

## Environmental Bridging

Businesses face a bewildering landscape of environmental issues. How should they tackle them when commercial priorities have never been higher? We show here how companies can build a bridge between business priorities and environmental priorities, to deliver benefits for both.

Most CEOs have environmental issues on their priority list – 73% according to a recent McKinsey survey. They see not only potential threats that can't be ignored, but increasingly some big opportunities. But, many are wary of engaging with environmentalists for fear they are pressured towards environmental sustainability at the expense of commercial results.

Experienced in both business and environmental worlds, Red Kite Enterprise and Environment have created a framework to help executives identify their environmental threats and opportunities, and link them to their business strategy to improve both environmental performance and commercial performance.

We call this “Environmental Bridging”.



### Environmental Bridging in action

Marks and Spencer is a great demonstration of environmental bridging. Their 'Plan A' sets out 180 Commitments, many of which have clear benefits to commercial performance by reducing costs and engaging customers and employees. Plan A is fully integrated in business management, with a £50 million innovation fund and a high-powered Advisory Board. Their 2011 Annual Report shows a £70 million net financial benefit from Plan A, up from £50 million the previous year.

Other examples of environmental bridging are GE's \$130 million of energy efficiency saving, O2's customer-focused Eco-rating system for mobile phones, and the rise of eco-friendly brands like Ecover, Body Shop and Innocent – the latter two purchased at premium value by sector giants L'Oréal and Coca-Cola.

## Building your bridge

Don't put aside business skills to pursue an environmental path. The best approaches combine environmental insight with a firm understanding of the business's customers, employees, processes and financials.

Most businesses have a choice about how far and how fast to build their bridge. But those who neglect environmental issues can find themselves responding to a crisis (see box).

To help companies move beyond crisis management and make an explicit choice, we identify 3 levels of Environmental Bridging. Companies can take these in steps, or advance all three in parallel.

Businesses lose their choice when pressure groups or customers force action. This happened with canned tuna in early 2011 after Greenpeace published its tuna sustainability 'league table' in graphic form. Waitrose was forced to discount Princes tuna to clear stocks. Over 6 months, Princes, Asda, Morrisons and John West were pushed in turn to adopt sustainable supplies. Late movers find it harder and more expensive to find sustainable supplies.



With these frameworks in mind, businesses can find benefit for both the enterprise and for the environment. And that's good for all our futures.

## Red Kite Enterprise and Environment – and how we can help

Red Kite Enterprise and Environment is a consulting venture that helps the business world to work more effectively with the natural world, to the benefit of both. We combine our business and environmental expertise to help businesses build the right Environmental Bridge.

- A business services company wanted to be ready for customers asking about environmental issues. We assembled their environmental credentials for use in the sales process, and found cost-efficient next steps to improve their environmental performance and link it into their market positioning.
- A consumer-focused manufacturer and retailer wanted to shift its historic 'command-and-control' culture to one more empowered and adaptive. We showed how tackling environmental issues could be a positive first step on this journey, and move them from a 'Responsive' position to create value from environmental bridging.

We can help you find the best approach to Environmental Bridging for your business.

Please contact us at [info@redkiteee.co.uk](mailto:info@redkiteee.co.uk) or visit [www.redkiteenterpriseandenvironment.co.uk](http://www.redkiteenterpriseandenvironment.co.uk) for more information.