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## GREENING OF IT | AUGUST 26, 2008 | BY ERICA GIES

### Corporate Sustainability Officers Identify Opportunity

As environmental consciousness shifts into a higher gear, business is leaving behind dated notions like doing the minimum to remain in compliance in favor of seeking out new opportunities that also benefit the bottom line. Companies are hiring chief sustainability officers or similar high-level positions to green operations from the boardroom down to the vehicle fleet.

"This is not dressed up philanthropy," said Nicola Acutt, associate dean of the Presidio School of Management, which offers an [MBA in sustainable management](#). "This is really about business opportunity and shifting the thinking around environmental performance and risk management toward value creation."

Companies vary in their approaches to green staffing and how they structure those positions within the corporate culture.



Interface makes modular carpet. In 1994 its founding CEO, Ray Anderson, had an epiphany after reading Paul Hawken's book, "[The Ecology of Commerce](#)". Since then Interface has been greening every aspect of its business, from energy consumption, to design, to sales. Erin Meezan is its vice president of sustainability. Her team works with every Interface business unit, each of which has its own sustainability staff, and offers technical assistance on everything from waste programs to employee engagement. They do strategic planning at every level, and work on projects and partnerships external to Interface.

"I report directly to the CEO [Dan Hendrix], which is pretty huge," said Meezan. "I also have regular interaction with our CFO and with our business-level presidents. I think that really helps. I'm not removed from what's happening."

Chip-maker Intel is also a leader in sustainable initiatives, winning such commendations as the No. 1 corporate citizen on [Corporate Responsibility Officer's 2008 list](#). Dave Stangis has been director of corporate responsibility since 2000, when he convinced his superiors the position was necessary. Stangis said he is almost like an internal consultant. "I run a management review committee made up of the directors and the vice presidents of most of the business units inside the company, from operations, to products, to legal, to communications. We as a group of people set strategy and policy," he said. "The chief marketing officer might be involved, the CEO, the chairman, the person running all of our factories worldwide."

Both Meezan and Stangis spend time each day educating employees about what they can do in their jobs to help meet sustainability goals and they say employees are generally receptive.

"It's enough for many people that this is something the company values, just like we value making money and making carpet," said Meezan.

Neither company's sustainability teams are held to profit and loss statements because corporate services are seen as serving all the businesses, according to Meezan. However, their efforts do improve the company's bottom line.

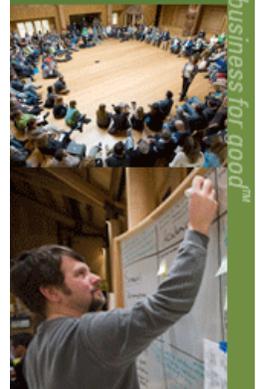
Business schools are getting on board with these changes, offering sustainable management degrees like the Presidio School or adding green electives in an effort to groom future CSOs.

"[Companies] are looking for someone who can think differently, bring innovative ideas, learn and adapt quickly to changing

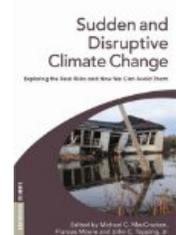
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circumstances, commit people and resources, and make things happen that add value to [their] bottom line," said Acutt, the associate dean.

Stangis sees merit in green MBAs but said nothing beats on-the-job experience. If Intel were to hire someone to replace him, communication skills and government or public policy experience would be expected.

For advice, thought leadership, technical help, and networking, sustainability officers turn to non-government organizations. Environmental nonprofits are interested in cooperating because they believe that business has the power to drive change throughout society. Rick Duke is the director of the [Center for Market Innovation](#), a liaison with business, at the Natural Resources Defense Council. "With the emergence of global warming as the signature environmental challenge, corporations are part and parcel of addressing the problem," he said.

NRDC works directly with CSOs, CEOs and other high-level industry executives to formulate climate change legislation that the business community can support.

In early 2007, NRDC and other environmental groups joined with 27 companies in the [U.S. Climate Action Partnership](#), which publicly called for a cap on emissions and 60 to 80 percent reductions by mid-century. Duke said it's been a useful step in the political debate because it proves to legislators that business would prefer legislation to uncertainty, so they can plan accordingly.

In addition, "there's growing understanding that it's largely an opportunity for profit and growth for the companies that get on the right side of things and get ahead of the issue," said Duke.

"I don't think any company can move itself toward sustainability with solely the people they have on staff," said Meezan. "It's critical for the person in charge of sustainability to have these outside resources, not just to figure out what's going on, but to help them make the case internally."

Leaders like Interface and Intel know what it takes to turn a company's sustainability policies around. At Interface, an important step was opening up the culture to tolerate failure, to encourage experimentation.

Additionally, "don't underestimate the value of setting really aggressive goals," said Meezan. Interface is striving for "[Mission Zero](#)" its promise to eliminate any negative impact the company might have on the environment by 2020. "We still don't know exactly how we're going to get there," said Meezan. "But by continuing to drive for zero, we're going to look at things that we wouldn't consider if we were only striving for 50 percent."

Leadership needs to come from the top. "If companies think they're just going to hire a CSO because they need to have somebody to talk to the press and to write that part of the annual report ... but the CEO is still disengaged and the board doesn't really understand it, ultimately they're not going to get their money's worth out of having that person," said Meezan.

Part of Intel's success came from moving beyond quarterly thinking to longer term planning, allowing it to measure changes more accurately.

"We spent about \$20 million on [energy] conservation projects, but we saved more than \$40 million," said Stangis. "Plus today people are caring about the 500 million KW hours [of electricity] we saved as well. So it turns out to be a win-win-win, but you have to change the way [you measure] value. And that's where you'll see sustainability officers adding value to companies."

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