

Sustainability Planning Best Practice: Customize to Optimize

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Let's assume that your company or organization has decided to develop and implement a sustainability program, for one or all of the many good reasons to do so. To make the most of the time, effort, and resources invested in a sustainability initiative, and to get the best payback on the investment, a solid plan is essential.

As with any strategic planning process, you need to know where you are today, where you want to go, and the best options for getting there – but the optimal goals, and the optimal steps to getting there, are different from one organization to the next, based on their specific scenarios. Therefore, a key to good strategic planning, and especially for sustainability planning, is to “Customize to Optimize” – to view your environmental risks and opportunities, and the possible solutions and actions, through the lens of your particular situation, to develop the plan that is best suited to maximize your success. Let's look at how this can be done in sustainability planning.

Three key fundamental building blocks of a strong sustainability plan are a sustainability SWOT analysis, an impact, risk, & opportunity assessment, and an assessment of potential solutions or actions to address those risks and opportunities. The concept of a SWOT (strengths, weaknesses, opportunities and threats) analysis is well-known and fairly straightforward, so we won't focus on it here. We will simply point out that a good-quality analysis of your company's internal strengths and weaknesses, and external opportunities and threats, related to environmental sustainability issues, is by its very nature highly customized, and a quality effort in this step will help inform the prioritization and decision making in the next two.

In sustainability planning, you next want to identify your company's particular environmental impacts, and which ones should be the highest priorities in your sustainability plan, from both an environmental and a company perspective. Here is where some more refinement and customization come in. Environmental impacts and risks (and the opportunities that arise from reducing them) should be evaluated using the number and type of criteria that are appropriate to your company's specific situation. For example, prioritization criteria for environmental impacts could include the following:

- Environmental impact – deposits/emissions to the environment
- Environmental impact – depletion/degradation of resources
- Regulatory risk to company – level of risk from current or potential regulations regarding this impact area
- Employee health & safety risk – risk to employees from current situation regarding this impact area
- Internal stakeholder sensitivity – awareness/pressure from employees regarding this impact
- External stakeholder sensitivity – awareness/pressure from shareholders, investors, community, others
- Current cost/benefit situation – would addressing this impact be a high cost, high savings, or in between
- Ability to control – level of control company has over reducing/removing the impact

This is not a hard-and-fast list, but it shows criteria that are often used by companies employing best practices in sustainability planning. You might decide to use one general 'environmental impact' criteria or combine the two 'stakeholder sensitivity' criteria into one – or replace one or more of these with criteria more suitable to

your industry, company, or situation. A reasonable balance between environmental and company-related criteria is often appropriate, since often the highest-priority areas are those for which addressing that area has both a high benefit to the environment and a high benefit to the company.

As you can see, customizing your impact assessment by choosing the right criteria, weightings, and ratings will help you develop a plan that is most appropriate for your situation, and which will often be significantly different from that of another company. For example, the same environmental impact area may have a very different level of priority for two different companies, based on different levels of regulatory pressure, safety risk, stakeholder pressure and/or company ability to control or benefit to resolve.

Once you have identified the highest priority impact areas, the next step is to consider and prioritize potential solutions, actions, and programs to implement within your plan. This is where you might make the initial decision about whether to prioritize an efficiency effort or a solar installation, or whether to address new product materials or waste reduction efforts, or both. Here, customization is also critical, since your specific situation will mean that there is a different set of 'best choices' for you, based on your particular scenario. Criteria for assessing the potential solutions may include such things as:

- Short term financial impact – what is the near term (i.e., less than 1 year) cost or savings to implement?
- Long term financial impact – what is the long-term (more than 1 year) level of savings or cost of implementing?
- Environmental impact – what is the level of environmental benefit or harm of the solution (recognizing that solutions in some area may have tradeoffs in others)
- Human health / productivity benefits – same as above, with a focus on human health & productivity
- Speed / ease of implementation – is it a 'quick win,' which can be important to generate enthusiasm and momentum for your program?
- 'Intangible' impact – is it a 'big win,' which can be important to generate disproportional levels of excitement and positive awareness and influence, either inside or outside of the company?

Again, these are not the only criteria that might be used, and this is not to say that this is the ideal list for all companies. Your list should be tailored to the key decision factors relevant to your industry, company, size, scope, situation, resources, and other key factors. Some lists include 3 or 4 criteria, while some include 7 or 8 (more than that can get unwieldy). And, how different companies weigh things like quick vs. big wins, near-term vs. long-term financial impact, different levels of comfort with up-front investment, and so on, will mean that the results and optimal plan will look different for each organization. Note as well that deeply detailed cost-benefit or environmental impact assessments are not required nor generally done at this stage; rather, existing examples and data and rougher, preliminary assessments and informed estimates are used to identify high-priority potential programs that will then be assessed with greater scrutiny as part of a good sustainability action plan.

It is important to do some good strategic thinking around setting your criteria and any relative weighting you apply to them, because the criteria will have a strong affect on your strategic prioritization. For example, you don't want to overload your list with too many criteria that are just variations on the same thing, such as financial impact, although that is a very important criterion.

By taking a customized approach to identifying your sustainability strengths, weaknesses, opportunities, and threats, and by customizing the prioritization of your impacts and opportunities, as well as your potential solutions and actions, you will have a very strong foundation for a sustainability plan that is best suited to optimize your success in your specific situation.

This may seem to require a fair investment of time, attention, and some good solid thinking, and done right it does take a reasonable amount of time and commitment. Keep in mind, however, that this and all elements of sustainability planning and implementation can be – and should be - scaled appropriately to the size, scope, resources, capacity, and situation of each organization.

Also keep in mind that increasing numbers of companies are finding that increasing their environmental sustainability is providing significantly better payoffs than many financial portfolios are returning, and just like a financial portfolio, your organization’s sustainability plan will yield better results for your business and the environment if you customize it specifically to your goals and to your specific situation.

Bryan Sheehan is founder and President of SymbioSus Sustainability Consulting, Inc., a sustainability consulting practice that helps small to medium-sized businesses increase their profitability and competitive advantage by integrating sustainability strategies and actions into their core business operations. To learn more about SymbioSus,TM or to review other resources that may help you with your sustainability efforts, visit www.symbiosus.com.