

A Brief Business Case for Going Green

In May of 2005, General Electric's Chairman and CEO, Jeffrey Immelt said, "It is no longer a zero-sum game – things that are good for the environment are also good for business. General Electric is embarking on this initiative not because it is trendy or moral, but because it will accelerate economic growth." In tandem with that statement, Immelt created EcoMagination, a concept that applies the same stringent standards and rate of return expectations for environmentally and green business opportunities, as GE does for its traditional business model.

In the last 3 years, more than 40 of the top 100 businesses in America have created sustainability departments or green teams devoted to reducing their environmental impact while saving on energy, reuse of packaging or recyclable opportunities. If your business or corporation could save 10, 15 or even 30% on expenses, wouldn't that have a dramatic impact on your bottom line and profitability? Numerous companies throughout this country and worldwide are accomplishing just that.

Does buying "green" mean that you should expect less from your products or services? Or, that you will be compelled to pay more? The definition of green purchasing from the Center for the New American Dream Eco-SAT is, "Using purchasing power and supply chain management to purchase products that have a reduced effect on the environment and human health while meeting the purchasing standards or performance, price, availability and regulatory status." In other words, if green products or services don't measure up, or cannot be cost justified, don't buy them.

The movement to sustainability and green business is a process. Not every green product or service will be cost effective. Due to economies of scale, many green products will not be truly price competitive for years to come. But, tangible and intangible rewards, sustainability - environmental impact - consumer approval should be considered. Businesses will want to assign a dollar amount commensurate with the intangible values garnered by going green. In nearly every recent market survey, consumers have been shown to look favorably upon companies that have taken an environmental stance with their products and services. Wal Mart, Starbucks, Home Depot and other market leaders are using their environmental stance and considerable clout to help burnish their brands.

The Dow Jones has a sustainability index. More RFPs are requiring suppliers to have sustainability plans and/or policies. "Carbon credits" and "LEED certified" have entered our business lexicon. You may not have to dive into the environmental pool, but it's time to get more than just your feet wet.

Buz Buzogany, is a principal of SAVVY-Strategic Resource Partners, LLC, based in Arlington Heights, IL, and The Green Exposition, a fully owned subsidiary. He can be reached at 847-749-4012 Direct or at buzogany@thegreenexposition.com