

Columns

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Ask the Experts

by Steve Rice & Richard MacLean
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How EH&S Can Add Substantial, Sustained Business Value

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How can EH&S organizations add substantial, sustained business value?

Steve: Much of the ability to add substantial, sustained business value comes down to being able to integrate EH&S into the business context, where the business context is most often defined by each business unit's financial objectives. It inherently requires EH&S departments and their professionals to be able to a) identify, b) create, and c) communicate business value both to internal business unit customers and their supply chains -- in ways that THEY understand and appreciate value.

For the most part, though not exclusively, EH&S staffs' previous efforts have a) focused on reducing site or departmental operating costs, and b) been typically stand-alone, piecemeal projects driven by an individual's initiative. Therein resides the problems:

- Many of these projects focus on reducing incremental operating costs, not providing substantial, sustained company wealth, revenues and profits
- Few EH&S departments have embedded within their professionals and culture the full complement of skills, and the cultural transformation, necessary to continue the effort beyond projects that produce piecemeal, primarily facility-specific, results.

The only solution that I have found to be effective for making such a transformation is a three-phased, integrated approach of:

1. *Professional development* -- seminars and workshops that teach staff to understand basic business terminology and thus communicate with business personnel within a business context. Only then can they be helpful in the department's effort to structure their EH&S organization much more like an intrapreneurial business than a staff function.
2. *Strategic business planning* -- assisted planning so that the organization has the proper business structure to be effective and taken seriously by the company's business unit personnel. This often involves skills assessments, a SWOT analysis, training in strategic business planning and the development of a business liaison function.
3. *Opportunity identification, implementation and communication* -- facilitated workshops

where the EH&S business liaison representative, in full partnership with the business units, can identify initiatives that are aligned with their business strategies, create initiatives that provide significant and measurable value, and communicate such value in ways that business personnel understand and appreciate it.

Such deep professional and cultural transformations do not occur overnight. It takes a commitment, time and resources to go through the entire sequence. A piecemeal approach will produce only piecemeal results.

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After being “right-sized” out of my current position, I am thinking of becoming an independent consultant. What are the chances of success in today’s business climate?

Richard: There are ten factors that will determine your chances of success. While the overall business climate is gloomy, some individuals are all but guaranteed a bright future in consulting if they are extremely strong in the first five factors and at least adequate in the others:

1. **Extensive network** -- A single contact may yield a lucrative contract but it takes a strong network to yield a continuing stream of work. What you might consider to be a well developed network may be seen as just a starter list by successful consultants. Also, recognize that many of your “buddies” inside industry may suddenly not return your calls once you join the ranks of consultants.
2. **Excellent communication skills** -- Unless you are well known and in an extremely narrow and intense technical area, excellent communications skills will be needed to bring in the clients and produce a quality work product.
3. **Reputation** -- Those with outstanding reputations will have clients calling, even if their personal network is small. An excellent reputation also leads to referrals -- an essential element of success. The reverse is also true.
4. **People skills** -- Managers may have been able to dictate orders to underlings inside industry but dealing with clients takes skill - more than was probably required with their previous management. Consultants have to respond to a much greater array of personalities without much background information on their likes and dislikes.
5. **Intelligence** -- Yes, brains do count. Management puts up with a surprising number of employees in the “slow reader group.” Consultants, however, can be dropped in a second if they appear to be less than top notch.
6. **Willingness to work hard** -- Senior managers could be so used to giving orders and going to endless meetings that they may be shocked to discover the effort required to deliver tangible, quality products.
7. **Self-directed** -- Some people just cannot get their act together and need a structured environment. Independence can be freeing, but it can also be lonely; some people require daily, face-to-face interaction.
8. **Marketing skill** -- Some people are just plain shy; others are oblivious to where the new client work may come from. If you are not willing to engage in relentless self-promotion, you may not be able to bring in sufficient new business.
9. **Niche expertise area** -- If the market is already saturated with consultants in your areas of expertise, you may be in for a challenge. On the other hand, if you are in the right place at the right time, your phone could start ringing off the hook: picture the computer expert before Y2K or the security consultant after 9/11.
10. **Financially secure** -- The independent consulting business can be feast or famine. Unless you have the finances to survive the dry periods, which can last a year or more, re-consider your decision.

There are, of course, many trade-offs in the above list. For example, if you do not have a good network and have not yet built a solid reputation you can gradually work towards success if you are financially independent. Also, these factors are interrelated. For example, professionals with good people skills tend to have excellent verbal skills and be good marketers. The key is to be brutally realistic in your self-assessment.

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What are the advantages and disadvantages of benchmarking best practices?

Steve: Benchmarking provides useful insights into what other companies are doing either within an industry sector or across diverse industry sectors. The primary advantage is that the insights obtained can help guide the EH&S organization along its own path. All findings must be carefully assessed, however, as to both their applicability and their ability to be successfully implemented in light of the organization's unique situation, operations and resources. The 'best' practices will be those that help the company and its business units achieve their business objectives.

There are a few disadvantages, too:

1. It's seldom that a company with a spectacular process, performance metric or practice is going to share it with others within its industry sector -- competitive advantage, anti-trust and all that.
2. An organization can get mesmerized by the process and findings, only to find several months (or years) later that the practice worked in the other company due to one or more cultural, structural or operational aspects not present in the company doing the benchmarking.
3. Even if the benchmarking process and implementation is flawless, your company and its EH&S organization will be a) only as good as the benchmarked leader -- there's no competitive advantage or added value in being just like other companies and b) you will have achieved parity with how those benchmarked leaders were at the time of the benchmarking -- chances are, they've progressed since then.

Value and competitive advantage can be achieved when EH&S organizations supplement benchmarking 'best' practices with benchmarking 'next' practices -- practices that are so overwhelmingly superior that they will make a significant business contribution. Areas of benchmarking 'next' practices include:

- Auditing against the company's EH&S policies, not merely regulations
- Developing value-based strategies -- organizational strategies specifically aligned with, and in advancement of, the company's value statements; and, especially
- Establishing key business performance indices (KBPI) -- measures of how the organization is performing respective to helping their internal customers (and their customers) achieve their business objectives.

'Next' practices begin the transformation of the organization from merely managing the present ("Box 1" strategy), through giving up the past ("Box 2" strategy) and squarely into creating the future ("Box 3" strategy). 'Best' practices, in comparison, only help you catch up to others.

Richard and I have provided advice on benchmarking in the [September 2003, September 2002 and August 2000 columns](#) also.

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Can junk e-mail affect an environmental consulting business?

Richard: In the past, e-mail spam was not a problem, but it now has us very concerned. A decade ago, most business cards did not even include e-mail addresses. Now, this form of communication is all but a business necessity. Steve and I have clients and colleagues all over the world and they demand instant access to information and work product. Frankly, I do not know what we would do if the Internet were to melt down due to this new form of toxic waste, not to mention endless attacks by computer viruses.

Approximately 50 junk e-mails get by my Internet service provider's filter each day. At that level, spam is just an annoyance, requiring very careful attention when the delete button is hit. For those of you inside corporations, accidentally deleting an e-mail may mean a business hassle. For independent consultants, it can literally mean a direct hit in the bank account due to a missed opportunity to bid on a new project.

Most companies are very reluctant to block e-mails because they risk losing legitimate e-mails. Nonetheless, I have witnessed an increase in the use of firewalls that block nearly everything and require the sender to respond with a special request to release the e-mail. As a result, it has become increasingly difficult to get our monthly articles out to colleagues and clients (both Steve and I e-mail pdf versions of our articles to select EH&S professionals).

It is very hard, electronically, to identify the difference between good and bad mailings. Even

with individually set filters, spammers modify key words; for example, a subject line reads F-R-E-E rather than "Free." Some of my colleagues have gone so far as to periodically change their e-mail addresses. This is not an option for Steve and me, since our published articles and marketing materials are locked into our domain addresses.

What really worries us is the exponential increase over the past six months. Will it ever level off without new laws? Unlikely. On January 1, 2004 California's widely publicized anti-spam law will go into effect, but relatively few people know that 35 other states already have some form of anti spam law. Clearly, a Federal law *that is enforced* would be a better solution.

If something is not done, yes, spam could have a major impact on consulting businesses.

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What's happening lately with carpet recycling?

Steve: I last commented on a fall-off in the attention on, and media announcements about, carpet recycling a full two years ago, in November 2001:
"Whenever a period of high media attention and specialty conferences on a topic fizzles out, either:

1. *The initiative has exhausted its public relations value and key players have shelved promotion in favor of trying to make the issue financially and operationally viable, or;*
2. *The effort has run aground, and nobody wants to acknowledge it.*

During the past year, there have been few announcements regarding carpet recycling, and those that have been made have given mixed messages. Of the two possibilities, however, my sources indicate to me that the fall-off is due to the first reason."

I'm glad to notify our readers that it is indeed the first reason. Garth Hickle, of the [Minnesota Office of Environmental Assistance](#) informs me that [Carpet America Recovery Effort](#) (CARE) has:

- Just recently awarded its first recycling grants;
- Is developing a strategic plan for the ongoing funding of its efforts and the actions that will achieve CARE's recycling goals; and
- Is proceeding with the support and monitoring of new products made from recovered carpet.

New products being developed from recovered nylon broadloom (roll) carpeting include nylon board for bathroom walls, a plywood substitute (Nyloboard, LLC), railroad ties (US Plastic Lumber and NATK/Tie-Tech) and thermoplastic products (LA Fibers). Of course, cushion-backed commercial carpet tiles continue to be both reused and converted into either other products or in backing for new carpet tiles.

On the supply side, Sean Ragiel of [CarpetCycle LLC](#) informs me that he has developed a specification for architects to use when office redesigners call for the removal of existing commercial carpeting.

The lingering question is what is, or will be, happening with the shuttered recycling facility operated by Evergreen, a joint venture of Honeywell and DSM. Several contacts reported to me rumors that Shaw might buy out Honeywell's share, leading to an eventual restart of the plant, but that is only speculation. The unit has several operational and technical difficulties that will need to be resolved, especially in a continued weak economy.

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Postscripts: The Most Recent Ridiculous Item -- Part IV. Elsevier, the international publishing firm and former publisher of *Corporate Environmental Strategy* journal, recently launched *The Virtual Journal of Environmental Sustainability* exclusively on the Web. According to Elsevier, "It is a virtual journal that lists articles... recently published in a wide range of Elsevier journals...and personally selected...on the basis of their potential to highlight interesting and important developments in the area of environmental sustainability."

A brief scan of the articles in the current listing shows very little relevance to sustainability and a concentration of traditional scientific articles on health effects, waste management, wastewater treatment and groundwater contamination transport. Given that even the title and promotional text refers to 'environmental sustainability', it is clear that the editors have no understanding of sustainability, but are merely using the term for its 'buzz' value so that existing material can be repackaged to another audience. This makes *The Virtual Journal of*

Environmental Sustainability "The Most Recent Ridiculous Item -- Part IV."

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Got A Question?

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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.

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