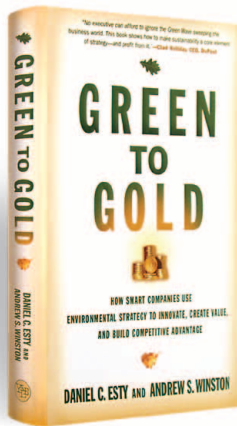


# SOUNDVIEW Executive Book Summaries®

FILE: STRATEGIC MANAGEMENT



## How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage

# GREEN TO GOLD

### THE SUMMARY IN BRIEF

By Daniel C. Esty and  
Andrew S. Winston

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*Forward-thinking business leaders see the Green Wave coming and want to profit from it.*

*This summary explores what every executive must know to manage the environmental challenges facing society and business. Based on the authors' years of experience and hundreds of interviews with corporate leaders around the world, this summary shows how companies generate lasting value — cutting costs, reducing risk, increasing revenues and creating strong brands — by building environmental thinking into their business strategies.*

*Authors Daniel C. Esty and Andrew S. Winston provide clear, how-to advice and concrete examples from companies such as Toyota and IKEA that are achieving both environmental and business success. The authors show how these cutting-edge companies are establishing an “Eco-Advantage” in the marketplace as traditional elements of competitive differentiation fade in importance. Esty and Winston not only highlight successful strategies but also describe why environmental initiatives sometimes fail despite the best intentions.*

*This summary is written for executives at every level and for businesses of all kinds and sizes. Esty and Winston guide leaders through a complex new world of resource shortfalls, regulatory restrictions and growing pressure from customers and other stakeholders to strive for sustainability.*

*In addition, you will learn:*

- ✓ *How to keep a sharp focus on execution while using an environmental strategy.*
- ✓ *Ways to cope with environmental pressures and responsibilities.*
- ✓ *How to spark innovation that will drive long-term growth.*
- ✓ *How to anticipate and manage serious business risks.*
- ✓ *How to be good stewards of the Earth while simultaneously building the bottom line.*

# GREEN TO GOLD

by Daniel C. Esty and Andrew S. Winston

## — THE COMPLETE SUMMARY

### The Environmental Lens

In the weeks before Christmas 2001, Sony faced a nightmare. The Dutch government was blocking Sony's entire European shipment of PlayStation game systems; more than 1.3 million boxes were sitting in a warehouse instead of flying off store shelves.

Why was Sony at risk of missing the critical holiday rush? Because a small, but legally unacceptable, amount of the toxic element cadmium was found in the cables of the game controls. Sony rushed in replacements to swap out the tainted wires. It also tried to track down the source of the problem — an 18-month search that included inspecting more than 6,000 factories and resulted in a new supplier management system. The total cost of this “little” environmental problem was more than \$130 million. Sony executives refer to their PlayStation disaster as the “Cadmium Crisis.”

#### Four Lessons From Sony's Stumble

Sony has been a business powerhouse for years and the company is also generally perceived as an environmental leader. Nothing foreshadowed the PlayStation stumble, yet it happened. Why? Three lessons can be drawn from Sony's difficult experience:

- **Even the best companies can be surprised by environmental issues.**
- **The environment is not a fringe issue — it can cost businesses real money.**
- **Real benefits can come from seeing things in a new light.**

Looking at all the ways environmental issues affect a business can frame thinking and strategy in a new way. By examining their business through an environmental “lens,” managers can avoid expensive problems and create substantial value. Thus, a fourth lesson can be drawn from Sony's experience — and this is the fundamental one:

- **Smart companies seize competitive advantage through strategic management of environmental challenges.**

#### Business and Natural Resources

The business world and the natural world are inextricably linked. Our economy and society depend on natural resources. The environment provides critical sup-

port to our economic system — not financial capital, but natural capital. And evidence is growing that we're systematically undermining our asset base and weakening some of our vital support systems.

An environmental lens is not just a strategy tool or a feel-good digression from the real work of a company. It's an essential element of business strategy. It provides a way for businesses to contend with the problems of pollution and natural resource management. Mismanaging these issues can drain value out of a company quickly — and damage brand reputations built up over decades of careful cultivation. ■

### Eco-Advantage

In a speech to shareholders, Wal-Mart CEO Lee Scott lays out his definition of “21st Century Leadership.” At the core of his new manifesto are commitments to improve environmental performance. Wal-Mart will cut energy use by 30 percent, aim to use 100 percent renewable energy (from sources like wind farms and solar panels), and double the fuel efficiency of its massive shipping fleet. The company will invest \$500 million annually in these energy programs.

Why are the world's biggest, toughest, most profit-seeking companies talking about the environment now? Because they have to. The forces coming to bear on

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### Eco-Advantage

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companies are growing. Industry groups are facing an unavoidable new array of environmentally driven issues. Like any revolution, this new “Green Wave” presents an unprecedented challenge to business as usual.

#### *The Evolving Challenge*

Environmental worries used to center on “limits to growth” and the prospect of running out of key natural resources like oil and industrial metals. A second line of concerns focused on pollution and has proven to be more enduring. We now know that humans can overwhelm the capacity of nature to absorb pollutants or to provide the essential “ecosystem services” we need, such as fresh water, breathable air, a stable climate and productive land.

Environmental missteps can create public relations nightmares, destroy markets and careers and knock billions off the value of a company. Companies that do not add environmental thinking to their strategy arsenal risk missing upside opportunities in markets that are increasingly shaped by environmental factors. ■

### Natural Drivers of the Green Wave

In the mid-1990s, executives at consumer products giant Unilever saw a big threat to one of their product lines. Supply for the frozen fish sticks business was at risk because the oceans were running out of fish.

#### **The Business Case for Environmental Thinking**

Here are three basic reasons for adding the environmental lens to core strategy:

**1. The potential for upside benefits.** The “gold” that smart companies mine from being green includes higher revenues, lower operational costs and even lower lending rates from banks that see reduced risk in companies with carefully constructed environmental-management systems.

**2. The management of downside risks.** Efforts to cut waste and reduce resource use, often called “eco-efficiency,” can save money that drops almost immediately to the bottom line. Redesign a process to use less energy and you’ll lower your exposure to volatile oil and gas prices.

**3. A values-based concern for environmental stewardship.** Doing the right thing attracts the best people, enhances brand value and builds trust with customers and other stakeholders.

In partnership with World Wildlife Fund, the company set up the Marine Stewardship Council, an independent body to promote sustainable fisheries around the world. The Council certifies fisheries where the total catch is limited so that fish populations do not diminish over time. To create specific incentives for fishermen to seek certification, Unilever committed to buying 100 percent of its fish from sustainable sources by 2005.

#### *Long-Term Issues*

Issues such as global warming and loss of species can seem physically remote, long-term and not very pressing. Compared to the immediacy of the air we breathe or the water we drink, it’s hard to get worked up about consequences that are far off. But long-term problems can prove intractable when they do arrive.

As the business world realizes that natural resources are finite, a second reality is emerging: Limits can create opportunities. Companies that manage nature’s bounty and boundaries best will minimize vulnerabilities and move ahead of their competitors.

#### *Top 10 Environmental Issues*

Here are the top 10 environmental issues facing humanity:

**1. Climate Change.** This catch-all includes rising sea levels, changes in rainfall patterns, more severe droughts and floods, harsher hurricanes and other windstorms and new pathways for disease.

**2. Energy.** For big energy users — those in heavy manufacturing or transportation, for example — resource and energy productivity may become a major point of strategic advantage. Companies selling goods and services that promise to improve energy efficiency will claim market share.

**3. Water.** Companies around the world now face limits on access to water. For business, a number of complementary factors create both water quality and water quantity challenges.

**4. Biodiversity and Land Use.** Biodiversity — a catch-all term for the spectrum of plant and animal life — preserves our food chain and the ecosystem on which all life depends. It also holds prospects of new drugs, foods and other products. A key factor in the decline of biodiversity is habitat loss. Many companies face pressure about their contribution to sprawl.

**5. Chemicals, Toxics and Heavy Metals.** Part of what makes air pollution more dangerous is the presence of toxic elements. Exposure to chemicals like dioxin, a byproduct of production processes such as papermaking, and heavy metals such as lead and mercury can create severe public health risks. The legal liability surrounding toxics can be virtually unlimited.

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### Natural Drivers of the Green Wave

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**6. Air Pollution.** Significant air-quality controls on factories, cars and other emissions sources have reduced air pollution over the past 30 years in the United States, Japan and Europe. But the air is still not clean.

**7. Waste Management.** The EPA estimates that the 1,200 Superfund sites across the country will require about \$200 billion to clean up over the next 30 years. Under the liability provisions of the Superfund law, anyone found responsible for the waste at a site can be held liable for the full cost of cleanup, even if the toxics were legally disposed.

**8. Ozone Layer Depletion.** With a thinned ozone layer, the world becomes a more dangerous place, with reduced agricultural productivity, higher risk of skin cancer and other health problems.

**9. Oceans and Fisheries.** More than 75 percent of the world's fisheries are over-exploited and beyond sustainability. For those whose livelihoods depend on fishing, recreation and tourism, the effect of declining fisheries may be severe.

**10. Deforestation.** Every company that uses wood, paper or cardboard packaging has a stake in, and responsibility for, the state of our forests. When McDonald's realized 15 years ago that litter was an issue, it began working with a New York-based NGO (non-governmental organization), Environmental Defense, to reduce packaging. ■

### Who's Behind the Green Wave?

Here are five core categories of stakeholders who care about the environment:

- **Rule Makers and Watchdogs**, such as government regulators and environmental groups.
- **Idea Generators and Opinion Leaders**, including think tanks and academics.
- **Consumers and Community**, including local officials and the general public.
- **Investors and Risk Assessors**, such as stock market analysts and bankers.

#### *How Do Companies Create an Eco-Advantage?*

1. WaveRiders cut operational **costs** and reduce environmental expenses — like waste handling and regulatory burdens — throughout the value chain.
2. They identify and reduce environmental and regulatory **risks** in their operations, especially in their supply chains, to avoid costs and increase speed to market.
3. They find ways to drive **revenues** by designing and

marketing products that are environmentally superior and meet customer desires.

4. A few companies, most famously British Petroleum and General Electric, create **intangible brand value** by marketing their overall corporate greenness. ■

### Managing the Downside

Over the last 15 years, chemical giant DuPont has cut its contribution to global warming by 72 percent. Half of the cuts came from changing one process: the production of adipic acid. This modification eliminated emissions of nitrous oxide, a potent greenhouse gas that causes far more warming than carbon dioxide.

The company also vowed to hold flat its energy use — the primary source of its greenhouse gas emissions — no matter how fast the company's top line grew. The company found 100 ways to meet its energy targets. Over the past decade, this strategy has saved DuPont \$2 billion.

**Green-to-Gold Play 1: Eco-Efficiency — Improve Resource Productivity.** WaveRiders get the same output with lower inputs. In improving resource productivity, their actions stand out as the classic win-win environmental strategy.

**Green-to-Gold Play 2: Eco-Expense Reduction — Cut Environmental Costs and Regulatory Burden.** This Green-to-Gold Play centers on the time and money consumed by pollution control and environmental management. In addition to millions of dollars or euros spent on waste disposal and pollution-control equipment, this includes the managerial time and money spent filling out forms, the sometimes crippling cost of fines for mis-managing environmental issues and the general business slowdown caused by jumping regulatory hurdles.

**Green-to-Gold Play 3: Value Chain Eco-Efficiency — Lower Costs Upstream and Downstream.** Many companies have found ways to lower value chain costs by cutting the environmental and financial expenses of product distribution. IKEA is proud of its “flat packaging.” Efforts to squeeze millimeters out of every box have allowed the company to pack its trucks and trains tighter. That saves up to 15 percent on fuel per item.

**Green-to-Gold Play 4: Eco-Risk Control — Manage Environmentally Driven Business Risk.** WaveRiders find issues before problems find them. They examine not only the supply chain, but the entire value chain. Identifying enterprise risk means understanding exactly how a company affects the environment and how the constraints of nature affect the company. ■

For additional information about Cost Reductions at Interface, go to: <http://my.summary.com>

### Building the Upside

Environmental strategy has been on a long march for the past 40 years, from a tactical focus on compliance, to an additional — but still tactical — emphasis on costs and efficiency, to a more strategic view centered on growth opportunities. More and more companies now see the top-line potential from artfully managing the pressures of the Green Wave.

The following Green-to-Gold Plays are about growth — of sales, of brand value and of stakeholders' trust:

**Green-to-Gold Play 5: Eco-Design — Meet Customer Environmental Needs.** Identifying customer needs or desires and designing a product to meet them is never easy. With growing environmental consciousness, the opportunities to seize Eco-Advantage through green marketing are expanding. Companies can avoid the worst stumbles by following a few simple lessons: Meet a need that exists; don't ignore other needs of the customer; and pay attention to your own costs.

**Green-to-Gold Play 6: Eco-Sales and Marketing — Build Product Position and Customer Loyalty on Green Attributes.** Every day more consumers are including environmental factors in their buying equation. In parallel, companies are finding that there is money to be made from meeting the growing demands for green products.

**Green-to-Gold Play 7: Eco-Defined New Market Space — Promote Value Innovation and Develop Breakthrough Products.** Toyota saw the Green Wave coming and responded with the energy-efficient “hybrid” Prius. The company promoted value innovation and ended up with a breakthrough product that enhanced profits and sustained shareholder value.

**Green-to-Gold Play 8: Intangible Value — Build Corporate Reputation and Trusted Brands.** Positioning a brand as environmentally friendly only works if it's true. The 1980s and 1990s saw a flurry of bogus green claims. Some were just plain laughable. Hefty's highly touted biodegradable garbage bags broke down in sunlight, but not in the landfills where they would actually end up. ■

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### The Eco-Advantage Mindset

WaveRiders build a foundation for Eco-Advantage by reframing how everyone in the company looks at environmental issues. For these companies, environmental thinking is not always the final word on strategy, but it *is* always a consideration.

WaveRiders use an environmental lens to change the way they think and sharpen their business strategies. Deeply embedded, the **Eco-Advantage Mindset** arises naturally at every opportunity.

Here are some basic rules to get you there:

- **Look at the forest, not the trees.** WaveRiders think broadly about the time frames involved in investment and strategy decisions; the full range of potential pay-offs from those investments, including hard-to-measure intangible gains; and possibilities for adding value across the full chain of production.

- **Start at the top.** Companies leveraging Eco-Advantage have a commitment to environmental thinking at the very top of the organization.

- **Adopt the Apollo 13 principle — “No” is not an option.** In leading companies, management gives the organization bold environmental goals and seemingly impossible tasks — and refuses to accept failure.

- **Recognize that feelings are facts.** Top performers know that what NGOs, employees, customers, communities and other stakeholders feel about a company's environmental performance and reputation can be much more important than the reality.

- **Do the right thing.** WaveRiders make choices based on core values, including caring for the environment, even when it might not pay off in the short run. ■

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### Eco-Tracking

The Eco-Advantage Mindset is a powerful motivator and the core of the environmental lens that helps companies step up to challenges and find opportunities for seizing advantage. But it's just the beginning. Companies need tools to get going. They should start with the elements of the toolkit that help them understand where they are.

This requires thinking and analysis that might not come naturally. Eco-Tracking helps to answer fundamental but sometimes unfamiliar questions:

- What are the company's big environmental impacts?
- When and where do those impacts arise? During manufacturing? During shipping and distribution? Upstream in the supply chain? Or downstream in the hands of customers?
- How do others view the company's environmental performance?

These questions can be difficult to answer. But leading companies use a core set of Eco-Tracking tools to develop an environmental self-portrait and help them manage for Eco-Advantage. To follow their lead, you should:

- **Trace your environmental footprint.** The more resources it uses or pollution it produces, the bigger a company's footprint. Understanding its footprint can help a company engage in pollution prevention, find new opportunities to serve customers, avoid problems with stakeholders and gain a leg up on the competition.

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### Eco-Tracking

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● **Capture data and create metrics.** The Toxics Release Inventory program started many WaveRiders toward environmental leadership. After being required to measure and report their emissions of toxic substances, companies saw how big their footprints were.

● **Set up environmental-management systems.** Environmental issues are now considered part of the potential liabilities that companies must include in accounting. An environmental-management system (EMS) is thus essential for companies of all sizes.

● **Partner for advantage.** There is no better way to track what outsiders think of your company on an emotional level than by partnering with, and really listening to, outside organizations. These include NGOs, local communities and other companies. ■

### Redesigning Your World

Green architect Bill McDonough sees vast opportunities to redesign products or even reconceive how and why we use them. He envisions a world where, after customers are done with them, products are broken down into either biological parts that can be safely disposed of, or technological parts that can re-enter the industrial system and become new products. Only design that supports this vision, he says, will lead us toward sustainability in the deepest sense.

Redesigning products, processes and even whole value chains is the second section of the Eco-Advantage Toolkit. To make environmental gains and benefits from reduced waste and increased resource productivity, companies need to fundamentally change how they do things.

#### *Pollution Prevention Hierarchy*

For most companies, the state of the art in environmental thinking can be summed up with the slogan, “Reduce, Reuse, Recycle.” The best pollution-control option is to **reduce** the use of resources and eliminate waste. The next best option is to refurbish or **reuse** items. Then **recycle** what’s left. As a last resort, throw something out.

The pollution-prevention hierarchy has two further levels. Before reducing, companies should explore ways to **redesign** what they do and how they do it. And even before that, they should try to **reimagine** their products or processes. Just as companies have learned it’s generally cheaper to reduce than to reuse, recycle or throw out, now they are discovering that it is often more profitable to redesign and reimagine.

#### *The Eco-Advantage Bottom Line*

WaveRiders move beyond merely tracking environ-

mental issues to change products, processes, their workplaces and even their supply chains. To carry out their redesign efforts, they deploy various tools, including:

● **Design for the Environment (DfE).** Once a company has a feel for where environmental issues arise in the value chain, it can redesign to avoid those problems.

● **Closed-Loop Systems.** In the business setting, waste is costly. It often means you’re squandering valuable inputs like metals, chemicals or energy. WaveRiders seek to recapture these resources by recycling waste water, reusing materials and stripping valuable gases from exhaust. In doing all this, they reduce their footprint, improve resource productivity and often save money.

● **Industrial Ecology.** Some waste products can be useful inputs for other industries.

● **Green Building and LEED Certification.** The U.S. Green Building Council awards points for using recycled materials, incorporating energy efficiency into design and other environmental benefits when it scores buildings for Leadership in Energy and Environmental Design (LEED) certification.

● **Supply Chain Audits.** In today’s networked, blog-happy world, a problem with any supplier, even a small one, can quickly tarnish a big brand. ■

For additional information about Industrial Ecology in the Dutch Flower Industry, go to: <http://mj.summary.com>

### Inspiring an Eco-Advantage Culture

Culture comes from more than just a high-minded mission statement. It’s built with a conscious effort and incentives to shape people’s behavior.

In his book *Good to Great*, Jim Collins talks about a proverbial flywheel that gets moving slowly but, with constant nudges in the right direction, gains speed and inertia. Building a corporate culture that promotes environmental thinking is a flywheel project.

The right tools help create the flywheel and get it spinning in the direction of Eco-Advantage. Everything from executing Green-to-Gold Plays to cultivating an Eco-Mindset to using Eco-Tracking and Redesign tools adds momentum.

#### *Culture-Building Tools*

WaveRiders use four basic culture-building tools:

● **A vision, reinforced by stretch goals.** WaveRiders ask their organizations what’s achievable, then set stretch goals beyond that to unleash creativity, drive innovation and build Eco-Advantage.

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### Inspiring an Eco-Advantage Culture

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- **Practices that fold environmental thinking into every strategic decision.** WaveRiders fold intangible benefits — such as lower risk, brand building and reputation protection — into their investment calculations.
- **Incentives for engagement with and accountability for the environmental agenda.** WaveRiders drive real environmental engagement by placing ownership for environmental strategy with management at an operational level, by cross-fertilizing executives between line operations and environmental positions and by establishing incentives for environmental success.
- **Communications aimed at both internal and external audiences.** A good environmental report should discuss the important aspects of the company's footprint. It should use quantitative metrics and cover core issues such as air emissions, water pollution, hazardous waste disposal, energy consumption, greenhouse gas emissions and notices of legal violations. Failure to review all aspects of the company's footprint signals to stakeholders that a company has something to hide. ■

### Why Environmental Initiatives Fail

As vast as the opportunities for Eco-Advantage are, successfully exploiting them is not easy. Here are 13 common reasons environmental initiatives fail and some thoughts on how to avoid these pitfalls:

- 1. Seeing the Trees But Not the Forest.** Ford committed substantial sums of money to making the River Rouge factory green, but manufacturing is not the core environmental problem in the auto industry. Instead, the company should have studied its environmental footprint and taken a hard look at its products. While Ford focused on planting grass on the River Rouge roof, Toyota was rolling out its hybrid gas-electric technology and taking the auto world by storm.
- 2. Misunderstanding the Market.** Eco-products hold up the promise of capturing new markets while making the world a better place. But the process of deciding whether a green initiative makes business sense should be fundamentally the same as for any other new product.
- 3. Expecting a Price Premium.** Green premiums are hard to pull off. Don't pitch only the green attributes of a product. Look closely at Toyota Prius ads and see the dual message. The car has an award-winning power train that will give you some zip, and it's got cool technological features. It also helps to save the planet. The environment is the third "button" pressed.
- 4. Misunderstanding Customers.** When an environ-

### External Audiences

Companies can use communications as both a shield and a sword. Touting the green qualities of a business can ensure that NGOs, regulators, the media, and ultimately, the public see the company as a responsible corporate citizen. 3M developed a simple process for managing these issues. Its Environmental Marketing Claims Committee is a cross-functional group that draws from public affairs, EHS and product responsibility and legal affairs. It checks every marketing claim, from ads to packaging, and thinks about how a particular claim will fly in the marketplace. The point, the team says, is partly legal but mainly about reputation.

mental initiative depends on changing customer behavior, be careful. If the change doesn't save people time or money — and sometimes even if it does — they may resist. Know your customers' limits.

**5. Middle-Management Squeeze.** CEO leadership and stretch goals are still success factors, but they can also cause irreconcilable conflicts for the people caught in between — the ones actually running the company's operations and trying to meet sales goals, keep costs down and hit profit objectives. Deal directly with the multiple pressures on middle managers with incentives and training.

**6. Silo Thinking.** If pollution is a cancer on the earth, abatement is chemotherapy — a treatment after the problem exists. Design for the Environment (DfE) is like quitting smoking and eating right. It's preventive medicine for environmental problems.

**7. Eco-Isolation.** Integrating the concerns, needs and incentives of those on the company's operational front lines into the game plan is essential. The larger goal is breaking down the barriers between environmental and business strategy.

**8. Claims Outpacing Actions.** In eagerness to be green, sometimes companies make promises before they've taken action. To avoid getting ahead of yourself make sure everything you say is true.

**9. Surprises: Wasp Stings and Unintended Consequences.** Expect the unexpected. Take a systemic view and be careful about forecasting potential gains.

**10. Perfect Is the Enemy of Good.** Sustainability depends on long-term economic success. It's the only way to fund whatever degree of environmental commitment a company chooses to make. The quest for perfection too often leads to inaction. Successful companies often find incremental solutions that steadily improve

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### Why Environmental Initiatives Fail

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environmental performance, while minimizing the burden in other areas.

**11. Inertia.** Moving people into a new way of thinking won't happen without a healthy push. Vision is critical. Every sweeping vision needs to be brought down into actionable steps.

**12. Ignoring Stakeholders.** Companies, especially multinationals, need permission from society, employees, regulators and many others to grow — even to exist. Knowing your stakeholders is essential. Start by mapping out which groups focus on particular issues. Listen to outside perspectives.

**13. Failing to Tell the Story.** Eco-Advantage comes from taking action — and getting credit for it. Companies need to tell their own employees what they're doing. Companies need to leverage clear wins. ■

### Taking Action

The plays, the mindset, even the tools for building Eco-Advantage mean little until they are translated into action. Many companies have pieces of an environmental strategy in place, but few are systematic about driving environmental thinking into their approach to business.

Because no two businesses are the same, every company has to plot its own Eco-Advantage path. However, the pace of progress is greater if certain things get done first. Broadly speaking, the agenda is:

- **Short term:** Find out where you stand and launch pilot projects. The short-term focus is systematic analysis. Clarify who and what to think about in the environmental realm. Gap analysis — knowing what you don't know — can be a big first step.

- **Medium term:** Track performance and build an Eco-Advantage culture. In over-the-horizon scanning, look for items on the public agenda that seem to be increasing in intensity, even if they are only tangential to your business. Tracking second- and third-order connections can help you spot emerging business drivers.

- **Long term:** Drive environmental thinking deep into the business strategy. Long-term actions should center on making environment a core element of strategy. This will require advanced Eco-Advantage tools and exercises, including supply chain auditing, rethinking products and re-examining markets and stakeholder management and partnerships. ■

### Eco-Advantage Strategy

Eco-Advantage has a twin logic. On one hand, the strategic gains are based on hard-edged analysis. In a

world of constrained natural resources and pollution pressures, the business case for environmental stewardship grows stronger every day.

Pressures on companies now come not only from eco-radicals, but also from traditional bankers and others asking tough-minded questions about environmental risk and liability. Those who offer solutions to society's environmental problems both mute their potential critics and find expanding markets.

In parallel, there's a strong values component to the case for corporate environmental care. The WaveRiders have made money — lots of it — by refining their business strategies to incorporate environmental factors.

But as much as they are driven by profits, they also are aware that their stewardship helps more than the bottom line. When short-term gains don't justify green initiatives, they are willing to look for long-term value for themselves and their workers, for their communities and for the planet. The gold they've discovered by going green is not only about money.

### Green to Gold

More and more people in the business world see corporations playing a major role in solving the world's environmental problems. Business, they know, is our most powerful mechanism for creating a functioning society and matching needs with goods and services.

Companies can and should be a force for good, leading the charge on caring for the environment and protecting our shared natural assets. Financial and environmental success can be achieved together. With the right mindset and tools, companies can handle the hard trade-offs.

In the end, Eco-Advantage is about a new way for inspired people — executives, managers and workers — to build companies and industries that are not just innovative, powerful and great ... but good, too. ■

If you liked *Green to Gold*, you'll also like:

1. ***The Triple Bottom Line*** by Andrew W. Savitz with Karl Weber. The authors make a case that no company or manager can afford any longer to ignore the world around them.
2. ***The Sustainability Advantage*** by Bob Willard. The book identifies seven benefits of corporate responsibility, and argues that businesses stand to profit from development strategies that are socially and environmentally responsible.
3. ***Investing in Nature*** by William J. Ginn. According to Ginn, the key to saving the land is bringing together the business world and conservation.
4. ***The New Economy of Nature*** by Gretchen C. Daily and Katherine Ellison. The authors describe the interplay of science, economics, business and politics that is involved in establishing new approaches and examine what will be needed to create successful models and lasting institutions for conservation.
5. ***The Sustainable Company*** by Chris Laszlo. Laszlo provides relevant case studies to demonstrate that corporate responsibility can increase business advantage.