




UNDERSTANDING YOUR CONTEXT


Context is determining factor in how successful sustainability is integrated within your business. By identifying your current internal context you can see what factors need to be addressed moving forward.

Understanding your specific context will allow you to explore what options may apply best to your organisation. This goes beyond adopting more sustainable practises but can apply to any aspect of your business.


 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.

STRENGTHS	WEAKNESSES
	
OPPORTUNITIES	THREATS
	

The strengths and weaknesses could relate to your current market position, culture, strategy, objectives, product, service. Anything you think is relevant.



What opportunities and threats are there within your business currently? Struggling to find employees, new business streams, low morale, risks. Again, include anything you think is relevant.



THE BUSINESS CASE FOR SUSTAINABILITY

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

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.

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Expansion of your audience reach:

customers are looking for and choosing businesses that have formed a sustainable brand, with research showing that sustainable businesses have seen greater financial gains than their competitive rivals. Having product differentiation also helps you to gain a competitive advantage.

Driver of internal innovation:

adopting more sustainable practices allows for 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.

Marketing and publicity advantage:

linking back with competitive advantage, having a product or service that you can differentiate from others allows you to market and publicise your business in a unique way. However, you need to be mindful of greenwashing*.

Meet 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 the price of goods increase. Production lines that use sustainably sourced raw materials or goods are less likely to face shortages, which reduces risk and having to find new suppliers.

Reduces risk: investing in sustainable practices and choosing more sustainable suppliers can reduce environmental and supply chain risk both now and going forward as resources become more scarce.

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 that contradict this.

Attraction and retention of employees:

having a strong sustainability programme, considering wellbeing, culture, gender, ethnicity and community, is a strong influencer in an employee's decision to stay with a business long term or influence someone's decision to apply for a job in the first place.

Creates a positive Return on Investment (ROI): in order to gain a high ROI you need to assess the function of each department or business function. In return it generates cost savings, increased sales, reduced risk and better employee retention and satisfaction.

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 goals of the organisation.

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 that are not sustainable. For example, in healthcare, where the use of single use plastics is required to keep equipment sterile then waste is unavoidable. Until research is conducted into alternative methods then there is not much room for compromise.

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

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.

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.

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 will be positive. However, if you as a business are not prepared for the change then you are at risk of fines and penalties.

To meet the new legislation may also financially impact your business if you haven't allocated the appropriate funds.

*Greenwashing (from the previous slide) can harm the reputation of your business. Greenwashing is when a business is marketed as being eco-friendly or sustainable whilst operating in a way that contradicts this. If you are going to market your business as sustainable then you need to ensure that all of your practices are sustainable or you could risk questioning by consumers (Edwards, 2022). Examples of big brands who have been caught out for greenwashing can be found online.

Choosing sustainable practices that do not fit or suit with 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 the majority 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.

FOR THOUGHT...

HOW IS SUSTAINABILITY ALREADY AFFECTING YOUR BUSINESS?

WHAT ARE THE POTENTIAL CHALLENGES TO YOUR BUSINESS?

HOW COULD SUSTAINABILITY BENEFIT YOUR BUSINESS?

HOW WOULD THE BENEFITS OUTWEIGH THE CHALLENGES?

A CULTURE OF SUSTAINABILITY

The culture within businesses plays a vital role in the success of a business. The culture within every business will differ as the people within the business, the size and the purpose of the business 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 that make up the business at every level. This can be seen through the way people interact. 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.

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

What is the management style like?

What are your core values as a business?

WHERE SHOULD I START?

Determine what makes up your current culture;

What are the main focuses of the business?

How does the culture respond to change?

How do the layers of hierarchy within the business interact?

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.

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.

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

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 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 of 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 (KPIs) 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 business's goals.

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