



Connecting Your Business and the Environment

The importance of sustainability for small businesses



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Introduction

If sustainability isn't a priority with your business, it might be time to re-evaluate your goals. Going green is no longer a trend but a lifestyle a growing number of consumers won't sacrifice. More than three-fourths of consumers today, 78 percent, purchase green products and services, according to the 5th Annual Tork Sustainability Study¹.

The report shows green purchases in 2013 were up 9 percent over 2012 data. Of those, 47 percent said they chose to buy sustainable products because of their commitment to bettering the environment while another 20 percent said they purchased because of the health benefits associated with green products and services.

Small businesses need to do more than reach environmental compliance; they need to make efforts toward sustainability beyond that to garner the attention of today's more eco-conscious consumer.

78%
of consumers
buy green products
and services

5th annual Tork Sustainability Study

As the shift toward sustainability grows, it will become more and more important for your business to offer the values and products desired by consumers. If you're not willing to give your customers what they're looking for, you run the risk of losing your customer base to your competitor. It's in your best interest to get the competitive edge today by focusing on how you can make your company a more sustainable business.

A number of companies have already started to grasp the concept of going green, making sustainable changes to their business models that are driving serious returns. Walmart, for example, recently reduced packing material and switched to a more eco-friendly plastic, **resulting in a 25 percent waste reduction and a savings of \$200,000 a year.**



[Staples](#) is another example of a company going the extra mile for the environment. The office supply chain generates enough solar energy to offset 2,000 cars and carries a number of eco-friendly products for its customers. **Now 11 percent of Staples sales, or \$2.47 billion, come from sustainable products.**

Sustainability efforts aren't limited to big businesses though. It's just as important for small companies to start implementing some green changes, not only to keep up with the competition, but to minimize environmental impact and save money.

Buildings represent 40 percent of the nation's electricity use, cause 40 percent of the

¹ <http://www.torkusa.com/Resources/news/News/US-Consumers-Increase-Green-Purchases/>

carbon dioxide emission in the United States and rack up an annual energy bill of more than \$400 billion, according to the U.S. Department of Energy². Cutting building electricity consumption—even just a little—could have a huge impact on reducing the world’s greenhouse gas emissions.

In addition to greenhouse gas reductions, cutting electricity consumption could help boost your bottom line. The DOE says billions of dollars are being wasted by commercial buildings each year. According to the agency, implementing a 20 percent reduction in commercial energy use by 2020 could collectively save businesses \$40 billion.

**Cutting emissions
3 percent
could save
\$780 billion**

World Wildlife Fund

The World Wildlife Fund³ predicts that returns on energy efficiency could yield even more for U.S. businesses. In a study, the organization found that if businesses reduced greenhouse gas emissions by 3 percent they could save as much as \$780 billion over a 10-year period and \$190 billion in 2020 alone.

If you want to capitalize on the [benefits of going green](#) by creating a more sustainable business model, this white paper is the perfect place to start. We will prove the value of making sustainable changes to your small business, showing you a path to increase your customer retention, boost your bottom line and improve your brand reputation. Read on to discover the characteristics and plans necessary to drive your business toward success.

² http://www1.eere.energy.gov/office_eere/pdfs/55297.pdf

³ <http://worldwildlife.org/projects/the-3-solution#overview>

What it means to go green

Characteristics of a sustainable company

While many people may think about organic farms or natural product lines when it comes to green companies, any business, in any industry, has the opportunity to be sustainable. Sometimes it's not what the company produces, but the actions it takes that makes a business green. Check out these five key characteristics found in sustainable companies today. A green company:



Minimizes environmental impact

A sustainable company focuses on ways to reduce its environmental impact by decreasing emissions and waste. This could be done by purchasing green energy, installing rooftop solar panels or placing recycling bins in the office. There are plenty of big and small ways to make your company environmentally friendly.



Eliminates inefficiency and maximizes energy savings

Hand-in-hand with minimizing environmental impact, a sustainable company looks to cut back on energy consumption and eliminate inefficient practices. There are dozens of ways to accomplish this, from streamlining shipping processes to swapping out inefficient appliances with energy-saving models.



Incorporates sustainable thinking into company culture

A green company ensures that sustainability is important to employees too. Some companies offer incentives to employees who help implement sustainable practices, while others ask workers to sign an agreement to uphold the organization's values.



Looks to the future, thinking long term

Going green is not always a move that creates instant success, so a sustainable company must focus on long-term goals. Increased profits or carbon reduction may happen, but a business must be patient and diligent to achieve it.



Takes measured risk in pursuit of sustainability

Although there are a number of benefits to going green, there are some pretty big risks too—especially financial. A green company is willing to take on the risk in pursuit of the high sustainability rewards.

What's in it for your business?

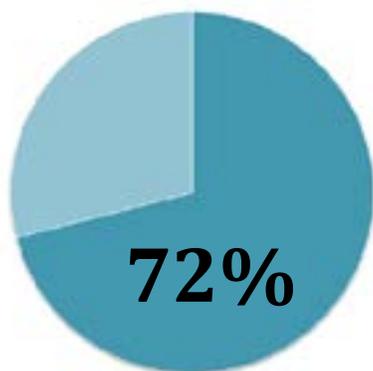
When you decide to make your company more sustainable, you set yourself up to reap a number of valuable rewards. Supporting a good cause, such as the environment, can help garner a larger customer base, improve your company's reputation and even add value to your bottom line.

Customer retention

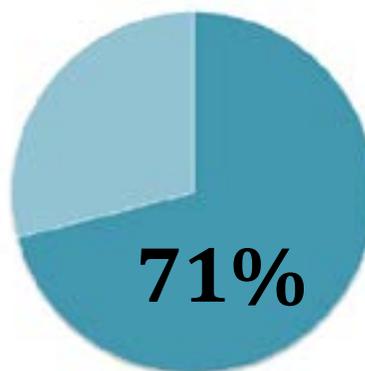
An ever increasing number of consumers are looking for environmentally friendly products, services and solutions to meet their everyday needs. But they are also searching for companies that exude sustainable qualities. In fact, 87 percent of global consumers surveyed in Edelman's 2012 goodpurpose® study⁴ believe companies need to place as much weight on society interests as they do on business interests.

If you become the kind of company consumers admire and offer the products they need, your customers will be less likely to leave and may even reward you for your environmental commitment.

According to Edelman's survey, a sustainable business won't run into much trouble achieving this goal. The results show that 72 percent of respondents would recommend a brand that supports a good cause over one that doesn't. And better still, 71 percent said they would help promote products and services with a good cause behind them.



Of respondents would recommend your brand

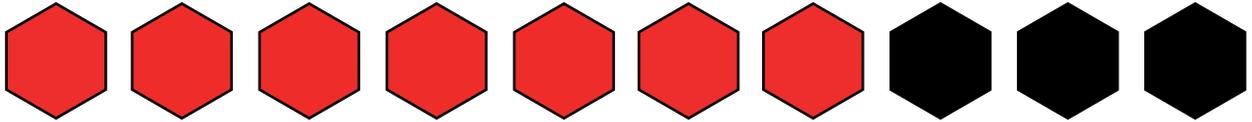


Of respondents would help promote your products and services

Word-of-mouth advertising is a powerful force that could help you gain more customers. If you get people talking about the great things your company is doing, you could be well on your way to a larger customer base.

⁴ <http://purpose.edelman.com/>

If that's not enough to sway you toward creating a greener business model, consider this. The same survey found that 73 percent of consumers would actually switch brands if there was something similar on the market that supports a good cause. In other words, if your company isn't working to make a difference, you might end up losing your customers to a competitor that has already taken a noticeable stand in what matters to today's consumer.



**7 out of 10 customers would switch brands
for one that supports a good cause**

Brand reputation

Your reputation can make or break your business. A good standing in the community can lead to increased sales, more customers and security for your company, while a poor reputation does the opposite.

Investing in sustainability is a smart way to improve or build upon your business' image. Showing that you support the environment by taking steps that prove your commitment can improve your overall reputation. With recognition as a green company you'll be more likely to differentiate yourself from your competitors, demonstrate leadership in the sustainability arena and hire and retain talented, driven employees.



Long-term profit improvements

Sustainability isn't always a cheap option and it could sometimes cost you quite a bit in the short term. However, that shouldn't deter you. Instead think about your profits long term, not just in the next quarter. The right initiatives and investments in sustainability will eventually pay for themselves—it just takes a little time to recoup the expense.

Take Aspen Skiing Co. for example⁵. The large, high-end ski resort decided to make some energy-saving changes in 1999. It replaced incandescent light bulbs with energy-efficient models in a two-story garage and backhouse at one of its resorts. In total, the changes cost the resort \$23,000 to implement. While that may seem like a hefty cost, the simple change saved the company \$10,000 per year. In less than three years, the initiative paid for itself and then some.

It's also important to note that the expense of going green is widely known. Customers don't expect to get premium eco-friendly products and services at bargain prices. In fact, 50 percent of consumers surveyed by Nielsen's 2013 Global Survey on Corporate Social Responsibility⁶ said they were willing to pay more for goods and services from companies that have implemented programs that give back to society.

Although some green initiatives might have high upfront costs, part of the expense can be reasonably passed on to your customers. And over time, as your sustainability efforts gain traction, creating a larger customer base and greater brand recognition, you should have no problem increasing your bottom line.

50%
**of consumers will pay
more for green goods
and services**

Nielsen

Of course, there may be some actions you can take to see an immediate return on investment. For example, decreasing packaging on your products is not only environmentally friendly but it will also save you money on packing costs. Also, simple repairs such as caulking and adding weather stripping to an older building is an inexpensive way to improve efficiency and cut energy costs right away.

⁵ <http://www.cnbc.com/id/100863041>

⁶ <http://www.nielsen.com/us/en/press-room/2013/nielsen-50-percent-of-global-consumers-surveyed-willing-to-pay-more-fo.html>



A Small Change Makes a Big Difference

You might be surprised at how much a small change can save. AJ's Auto Repair in Salem, Oregon, knows this firsthand. In 1994 the small business decided to start burning used oil for heat instead of sending it out for disposal. In addition to reducing its waste, AJ's was able to save about \$10,000 a year. After 10 years, an independent evaluation found that the small auto repair shop's green efforts earned it an extra \$200,000 from cost savings and increased business.

Sustainability Success Story: The Bowman Design Group

The sustainability story of the Bowman Design Group started in 2008⁷. That's when the California-based company decided it was time to cut greenhouse gas emissions and make a positive contribution to the environment. The company joined the California Climate Action Registry to capitalize on its low-cost emissions verification program and submitted information from 2006 to establish a baseline for emission levels.

Then the Bowman Design Group set aggressive goals. The 10-person company decided it would reduce emissions 10 percent by 2010, 20 percent by 2013 and 80 percent by 2020 and made similar goals to limit water consumption and waste.

The company's first steps were small. It traded the company SUV for a more fuel-efficient Prius and had the local utility perform an energy audit on the business' 2,000 square-foot office, which was built in the 1930s. Like most businesses, the Bowman Design Group found that its office equipment, computers and air conditioner were consuming most of its power.

To alleviate some of the power usage, the company was able to sign up for a utility program that cycled air conditioning, turning it on and off for limited periods of time during peak hours. To cut vampire energy use from its equipment, the Bowman Design Group plugged everything into power strips that could be switched off at night.

Although those changes helped, they didn't bring the huge emissions reductions the company was looking for. Unfortunately, installing solar panels, new windows or more energy-efficient roofing wasn't in the budget so the company kept looking for ways to improve efficiency.

When the company's lease expired on its copier, it decided to upgrade to a more efficient model. Later that summer when the air conditioner broke, the Bowman Design Group replaced it with the most efficient model in its price range. At the same time, the company made some improvements to its duct work, a total cost of \$7,000.

By the end of 2008, the company reduced greenhouse gas emissions by 65 percent, blowing right passed its 2010 and 2013 goals in less than a year.



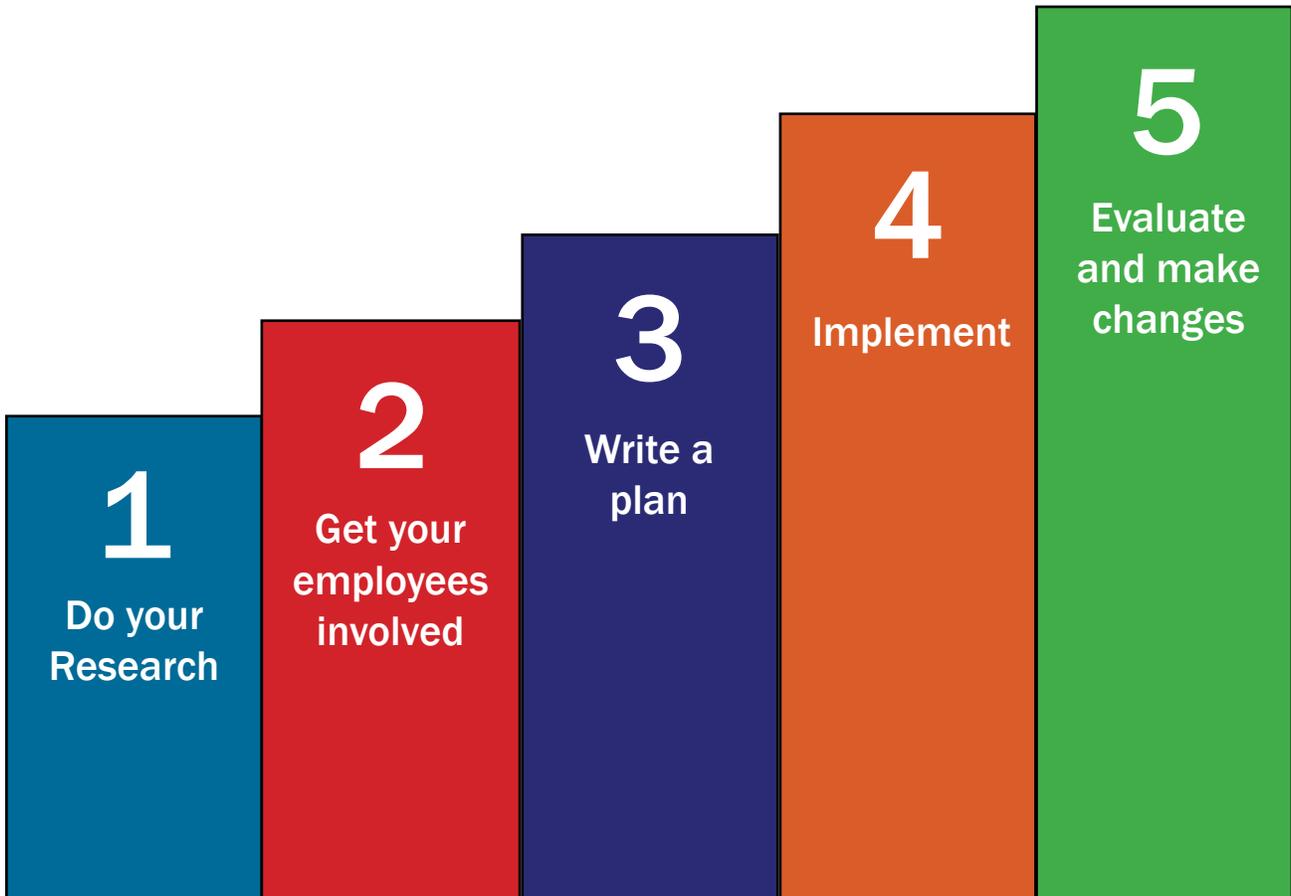
It was also able to reduce its landfill waste 45 percent, cut water consumption 18 percent and eliminate 40 percent of its electricity use. The business' shiny new Prius saved the company 63 percent in fuel costs. All combined, the changes the Bowman Design Group made in 2008 saves the company approximately \$9,000 per year.

In addition to the savings, the company's changes have been good for business. Founder and President Tim Bowman is frequently asked to speak about climate change and energy management for industry associations, including the Trade Show Exhibitors Association and the American Public Health Association. His efforts and accomplishments also drive significant media attention to his company while the Bowman Design Group has received numerous awards in its own right for its progress in sustainability.

⁷ http://e360.yale.edu/feature/how_one_small_business_cut_its_energy_use_and_costs/2326/

5 easy steps to becoming a sustainable business

Unfortunately, there's no one-size-fits-all approach to becoming a green company. Every business will have unique challenges and opportunities, as well as different sustainability goals to accomplish. A small dog grooming location will have a smaller carbon footprint than a restaurant chain. And a neighborhood bakery might have different opportunities than the small boutique next door. Regardless of what industry you're in, these five steps should help guide you toward your sustainability goals.



1. Do your research.

Before you can start saving the planet, it's best to know about the environmental issues surrounding your industry. Although there are problems, such as high carbon emissions, that stretch across every industry, there are probably some specific opportunities for improvement in your particular field. Get up to date on the latest issues before you come up with a sustainability plan.

2. Get your employees involved.

It doesn't matter whether you have five employees or 50, getting your workforce behind your green efforts is the best way to be successful. Explain your vision to your employees and ask them to contribute ideas to help make the company a greener place to work. Not only will this step help your employees feel more valuable, it gives them a vested interest in seeing your plans come to fruition.

3. Write a plan.

Once you have the support of your employees and the knowledge from your research, it's time to sit down and write a green business plan. Companies that have clear, written goals are more likely to succeed than those who don't. If you've taken the time to write down what you want to accomplish, chances are you will.

Create a list of measurable, time-sensitive and attainable goals. For example:

- Reduce water waste 10 percent by 2018
- Increase recycling 20 percent by 2020
- Reduce electricity consumption 15 percent by 2020

You'll also want to include your ideas for accomplishing these goals. For instance, you might install low-flow fixtures to reduce water consumption or new LED light bulbs to lower electricity costs.

4. Start implementing.

When your plan is finished, you can implement it immediately. Meet with employees again to reinforce your stance on sustainability and communicate the specific roles they will have in the process. Then take action.

5. Evaluate and make changes.

Odds are your plan won't be perfect the first time. The changes you make to your business could surpass your goals or they might not show any progress at all. It's important to re-evaluate your efforts every six to 12 months, track your progress and make changes to your plan as needed.

How to market yourself as a green company

While the positive impact of becoming a more sustainable company is valuable in itself, it's important to know how to take advantage of business benefits too. So how do you let your customers and employees know about your commitment to the environment?

- ✓ **Write a press release.** When you make an effort to go green, it's news. So whether you've offset 100 percent of your energy consumption with renewable energy credits (RECs), upgraded all of your light bulbs or plan to hand out reusable bags to customers, send a release to your local news team for some earned media coverage.
- ✓ **Put it on your website.** If you want your customers to know about your efforts, make it a prominent feature on your website. Put a green badge on your site, write a paragraph about it on the homepage or say something about it in your blog. Better still, dedicate an entire page to your sustainability efforts, outlining your goals and your progress so your customers can follow along in your journey.
- ✓ **Start some social buzz.** Don't just limit your online marketing to your website. Promote your green efforts on Facebook, Twitter, LinkedIn and any other social network you're a part of. Post about your progress, share stories and create status updates that are centered on your efforts.
- ✓ **Make it known in your store.** If you offer green products and services, make sure it's obvious to your customers. Stick a sign in the window or on the door promoting your efforts so customers see it as they come and go. Mention it on your business cards and flyers (on recycled paper, of course!). And if you sell a product, you can make a note of it on the label too.

Buying green energy

Regardless of how much energy you save through your sustainability efforts, you will still have to purchase some power for your business. One of the best choices for your energy supply is to [purchase green energy](#). Not only does it show your commitment and support for renewable energy, it can be an excellent marketing point. By purchasing enough green power to offset your energy consumption, you essentially make your business a carbon neutral organization.

In most cases, you won't actually be able to power your business directly from green energy resources. All electricity, green or not, flows to your business through the electricity grid. Because the power on the grid is made up of a mix of fossil fuel-generated electricity, nuclear power and renewable energy, it's impossible to ensure that you're only using wind or solar power. Unless you have your own wind turbines or solar panels you will probably purchase a green energy plan that is made up of renewable energy credits (RECs).

These credits essentially offset your electricity use. Say you choose to sign up for a 100 percent green energy plan. Your business will still use a mixed power supply, but your energy provider will add enough renewable energy to the grid on your behalf to cancel out the energy you've used. As you are adding enough green energy to the grid to offset your total electricity consumption, your business will be carbon neutral.

The value of *SaveOnEnergy.com*

At *SaveOnEnergy.com* we partner with [retail providers](#) that offer green energy plans to offset up to 100 percent of your business' energy consumption. Through a green energy plan, your provider will place enough renewable energy on the grid to counterbalance the energy your business uses each month. Of those who qualify, approximately 45 percent of *SaveOnEnergy's* business clients choose to upgrade to a green energy supply. Now you can too.

When you buy green energy through *SaveOnEnergy*, our team will support you with valuable marketing materials to help you maximize your renewable energy purchase. In your welcome package, you will receive stickers as well as a certification for your green purchase. You will also have access to a digital badge that can be placed on your website for your customers to see. Finally, you will be offered a complimentary press release, along with distribution, explaining your renewable energy purchase.

[Contact us](#) today to see how we can help your organization become carbon neutral.

