

**Seventh Annual Regional Sustainable Development Forum:
Being a Part of the Climate Change Solution:
Individual Action for Collective Impact**

January 25, 2008, MIT Sloan School of Management

Session 1: Greening Your Business

Presenters:

Mark Buckley, Vice President of Environmental Affairs, Staples, Inc.

Mark Chase, Director of Business Development/Founding Management Team, GoLoco and Zipcar

Jeff Schwarz, President, Image Software Services

Moderator:

Dona Neely, Devens Enterprise Commission

Dona manages the EcoStar program at Devens Enterprise Commission and has experience working with businesses in the Devens area trying to green their operations. She welcomed everyone and introduced the presenters who will discuss the challenges and benefits of greening a business as well as the services that they offer that can help with that greening process.

Jeff Schwarz:

Jeff is President of Image Software Services (ISS), a 15 year old digital duplication company focused on providing products to the financial services, software, municipalities and conservation groups and small business community. By creating a total environment—from profit sharing to employee involvement to reuse/recycle—ISS has been able to achieve the EcoStar Achiever award—the first in the region. Utilizing his 20 years of experience in manufacturing Jeff has been engaging his employees to look differently at how they use materials and how materials can be saved and used more wisely by their customers.

ISS is a small firm of 6 people. Jeff believes in open book management and profit sharing. Employees have enjoyed 10% profit sharing since 2004. He believes that employees need to have a stake in their company.

ISS specializes in:

1. CD/CDR/DVD Duplication
2. Color/B&W CD/CDR/DVD Printing
3. On-Demand Digital Printing in Color/B&W
4. Packaging/Assembly
5. Fulfillment/Distribution Services
6. Electronic Document Management

7. Diskette Duplication
8. Binding
9. Materials Management
10. Web-based Reporting Tools

When they began thinking about sustainability and what they do as a company, first thought was “We [heart] trees.” So they began recycling paper and today more than 90% of all paper scrap paper and discs are recycled.

Worked with Harvey (waste company in Devens) to obtain reduced size trash and recycling compactors, getting a larger compactor for cardboard, since they have so much, and getting bins for paper recycling. They have not had to change their behavior, only where they put their waste.

They also now reuse more than 90% of their incoming packaging materials. This came out of an employee suggestion that they could save money by reducing amount of new boxes purchased. Because of profit-sharing, money that the company saves is more money for the employees as well.

Now ISS has revised their sustainability policies. They “constantly work to seamlessly incorporate environmentally friendly processes throughout our organization by evaluating the full life cycle of our products and services.” They also now measure and report on their costs and savings and environmental impacts, materials reductions.

ISS has replaced all of their exit sign bulbs with LED bulbs, reducing their energy use and the cost per sign by a factor of 10.

They also share materials with members of the community for reuse and make donations of cd's and containers.

In summary, Jeff's suggestions for greening your small business are to get started, keep it simple, build on successes, start measuring, ask for help, and have fun.

Mark Buckley:

Mark is the Vice President of Environmental Affairs and directs Staples' environmental commitment and sustainable business practices to protect and preserve natural resources. He is responsible for driving the company's environmental leadership in four major areas: the purchase, development and promotion of sustainable products; waste reduction and chain-wide recycling initiatives; carbon reduction and renewable power procurement; as well as educational initiatives for customers and associates. An 18-year Staples veteran, he was previously vice president of facilities management and purchasing at Staples where he directed company-wide recycling and energy conservation programs.

Unlike ISS, Staples is a large corporation operating in 23 countries with global operations and a global supply chain. They have 74,000 associates and 1,880 stores worldwide.

Staples applies the triple bottom line approach to their sustainability practices, which includes consideration of economic, social, and environmental impacts on a global scale, not only in the communities in which they operate. They aim for continuous improvement through goal setting and measurement.

The Staples environmental commitment includes:

- Environmentally preferable products
- Waste reduction and recycling
- Energy and climate
- Environmental education

They see their environmental commitment as part of a cultural evolution as opposed to a cultural “shift” and consider how to create a consistency and culture around these commitments among 74,000 employees.

Mark then outlined what he sees as transformational sustainable business behaviors, including:

- Business opportunity vs. risk mitigation
- Resource management vs. waste management
- Life cycle analysis vs. Return on investment
- Quality vs. compliance
- Supply chain impacts vs. operational impacts
- Linking environmental/social impacts/benefits with core business strategies

Market leadership is a goal. They have also wanted to create market demand where there was none. They do not simply want to wait for customer demand for environmentally responsible products.

Paper is a large component of their footprint, so they have articulated a paper procurement policy that includes an average of more than 30% post-consumer recycled content for all their paper sales.

Their environmentally preferable products include products with alternative fibers, such as cotton denim used for folders. He demonstrated the folder and its durability to the audience. Another example is waste sugar cane product being used for a line of their paper.

With regard to energy and climate, Staples has set an absolute emissions reduction target of 7% below 2001 levels by 2010. This is being done through:

- Energy conservation
- Green building design
- Green-e certified renewable energy purchasing
- On-site distributed generation—wind, solar, geothermal
- New technologies, such as hybrid vehicles
- Carbon sequestration

One of their large facilities includes solar generation on the roof.

Staples also has contributed to development of a business-to-business resource tool for small businesses, which can be found at www.earth911.com/staples. Another examples of their environmental education outreach is their partnership with Earth Force through the Staples Foundation for Learning.

Staples is active in recycling paper products, ink and printer cartridges, and electronic waste and is an EPA Plug in to eCycling partner.

Recently Staples has branded the “eco easy” label to make it easier for customers to locate and purchase their environmentally preferable products. In addition, they are actively reporting on their environmental performance to provide info to customers and investors to make things more tangible and motivate them to continue with sustainable practices.

Mark Chase:

Mark has over ten years of transportation systems innovation in the public, private and non-profit sectors. Mark is a social entrepreneur. He was on the founding management team of Zipcar, is helping to launch GoLoco, an innovative service that helps people fill the empty seats in their car. He co-founded Central Bike Services, a company that helps large institutions install and manage bike parking. Mark consults with organizations and businesses experiencing car-parking shortages to develop sustainable transportation programs that get people out of their cars.

Mark began by explaining that parking is the hidden element of the transportation system that has a huge impact on how we get around.

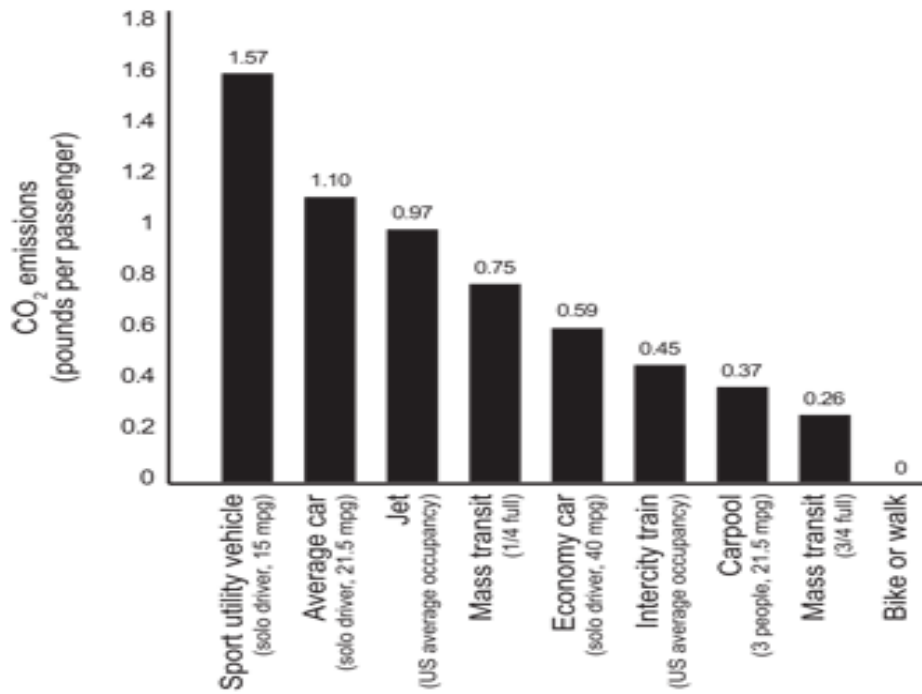
He talked about significance of using parking as a tool:

- Parking is the key to greening transportation footprint.
- Parking is the only thing that companies/organizations can control in terms of influencing their employees about their transportation choices.
- Parking is also a tool to decreasing carbon dioxide emissions as it can be used in decreasing amount of driving.

If we make streets more livable and pedestrian friendly, you will get people out of their cars.

31% of U.S. carbon emissions are from the transportation sector. And the 2nd biggest area people spend their money on is transportation (spending 20% compared to the 1.6% spent on education).

He shared this interesting chart showing the pounds per vehicle mile traveled by type of transit.



He emphasized that a carpool is a more efficient form of transit than riding a 1/4-full bus.

The transportation system is made up of vehicles, networks, and terminals/places. Business cannot control cars or streets, but they do have control over parking in most cases. Building parking can cost anywhere from \$10,000 to \$40,000 depending on whether it is surface, garage, or underground parking. Mark described parking as being like free lunch. There's not really such a thing. Someone has to pay for it.

Mark provided information on Pasadena, California as a good model for planning for parking. This example highlights that it is important to give revenue from parking back to the stakeholders so that they're willing to pay more for parking. The town installed meters in downtown business districts and also provided to park less expensively in a garage near by. The revenues from meters went into a fund for revitalizing business district (lightning, trees, painting, etc.). Now, the business district is flourishing.

It should be cheaper to park long-term in a garage than on a street. But in most cities, it's the opposite.

He also provided information on MIT's parking. They have added 2 million new square feet of space, but no new net parking. How? Through slow but steady increases in the parking rates and providing many travel options.

Zipcar: Every Zipcar takes anywhere from 10 to 40 cars off the road, it has been estimated. And every Zipcar serves roughly 30 to 40 people.
GoLoco is a social transportation system, which is a more organized carpooling system for people with similar transit needs and activity interests.

Mark explained an important concept for employees of a business, the parking cash-out/transportation benefit. The idea is that an employer offers employees a raise, but also charges that same amount to park. They can either keep the raise and find alternative modes of commuting, or give up their raise to park.

Mark's final thoughts were that changes are needed at the local, national, and international level. We need parking reform from municipalities and institutions. We also need revenue neutral congestion pricing and revenue neutral carbon taxes.

Q&A:

There was a comment that it would be good to see health care stats tied into reporting.

A suggestion that a business could consider giving a group of employees and hybrid vehicle.

What do you do with parking spaces once you eliminate parking on them?

Mark C.: It's very site specific. In some cases, you rip up asphalt or in some cases you can build on them.

As a company, after dealing with the low hanging fruit, what is the next level?

Mark B: Educating people on things they may not see as environmental issues—developing a culture, which then unleashes human potential.

Jeff: Educating customers about what they can do. Changing the business plan.

How do you create change from the bottom up and not just from senior management?

Mark B: At Staples, a lot does come from the bottom up, allowing employees to innovate and to think differently.

Is the environmental reporting a service that business pay for or just do themselves?

Mark B: Part of quarterly/annual reports at Staples. That's fairly typical for companies.

Jeff: Recommends www.localcooling.com for small scale aggregation of info on what you're doing.

Is Staples thinking about location of buildings around Smart Growth considerations?

Mark B: Looking more into brownfield development. Would like to get a LEED Retail prototype they can implement broadly.