

WHAT ARE THE COMMERCIAL BENEFITS OF MAKING YOUR **SMALL BUSINESS SUSTAINABLE**

BY DALE JONES

Technical Director at Alcumus



We all want to be more green but now there's that bit more pressure for businesses to do their part. Do you feel it – from the industry or clients? The world is changing and all of us need to be prepared for it.

While SSIP is a baseline for health and safety for some industries and trades, customer demand is pushing for more environmental compliance – with supply chain managers increasingly asking for it as a requirement.

“ Do you feel pressure from industry or clients to go green? ”





“ Nobody wants to be pressurised to evolve – but there are a raft of benefits if your business goes green ”

You can publicly display your sustainable business practices by becoming verified by a trusted authority in the industry. Compliance helps to remove some of the hurdles that can stand in the way of tendering opportunities, a place on a supplier list, or simply on-boarding with new clients. Showcasing your business capabilities through verification shows that your business can stand up against the compliance criteria that larger businesses adhere to. This is one path to scale. Some businesses do it at the request of clients to ensure they stay in the game, whilst many take the initiative because they see the clear benefit and want to do their bit for the environment. This is important, because collectively SMEs have a high environmental footprint – responsible for up to 70% of industrial pollution across Europe according to OECD.

Perhaps you'd like to do more too, but feel financial constraints are getting in the way of reducing your impact. A proportion of businesses do make the investment into green technologies due to regulatory demands – and whilst nobody wants to be pressurised to evolve – there are a raft of benefits that go beyond the perks of winning more work if your business goes green.



“ SMEs are responsible for up to 70% of industrial pollution across Europe ”

THE COMMERCIAL BENEFITS OF GOING GREEN

It is an economically viable choice. With energy and fuel costs hiking up it's the time to explore every way to reduce your usage. You will see the drop in your operating costs if you reduce your waste and emissions and you could reinvest the savings into green technologies to further optimise operations and reduce your costs again.

One study from Barclays states 75% of businesses (encompassing large corporates and SMEs) have noticed the commercial benefit following the investment into green technologies. Green tech is ever more accessible with potential tax breaks and government grants softening the capital investment.

WHAT YOUR CUSTOMERS ARE LOOKING FOR

People are more eco-conscious than ever before. Your customers will be looking for your environmental policy, so communicate your credible environmental position to bring people towards you. The flip side is that increasing numbers of people are turning away from businesses that don't do their bit – which is a little more difficult to swallow.

With responsible consumption on the rise, data shows that customers are willing to pay a premium for sustainable goods and services as they take increasing responsibility for their impact. A report by E.ON (How SMEs can benefit from the green recovery) suggests that 51% of consumers surveyed believe “the eco-credentials of a product are just as important to their purchase as the price they pay for it.”

BOOST YOUR REPUTATION

Pursuing a sustainable path doesn't just benefit the environment (and let you sleep a bit better) – it presents you with a great opportunity to enhance your business's reputation. E.ON goes on to say that more people are being influenced by brand reputation specifically around environmental ethics and sustainability, with price no longer the key driver behind decision making.

If you put the legwork in to make improvements on your sustainable policies, talk about it! Ensure your website, press releases and any social media channels are brimming with news about your efforts to improve your ecological footprint. And keep talking about your green credentials – it'll be an ongoing commitment by you so let your customers see your consistent approach.



RECRUITMENT AND SERVICING WORK

We're firmly in an employee's market and businesses are jostling for good talent. We've all read about the shortage of staff in many sectors – and data from the Office for National Statistics backs it up. So how can you make sure your business attracts the best individuals in a competitive recruitment market and then hang onto them?

The same Barclays study says “The environmental awareness of staff is also a key driver for businesses – with 91% of firms surveyed saying they recognise it is of extreme or reasonable importance to their employees.” People are getting more clued up and choosy about where they work so make sure you stay in the running for the best talent.

A culture which actively practices greener policies boosts employee morale. This same promotion of greener policies and environmental awareness may well have a halo effect to inspire people to buy into it and make positive changes at home.

“ How can you make sure your business attracts the best individuals in a competitive recruitment market? ”



IDENTIFY OPPORTUNITIES IN YOUR PROCESSES

The UN's Race to Zero campaign is a global commitment aiming for net zero carbon emissions by 2050. Impressively, nearly a third of the UK's largest businesses have committed to cutting emissions in their supply chains. Of course sizeable business entities have the bandwidth, budget and teams to deliver on their hefty promises but there are many ways in which micro and small businesses can take proactive steps to reduce their environmental impact – and not dent margins.

Make time to review your processes to identify ways to improve your environmental footprint. Assess the products you procure – are they as sustainable as they could be? By going through this process you'll also gain insights into how your clients look at your business (very analytically).

If you're in the business of products, look at the life cycle from production to packaging and fulfilment – and how it can be recycled at the end of its life.

If you're a service provider, is there an opportunity to upgrade your vehicles to electric and save on a host of charges and expenses in the process? And the same for any kit you use – newer electrical items and tools are simply more energy efficient. On top of this, the government is introducing new rules for electrical products to tackle obsolescence which will give latest models a longer life.

Look around your immediate environment. You'll be surrounded by ways to cut waste and save money. Ask yourself if you can:



Go paperless

There are numerous mobile business banks geared up specifically for SMEs that are designed to save you endless admin too



Eliminate single use plastics

explore what refill options are available



Use more sustainable suppliers for your own business



Enable energy

saving modes on devices. Search 'vampire devices' and you'll be surprised how the slow leeching of energy adds up



Reduce the thermostat

just 1°C will make savings



Upgrade older vehicles to electric



Upgrade appliances

to more energy efficient versions

BE LEADERS IN A GREENER FUTURE

The collective mass of the global SME sector makes micro and small to medium-sized businesses well placed to pioneer change. Invest the time to understand how you can better meet your customers' wants and needs in the sustainable economy and you should reap the benefits. So don't waste another moment – go go green!



ABOUT THE AUTHOR

Dale Jones is a qualified H&S practitioner and quality manager with over 20 years of experience working with supply chain products. As Technical Director at Alcumus, he specialises in third party assessment and supply chain assurance solutions.

To find out more visit
alcumus.com

 **Alcumus**[®]
Safer, Healthier, Stronger