

Closing the Gap

With the current environmental media blitz, is everyone in your company on the same page?

This past April, there was a fascinating story in *Fortune* magazine about a guest lecture that Jack Welch, former CEO of General Electric, delivered to a group of MBA students at the MIT Sloan School of Management. When asked, "What should we be learning?" he replied, "Just concentrate on networking. Everything else you need to know you can learn on the job." Welch essentially was saying that, compared to relationship skills, traditional MBA studies provide limited value in the real world. After that visit in 2005, MIT began dialing back on quantitative skills' development, replacing it with interpersonal coursework.¹

There is a key message in this story for all of us. Environmental professionals hold in high regard their technical skills and their ability to deliver tangible results. Obtaining permits, maintaining compliance, and reducing waste definitely takes keen analytical skills and the ability to effectively interface with front-line employees. If environmental dynamics were unchanging, these skills alone would serve us well throughout our careers.

But the environmental scene over the past year is changing like never before, probably more rapidly than the business world itself. This is evidenced no more so than by the vast number of environmental stories that have appeared in traditional business publications. Business executives are being flooded with new information daily. But the question remains, how will they respond? And will environmental professionals have the networking skills to influence executive management during this period of rapid change?

ENVIRONMENTAL REALITY VS. MARKET DREAMING

Much of the recent business media attention has centered on green opportunities propelled forward with the emergence of global warming.² I suspect that within many corporations there are ongoing, top-level discussions on how the company can get in on the green action. Any environmental professional knows, however, that a company is on shaky ground if it launches a high-profile green marketing campaign when it does not have even the basics right. BP discovered this with disastrous results when its widely publicized "beyond petroleum" campaign was immediately followed by an oil refinery explosion in Texas and pipeline leaks in Alaska.

Playing in these emerging green markets requires a whole new level of environmental governance. Traditional metrics may or may not reflect where the company stands. For example, my colleagues and I are aware of far too many

companies that have nearly perfect compliance records because they have been phenomenally lucky. Not surprisingly, business managers in these companies have a much more optimistic view of the current state of their environmental programs than would be reflected by an objective analysis. They would be not at all hesitant to launch a very public, green marketing program.

Conversely, I have interviewed business managers who only see environmental issues as a cost of doing business and remain totally oblivious to potential competitive opportunities. Suffice it to say that there can be enormous disconnects between reality and the current state as perceived by individuals occupying the upper ranks of the management food chain.

Indeed, interactions between environmental professionals and executive-level business managers that could provide an opportunity to close these gaps generally are infrequent, highly structured, and narrowly focused. These disconnects can be especially apparent at the CEO or board of directors level, where face time is rare or nonexistent in some companies. Even at the facility level, there can be limited discussion over long-term issues that may have no current direct impact.

Educating top management does not mean providing status reports or scorecard results.

Educating top management does not mean providing status reports or scorecard results. Education means spending time carefully explaining the underlying issues and the dynamics at play. Senior managers' concepts of the environment are most often conceived in general terms, such as the importance of managing community relations, maintaining regulatory compliance, and upholding employee morale. They do not necessarily have the background to connect the dots on longer term, complex, and interrelated environmental, social responsibility, health, occupational safety, and product safety issues.

EXECUTIVE BUSINESS FORUMS

As Jack Welch implies, networking with executive management is both a science and an art. The key to success is to establish a neutral, nonjudgmental atmosphere in these talks where the individuals feel that they can throw away the script and politically correct rhetoric. The best exchanges may come from highly structured and professionally supported meetings that are conducted in an informal style. You need to carefully create an open corridor of information flow based on diplomacy, trust, and professionalism that will enable you to better understand business objectives and enable



Richard MacLean is president of Competitive Environment Inc., a management consulting firm in Scottsdale, AZ, and the executive director of the Center for Environmental Innovation (CEI), a university-based nonprofit research organization. E-mail: maclean@competitive-e.com. For electronic files of this and his other writings, visit his Web site at www.competitive-e.com.

management to better understand what this will take.

Environmental professionals have, of course, always met on occasion with their executive business management, especially when prompted by a major issue or resource request. What I have observed over the past five years, however, is a dramatic increase in the use of cross-functional, executive-level business forums. They may be called by different names—executive committees, leadership teams—but they share a common trait: scheduled meetings (typically quarterly) between the company's topmost leadership and the senior environmental staff. Topmost means just that—the CEO, business presidents/vice presidents, chief legal counsel, chief finance officer, vice president of human resources, and so on. Since environment is often combined at the corporate level with health and safety, these are generally environment, health, and safety (EH&S) forums.

Three of my current clients have developed such forums within the past year or are in the process of doing so. Does this prove a trend? Well, no. But in a recent benchmark survey of member companies, the National Stone, Sand, and Gravel Association (NSSGA) found that environmental managers in nearly 90% of participating companies have been holding awareness sessions with business management to update them on emerging trends. The vast majority of these sessions have been part of regularly scheduled management presentations; most of this activity has accelerated over the past five years.³

Why is it so prevalent among NSSGA companies? They are now under the same pressure that the mining industry faces in opening and developing new sites. For other industries, it may not be greenfield site development, but other factors, such as new European regulations, new toxics' information, or customer demands. As Roseanne Roseannadanna (Gilda Radner) of "Saturday Night Live" fame would say, "It's always something." And there is plenty going on globally.

If you are planning to establish an executive business forum, there are a number of key best practices to follow. Most important is to structure these meetings to suit the needs of the audience. A CEO will have little patience for long-winded, talking head reports on metrics and project status. These meetings should be dialogs, not lectures. Cover substantive issues, avoid the minutia, and bring in outside experts on occasion.⁴ The sure sign of forum death is when members start sending stand-ins, so keep it relevant and interesting! **em**

REFERENCES

1. Fisher, A. The Trouble with MBAs; *Fortune*, April 30, 2007, p. 49.
2. See for example, Imaging a World; *BusinessWeek*, January 29, 2007; and Coolest Company on the Planet; *Fortune*, April 2, 2007.
3. Source: John Hayden, Vice President, Environmental Services, NSSGA, Alexandria, VA.
4. For specifics on using external advisors see my article, The Best Advice May Come with Attitude; *EM*, October 1999, pp. 13-16; available at www.awma.org.