

Columns

 [Printer-friendly version](#) | [Email this document](#)


Ask the Experts

by Steve Rice & Richard MacLean
April 2004

Business Planning Assistance for EH&S Firms

Also this month:

- [Doing more with less](#)
- [Responsible Care Management System vs. ISO14001 Management System](#)
- [Pros and cons of using recycled products](#)
- [Essential periodicals](#)
- [The best recycled office paper](#)
- [Updating industrial facilities' Risk Management Plans](#)
- [Postscripts: Where are the bright lights?](#)
- [Got a question? Let us know.](#)

* * * * *

How does a medium-sized EH&S business seeking to develop a new line of services obtain low-cost business planning assistance?

Steve: There are several choices: phone a friend, retain a high-profile business consulting firm, talk with others in similar though non-competitive situations, and/or enter a business venture marketing competition conducted as part of a school's MBA program.

As for the first option, remember that you will get what you pay for. If it's not a person that you respect *and* who has knowledge applicable to your particular situation, it will probably be a waste of time and may actually cause damage by prompting you to follow unsuitable advice. As for the second one, you must ask yourself if you really have the budget to pay for that person's new car or child's next year of college tuition.

That leaves the third and fourth options. Seeking knowledgeable business people will typically provide the most "bang for the buck." Be sure, however, that:

- It's not a current or future competitor -- would help someone to become a competitor?
- You provide them something in return for their effort -- you are approaching them because you believe they can provide you with valued advice; at least offer to take them to a nice restaurant for lunch or dinner. Better yet, deliver some work to them or offer to hire them for a few hours of consulting time. That will speak highly of you and demonstrate to those from whom you seek advice that you value their advice.
- You speak with several people -- no single person ever has the "lock" on good advice.

When people and businesses hire me for such business planning consulting, I give them short, highly focused and practical guidance that sets the overall strategy and direction.

Finally, on occasion MBA students are required to obtain practical experience as part of their degree requirements. Seek out [a school with courses in entrepreneurial studies](#) as it may host an entrepreneurial fair whereby students solicit entries, conduct an initial review of the businesses and concepts submitted, then choose a limited number to work with to develop comprehensive business plans. While the outcome may not be top-notch, it can be acceptable, insightful and low-cost. When it is combined with your own field experience and judgment, you should have a reasonable effective business plan at a very modest cost.



News Center

- [News](#)
- [Features](#)
- [Columns](#)
- [Affiliates](#)

SEND US YOUR NEWS

FREE NEWS FOR YOUR SITE



Resource Wizard



Search for:

Combine those results with the input of your discussions with knowledgeable business people and you should have a really good, low-cost roadmap for success.

[Back to Top](#)

* * * * *

We are facing another cutback - Question 1: Any suggestions on how to go about doing more with less?

Richard: Cutbacks are ubiquitous nowadays, especially among groups viewed as staff overhead. EH&S departments are almost always characterized as such. It reminds me of the classic *I love Lucy* episode with Ethel and Lucy trying to keep pace with the assembly line at the chocolate factory. Something's got to give. EH&S professionals are deeply committed and do not want compliance issues, injured employees or their company's reputation jeopardized. They work all the more frantically, resorting to superhuman feats just trying to keep up, just like Ethel and Lucy.

EH&S professionals are so busy that they rarely step back and critically examine what they are doing and why. They assume that they do not have enough direct control and discretion to change the current situation. They become boxed into a narrowly defined role that paradoxically provides personal satisfaction for several reasons. First, the "I'm so busy!" complaint is a code word for "I'm so indispensable -- therefore I should not worry about being laid off." Second, it is very gratifying to solve the crisis and save the day. Third, by doing the same things the same way, it releases individuals from having to make the really hard decisions that they could ultimately be held accountable for.

Taking direct, deliberate action takes courage. It means saying "no" to some demands. It means prioritizing activities and dropping the lower value-added ones. It means dealing with poor performers. It means going to upper management and clearly laying out what can and can not be done and why. It means relinquishing control and trusting others to do what they promise to do.

For example, I have seen a number of EH&S organizations take over responsibilities that should be done by others, but would not say "no" because they "just knew" that those others would "screw it up." In reality, this is a variation of the "I'm indispensable" mindset. A better approach is to put energy into clarifying roles and responsibilities, supplying training, and then -- here is the key point -- auditing and reporting the results to management. If things do get screwed up, there will be ample warning.

Meetings are another area that consumes a lot of wasted time. Set aggressive time limits. Start them precisely on time, chastise those who are late, and end them exactly on time no matter what. You will be amazed at how quickly things will change. The analysis paralysis that is so often present at meetings is reflective of the deeper problem: the inability to make decisions based on the facts available and move on. In the final analysis the problem is less about headcount and budget and more about competency, accountability, decisiveness, courage, and leadership.

[Back to Top](#)

* * * * *

Could you clarify the differences between the Responsible Care Management System and the ISO14001 Management System?

Steve: There are two primary differences. First, the Responsible Care Management System (RCMS) goes beyond environment issues to steward health, safety and security issues, also. Second, RCMS goes beyond the fenceline to address community and public stakeholder interaction issues. ISO14001 addresses none of these.

It is important to note, however, that RCMS is not an "internationally-accepted" standard developed and adopted by an international body comprised of diverse stakeholders. It is an industry standard developed and adopted by the members of the American Chemistry Council (ACC), a U.S. industry association comprised of most of the chemical companies based and/or operating in the U.S.

Conformance with Responsible Care is a requirement of membership by ACC's member companies and commercial partners (transporters, distributors, etc.) The members of the Synthetic Organic Chemical Manufacturers Association (SOCMA), an industry association of smaller specialty and formulary chemical companies, have also adopted RCMS as a condition of membership.

For those companies that embrace the increased documentation, rigorous auditing and expense of ISO14001, RCMS can be voluntarily enhanced with additional requirements by participating companies and facilities that choose to do so. When RCMS is enhanced with these requirements it is referred to as the RC14001 management system.

Certification with the enhanced RC14001 standard is more expensive for three reasons:

1. The time/effort to document everything;
2. The certification audits occur in two phases, increasing the direct external auditor expense; and
3. The requirement for periodic maintenance audits every 6 months to a year, depending on a variety of factors.

We usually recommend that our clients select the RCMS standard because it provides virtually all of the same value at a lower total cost. Conformance with the RC14001 standard makes the most sense if the company and its sites also require 14001 certification for business supply chain reasons. This establishes a single, unified management system across the company and its sites, reducing complexity and facilitating cross-site personnel dialogue and support.

[Back to Top](#)

* * * * *

Why don't more companies use more recycled materials in their products?

Steve: We've worked with many clients on both sides of this supply chain issue -- sellers and buyers. It all boils down to "the two E's": effort and economics.

I've found that sellers have often:

- Minimized the scrap to the point that there isn't a sufficient quantity to meet the potential user's needs or make the effort worth the effort;
- Found that the material has no internal champion -- since designers design the products, manufacturing staffs make the products and sales staffs sell the products, the task for selling scrap or off-spec materials is often given to the purchasing person, who usually has no sales experience and only the time for a quick solution; and
- Determined that they do not want their scraps or off-spec materials ending up back in the marketplace, competing against their prime product.
- In the case of broad-based materials collected from the public sector, sellers often spend more time and money to collect, sort, process and sell the materials than they can get for them, making the transaction unprofitable hence unsustainable.

On the other hand, buyers often find that:

- Material properties and/or availability are too inconsistent;
- The materials are available, but in the wrong location, at the wrong time of year, or in a non-optimal form -- adding transportation, storage and processing costs that make them uncompetitive;
- There is an insufficient critical mass in any one product or region to obtain competitive pricing; and
- Virgin raw material prices fluctuate on the spot market - the user's competitors may be able to purchase its raw materials at a lower cost.

Internally managed programs for obtaining high-value, qualified materials (typically from one's own products like [C&A Floorcoverings does with its vinyl-backed carpet floor tiles](#)) have the greatest chance of economic success.

The bottom line is that when there is a) a sufficient quantity of b) suitable material c) in the right location and d) at a sufficient discount off the virgin raw material price to make up for the inherent variability in feedstock properties and availability, recycled materials are used. If any one of those conditions is not met, the economics deteriorate and the effort increases. A capitalistic economic system wonderfully rewards systems that meet customer needs at a lower cost, yet is brutally cruel to those that don't.

You may also want to read the 2001 National Education & Training Foundation (NEETF) report, "[Going Green, Upstream](#)" and the 2001 Businesses for Social Responsibility report, "[Supplier's Perspectives on Greening the Supply Chain](#)" for additional insight and perspective.

[Back to Top](#)

* * * * *

We are facing another cutback -- Question 2: What periodicals are the essential ones

we should continue to subscribe to?

Richard: Technical journals are generally linked to professional society memberships. You should assign at least one member of your staff to each of the major professional societies to access their journals. [American Institute of Industrial Hygiene](#) has *The Synergist*, [Air and Waste Management Association](#) has *EM* and *The Journal*, the [Environmental Law Institute](#) has the *Environmental Forum* and so on. These primarily focus on North American issues. International operations would need to subscribe to the appropriate country or regional publications.

There is a plethora of Web-based newsletters, but most are just cutting the same stuff off the web. For general news and developments, [GreenBiz.com](#) is very good due to its search engine and easy access to [Reports](#) and [Tools](#). European-based [Environmental Expert](#) (free/electronic) also has a good search engine and access to a wealth of information. One of the very best for international news is the [International Corporate Environmental Reporting Site](#) (free/electronic), but don't let the name mislead you -- it contains a much broader mix of environmental news with links to source material. For news and analysis [The Green Business Letter](#) (subscription/electronic) is good.

One of the hottest news and analysis sites is [Crosslands](#) (subscription/electronic) published by Victor House News. Although it is new, the editor, William D'Alessandro, is one of the most respected environmental journalists with thirty years of experience. I highly recommend this site.

For general environmental management articles [Corporate Environmental Strategy](#) (subscription -- recently changed to electronic) and [Environmental Quality Management](#) (subscription/hardcopy) are both good. Another excellent resource is [Environmental Protection](#) (free/hardcopy) because it contains my fantastic monthly column, *Management Newsletter* (Note to self: Control ego).

Probably the most important resources are business-oriented journals and newspapers. Technical people may think that they don't need to keep abreast of this information, but they are doing themselves a great disservice. When all is said and done, we have to sell our programs and prove the value of our services to management. There is no better way to do this than to understand evolving business issues and techniques. Two of the most essential resources are the [Wall Street Journal](#) (subscription/newspaper) and [Harvard Business Review](#) (subscription/hardcopy). Another excellent resource is the [MIT Sloan Management Review](#) (subscription/hardcopy).

[Back to Top](#)

* * * * *

Do you have any suggestions on which recycled office paper works the best?

Steve: While what works best for us may not work best for you, we use [Great White Multiuse 24 paper, produced by International Paper](#). At 30% recycled content (presumably not post-consumer) it is clearly not the "greenest" paper, but it suits our overall needs. The extra weight of the 24-lb paper (versus the more common, lighter weight 20-lb paper) has eliminated all curling and jams; the multiuse designation allows us to stock one paper for all of our copiers, laser printers and inkjet printers.

A few years ago we tried many different brands and types, including kanef, bamboo, high post-consumer content and others. Despite several studies and reports to the contrary, all of them had major disadvantages like curling (especially when going through the laser printers or copiers) and/or too much residual fuzz that created paper jams. This required us to clean the equipment frequently and send several units out for premature servicing.

Several of the new brands introduced over the past years may be quite good, though we've not tried them. What we have works and is available in case, half-case or ream quantities through our office supply source at a good price; we tend to replenish our stock when it is on sale and shipping is free.

You may want to review the [Green Business Letter's 2001 summary report on the status of recycled paper](#) and Green Seal's [Choose Green Report: Copy Paper](#), an excellent overview report on the various types of "green" office paper published in 2000.

Disclosure: We do not have any business or client relationship with International Paper.

[Back to Top](#)

* * * * *

When will industrial facilities' Risk Management Plans have to be updated and what changes will have to be made to those plans?

Steve: In general, facilities subject to Clean Air Act Section 112(r) Risk Management Plan (RMP) requirements had to submit their plan and Offsite Consequence Analysis (OCA) to the USEPA by June 21, 1999. These plans have to be updated at least once every five years from either the date of the original submittal (hence June 21, 2004) or any subsequent update submittal.

Several proposed changes were issued in July, 2003 ([68FR45124](#)), including:

- Facilities that have an accident that meets the criteria for the five-year accident history will be required to update and resubmit their RMP within six months of the date of the accident. There is currently no such requirement.
- Facilities will have to correct their emergency contact information within one month of a change in the information, and include an email address.
- A brief description of the off-site consequence analysis and alternate accidental release scenario(s) will not be required to be included in the RMP's Executive Summary.
- The RMP will have to a) identify the purpose of submissions that revise or otherwise affect their previously filed RMPs and b) indicate the name of any contractor that helped prepare the RMP.
- The list of possible causes of accidental releases will be expanded to include "uncontrolled/runaway reaction."

Because the NAICS codes for covered processes changed in 2002, those may also need to be updated. Although the final rule has not yet been signed and published as of the date this column was written, [EPA has issued a checklist](#) for preparing 5-year RMP resubmittals.

A key word of caution, though. The RMP regulations include [a General Duty Clause](#) whereby facilities using extremely hazardous substances listed in 40CFR68 have a "general duty" to know the hazards of, assess the impacts of releases associated with, and have a contingency planning process (involving community responders) for those materials, even if the facility is not specifically subject to RMP requirements.

Amazingly, I have yet to see this item on an internal compliance audit checklist.

[Back to Top](#)

* * * * *

Postscripts: Where are the bright lights? A number of bright lights have illuminated the path to sustainable development over the past decade. Three of the brightest according to surveys such as the one recently published by the [Center for Environmental Innovation](#) are DuPont, Dow and Baxter International. That was then, but how is the illumination nowadays?

DuPont is undergoing a major reorganization that will eliminate the Corporate SHE Center of Excellence. Paul Tebo, VP Safety, Health & Environment, will be retiring and other members of the group are seeking jobs within the company. Dow has been undergoing major consolidations and Sam Smolik, VP EH&S, will be retiring. Baxter recently cut back its top EH&S staff, including Bill Blackburn, VP & Chief Environmental Counsel. Other bright lights may be dimming, too. Christian Aid's January 2004 report, [Behind the Mask](#), criticizes Shell for not delivering on their promises of social responsibility. Friends of the Earth's [Failing the challenge -The Other Shell Report 2002](#) is also highly critical of Shell's performance. Bright lights such as Ford, Procter & Gamble, and British Telecom have also been under attack by groups such as the New Economics Foundation (see their report [Corporate Spin](#)).

So where are the really bright lights nowadays? We'd like your opinion, because we're having a difficult time identifying them. The flip side of all this is that with the lights possibly dimming, now may be the perfect time to turn on your own company high-beams and build a solid reputation. But be warned: superficial efforts will not be tolerated in a world filled with distrust and sophisticated scrutiny.

[Back to Top](#)

* * * * *

Got A Question?

Send your question about environmental management issues to Experts@GreenBiz.com
We can't guarantee that we'll answer every question, but we'll try.

[Steve Rice](#) is the founder and president of [Environmental Opportunities, Inc.](#), a strategic environmental management advisory firm and has worked for both Exxon and BASF in a

variety of environmental management positions. [Richard MacLean](#) is president of [Competitive Environment Inc.](#), a management consulting firm in Scottsdale, Arizona. He also serves as the director of the [Center for Environmental Innovation, Inc.](#) and has held executive level health, safety and environmental positions in several Fortune 500 companies.

Copyright 2004, Environmental Opportunities, Inc.

[More Columns...](#)



[Printer-friendly version](#)



[E-mail this page](#)

Feedback

- [Comment on this Column](#)

[News Center](#) | [Business Toolbox](#) | [GreenBiz JobLink](#) | [Reference Desk](#)

[About Us](#) | [Support Us](#) | [Sponsors](#) | [Contact Us](#) | [Site Credits](#)
[Advisory Board](#) | [News Affiliates](#) | [Site Map](#) | [Privacy Policy](#) | [Disclaimer](#)

N•E•E•T•F

GreenBiz.com is a program of [The National Environmental Education and Training Foundation](#).
Copyright © [The National Environmental Education & Training Foundation](#). All Rights Reserved.

POWERED BY:
RESOURCE SAVER