

## Thought Leadership Sustainability



Sustainability is important to the future of the planet. It's also a smart thing to do, because it can help your business improve efficiency and cost-effectiveness. For more information, please read on.

### **Turning Green Into Black: Six Reasons Why Sustainability Is Smart For Your Business**

In the last edition of this e-newsletter, I talked about two essential components of effective environmental leadership: ambitious goals and the willingness to influence everyone in your orbit to “go green.”

In this issue, I want to focus on some of the powerful business benefits that can come from successful sustainability programs.

They will definitely help you turn green into black on your balance sheet.

#### **1. Save on energy**

Energy efficiency is a double-win, because it lowers greenhouse gas emissions and reduces energy costs as well. Over time, the savings can really add up.

In 2006, for example, the Department of Energy built a new lab featuring a variety of innovative energy-saving designs, including the extensive use of natural light. Estimated savings on energy costs when compared to a traditional lab: almost \$100,000 per year.

#### **2. Maximize efficiency**

The drive to reduce the environmental impact of any business inevitably leads to an investigation of inefficiency and waste.

Proven methodologies like Lean Six Sigma can play a valuable role in this process by helping companies identify the biggest problems and develop effective green solutions that boost operational efficiency and contribute to the bottom line. At Xerox, we diverted more than two billion pounds of electronic waste from landfills—enough to fill 160,000 garbage trucks—by developing smart green recycling and remanufacturing programs. Net savings? Two billion dollars. That was music to our CFO's ears.

#### **3. Drive innovation**

Global warming is the world's greatest engineering challenge, because it requires us to dramatically change the way we work and live.

Businesses that will lead this transformation by bringing breakthrough green innovations to the marketplace will undoubtedly leap into the ranks of the world's greatest companies in the years ahead.

Want to join the group? Take a look at your products and services. Think about your capabilities and resources. And consider all of the opportunities for biodegradable, renewable, waste-free, energy-efficient improvements throughout your value chain.



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Then innovate! You can do it.

#### **4. Create a competitive advantage**

The drive to create eco-friendly products and services is great for the environment and great for forward-thinking businesses too.

After all, polls show that businesses and consumers are placing more emphasis on buying green than ever before. So if you want to get an edge on your competition, offer environmentally friendly alternatives to your customers. In the marketplace of the future, green will be a major catalyst for growth.

#### **5. Build the brand**

If your company makes a real contribution to the global sustainability movement, you will enhance your brand. And that will help you market your products and services, build stronger relationships with shareholders and the public, and build employee morale.

What's not to like about that?

Of course, it's important to make sure that your green efforts yield concrete results. Otherwise, you can run into complaints about "greenwashing." That's an issue I'll address in a future edition of *Smarter Ways to Green*.

#### **6. Get ready to trade carbon credits**

All of the countries that belong to the European Union participate in a mandatory "cap and trade" carbon trading system. This system sets limits on greenhouse gas emissions. Then it rewards companies that don't use their full emission allowance by allowing them to sell their extra "credits" to companies with excessive emissions.

Cap-and-trade systems currently operate on a voluntary basis in other areas of the world. But given the growing concern about global warming, they may well become mandatory for most of the developed world in the years ahead. In that case, businesses will have another compelling economic reason to lower their carbon footprint: they will have valuable emission "credits" to sell.

#### **The business case keeps getting better and better.**

In the past, green programs were often viewed as a cost to companies, not a benefit. But that attitude is changing as corporate leaders around the world discover the powerful business advantages that come from finding smarter ways to green.

Listen to what Ray Anderson, the founder of Interface, a leading interior furnishings company, has to say on the subject:

"I always make the business case for sustainability. It's so compelling. Our costs are down, not up. Our products are the best they have ever been. Our people are motivated by a shared higher purpose—esprit de corps to die for. And the goodwill in the marketplace—it's just been astonishing."

I couldn't say it better myself.

Sincerely,



Patty Calkins