

ENVIRONMENT CHALLENGE

DEEP DIVE OUTPUT

The Challenge: How can we help British business improve environmental performance?

A summary of the Environment Problem PowWow output 22nd November 2012, Bristol, which identified:

51 'raw' problems
8 themes
43 insights

We asked. "What are the barriers to businesses easily improving their environmental performance?" We asked. "What are the barriers to environmental performance easily improving businesses bank balances?"

The GeoVation Challenge focused on the following 8 themes:

1. FROM DUTY TO OPPORTUNITY
2. GOOD PROCESS MANAGEMENT
3. COMPLIANCE
4. AWARENESS, KNOWLEDGE & COMMUNICATION
5. RETURN ON INVESTMENT
6. BUSINESS PRIORITIES
7. WORKING WITH OTHERS
8. ORGANISATIONAL BEHAVIOUR AND CULTURE



I. FROM DUTY TO OPPORTUNITY

1.1 Waste is an ugly industry

PROBLEM

How do we make environmental performance a more attractive proposition for investment and innovation?

WHY IT MATTERS

The industry has no compelling figurehead to help make the case between the environment and the bottom line. How might Virgin reinvent the industry for example?

1.2 New competitive advantage

PROBLEM

How do we encourage businesses to see engaging with environmental performance as a market differentiator?

WHY IT MATTERS

In the future positive environmental credentials may be a deciding factor for winning business, retaining customers and market growth.

1.3 Protectable investments

PROBLEM

How do we best protect investments made by businesses to improve their environmental performance?

WHY IT MATTERS

If a company has more pressing financial concerns, they can't leverage the investment and if energy prices drop they won't get the maximum return on that investment; they may even lose money.



2. GOOD PROCESS MANAGEMENT

2.1 Right first time

PROBLEM

How can we make it easy, without being time consuming, to manage waste in a way that does not result in contamination of recycled materials?

WHY IT MATTERS

Failure to separate materials properly, often due to a lack of space and / or time, results in increased risk of contaminating whole loads and making the entire effort worthless.

2.2 One process can fit all?

PROBLEM

How do we improve environmental process management in a way that's accessible and valuable to businesses of all sizes and types?

WHY IT MATTERS

Poor process management results in cost savings being lost and the inherent value in waste not being realised.

3. COMPLIANCE

3.1 Don't reinvent the wheel

PROBLEM

How can different governments maintain and build on what is working while introducing their own new thinking around policy and programmes?

WHY IT MATTERS

A change in government can set back an existing bank of knowledge and put the relationship between businesses and environmental performance at risk.

3.2 ISO can be onerous

PROBLEM

How can the requirements set out by ISO 14000 for example be more easily implemented by businesses whilst fulfilling their duty of care obligations?

WHY IT MATTERS

Compliance with any standard, particularly for the first time, requires a substantial investment in support and resource.

3.3 Government is the barrier?

PROBLEM

How could environmental regulation become less of a burden to businesses and remove 'them and us' attitudes?

WHY IT MATTERS

Many businesses perceive government policies in general, as a barrier to, not an enabler of, better performance.

3.4 Penalties vs. incentives

PROBLEM

How can incentives for better environmental performance become a no-brainer for businesses?

WHY IT MATTERS

In some cases it may be cheaper for a business to pay a penalty than to comply with regulations in the first place.

3.4 Staying below the radar

PROBLEM

How can we encourage businesses who might otherwise grow, not be put off by environmental regulations?

WHY IT MATTERS

Many businesses stay 'below the radar' because complying with regulations is seen as costly and complex, when actually their business may benefit.

4. AWARENESS, KNOWLEDGE & COMMUNICATION

4.1 Celebrating success

PROBLEM

How do we collect and share success stories / case studies to demonstrate how businesses can easily save money through better environmental performance?

WHY IT MATTERS

Businesses often perceive improving their environmental performance as expensive and resource heavy, when actually many other businesses have had success.

4.2 Best practice secrets

PROBLEM

How can businesses that are sensitive to confidentiality be encouraged to share good practice and ideas with the wider industry?

WHY IT MATTERS

Some businesses may be reluctant to share their know-how on ways to achieve competitive advantage through improved environmental performance.

4.3 Making the invisible, visible

PROBLEM

How can energy usage be made visible so businesses understand their current consumption and what influences it?

WHY IT MATTERS

Unless businesses are clear on their usage, the motivation to improve is undermined.

4.4 Connecting communities

PROBLEM

How can it be made easier for communities to identify and report local environmental problems to the environment agency?

WHY IT MATTERS

Members of the community can play an important part in ensuring businesses are fulfilling their environmental performance obligations.

4.5 Visualising waste

PROBLEM

How can information data about waste produced, and processed, be visualised for individual and collective businesses?

WHY IT MATTERS

By exploiting existing environmental performance behaviours through visualisation of 'waste activity', awareness can be raised.

4.6

Waste accountability

PROBLEM

How do we ensure businesses that are dutifully complying with their environmental performance remain motivated whilst others that are not complying, and are seen to be getting away with it?

WHY IT MATTERS

Businesses that are “signed-up” and monitored run the risk of becoming demotivated when they see other businesses avoiding compliance to save money.

5. RETURN ON INVESTMENT

5.1 Up-front investment

PROBLEM

How do we help businesses commit to investing time and money in improving environmental performance when payback is over a long time?

WHY IT MATTERS

Obtaining loans from banks is not easy for businesses in current climate and they may also need help to convince investors to make environmental investments.

5.2 Profit margins are tight

PROBLEM

How can we help businesses find money to support environmental ambitions when there is little spare cash in a business?

WHY IT MATTERS

For many businesses their cash flow situation and underlying business model means they'll only be able to switch to more environmental approaches with external funding of some sort.

5.3 Valuing good performance

PROBLEM

How can we make the economic case for changing to better environmental performance easier to assess?

WHY IT MATTERS

If businesses can't easily see the financial value in better environmental performance (saving money, improving profits), they aren't able to make informed choices and so don't change.

5.4 Baselining to improve

PROBLEM

How can we create more and better baseline information for specific companies so that they are motivated to save money and create value?

WHY IT MATTERS

If there is no easy way for businesses to baseline: their current costs; the potential consequences; and alternative courses of action, then there is no motivation to address them.

5.5 Valuing outcomes financially

PROBLEM

How can we identify and present financial incentives that encourage changes in behaviour that reduce energy use or material consumption?

WHY IT MATTERS

Unless people running businesses can see a financial benefit, they won't change behaviour.

5.6

Costs of green tariffs & Materials Recycling Facilities (MRFs)

PROBLEM

How can we combat green tariffs and use of a MRF being seen as more expensive than conventional approaches?

WHY IT MATTERS

Anything seen as an additional expense, and contributing to bank balances negatively, presents an immediate barrier to engagement and subsequent behaviour change.

5.7

Unseen value in waste

PROBLEM

How can we help businesses see the value that various wastes have and be more proactive in caring for that waste?

WHY IT MATTERS

Waste perceived to have no value can lead to pollution, fire, and nuisance but when its value is understood, it is cherished and managed well.

5.8

High opportunity costs

PROBLEM

How can we help small companies compete with big businesses in the environmental performance arena?

WHY IT MATTERS

The costs of getting in the environmental performance 'game' prevents a wider adoption of good environmental behaviours.

5.9

Limited cost savings for SMEs

PROBLEM

How can we maximise the savings to be gained by SMEs embracing environmental performance?

WHY IT MATTERS

Savings, estimated by some at 10%, are perceived to be 'not a lot of fat' to take out. This results in a lack of incentive to put in the effort and get 'match fit' for environmental performance.

5.10

Costing to save

PROBLEM

How can we help businesses see past the up-front costs of technologies such as photo-voltaics, anaerobic digestion and solar tubes?

WHY IT MATTERS

While the return on investment case may exist, many businesses simply see the initial costs as a barrier.

5.11

Growth through diversification

PROBLEM

How could it be made easier for businesses to enable growth through development of new services and business activities for both existing and new customers?

WHY IT MATTERS

Often businesses don't have the time and resources to think strategically and therefore opportunities with environmental benefits are missed.

6. BUSINESS PRIORITIES

6.1 Lifecycle of business

PROBLEM

How can environmental performance remain a priority for a business irrespective of the stage it is at e.g. readying for sale?

WHY IT MATTERS

Businesses may not be inclined to invest before sale as ROI period will be too short and the potential buyer may be unlikely to pay extra for the business.

6.2 Carrot vs. stick

PROBLEM

How can businesses prioritise environmental performance proactively rather than something they do because they might be fined?

WHY IT MATTERS

Businesses are unlikely to put the environment to the top of their agenda unless there is a clear and positive call to action.

6.3 Positive green

PROBLEM

How might businesses see 'being green' as something that can be exploited to grow their business / save cost?

WHY IT MATTERS

Many businesses see environmental performance as something they have to do rather than something that is positive and core to business as usual.

6.4 Low (or no) social conscience

PROBLEM

How could businesses match their focus on profit with the potential impact of poor environmental performance and the wider human and social cost?

WHY IT MATTERS

The environment is a valuable resource and the cost of fixing it is much higher than maintaining it.

6.5 Lack of regulatory enforcement

PROBLEM

How could we get businesses to treat environmental regulation in the same way as they have treat the 'VAT man'?

WHY IT MATTERS

With the lack of resource available to police environmental performance and cuts hitting hard in the public sector, there needs to be smarter ways to improve regulatory compliance.

6.6 Not enough time

PROBLEM

How could smaller businesses access useful information in smarter, time effective ways?

WHY IT MATTERS

SMEs often enjoy operating reactively, at fast pace, solving problems leaving little or no time for strategy. In some cases the businesses have low literacy and IT skills. This can all lead to business opportunities with environmental benefits being missed.

6.7 Operators actively avoid improving

PROBLEM

How can business operators change their perception that the cost and the importance of improving environment performance is a deterrent?

WHY IT MATTERS

Often operators use neighbour comparisons to avoid having to improve which makes it harder to shift mindsets from 'strongly against' to 'for'.

7. WORKING WITH OTHERS

7.1 Voice of the community

PROBLEM

How can communities voice their concerns irrespective of where they live and their social demographic?

WHY IT MATTERS

'Problem' businesses are often in 'problem' areas where the communities may not have the same voice of more affluent areas.

7.2 Utilities as active agents

PROBLEM

How can utility companies become incentivised to reduce the demand businesses have for energy?

WHY IT MATTERS

There is no motivation for utilities to support their business customers to reduce their energy consumption.

7.3 Collective improvements

PROBLEM

How can businesses be supported to work together to learn about improving environmental performance, and implement as a result?

WHY IT MATTERS

A collective effort to improve performance presents the potential to achieve economies of scale through group buying and activities.

7.4 Aggregating waste

PROBLEM

How can SME's better aggregate their waste (potentially with other SMEs) to create volume for efficient management?

WHY IT MATTERS

Cost and volumes can be too high and low, respectively, negating the possibility of achieving any level of economies of scale.

8. ORGANISATIONAL BEHAVIOUR & CULTURE

8.1 Savings forever?

PROBLEM

How do businesses sustain savings beyond 'quick wins' when they first improve their environmental performance?

WHY IT MATTERS

Motivation is likely to drop if saving cannot be sustained over time.

8.2 Storytelling

PROBLEM

How can the behaviour of staff be influenced if the savings for improving environmental performance are small?

WHY IT MATTERS

For staff to change to their behaviour they need to understand what they need to do differently, why they need to do it, what's in it for them and what support they will receive?

8.3 Avoidable waste contamination

PROBLEM

How can businesses ensure they avoid contaminating other recycled waste through human error?

WHY IT MATTERS

If waste becomes contaminated, the value of it is reduced and the cost to resolve it is increased.

8.4 Contamination impact

PROBLEM

How can businesses and their staff be better educated to understand why they should segregate different types of waste?

WHY IT MATTERS

People are often unaware of the direct consequences of their actions e.g. a whole batch of one stream of waste must be scrapped, which in turn costs money.

8.5 Leadership doesn't value good performance and empower staff

PROBLEM

How can business leads that are focused on making money and don't see the economic value in good environmental performance, be encouraged to empower staff that have ideas to improve it?

WHY IT MATTERS

Businesses can't afford to waste but do because they can't always see a way to make money from good performance. If improvements don't happen businesses can be disrupted by incidents or legal action leading to new savings or profits being missed.

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