

Sustainability Assessments and Action Planning Gains Traction as a Business Value-Driver

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Unless you've spent the last ten years doing business in a remote Tibetan village, you're aware of the global sustainability movement in business that is "affecting a broad spectrum of activities, from what consumers eat and wear to how businesses select supply chain partners." If not, you're behind the curve and may be losing 'green', as in profits, to a competitor that is paying attention to consumer buying habits. Confirming this phenomenon is a 2011 Sustainability and Innovation Study by the MIT Sloan Management Review and the Boston Consulting Group, which found that 70 percent of more than 3,000 corporate leaders in 113 countries identified sustainability as a permanent management agenda item, and that these activities add to their companies' profitability. The related good news is that a vibrant cottage industry has sprung up with professional advisors acting as guides to businesses on how best to incorporate "green" initiatives that are socially responsible into their business models.

Granted, most modern business owners at least appreciate the immediate savings to be reaped by courting energy efficiency and other ecological savings from recycling and waste reduction, efficient equipment use, transportation and building design. However, those companies that embrace wider aspects of sustainability as a corporate value have the advantage of capturing greater market share due to consumer behavior and attitudes about businesses that adopt eco-friendly activities as part of their offering. Case in point are the results of the 2012 Nielsen Report, The Global Socially-Conscious Consumer, which found that respondents in all age groups of 28,000 men and woman from 56 countries around the world indicated they would be more likely to buy from companies that ensure environmental sustainability and that they are willing to pay more for socially-responsible products and/or services.

The theory that businesses which actively promote the societal welfare of their employees, customers and surrounding environs is now an actionable profit center that can be quantifiable in much the same way that those listed on the “100 Best Companies to Work for in America” have been found to outperform their peers.

Smart companies would be wise to take the first step in the process of achieving sustainability practices by conducting a ‘sustainability assessment’ performance review and use that data to be more profitable and show a materially healthier bottom line. Regardless of the industry or company size, drilling down on your sustainability footprint and activities is a best business practice that has been found very important to consumers with buying power. For small to mid-sized companies especially, the gain in being able to quantify and promote a sustainability program goes beyond the customer. The value-add may make the business that more attractive to lenders, investors and potential buyers.

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So, the question is not if your company should conduct a sustainability assessment but, how fast it can be completed. Sustainability is “nearing a tipping point” worldwide and those companies that are engaged in the process are experiencing financial benefit as a result, according to the MIT and Boston Consulting Group researchers.

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