



DEVELOPING PRODUCTS AND SERVICES FOR EMERGING BUSINESS OPPORTUNITIES

This is one of a series of +points on The Journey – a route map designed to help you build a business that people value. Check out other +points on www.smallbusinessjourney.com

WHAT'S THE POINT?

It is good business sense to ‘future-proof’ your products and services by considering the true cost and future availability of resources. Consider the carbon footprint of the new product or service both in development and live use, then ensure understanding of new and emerging risks within specific markets and economies.

WHY?

- Awareness of the risks and opportunities posed by environmental issues is on the increase. For example, media coverage of climate change issues has increased by over 500% between 2003 and 2008.
- Government legislation and policy will drive change in products and markets.
- Business recognises that Sustainable Development is an opportunity to generate competitive advantage for their business by:
 - attracting the ‘Green Consumer’ through developing ‘green’ propositions
 - being able to develop new products which respond to changes in legislation and policy and take account of emerging risks
 - addressing the sustainability of their own supply chains
- Consumers have many choices. Finding the right trigger is key – this could just as easily be through responding to personal and ethical preferences as getting the best price.

EXTRA BENEFIT TO YOUR COMPANY

- Focusing on the emerging risks and future opportunities clearly builds a stronger and more sustainable business.
- Focusing on a sustainable business will bring about efficiencies and cost savings in the medium to long term.
- Having a responsible and visible commitment to Sustainable Development makes recruitment and retention easier. Graduates in particular factor this into their employment choices.
- Sustainability plays strongly to an organisation's values and behaviours, and is great tool for motivation and momentum building within the business and the communities in which you operate.

LIVING PROOF

ORGANISE THIS

Organise This launched in 2004 as an event management company planning events in an environmentally friendly and community involved way. In 2004 the demand for a sustainable event management product was relatively low. The majority of Organise This clients were those with brands related to sustainability, for example Manchester is my Planet, a regional programme to tackle climate change.

In 2005 it became clear that the event supply chain (venues, caterers, AV) needed education on sustainability. As an event management company specializing in good economic, environmental and community practice we were limited in the results we could produce without the support of our supply chain. The not-for-profit education project Positive Impact was developed and has since run workshops across the UK in partnership with event industry associations and press.

In 2006 as awareness of sustainability grew, the Organise This team realised that the event industry needed a simple measurement tool to implement and monitor their steps towards sustainability. The event sustainability tool was developed with an environmental consultant to work alongside the British Standard for a sustainable event management system.

THE RESULTS

By 2008 Organise This was able to offer a complete package for a sustainable event. This includes education for the event supply chain (Positive Impact), event management compliant to BS8901 and an online tool to measure the level of sustainability achieved. (What business growth has been achieved as a result?)

WHO ELSE IS MAKING A POINT?

Many companies throughout the UK understand the real business benefits that can be gained by reducing resource use. Here are just two:

- **BGB Engineering Ltd** - a high precision electro-mechanical engineering company. Established in 1976 as a manufacturer of carbon brush holders, the business progressed into the production of electrical slip rings during the 1980's. Whilst BGB continues to supply both brush holders and slip rings as standard component parts, today's core activity is the design and manufacture of specialised slip ring solutions. BGB attended WindSupply regional workshops, giving them a broader perspective of the whole wind energy market. As a result, they have exhibited at major European Wind Fairs and Conferences for the last 3 years on WindSupply organised UK stands. They have also received one-to-one advice.

The Results: The whole process has helped BGB gain more complete coverage of the Wind Energy Market, and introductions to new business. Market growth has supported engineering employment opportunities in an area otherwise in decline, and led to the need for the new and larger factory premises now being completed. Global market orders have been received from Vestas and other turbine manufacturers, a new factory and extended facilities and services have been developed, jobs have been saved and new jobs created.

- **Fosters Bakery** – based in Barnsley, South Yorkshire with 216 employees, the bakery has made a commitment to the local rural economy by contracting to buy flour milled from locally sourced wheat for the next 3 years. This gives local farmers confidence to grow bread-making wheat and reduces the food miles for the bakery's products. They want to reduce costs by having a more efficient supply chain (and share the savings) and ensure continuity of supplies of raw materials. They have long standing recycling practices involving plastics, metals, food waste, paper, cardboard, motor parts, toner cartridges, mobile phones, wood pallets, energy saving policies including lighting, heating, transport, minimisation of packaging and local sourcing of the majority of raw materials, in particularly flour from local wheat farmers.

The Results: Boots the Chemist launched a range of sandwiches made on Fosters bread because it reduced their carbon footprint. Boots were so impressed that they put the bakery's name on the packaging and told the story about the more environmentally friendly bread. This led to £7500 of extra sales per week.

WHY IS THIS IMPORTANT?

- Consumers have lots of choices. Positioning yourself correctly could be the difference between success and failure. For example, 2007 saw a 37% collapse in the patio heater market due to growing public concern.
- The scarcity of some resources will result in increasing prices. This could impact your pricing policy, and affect the commercial viability of your business or that of your suppliers.
- MORI Social Research Survey in 2007 showed that 45% of people believe that concern for the environment must be a key focus for businesses.
- McKinsey's 'Societal Issues' Survey in 2007 showed that 51% of people believe that environmental issues will be the top societal issue gaining most public and political attention over the next 5 years
- 66% of the public surveyed wanted to know the carbon footprint of products and 67% said the information would influence their purchasing decision. Source: The Carbon Trust 2006.
- Even with economic uncertainty, a poll showed that 69% of UK consumers would still buy the most ethical and environmentally friendly product they could find – even if it meant paying a little extra. Source – Populus Feb '08

HOW TO GET STARTED IN A SMALL WAY

- Think about how climate change and other linked issues like fuel prices, water shortages, weather conditions and supply chain disruption could affect your products and services.
- Think about how the future could look, given the need to reduce our greenhouse gas emissions and the impact that climate change could have over time. How can you best service your customers needs in this changing world?
- Understand how you want to be seen in the eyes of your staff, customers and peers within the market. Planning and reviewing will help you from being overwhelmed by too much too quickly.
- Measure where you are now and agree what you want to have achieved on your Sustainability agenda within key milestone periods.
- Do a few small things well. Really embed them within your business operations and in those of your suppliers.
- Report your progress against your plans to your staff. Your staff talk to your customers and can be amazing advocates of the business if they are enthusiastic and committed.

WHO CAN HELP YOU TO GO FURTHER?

Strengthening the performance of your business in this way is really just a matter of common sense. But if you are committed to achieving major business benefits, then these organisations can help.

National Help

In England & Wales: Business Link

- Growing your business <http://tinyurl.com/42psbq>
- Develop Sustainable Products and Services <http://tinyurl.com/4kxrgt>

In Scotland: Business Gateway

- Growing your business <http://tinyurl.com/4xsv4t>
- Develop Sustainable Products and Services <http://tinyurl.com/4u3lbr>

In Northern Ireland: Invest Northern Ireland

- Growing your business www.investni.com
- Develop Sustainable Products and Services <http://tinyurl.com/4e459s>
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Green Tourism Business Scheme. www.green-business.co.uk/

Green Business – online news. www.businessgreen.com/

The Groundwork Trust - supporting communities in need, working with partners to help improve the quality of people's lives, their prospects and potential and the places where they live, work and play. www.groundwork.org.uk/

Green Business Clubs – search for your local Green Business Clubs that exist throughout the country.

The EIC Environmental Investment Network - new source of financial assistance which aims to facilitate links between investors and environmental entrepreneurs, allowing them to take advantage of the opportunities offered by the emerging green market. www.environmentalinvest.com

IT'S COMMON SENSE

This briefing paper is one in a series of +points that make up The Journey – a route map designed to help you build a business that people value. You need only do one if you like. It's your journey. It doesn't have to be time consuming or complicated. It's basically common sense.

SMALL BUSINESS CONSORTIUM MEMBERS:

The Small Business Consortium is a group of organisations who share a common goal:

