

Articles

Sustainability = Profit + Environment

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Written by John Brodie

One of the common queries or comments I receive when presenting on sustainability is the matter of costs.

- “What will it cost me?”
- “Is it cost effective?”
- “What is the pay back period?”
- “It is a waste of money”
- “It will cost too much!”

All of these are valid questions and statements, especially as costs are the base for any business.

But there is obviously a lot of fear around the subject.

If sustainability is not cost effective, no one will use it; no person, no company will implement it. Irrespective of how much they are concerned about the environment.

I have good news though.

Sustainability is definitely cost effective.

In order to appeal to the CEO who is concerned about value, about life cycle costings, Return on Investment etc, sustainability must be practical, cost effective and have measurable outcomes.

It is interesting though, when one analyses a business from a sustainable perspective we usually find a massive amount of waste being generated by that business that is uncosted; yet it is an exact measurable cost against the bottom line of that business. Those costs of Natural Capital (Water, Energy, Waste etc) should be on the ledger.

Then we would take more notice of them as a cost

Conversely, quite often, it is the businesses that are concerned about the cost of implementing a sustainable philosophy that are the biggest wasters. And therefore we find outstanding opportunities for improvement, for benefit, for profit, for these businesses that are often the sceptical ones. Not to mention the environmental benefits!!

In all businesses we review there is waste in areas such as power, water, resource management including staff, loss of productivity, inefficient operational practices etc. Most of the business premises are inappropriately designed for their location, function and climate.

Yet these same businesses are run by the same people who will ask the question about cost, detailed above.

“No business makes money if it is inefficient” (World Business Council for Sustainable Development)

Sustainability is about, in broad terms, improving efficiencies.

It is about improving your profitability while at the same time improving your environmental outcomes.

Sustainability is not just about adding a water tank to your premises or changing light globes. It is a science and it needs to be integrated wherever possible right through your business operations, from the management philosophy right through to your built environment.

All businesses do have a connection to the built environmental whether it is through their offices, their production facilities, their operational facilities etc.

The biggest financial investment most businesses make is usually their built environment.

Therefore, it stands to reason that a lot of the inefficiencies that occur with running your business can be found in the built environment.

It is these inefficiencies, whether it be the design, the construction or the operations of your building where, with appropriate sustainable manage expertise, you can make the most improvement to those inefficiencies.

These include reducing wastage, while also at the same time providing the improved profitability opportunity while minimising the environmental loads currently produced by your business.

As we are all aware, the current climate change issues are now being linked to the waste of our Natural Capital. This Natural Capital is currently ridiculously undervalued, especially as it is a resource that we cannot reproduce in any way. We cannot produce water or air or earth or nature. The list goes on. Yet we consume them unabated, propelled by the massive cheapness of these integral components that are necessary for our survival, as well as the rampant belief that these resources will always be there for our use.

In addition we have a core belief that we have a right to use them as we wish, relatively free of charge.

How long can these beliefs sustain us?

But this is not a doom and gloom story.

The application of sustainable practice to your project is relatively cheap and has many benefits.

The US Green Building Council (USGBC) (Cost of Green Buildings 2004) has done significant research on this issue and has found that if there is any cost up front for a sustainable building it is usually around .6% -2% of total project cost. Sometimes there is no increased construction cost.

It has also identified that these costs are usually recoverable 10 times over within 20 years just through reduced energy useage.

Yet there is much more benefit to be found in defining a sustainable outcome from your business. This applies to new or refurbished built projects.

The earlier in a project you identify a sustainable outcome requirement, the greater these outcomes will be.

When deciding to take a sustainable approach, many options and benefits arise.

The design of your structure becomes suited to the local climate; the occupant comfortability is significantly improved, resulting in reduced absenteeism (25%, USGBC) of staff while increasing productivity.

Internal environment quality is greatly improved; resulting in improved occupant and staff health .The EPA (USA) has identified 'Sick Building Syndrome' as one of the top 5 health issues facing the world today!

A sustainable approach will significantly reduce that risk.

There is no need to be fearful of a sustainable approach. It is the way of the future.

It will measurably increase your profit while improving your environmental outcomes. These two features have for years been considered mutually exclusive. Sustainability changes all that.

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