the living systems—of this region, and the planet—that sustain our business and the larger human economy.
- Provide ever greater value in meeting the real needs of our customers, suppliers, and communities.
- Meet human needs in the most efficient and economical means possible, in order to include the greatest percentage of humanity.

To do this, we will:

- Consider the requirements of the earth's living systems in all design and operating decisions.
- Not take more from the earth that it can sustainably provide.
- Not provide to the earth more than it can sustainably absorb.
- Analyze the life cycle operating costs and impacts of our facilities, operations, and products/services, as well as their initial costs.
- Work to eliminate “waste” of all kinds from our operations, and to find safe, productive uses for any “non-product” that we are not yet able to eliminate.

- Treat employees, customers, suppliers, and stakeholders fairly, honestly, and respectfully.
- Take responsibility for the safety of our products/services in their intended use.
- Take responsibility for the safety of our activities for employees and communities.
- Take responsibility for the safe “end of life” recovery and reuse or recycling of our products.
- Design our facilities, operations, and products/services to be ever more efficient, ever less dependent on materials and activities that poison, degrade or encroach on living systems, and ever more supportive of these approaches.
- Do all these in a way that supports our economic well-being, and the economic well-being of those who depend on us.

We will measure our progress by the trends of our:

- Resource productivity (unit of benefit provided per unit of resource used)
- “Non-product” output (amounts and toxicity of “unsalable” materials and chemicals, formerly called “waste”)
- Net carbon emissions (production of climate-changing greenhouse gasses)
- Ecological footprint (demand on earth’s regenerative capacity)
- Profit, both near- and long-term

We will pursue these steps with a commitment to:

- Future generations
- Continuous improvement
- Open dialogue with our customers, stockholders, suppliers, and communities

What you need to do—Keep reading! This is a big field, too big for one book to cover, so this is not the only book you need (see Appendix B, “Resources,” online at www.informit.com/title/9780789739407 for some additional suggestions), but it’s the only one you need to start.

So lets get started!

