

# UNDERSTANDING YOUR CONTEXT

The SWOT analysis method is commonly used within the business management world to identify your internal strengths, weaknesses, opportunities and threats (Kenton, 2021). Use the grid to identify your internal context.

Context is a determining factor in how sustainability is integrated within your business. By identifying your current internal context, you can see what factors need to be addressed moving forward and what options might work best for your business.

Strengths and weaknesses could relate to your current market position, internal culture, strategy, product offering.

What opportunities and threats are present within your business currently? New business streams? Low morale? Increase / decrease in risks? Include anything you think is relevant.

STRENGTHS	WEAKNESSES
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OPPORTUNITIES	THREATS
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# THE BUSINESS CASE FOR SUSTAINABILITY

HOW WOULD YOU SELL SUSTAINABILITY TO YOUR ACCOUNTANT / FINANCE MANAGER?

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Operating a sustainable business can provide you with numerous advantages. Listed here are just a few. There are crossovers between some of the advantages listed but they are different in their own right.

## Expansion of your audience reach:

Customers are changing their behaviours and looking for and choosing businesses that have created a sustainable brand, with research showing that sustainable businesses have seen greater returns than their competitors in the same field.

## Driver of internal innovation:

Adopting more sustainable practices allows for new, innovative ideas to emerge within internal operations. It also provides an opportunity for employees to question the way the business is run by creating a culture that actively addresses sustainability issues.

## Attraction and retention of employees:

Wellbeing initiatives, gender pay gap, culture, ethnicity, community programmes etc. can all have an influence in an employee's decision to stay with a company, or influence someone's decision to apply for a job in the first place.

## Return on investment (ROI):

The improved functionality and efficiency across various departments can generate cost savings, reduce the risk levels, improve employee retention and satisfaction, and increase sales.

## Marketing & publicity advantage:

Having a product or service which differentiates you from others allows you to market and publicise your business in a unique way. However, you need to be mindful of greenwashing.

## Meeting the needs of stakeholders:

Both internal and external stakeholders are pushing businesses to become more sustainable. By meeting the needs of your stakeholders, you can build a business environment that creates long term security for your business.

## Reduced production costs:

Operations that use scarce or depleted resources will face increased costs as prices increase. Rethinking your production methods will help create a more circular chain, with any waste being fed back into the loop to support production.

**Reduces risk:** Investing in sustainable practices and choosing more sustainability focused suppliers can reduce environmental and supply chain risk both now and going forward as resources become scarcer.

**Regulatory compliance:** Although there is no strict regulation currently, more regulation will be introduced as we head towards a more sustainable future. Being prepared for regulation changes will give you an advantage over competitors and means you won't risk the threat of fines.

**Reputation:** Marketing yourself as a sustainable business can help you build up or enhance your existing positive reputation. Beware of greenwashing though! Don't market yourself as 'Sustainable' if there are parts of your business which contradict this.

# CHALLENGES?

As with anything, there are both potential pros and cons to adopting sustainable practices. Knowing what the cons are can help you to mitigate their potential impacts and help you to focus on the long-term goal of the organisation.

Economies of scale are limited being a small island. This means that certain products are not available on the Island without importing them at a higher cost.

Certain sectors may be lagging in the adoption of sustainable practice due to lack of research and innovation within their sector, or have restrictions based on the types of products or service being sold.

Greenwashing can harm the reputation of your business. Greenwashing is the act of a business marketing themselves as sustainable whilst operating in a way that contradicts this. This leaves a business open to interrogation by consumers.

Depending on what product / service you provide, and what market you operate within, there may be less pressure to be sustainable or having a differentiating product / service may have no impact on your market share.

The introduction of new legislation / regulation – as climate change and sustainability issues are demanding more action the introduction of new legislations and regulation to reduce our human impact will have an impact on businesses. The overall impact of the legislation may be positive, however, if you as a business are not prepared for the change then you are at risk of fines and penalties.

Choosing sustainable practices that do not fit or suit the nature of your business may have more adverse effects than if you were to do nothing. For example, installing solar panels on your building that is, for much of the day, in the shade is a large financial expense for not much gain. Research what is best for you and your business and what is feasible.

Knowledge gaps within the business may act as a barrier to the successful implementation of sustainable practices.

Some business activities may require use of resources which are not sustainable, for example in healthcare where the use of single use plastics are required to keep equipment sterile and for the disposal of hazardous materials. Until research is conducted into alternative methods then there is not much room for compromise.

To meet new legislation, it may impact your business if you haven't allocated financial and people resource to meeting the demands set out in the legislation.

# FOR THOUGHT...

HOW IS SUSTAINABILITY  
ALREADY AFFECTING  
YOUR BUSINESS?

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WHAT ARE THE  
POTENTIAL CHALLENGES  
TO YOUR BUSINESS?

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HOW COULD  
SUSTAINABILITY BENEFIT  
YOUR BUSINESS?

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HOW WOULD THE  
BENEFITS OUTWEIGH  
THE CHALLENGES?

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# A CULTURE OF SUSTAINABILITY

The culture within an organisation plays a vital role in its success. The culture within every organisation will differ as the people, the size, and the purpose of the organisation will all influence how the culture is formed and implemented, so bear this in mind.

## WHAT IS BUSINESS CULTURE?

The culture within a business is made up of the beliefs, values, and attitudes held by the people at every level of the business. This can be seen through the way people interact and engage. The culture is often reinforced by expectations of how employees are to behave and how things should be done.

## WHY IS CULTURE IMPORTANT?

Having a strong culture built around the right values is proven to increase employee morale and satisfaction within their job role. This in turn creates higher levels of productivity and greater levels of success for the business.



## WHAT ARE THE BENEFITS OF A CULTURE OF SUSTAINABILITY?

- Increased levels of employee performance and commitment to your business.
- Improved overall business performance and productivity, in turn increasing profits.
- It allows your business to be more responsive to social and environmental changes.
- Save costs.
- Improve the reputational position of your business.
- Be accountable for how your business is run.

How do the layers of hierarchy within the business interact?

What are the attitudes held by the people within the business?

How does the culture respond to change?

What is the management style like?

## WHERE SHOULD I START?

Determine what makes up your current culture.

What are the main focuses of the business?

What are your core values as a business?

Does your current culture fit in with the direction the business is going in?

## HOW DO I CREATE A CULTURE OF SUSTAINABILITY?

It requires a top-down approach. You must have management commitment which can be passed down through the business.

Develop something that symbolises your commitment to sustainability. This could be a sustainability forum, logo, product, mission statement etc.

Challenge the existing belief systems within your business. Identify what your current beliefs are and question if they are still relevant.

Ensure implementation of the culture is embedded with the same philosophy within each business unit to prevent silos being created within the business.

Identify key people within your business who are enthusiastic about sustainability and involve them in decision making. Having this input may determine how successfully the culture is embedded within the organisation.

Track and report your progress so you know what is working for your business and what needs to be readdressed.

It requires constant reinforcement so that the changes are reinforced and validated.

The culture should flow through and be embedded across the organisations core, including the business strategy, operational practices and people management.

Create context around why sustainability matters to your organisation and how different behaviours and habits can impact this.

Document all your sustainability commitments, policies and guidelines and communicate these effectively throughout the business.

Ensure employees and colleagues know what is expected of them.

Have clear key performance indicators (KPI's) in place so that colleagues have a better understanding of the direction of the business, adding structure and purpose to their work.

Encourage colleagues to discuss their personal sustainability goals and how they might align with the businesses' goals.

Make sustainability an agenda point at meetings. What could and should we be doing better.