



## Module 6 Unit 9

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## Unit 9: Go Green.

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### Entrance

### Keywords

Social enterprise, environment, sustainability, green strategy, social entrepreneurship.

### Learning Objective



This unit aims to show how to turn business into green practices, and understand the importance of sustaining the green strategy. The success of green business has shown that it is economically feasible and in fact very sensible to do business in a sustainable, environmentally friendly way. This unit will explain the essentials of the green business and demonstrate the methods for effective implementation of a green strategy.

### Estimated Time



It will take you about **60 minutes** to go through the entire module. You will need additional time to do the exercises and apply the different tools.

### Introduction



What does it mean to "Go Green?" Going Green means that you have adopted certain practices and habits that reduce your overall impact on the environment. These practices may include anything from recycling, reducing your energy usage, using public transportation, to buying local products.

The adoption of environmentally-responsible business practices can conceivably open up an additional range of opportunities. The move to a sustainable business framework provides numerous niches which enterprising individuals and social firms can successfully identify and service. These include the development of new products and services; improving the efficiency of existing firms; new methods of marketing; reconfiguring existing businesses models and practices; and so forth.

### 9.1 What is green business

The term "green business" is used in discussions of businesses and business practices which are viewed to be environmentally sound. In the early 21st century, many companies began capitalizing on growing consumer desire for sustainable business by "greening" their practices to make them more environmentally friendly, and a number of entrepreneurs sometimes known as ecopreneurs opened businesses with a green slant. Today, green business is an

extremely profitable branch of the business world, and it hosts a range of companies, from prestigious multinational companies to small, locally based companies.

In order to be considered a green business, a company must use practices which are viewed as sustainable and environmentally friendly. These practices might include the use of organic and natural products to build its factories, tighter protections against emissions, and environmentally responsible sourcing of supplies.

Example: A green clothing business would seek out organic, fair-trade cotton to promote an environmentally friendly image, and it might have a factory with a living roof, or power gained from solar panels. Many green businesses are also concerned about human and animal exploitation, and they make an attempt to create cruelty free products and to pay their workers well in addition to providing them with benefits.

The goal of a green business is to keep its environmental footprint small, reducing waste and reusing materials as much as possible. Many use innovative building techniques for their facilities which are designed to promote energy efficiency, along with building materials which are environmentally friendly like panels fabricated from recycled materials. These companies also encourage their workers to think about the environment when they generate printed material and think about new products.

A green business can sell all sorts of things. Many car manufacturers, for example, have green model factories and offices to convince their target consumers that they are concerned about the environment. Many green businesses also offer green products, ranging from composting toilets to green architecture. When a company offers environmentally products, many consumers also assume that the company itself is environmentally responsible, as its products reflect a concern about the environment.

The success of green business has shown that it is economically feasible and in fact very sensible to do business in a sustainable, environmentally friendly way. It has also encouraged the growth of initiatives which are designed to benefit the environment, from carbon trading to tax breaks for people who make energy-efficient modifications to their homes. However, it has also given rise to “greenwashing,” a trend exhibited by companies which want to capitalize on the green revolution in business without actually doing the deed. When businesses market themselves aggressively as green, you may want to do some deeper research to ensure that they are not greenwashing in an attempt to win your dollars.



**EXERCISE:** Think of why is it important for every social entrepreneur to integrate environmental awareness into their business practices?

There are lots of reasons, but perhaps the most important one is consistency. If you promote awareness and support for a non-green cause (e.g. homelessness) while refusing to implement even the most basic measures to be more environmentally responsible, sooner or later people are going to question your commitment to the cause you feel most passionate about.



Here's why: As a social entrepreneur, your employees, customers, investors, and other stakeholders admire your commitment to make the world a better place and assume your commitment reaches beyond the cause you are most passionate about. From their perspective, a refusal to apply increasingly common green practices in the business can smack of hypocrisy – the "kryptonite" of social entrepreneurship.

Fortunately, the process of going green doesn't have to be complicated and can actually end up saving money for your company. You don't have to install a complicated solar energy array to be environmentally-conscious. Instead, focus on getting the ball rolling with a few, simple green practices.

### Summary of key points



The main objective of this component was to give an overview of what green strategy for social enterprise is. Green business is a unique way of doing business. The goal of a green business is to keep its environmental footprint small, reducing waste and reusing materials as much as possible.

## 9.2 Building green enterprise



Social enterprises incubate to achieve social and environmental goals in a business-like manner. With mounting pressure on the private sector to help mitigate climate change and reduce poverty by being more resource-efficient, lowering emissions and creating 'green' jobs, there is arguably a greater role for social enterprises to play. The biggest challenges often faced by social enterprises are scaling up activities and integrating into the mainstream economy. Overcoming these twin hurdles requires finance, capacity and partnership.

Building green enterprise can be grouped into three action sections:

### 1. Recycling

Recycling is one of the simplest and most immediate things you can do to promote environmental awareness in your company. Paper, cans, cardboard, etc. Most communities have recycling programs capable of handling these types of materials. But in a small business, there are plenty of other recycling opportunities begging for attention. Ink cartridges. Outdated hardware. Industrial fluids. The list goes on and on. And once your recycling initiatives gain steam, save time for the final step of the process – communicating your efforts to your customers.

### 2. Product and supply selection

In many cases, environmentally-sound product choices are available from vendors, suppliers, and distributors. Subsequently, your conversations with suppliers should start to include a

discussion of green alternatives in the product line. If the green product is of similar quality and can be purchased at a similar price point, you really have no reason to choose the non-green option. In addition to helping the environment, your company benefits from the product's packaging and design – which undoubtedly highlight its environmental advantages.

### 3. Energy conservation

Conserving energy is a no-brainer for a small business. With energy prices skyrocketing, every ounce of effort you put into energy conservation has a direct impact on your company's bottom line. However, the idea of energy conservation is also popular with consumers, and if you can effectively communicate your conservation efforts, you will not only increase your business, but also cement your social entrepreneurial image in their minds.

One of the most important factors to realising green social enterprise opportunities is ensuring that there is the appetite, courage and leadership at senior public service levels to implement and facilitate the green reforms outlined above. Strong structures, clear processes and lines of accountability must be put in place to realise the potential for greening the enterprise.



**EXERCISE:** Now it's your turn. Which actions could your company/organisation adopt to strengthen green strategy implementation?

#### Summary of key points



The main objective of this component was to give an overview of what actions could be adopted to realise green social enterprise opportunities. Energy conservation, product and supply selection and recycling are the main sub-actions of building green enterprise.

### 9.3 Operating green company: thinking and practices



Starting a green business (or making an existing one greener) can often seem like a daunting task: a mental checklist of all small, simple things which you can do in day-to-day operations to lighten the footprint on the planet and reduce global warming. By building environmentally conscious practices into the work flow from the start, good hope to start off on the right foot and keep taking steps toward sustainability.

Thankfully, many green business practices are not only eco-friendly, but they're friendly on the company budget as well. So even if the benefits to the planet are hard to see, benefits to your bottom line may be more visible.

There is a handy list of ten simple things to operate green enterprise

1. Less printing = using less paper

Paper makes up about 35% of our waste stream – even though it’s one of the easiest materials to re-use and recycle! You can help reduce this waste by using as little paper as possible, and being smart about the paper you do use. First of all, you don’t need to print every e-mail. Just organize your inbox to make e-mails easier to find and reference. You can encourage others not to print your e-mails as well. Make back-up copies of important files and e-mails and keep them on an external drive, instead of storing boxes of paper files. When you do need to print important documents, make sure you use a sustainable paper, and set your printer or copier to print on both sides of the page.

## 2. Go digital with your documents

A great way to reduce paper use and get contracts and documents signed more quickly is to use electronic signatures. Adobe Acrobat Professional allows you to sign PDF files digitally, as well as create PDF documents with signature fields for clients to sign. Or you could use software such as DocuSign or e-signature to securely sign documents and get signatures from clients and vendors. Clients can e-sign the documents and send them back, and both parties have a signed copy without having to print anything. Also could be used PayPal to send invoices, which gives the ability to accept credit cards and receive instant payment.

## 3. Pull that plug

You aren’t working all hours of the night, so why does your computer need to be on? Turn off everything you possibly can before you leave the office each day. Plug the computer, printer, external hard drive, and other office gadgets into one power strip, and just turn it off to make sure none of my appliances are secretly pilfering energy. Also program the computer to turn off automatically at a certain time each night, just in case I forget. You can also set your monitor to turn off after a few minutes of inactivity. And never leave things like cell phone chargers plugged in when you’re not using them. They still draw energy, regardless of whether there’s anything plugged into them. Speaking of energy efficiency, make sure you stock your office with energy-saving appliances and compact florescent light bulbs.

## 4. Get waste wise

Recycling is never a chore when it’s easier than throwing something away. Place paper recycling bins in convenient locations all over the office, like right next to copiers and mail boxes. Keep clearly labeled bins in several central locations such as break rooms. Everywhere there is a trash can, there should be a recycling bin. If you have a cafeteria or break room in your office, consider adding a compost bin. An employee or neighbour with a garden wouldn’t mind the free plant food, and worm bins are compact with very little odour.

## 5. Work with like-minded companies

Chances are, there are businesses in your area that are also going green or certified green. Network with them and use their services when you need them. Part of being a green business

is making sure that you do your best to ensure that your supply chain is green, too. Seek out green vendors for your business needs, whether it be printing business cards, hosting your web site, or cleaning your office building.

#### 6. Freecycle

Need some shelves for your office and don't have a budget for new furnishings? You never know what you might find on freecycle. One person's junk is definitely another's treasure. If you have a large company, you could even organize an office-wide barter party, where everyone brings items they don't use any more to swap for things they might need from others. When you upgrade your office equipment after years of use, pass it on if it's still useful. List it on freecycle or donate it to a charity that may need it.

#### 7. Institute a company recycling program for electronics

In addition to recycling the usual paper, cans, and bottles in the office, don't forget about the e-waste that is so essential to businesses and so toxic to the environment. When old electronic equipment finally bites the dust, don't just toss it, but make it company policy to recycle everything you can. Recycling for Charities makes recycling e-waste like cell phones, cameras, and palm pilots a breeze – and you can choose which charity gets the proceeds from your recycled electronics! Many computer manufacturers offer take-back programs for old computers, so make use of them.

#### 8. Slow the flow of junk mail

Junk mail may be one of the most wasteful things known to man. When the plague of unwanted mailings seems to never end, there is something you can do about it. There are free services out there that will remove you from mailing lists, and you can also remove your name from the Direct Marketing Association's member prospect list.

#### 9. Build your office green from the floor Up

If you're lucky enough to be able to afford an office remodel, go green from the floor to the skylights. Use eco-friendly flooring options made from renewable or recycled materials. Use sustainable fabrics made from hemp or bamboo for window coverings, or get them second hand. Lengths of bamboo make great curtain rods, too.

#### 10. Educate yourself

There is always more you can do to make your business more sustainable. And the only way to make progress is to know where you're headed. Keep up with environmental news and green business trends to identify areas you can improve on. Make your own checklist of green business practices to implement and set deadlines for crossing them off your list. Share green news and tips with your co-workers, employees, and clients. Making yourself an "expert" on sustainability will not only build your green brand, but it will earn respect from potential clients,

customers, and your peers.



**EXERCISE:** After reading the paragraph above, what can be the most suitable way for practices in your organisation? It might be useful to take note of this idea.

## 9.4 Green marketing and branding

### 9.4.1. Right eco-label for the brand



**Eco-labels** are an excellent way to enhance credibility for green marketing claims, but they are not without risk. While 28% of consumers look to green certification seals or labels to confirm that a product adheres to claims, these labels can also confuse. Happily there's enough method within the madness for marketers to pave a way forward.

**Eco-labelling challenges** More than 400 different eco-labels or green certification systems are now on the market. Questions such as which label is better, which product is safer for the environment and what does a label even mean are common questions that well-intended green shoppers may find themselves asking when trying to make an environmentally responsible purchase.

Confusion can arise from labels that certify too much or too little information. Some eco-labels focus on a single product attribute (e.g., recycled content), which keeps things simple but can inadvertently mislead consumers into thinking the product is green overall. Other labels look at several characteristics of a product or even a product's entire life cycle; such multi-attribute certifications may raise questions about the credibility of a single-attribute certified product while also preventing easy comparisons.

Some products, such as electrical appliances, have a number of labels and certifications, while others, such as mattresses or flatware, have none. Another common reason for confusion is the discrepancy in the levels of rigor applied to some eco-labelling—some require independent, third-party verifications while others allow self-certification.

### 9.4.2. What are the ways to maximize the potential value of your product using eco strategy?



These suggestions can be used to avoid confusion and maximize the potential value of an eco-label for your brand/product.

**1. Choose wisely** Ensure that the organization behind the seal and its methodologies are credible. In particular, look to see that its standards have been developed in accordance with standards-writing organizations such as ISO.

**2. Be relevant** With so many labels available out there, it is quite likely that your brand may



purchase decisions, particularly between two otherwise comparable products.

### 9.4.3. Quiet Green Marketing

 Underscoring the primary reasons why consumers purchase your brand - sometimes referred to as “quiet green” - can broaden the appeal of your greener products and services way beyond the niche of deepest green consumers. Quiet green might also help overcome a premium price hurdle. So, focus communication for greener products on how consumers can protect their health, save money, or keep their home and community safe and clean. Show busy consumers how some environmentally inclined behaviour can save time and effort.

To be clear, this does not mean focusing exclusively on such benefits - to do so would be to go back to conventional marketing altogether. But focusing too heavily on environmental benefits at the expense of primary benefits will put your product in the green graveyard, buried under good intentions. Happily, thanks to advances in technology, many greener products these days do provide added value in the form of enhanced benefits.

 Keep in mind that the number one reason why consumers buy greener products is not to “save the planet” but to protect their own health. Categories most closely aligned with health are growing the fastest and tend to command the highest premiums. Health messages can apply to a wide variety of product categories.

 EXERCISE: Transfer the above mentioned marketing and branding tools to your working environment. Which of them are the most suitable for your enterprise? Make a to-do-list for yourself and discuss with your colleagues about it.

## 9.5. Green social enterprise: case study

The Eaglehawk Recycle Shop (Eaglehawk) is a social enterprise started by Future Employment Opportunities Inc. (FEO) 18 years ago, with the twin goals of creating jobs and extending the life of landfill through recycling. It was set up next to the Eaglehawk landfill, where valuable materials are diverted and reclaimed for re-use or recycling. Recycled scrap materials are sold to commodities buyers, and products that can be re-used or up-cycled are sold through the adjacent tip shop, providing the community with access to such items at a low cost.

All recycle shops are based on the Eaglehawk model, in which all income is generated through trade, specifically through tip shop sales and sales of recycled scrap materials such as metals and wood to commodities buyers. All items in the retail shops are sold as is, without further value being added. Each site maintains its own separate budget and aims to grow its income and employ more staff each year.

Based on the Eaglehawk model, 80 per cent of income at each site is put back into wages to create more jobs. Having more staff means that more items can be recycled and resold, in turn increasing the site's income – creating a virtuous cycle.

Another key feature of the Eaglehawk model is that all sites are treated independently and are profitable. none receive financial assistance from government, philanthropy or for their ongoing operations. This allows management and staff to devote all their time to managing the business instead of chasing grants. For example, cardboard is recycled at a loss because recycle shops feel it is their social and environmental responsibility to do so. Computer screens and televisions are recycled at break-even.

### **9.5.1. Promoting recycling**

The recycle shops frequently host school groups who visit to learn about recycling. FEO believes that behaviour change starts with young children, who can often be a positive influence on their parents. Apart from advertising on local television and in supermarkets to encourage more households to recycle, recycle shops invest minimally in marketing to enable more income to be invested in wages. By focusing on earning income for the business, recycle shops have been able to achieve strong environmental and social outcomes without relying on any financial assistance.

Getting the general public to recycle is an ongoing challenge for the recycle shops. “We are always convincing people to stop driving with truck loads of stuff straight to the landfill. Recycling is beneficial [to the environment] and it does not cost you anything. It does not cost you anything to throw your plastics in a bin as opposed to throwing it in with your food scraps. In fact, when you sort out your waste before driving to the landfill, you'll save lots of money!” says CEO.

In the 2011 financial year, recycle shops (excluding Portland) diverted approximately 12,700 tonnes of waste from landfill. Their existence has significantly increased the life of the landfill. When Eaglehawk started in 1993, the landfill was projected to be full within a few years. It is still being used today. True to its mission, recycle shops have a policy of recycling as much as they can, including items that are not profitable.

### **Summary of Learning Objectives**



This unit has explored the essentials of adopting the green strategy. The adoption of environmentally-responsible business practices can conceivably open up an additional range of opportunities. The goal of a green business is to keep its environmental footprint small, reducing waste and reusing materials as much as possible. Social enterprises incubate to achieve social and environmental goals in a business-like manner. The biggest challenges often

faced by social enterprises are scaling up activities and integrating into the mainstream economy. Overcoming these twin hurdles requires finance, capacity and partnership. One of the most important factors to realising green social enterprise opportunities is ensuring that there is the appetite, courage and leadership at senior public service levels to implement and facilitate the green reforms. Strong structures, clear processes and lines of accountability must be put in place to realise the potential for greening the enterprise. Starting a green business (or making an existing one greener) can often be challenging: a mental checklist of all small, simple things which you can do in day-to-day operations to lighten the footprint on the planet and reduce global warming.

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## **Glossary of terms**

### **alternative energy**

Energy derived from sources other than the traditional sources, such as fossil fuel, coal and nuclear. Alternative energy includes sources such as solar, wind, hydro, and geothermal

### **carbon footprint**

The amount of carbon dioxide that is emitted by a particular entity. It is usually expressed in tons on an annual basis. Often times this term is confused with ecological or environmental footprint as these things take into consideration more than just the amount of CO<sub>2</sub> you discharge.

### **eco-chic**

Products or services that are eco- friendly but are also stylish, trendy, and hip.

### **ecological or environmental footprint**

The total amount of ecology or environment (land, water, air, trees, and so on) that is needed to absorb, process, clean, and regenerate the total discharge of pollutants or contaminants and destruction caused by a person, business, city, and so on.

### **embodied energy**

The total amount of energy used in the creation of a product or service. This includes the energy used in mining or harvesting, processing, fabricating, and transporting the product.

### **energy efficiency**

Achieving the same results while using less energy.

### **fair trade**

A social movement promoting standards of labor, fair wages, and good

Implemented in 1997, this initiative is a legally binding agreement, whereby over 160 countries agreed to reduce their greenhouse gas emissions by an average of 5.2 percent below 1990 emissions levels. It doesn't look like this target will be achieved.

### **life-cycle cost (LCC)**

The complete cost of purchasing, owning, running, and disposing of something over its entire lifespan. This includes how much energy or water or natural resources it requires to run it.

Energy efficient or water efficient products have lower life cycle costs because although their up front or first cost is higher, the cost of operating is much lower due to less energy or water use, and they also tend to last longer.

### **post-consumer**

Material that was first used by a consumer and now has been turned or recycled into something else.

### **pre-consumer/post industrial**

Material that came from a manufacturing process that has not made its way to a consumer and can no longer be used by the creator.

### **renewable energy**

energy that comes from sources which naturally replenish themselves in a relatively quickly time frame. Examples of renewable energy include wind and solar energy.

### **solar power**

The power produced by solar or photovoltaic cells.

### **sustainability**

Satisfying current human needs without compromising the ability of future generations to satisfy their own needs; operating in a manner that satisfies the following conditions: 1) must not remove materials from the earth faster than they can be regenerated by the earth, 2) must not pollute or contaminate the air, land, and water faster than the earth can process and clean them, 3) must not destroy or overharvest nature faster than it can regenerate itself, and 4) fairly and equitably covering basic global human needs.

### **wind energy**

The energy produced as a result of wind turning the blades of wind turbines or windmills. This is the cheapest and fastest-growing type of renewable energy technology.