

Guest Column

Businesses adopt proactive approach to environment

Change in attitude can yield economic benefits besides environmental ones

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by [Robert Grott](#)

Over recent years, many companies have shifted their thinking about how to address environmental problems. Rather than using a compliance-based approach (doing the minimum they can get away with), these leaders are taking a proactive approach that examines their environmental practices as part of a business improvement process.

This paradigm shift from an externally driven to an internally driven strategy is not just fueled by a wish to be environmentally responsible. Many companies are initially motivated by a desire to reduce regulatory burdens and liability exposure. In addition, strict environmental standards instituted by other countries are increasingly being extended to suppliers in the United States. Whatever the motivation, those organizations using a proactive approach to environmental management also find that they often achieve concrete cost savings, enhanced company image and improved employee morale.

Too often, responsibility for environmental issues is relegated to a compliance officer or group that finds itself at odds with manufacturing, purchasing and other departments. The key to fundamental and lasting improvement is to bring environmental performance into the mainstream management structure of a company. This allows the company to take an integrated, systems-and-process view of its operations.

Looking at linkages is critical. Dan Pain of Thermo Fluids Inc. describes a large Oregon manufacturing client that reviewed its overall coatings and cleaning process and shifted from hazardous alcohol-based chemicals to nonhazardous aqueous chemicals. It turned out that the hazardous chemicals also contaminated downstream tanks, making their contents hazardous as well. Thus one change created a ripple effect of benefits and the company changed its status from a large quantity generator (of toxic wastes) to a small quantity generator (with lower fees). The switch-over was so successful that it became the standard for the company's other plants.

The proactive, systematic approach to environmental practices has been formalized in what are known as Environmental Management Systems and the process is codified under the international standard ISO 14001, which provides voluntary standards and guidance documents to help organizations address environmental issues. It is important to note that these systems do not establish standards (such as emission or discharge levels) as do most regulations, but rather establish process standards. Taking the lead from other process-improvement methodologies, an EMS involves a continual cycle of planning, implementation, reviewing and improving.

The processes and practices formalized in an EMS enable an organization to systematically manage the environmental impact associated with its activities, while at the same time identifying ways it can improve its operating efficiency. In addition to being a vehicle for managing regulatory responsibilities, an EMS helps the organization address non-regulated factors -- and opportunities -- such as energy efficiency and resource conservation.

Following an EMS or an ISO 14001 approach, formally or informally, can lead to a variety of positive outcomes. The replacement of hazardous chemicals with safer ones ("green chemistry") lowers regulatory costs and disposal fees; process changes result in reduced chemical, water and energy use;

and purchasing and packaging changes result in reduced waste disposal costs. Reduction in toxics also leads to improved employee health and a lower risk of accidents and workers' compensation claims. By following the EMS process, a company will also have a prepared plan of action prior to a catastrophic event such as spills or leaks of hazardous materials.

Kennedy/Jenks Consultants' William Renfroe adds that the employee-driven bottom-up approach of an EMS makes a huge difference in fostering creativity and motivation. A local client, a steel fabricator, was under an enforcement order for environmental compliance. One outcome of its EMS was a switch to latex-based paints. Not only did the paint turn out to be less expensive, but the reductions in volatile organic chemicals meant that painters did not have to wear masks with carbon filters -- a daily cost savings of \$15 per painter. Also, the plant's neighbors stopped complaining about odors. Other initiatives included selling metal scrap instead of sending it to the landfill, finding an in-house use for excess paint, purchasing in larger containers, and even collecting universal waste (like batteries) from employees' homes to keep it out of landfills.

The EMS approach applies to all types of businesses and organizations. For example, one large government agency has a well-developed and comprehensive EMS, which targets everything from waste minimization and hazardous chemical tracking to energy efficiency. According to Shawn Williams of URS Corp., which assisted in the process, a local facility realized a reduction in environmental risk -- and a substantial savings in insurance costs -- by decommissioning an underground fuel storage tank and switching to an outside fueling service.

The United States is lagging behind other countries in the number of companies seeking formal ISO 14000 certification. Still, certification is a requirement for many suppliers to the automotive industry, and exporters to other countries, especially those in Europe, will increasingly be facing that requirement.

Saving money, reducing legal liability, and enabling foreign trade are certainly pragmatic business reasons for proactive environmental management. However, most companies involved in the process also decide that it is the right thing to do. And, increasingly, their employees, customers, and even investors agree -- wanting to work for, buy from and invest in companies that demonstrate sound and transparent environmental practices.

You don't have to be a big company to develop an EMS, and it doesn't have to be a cumbersome or expensive process. As with other improvement initiatives, the most important ingredients are a commitment to action and buy-in from all levels of the organization. And you don't have to figure it out on your own. There are a number of local environmental firms that can help you get started.

For more background information on EMS, visit the EPA Web site: www.epa.gov/ems.

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