

A Tactical and Practical Approach (TAPA) to Developing a Defensible and Manageable Sustainability Program

“Sustainability”. The term has many different definitions in the corporate world and beyond. Everywhere we turn sustainability is before us. From media outlets to Wall Street to Main Street the term is becoming more and more synonymous with “going green”, reducing global warming, and responsible social stewardship. It has become a major part of our social conscience and has resulted in an increased “burden of proof” for organizations worldwide

As an organization, where does one start to define a sustainability program? Without the appropriate tools and a plan, it can be overwhelming to develop such a program in the “Age of Accountability”. In developing a sustainability program, companies fall into one of three categories:

- Category A - Companies whose names are synonymous with sustainable and sustainable messaging are critical to their branding. In this category, think Patagonia, Body Shoppe, etc.
- Category B - Companies who are currently highly profitable as is and do not have an internal or market driver to be or convey sustainable.
- Category C - The vast majority of companies are those who are “in between” category A and B. This paper is primarily addressing those in-between-category-A-and-B companies.

From a high level, where do you start if you are in-between-category company? It is essentially a three step process: 1) develop your “message” and program priorities; 2) identify key metrics to track to support your message; and 3) track those metrics in a defensible manner.

Despite the 1-2-3 simplicity, the process is not straightforward. In fact, the process needs a high degree of collaboration and is very iterative. By gathering key stakeholders and using an experienced facilitator to drive the process, the end result will be an effective and efficient sustainability program.

Step 1 - Develop the Message

Developing the message is considering the first step and the “highest level” of the process. Organizations should be asking themselves: What message does your company want to or need to convey? Who are the stakeholders your message is intended to impact? What issues are most relevant to your industry? For example, the most relevant issues to an airline company would be greenhouse gas (GHG) emissions, while the most relevant issues to a garment company would be responsible cotton agriculture. What issues are most relevant to your industry?

Developing a free form list of possible issues, considering internal processes, production and delivery, as well as the product life cycle will give your company something to start from. From there, the facilitator can guide the group in distilling this prioritized list down to a message that will be meaningful to both Wall Street and other Stakeholders.

Step 2 - Identify Key Metrics to Support the Message

The next step in the process is to identify the metrics to support the message and the information needed for the metrics. This can be an involved process iterative with Step 3. Be careful what you commit to and be certain your company sufficiently leverages the good things they are already doing. For example, most Category C companies have predominantly addressed compliance. Compliance and regulatory relations often form the basis for a well thought out sustainability program. Do compliance metrics exist which are already being reported, that can be reported for sustainability as well? Sometimes a simple “tweak” to a metric is all that is needed. For example, if your company is already reporting tons of waste disposed or recycled, merely reporting this as annual percent reductions may be just the sustainability twist you are looking for.

An additional consideration that is coupled with the “message” (step 1 above) is whether or not you want to consider reporting metrics consistent with a standard. Research has shown that of companies who are producing Corporate Social Reports (CSR), 60% are using GRI standards. However, 40% are using a self established in-house metrics. Which is right for you?

Nevertheless, your team will inevitably identify metrics that should be reported that are not currently tracked. This list should be maintained and addressed further in the third step below.

Step 3 - Track the Metrics

Even though this is the last step, it is an extremely critical aspect to a defensible sustainability program. If your program is not defensible, it is essentially useless and can do more damage than good, opening a Pandora’s Box of legal, risk and financial issues. The key lesson here is to ensure your reported metrics supporting your sustainability program are DEFENSIBLE.

What does “defensible” mean? For starters, it means your company has a way to track who entered what data, when, and who/if/when that data has been changed. It also means there is a QC step in your process ensuring the data is accurate, and scientifically correct. It also means that your calculations comply with mandatory and voluntary standards. It means that one data point is not entered 5 times by 5 different people. What would a system look like that is NOT defensible? In general, Excel spreadsheets, universally loved for ease and flexibility, are not defensible. Nor is the Access database on Joe’s laptop. These systems do not provide the data integrity, integration and accuracy a defensible, scrutinized system requires.

There are many ways to address a defensible system, but considering the “people, process, technology” triangle will ensure you track your metrics in a way that is considered defensible, but also usable, and simple enough for a successful program.

Additionally, your team should seriously consider ease of data collection. The ‘ease’ issue is considered the iterative process with step 2, above. For example, if your team

has identified a “low value” metric that is not currently being measured and is hard to gather; this might be dropped from the sustainability program... at least in an initial roll out. On the other hand, if you are already tracking and reporting on a metric that makes you company “look green”, then by all means, include that in your sustainability program!

There is no one answer to what your sustainability program should look like and how it should be managed. Many subjective and individual considerations go into the process and ultimately impact the ultimate success of the program.



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