



# Ten simple steps for your small business to manage environmental impacts *and* boost growth

By Chris Sheldon, GreenInck, and Mike Pearson, Pearson Associates Ltd



Ask any small business manager and they will quickly point out that unlike larger businesses, small firms are disproportionately affected by increasing energy and natural resource costs. At the same time, the constraints on their time and resources directly limits their capacity to cope with an increasing amount of new, environmentally related regulations. So how can you as a small business owner square this statistical circle and make sense of where you are now? More to the point, now there's a new version of ISO 14001, could you use it to optimize what you already do well and add to the bottom line in good times and bad? If you thought ISO 14001 wasn't for you, you need to look a little closer.

You might not realise it, but particularly if you are involved in a small business, you're already doing things that help to make things better environmentally. Here are 10 things you're doing that already help pave the way for changes that will be meaningful for your business, and 10 simple tweaks that will not only make your actions even more effective, they run the risk of supercharging the business itself.

What might surprise you even more is that the tweaks come from a new version of an international technical standard for environmental management systems, ISO 14001.

But before you do anything new, let's look at what you're already doing.

## 1 You've got a business plan

If you've got a plan, you'll have analysed everything in and around your business including the key risk factors that could affect it. Risk in this context means business threats and challenges, as well as opportunities. No-one will know the risks to your business better than you; from late payments to supply chain hiccups to volatile markets, the plan is your benchmark.

If you haven't written that plan down yet, it doesn't mean you don't have one; you're probably still carrying it around in your head. A quick download into a file frees up valuable space in your mind as well as providing a solid reference point for you to review whenever you feel like you're losing your sense of direction.

Whether you realise it or not, your business risks will include some understanding of environmentally related issues, such as raw material costs, energy costs and waste disposal costs. You'll also be most of the way to meeting one of the prime requirements of the new ISO 14001:2015 – understanding the issues that face the company in terms of its operating context.

### Simple Tweak No. 1

You'll need to do a little extra thinking and recording about medium and longer term environmentally related business continuity issues (things like - how will changing climate affect my customers, my employees, my supply chain?). When you do, it'll pay dividends in sparking ideas about new directions, potential new markets or products and building in resilience.

If you are prepared for inclement weather conditions and their effects on transport, the potential short or medium term loss of key raw materials and other types of related risk, you can start to explore how you can turn some of these potential show-stopping problems into opportunities. At the very least you'll be able to adopt 'no regrets' policies to hedge your bets against any worst case scenario.

In case you think all this is 'off topic' when it comes to running your business, it's all about ensuring continued inward investment. Potential investors like to think that their money is in the hands of someone who's thought about the risks and who's planning to be around to give them a good and continuing return on their investment. Managing non-financial risks is part of ensuring your business is not distracted from handling the financial ones as well.

There's **always something new to find out** about others who are affected by what you do or sell

## 2 You know what your customer wants

Whether it's a keen price or meeting last minute rush orders, the personal touch from you during sales meetings or knowing what your customer wants, you know how to add value where it is appreciated most.

Working relationships between supplier and customer take a long time to build up and most come to rely on the close understanding that develops between the two parties. The more you know about your customers, their customers, the wider market, even the place they live and work, the more you'll know what worries them and how you can help. From your suppliers through to the final user of what you sell, you've already got an idea of who wants what and how to keep them happy.

### Simple Tweak No 2

Extending this knowledge to a slightly wider field of view can do wonders for your business and head off problems at a later date. Think about how small embarrassments or disappointments for customers can lead to bigger problems later. There's no such thing as a little local difficulty, or certainly no such thing as one that can't get out of hand, damage your reputation and give your clients an excuse to look elsewhere: somewhere their own reputation won't be damaged by association.

Looked at from that angle, there's always something new to find out about others who are affected directly or indirectly by what you do or sell. These other 'interested parties' might not buy anything directly from you, but given the right set of circumstances can get in the way of those that do.

For every complaint you hear about, there might be more that you don't

It might surprise you to know, for example, that local authorities tend to get more complaints about odours rather than noise; that 'just in time' deliveries at odd hours of the day and night on the main routes to your site don't go unnoticed by neighbours and the local community; that for every complaint you get to hear about, there might be many more unvoiced thoughts about your business that might be less than positive.

You might only find out about all this when you put in a planning application for a change of use on a building or to extend the hours of operation of a site. That's when all those local issues that were not in your direct line of sight come out and suddenly, the costs of doing business escalate because local opposition is hemming you in and stalling growth. You could up sticks and move of course, but that costs money too.

There's nothing like the environmental angle to get you in touch with your neighbours, the furthest reaches of those interested parties and all the ones in between. No surprise then that in ISO 14001, there's a section that asks organizations to take steps to understand these needs and expectations. It doesn't say try to meet them all, just know what they are and consider what you can do. In doing so, you've just increased the future-proofing of your business.



### 3 You're a Leader

You will know that there are times when strong leadership is needed. Leadership is a function of what you do rather than your job title. Whether you like it or not, you also know that doubt comes as part of the package; one of the reasons people like to get behind leaders is because it helps to manage their own doubts about situations.

You know that leadership is not simply a management training issue, but a quality that is measurable and a skill that can be practiced at all levels. It means being able to focus on a shared future and articulate it to others. It means caring about all your working relationships so much that you only see them through the lens of that shared future. It means using real management skills to deliver and keep delivering the things that take you towards that shared future.

#### Simple Tweak No 3

All of that has led you to another interesting conclusion; the future you are keeping your eye on is something that will be shared by others that you haven't met yet, another generation with their own hopes and dreams. If it's a family business, this intergenerational equity takes on a personal meaning. Even if this isn't the case, what you want to give those that come next will be at least as much as you started out with; the resources you have used and preserved and nurtured; a framework that supports and helps others grow as you are still growing.

It's a function of leadership to contemplate and plan for scenarios that others would rather not think about. Yet, all the work you've put in developing those leadership muscles only needs slightly realigning to look at your future in terms that matter environmentally. As natural resources and raw materials start to cost more, as markets and climates become more volatile, as energy sources change and fuel prices fluctuate ever more widely, you're already on the cusp of seeing environmental management as slow motion business continuity.

The latest version of ISO 14001 has an entire clause devoted to leadership and how it can be fully realised. It wouldn't take much to see what you already do in that light and simply because you haven't previously given it an 'environmental' label doesn't mean that you have successfully excluded environmental concerns from the future you are busy shaping; a future that will be occupied by others and drawn on to create further futures and lives.

If you want to lay down some real markers on the future, this hard won knowledge of leadership from the inside and not from books or training courses needs a focus to help bring it into reality. That focus might just be seeing your future from an environmental angle, not so you can debate or take some ethical high ground but adapt, refine and grow. Leaders don't do it because it is easy; they do it because it is hard.

### 4 You know why small is beautiful (and agile)

The phrase 'full on' could have been coined for small business management. It's part of the appeal, and whether or not it's matched by an equal desire to simply survive, it helps to account for a record number of start-ups, over 581,173<sup>1</sup> in 2014 in the UK alone.

Small isn't just more personal, it demands more from every part of the organization. Smaller companies are more flexible, more responsive and more open to embracing sudden change whether it's in the customer's specification or the market in general. This agility in realising opportunities is a characteristic that is prized and nurtured by small business owners. If anything, success and growth are sometimes seen as threatening this very strength. However welcome the change, it's easy to lose touch with the very flexibility that attracted the success in the first place.

#### Simple Tweak No 4

The real challenge then, is to build resilience into the core of that flexibility, adding reserves of endurance to agility. If you can do this, you can not only make the best of this inherently useful business ability, you can even extend its capacity by scanning the horizon for those opportunities. If this can be done effectively, it allows smaller businesses to think in advance about the capacity fluctuations that will be caused by the change and respond without over-committing.

The new version of ISO 14001 has an approach embedded in it that can help with strategic thinking. It combines a risk and opportunity management approach with techniques that encourages taking a broader perspective on the business and its commercial context. This effectively brings medium term trends onto your radar, allowing that previously noted agility to be underpinned by a solid foundation of resource planning and market knowledge.

Identifying risks and opportunities from a wide range of sources reinforces your assessment of the details and of how their possible combinations might affect the company. More to the point, following the best practice laid out in the standard will prove to yourself and others that you're planning in the round, for the short, medium and long term. You might not have thought that environmental concerns would encourage such thinking, but it's all part of the business context; the increasing volatility of market responses to resource shortages is only one example.

<sup>1</sup> Source: Startup Britain based on Companies House figures for 2014



## 5 If it isn't broken you don't try and fix it

Planning for change is one thing. Constantly initiating it for its own sake is quite another. Unsuccessful interventions begin to prompt further interventions, and by that time, in larger organizations, no-one is stepping back and wondering if the interventions themselves are holding things back.

Conversely, in smaller organizations, there can sometimes be a tendency to put off change in case the unique qualities of the entity are somehow lost: a reasonable concern. The natural tendency is to get the most out of existing ways of doing things, existing resources and existing people. This approach is not without merit; sweating assets and making sure they work for a living is good economic sense. However, more often than not this leaves the organization exposed when it's put under pressure.

### Simple Tweak No 5

The trick is to harness this natural propensity for 'light touch' support to a method that allows change to be targeted in the areas it's needed most. That way, 'optimizing' can't become the sort of constant tinkering that erodes organizational capacity and response times. Each element of business support is aligned with what's needed, and everything, from IT equipment to your invoicing system has the level of structure that it needs and nothing more.

All management system standards have this approach integrated into their structure, but the unique angle offered by ISO 14001 here is the link to the broader perspective already mentioned. If you've already identified the medium term changes likely to be prompted by the external pressures of the environment, then ensuring that any change allows these opportunities to be realised at a later date will avoid the equivalent of 'painting yourself into a corner' in the short term.

Not everything needs fixing, but if you can fix something so that it sets up for potential resource or market changes and demands, then you know that the change is justified.

## 6 You hate red tape

In a small business, it's impossible to avoid red tape. Access is denied to services, support and resources unless a commensurate mountain of template documents are filled in. There's nothing like running a small business to make you acutely aware that your own time is measured in money. Everything had better be able to justify itself in terms of a return on the investment of time. No wonder that dealing with red tape can make any cost/benefit ratio look more than a bit sad.

### Simple Tweak No 6

You can take that anti-red tape sensibility and use it to drive your own internal systems as they develop and grow to meet the new challenges and markets. The new clauses in ISO 14001 relating to what is now called 'documented information' have some really useful pointers on how to make decisions as to whether a document would be helpful or not as an aid to management.

Documentation is there to provide guidance rather than swamp the system with documents created out of fear of doing otherwise. In a telling phrase, the standard talks about needing enough documentation only 'to have confidence' that processes are being carried out. As long as there isn't an external reason for having the

document (a customer requirement, a regulation or some other specification), it's the best guide you are going to have. It ensures that if you have your own rationale for having or not having a document, you can always go back and revisit it in the light of changing circumstances.

The standard never asked for as many documents as some would have you believe in any case, but even the term 'procedure' has all but disappeared from the new version. It still mentions specific instances where documentation is needed, but even then, it doesn't stipulate how complex the documentation has to be; which means that it can be as simple as the demands put on it. More often than not, you'll find you're already generating documents for your own records anyway.

There's a lot of legislation covering environmental matters. Regulations usually mean having to provide regulators with some kind of proof. Using the new standard intelligently means you don't clone someone else's red tape and think it's yours.



Working in concert with those outside your organization can bring cumulative benefits for everyone

## 7

## You like to be in the driving seat

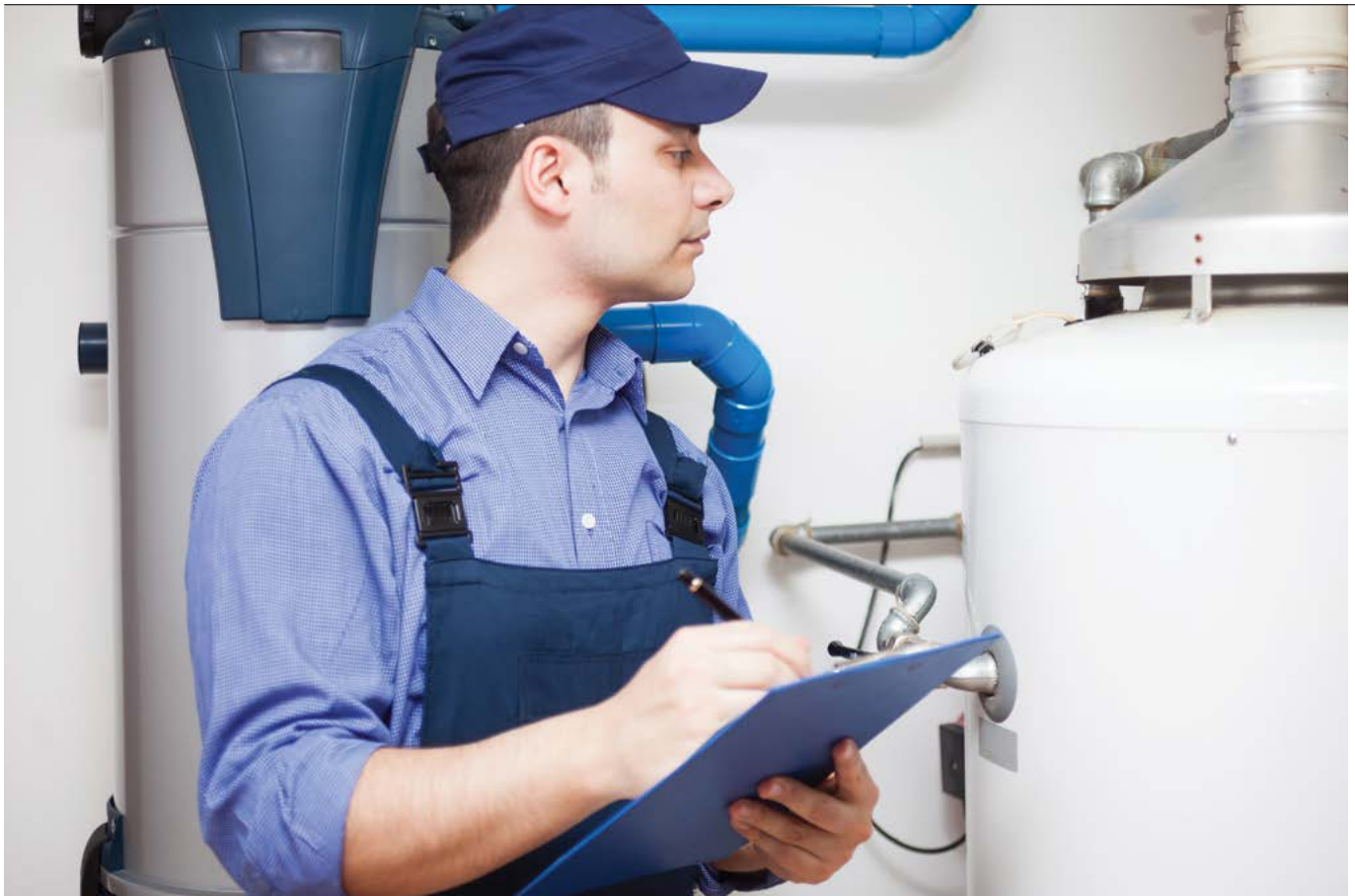
In larger organizations, it's possible to feel completely divorced from having any real effect on the direction and momentum of growth. That's one of the reasons people like to be in a smaller business. Your actions get directly translated into results without any intermediary structure getting in the way. With that level of control, you also have to be willing to take on the responsibility, but while others take that word to mean 'blame', if you're working in a growing business you know that it's really 'the ability to respond'. Like most muscles, it gets stronger when it's used often.

### Simple Tweak No 7

Guidance and information about operational control in a standard like ISO 14001 can really help. Firstly, you can use it to identify those things that your organization can (and should) control as well as distinguish these factors from the things that the organization can only influence. Secondly, it helps to ensure that the controls you have are the most effective by encouraging you to identify and examine the ecology of your own business.

The standard talks about how different types of controls can be used separately or in combination. They might even be part of an interrelated hierarchy, linked to be applied in sequence or in parallel. The discipline of looking at your own business this way can be used to ensure a light touch where necessary (can you rely on well trained employees to make their own judgements, for example?) and more stringent approaches (where the consequence of a control lapse is too serious, then perhaps it needs to be made impossible to do the process badly).

Last but by no means least, because of the environmental nature of the impacts and consequences under examination, using the standard can reveal causes and triggers that stretch outside the organization, revealing areas of influence that you might previously have felt were beyond your reach. Working in concert with those outside your organization (suppliers or even customers) can bring cumulative benefits for everyone involved. If resources, energy or waste minimization are involved, these benefits will be felt directly on the bottom line.



Taking an environmental perspective on measurement, monitoring, analysis and evaluation brings another level of reward for the smaller business

## 8 You measure twice and cut once

No raw materials are so cheap that they can be used without measurement, especially as the cash price is simply an indicator of the broader consequences of profligate use. Consequently, nothing is too cheap to meter (which you might remember was said about electricity in the early days of nuclear power). Measuring twice might not always be necessary, but the thrust of the idea behind the phrase is still sound. Taking care with measurement means that you'll save resources. Clearly, beyond that there are other benefits, such as having accurate information on which to gauge performance trends, proof of compliance with requirements imposed by customers or the law and solid indicators that will make budget and related forecasting more accurate.

### Simple Tweak No 8

Taking an environmental perspective on measurement, monitoring, analysis and evaluation, such as that embedded in ISO 14001 (and deepened in the latest version) brings another level of reward for the smaller business. Perhaps because they have by definition less slack

in their systems, there is also less of a buffer between them and material cost fluctuations. Measurement and monitoring then takes on a different role; additional accuracy and breadth here means that feedback not only speeds up reaction times, it makes greater depth of analysis possible and thus better output maintenance. The implications of rising (and falling) costs can be tracked through the system quickly and new strategies devised to either take advantage of potential windfalls or offset the increases through changed processes.

The same principle can apply to all the resources an organization draws upon, whether it's energy, materials or supplied services, all of which affect overall financial performance. The same approach can even be used for feedback about your time.



## 9 You know the Big Picture is the only picture

Managers of smaller businesses can afford to step back and keep an eye on the bigger picture, simply because the limited manpower encourages multiple roles being filled by individuals who can call on a wide range of skills. Specialists can be brought in for targeted projects or interim roles, but in general, good managers will never lose sight of the big picture because it is always in front of them in one form or another.

The flexible application of a multitude of competencies can sometimes draw negative comments about 'jacks of all trades', but such comments mistake the gifts of being a generalist for a lack of knowledge. Multi-role owners and managers have to grasp the essentials of any subject quickly if they are to be at all successful. This drive to get to the heart of the matter means that they never become so immersed in a task that they lose sight of its relation to the overall direction of the company, something that specialists have to surrender through lack of time.

### Simple Tweak No 9

Stepping back and taking a strategic helicopter view has always been part of management system standards, but the new version of ISO 14001 has introduced a specific reference to ensuring that the implications of changes are considered directly in the light of the businesses strategic direction. When the changes under consideration emerge from a big picture as the environment, such a review is truly 'global' in the sense that it takes in implications from as wide a selection of sources as possible. This sort of review is likely to encourage innovative responses to threats such as potentially over extended supply chains, the sentiments of markets, potential cost spikes and similar factors. It's also likely to spot opportunities for developing new markets for existing products as well as new products and services themselves.

Essentially, due to the all-encompassing nature of environmental management, it's the sort of approach that builds on the natural abilities of managers in small businesses.

## 10 Better is what you do, not what you say

Actions not only speak louder than words in a small business; the results positively yell from the rooftops. The measurable parameters of growing and improving are thus pretty much the same thing and if one of the two elements is not discernible with the naked eye, the other will be hard to find as well.

### Simple Tweak No 10

In truth, there's no real tweak here. ISO 14001 works on the principle that corrective actions when things go wrong speak louder than corrective words attempting to smooth over the problem. It calls for analysis of why things went wrong in the first place and then responding in such a way that it doesn't have a chance to go wrong again. There is no concern of whatever type that can't benefit from improved ability in this area.

In a similar vein, the standard asks for commitment to continual improvement and for a small business that's easy to prove. If anything, for the smaller business it isn't the commitment or the improvement that might be lacking; it's the ability to appreciate what's already being achieved, acknowledging and perhaps even celebrating improvements instead of falling into the trap of thinking that the improvement was a naturally emergent property of a maturing business.

# Corrective actions speak louder than corrective words

## And finally..

Don't allow yourself to be put off by the title. ISO 14001 might be focused on environmental management, but the discipline it encourages can be hard wired into your planning and management for better performance, which is measured in money and not just your own sense of satisfaction.

The broader and inspiring insights offered by viewing your business from a perspective for which we currently have no other label other than 'environmental' aren't really accessible to larger organizations. The corporate response to environmental challenges is almost always operational and not strategic. In smaller businesses, the lack of such hard structural divisions means taking an environmental angle that

leads to better decisions and results that have more profound implications for the business as a whole; greater resilience, greater capacity to respond to change, enhanced levels of control and far greater chance of handing on a positive business legacy to those who will need it.

All the ideas for this article can be found in the new ISO 14001. Because of the standard's formal language, you'll have to read with an eye for the implications of what is being asked for, but it's no stretch of the imagination to find everything. Here's where you can find the jumping off points:

Figure 1. – Mapping what you already do to ISO 14001:2015

What you already do	ISO 14001:2015 clause
1. You've got a business plan	4.1 Understanding the organization and its context
2. You know what your customers want	4.2 Understanding the needs and expectations of interested parties
3. You're a Leader	5 Leadership
4. You know why small is beautiful (and agile)	6 Actions to address risks and opportunities
5. If it isn't broken you don't try to fix it	7 Support
6. You hate red tape	7.5 Documented Information
7. You like to be in the driving seat	8 Operational Planning and Control
8. You measure twice and cut once	9.1 Monitoring, Measurement, Analysis and Evaluation
9. You know the Big Picture is the only picture	9.3 Management Review
10. Better is what you do, not what you say	10 Continual Improvement

## Authors

### Chris Sheldon

Chris Sheldon is an international level policy advisor, lecturer, trainer and author on the management of sustainable development issues. Involved at all levels of environmental and sustainability policy making and practical implementation for over twenty years through standards institutions, professional bodies and commercial application, he now acts as a consultant (as well as keynote speaker, motivator, training designer and writer) in the areas of management, leadership and related sustainable development issues through his own company, Green Inck. He is a member of BSI Standards Management System Expert Group as well as the ISO 14001 committee SES/001/01 Environmental management systems.

### Mike Pearson

Following a successful career in industry at senior management level, Mike set up his own Business and Personnel Development Consultancy, Pearson Associates Ltd, specializing in the small/micro business sector, while also undertaking major project planning and quality management contracts with large national companies. Mike was also a member of an embryonic senior management team that established a new division of a major international company.

As an active member of the Federation of Small Businesses as their standards spokesperson acting on behalf of the 200,000 members, Mike works closely with BSI on a number of standards including ISO 9000 series. He is also a member of UKAS Policy Advisory Council and the MoD Defence Industry Quality Forum.

Mike's priority is to gain better recognition of the importance of the small/micro business sector to engender improved inclusion through an appreciation of their very different operational procedures in comparison to larger organizations' structures.

## Reviewers

### Clare Hann

Clare Hann is Global Product Technical Manager for EMS for BSI assurance, responsible for managing the technical content in BSI's ISO 14001 EMS product strategy, managing the interface with accreditation and regulatory bodies, maintaining certification, accreditation and regulatory requirements and tracking standards and accreditation rules. Responsibilities also include representing the Association of British Certification Bodies (ABCB) on the UK mirror committee that feeds into the ISO technical committee for ISO 14001, and representing the ABCB at the UK EMS stakeholder forum. Clare holds a BSc (hons) environmental science degree from the University of Wales and has over 12 years' experience in the sustainability sector. Clare has been with BSI since 2005 where she originally joined the service delivery team as an EMS Technical Expert. She has worked with a wide variety of industry sectors from finance institutions to local governments, the construction industry to manufacturing.

### Ruth Hilary

Ruth Hilary has more than 20 years experience in the environmental and social fields. Her PhD at Imperial College investigated European environmental policy and market based voluntary instruments used by businesses. She has a proven track record in research design and execution, raising research funds up to 2.5 million Euro from national and European sources. More recently, for Defra she established statistical evidence on the quantitative and qualitative benefits derived by small and medium-sized enterprises (SMEs) from their certified environmental management systems (EMS). Ruth was awarded the prestigious John Curtin Fellowship at the University of Curtin, Australia. She is an effective committee operator and communicator as a member of BSI's sustainable development committee and an UK expert to various ISO committees developing environmental and social standards, including ISO 26000 and ISO 14001/4. Ruth is widely published having written and edited six books and for various academic and business journals.

### Greg Roberts

Greg has been implementing and supporting on ISO 14001 for 15 years. He is uniquely positioned, representing the UK at International Technical Committee meetings revising the guidance standard to ISO 14001 (ISO 14004) and is already helping organizations to implement the new version or to transition to it. Greg is an experienced trainer and facilitator at all levels but is particularly influential at a cross functional senior level, assisting directors to recognize the business case for environment and developing a long term and integrated strategy. Greg regularly writes and contributes to national publications and conferences on ISO 14001:2015. He is a Chartered Environmentalist and a Full Member of IEMA. His Masters in Law (LLM) in Environmental Legislation allows him to advise organizations on current and future environmental legislation.

## About BSI Group

BSI (British Standards Institution) is the business standards company that equips businesses with the necessary solutions to turn standards of best practice into habits of excellence. Formed in 1901, BSI was the world's first National Standards Body and a founding member of the International Organization for Standardization (ISO). Over a century later, it continues to facilitate business improvement across the globe by helping its clients drive performance, manage risk and grow sustainably through the adoption of international management systems standards, many of which BSI originated. Renowned for its marks of excellence including the consumer recognized BSI Kitemark™, BSI's influence spans multiple sectors including aerospace, construction, energy, engineering, finance, healthcare, IT and retail. With over 70,000 clients in 150 countries, BSI is an organization whose standards inspire excellence across the globe.



BSI Group  
389 Chiswick High Road  
London, W4 4AL  
United Kingdom

T: +44 20 8996 9001  
E: [cservices@bsigroup.com](mailto:cservices@bsigroup.com)  
[bsigroup.com](http://bsigroup.com)

### Disclaimer

This white paper is issued for information only. It does not constitute an official or agreed position of BSI Standards Ltd. The views expressed are entirely those of the author(s). All rights reserved. Except as permitted under the Copyright, Designs and Patents Act 1988, no part of this publication may be reproduced without prior permission in writing from the publisher. Whilst every care has been taken in developing and compiling this publication, BSI accepts no liability for any loss or damage caused, arising directly or indirectly in connection with reliance on its contents except to the extent that such liability may not be excluded in law. Whilst every effort has been made to trace all copyright holders, anyone claiming copyright should get in touch with the BSI at any of the addresses below.

This paper was published by BSI Standards Ltd