

GREEN BUSINESS PRACTICES

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Abstract

To lower the environmental damage of business we need to examine our ecological footprint. We need to move forward with the business at the same time. In order to solve that dilemma, a value seeking and proactive approach to greening is necessary. However, literature on the role of supply chain operations, mostly published in the area of reversed logistics, has failed to develop grounded theory and frameworks to support the application of such an approach. Furthermore, research is needed that goes beyond the partial and fragmented contribution of reversed logistics. We pursue this theme through exploring arguments for environmental excellence, organizational eco-cultures, and for corporate environmental strategies. We suggest that current prescriptions for organizational eco change are often buttressed by evangelical rhetoric and are reliant on the assumption that organizations will voluntarily become greener. This research paper looks at challenges for research on green steps to take, and green supply chains to make in practice, as a step up to lowering the ecologic footprint of supply chains.

Key words: Green business, sustainable business, green marketing, green products, etc.

1. Introduction

Green business is a way of doing business that protects the natural environment. It supplies goods and services with a local community. This business will also engage in forward thinking policies for environmental concerns and policies affecting human rights. This business can be larger or small and owned by women or men of any age, ethnicity or socio-economic background. A global survey in 2014 indicated that 55 per cent of consumers are willing to pay higher prices for goods and services from companies that have environmentally friendly business practices. A similar study in 2013 by Cone Communications stated that 71 per cent of Americans consider the environment when they shop, up from 66 per cent in 2008. Consumers have a tendency to punish businesses if they feel they have been misled by false claims of sustainability.

2. What is green business?

A single, simple definition of green industry is hard to find, but successfully greened industries do have some defining attributes: sustainably produced inputs; minimal use of virgin raw materials; production processes that minimize the use of water, energy, and materials; production processes free from harmful toxins; reuse and recycling of solid waste streams; substantial reductions in emissions or effluents of harmful greenhouse gases and pollutants; and products that are built for longevity and durability.

3. Benefits of going green for a business

Legal compliance: Most states and countries have laws on the books that mandate environmental compliance in various ways and forms, to varying extents. Every year more laws are passed on local, state, and federal levels as we understand how positive going green is in Earth's ecology.

Saves money: Reusing existing material in creative ways means that fewer dollars are spent purchasing new stock to create products. Streamlining transportation of employees or shipping saves the earth as well as a substantial amount of money. Although there is often a bit of money to be spent establishing green business procedures, it saves a lot of money over time.

Green marketing awareness: A business going green makes customers feel that it is a trustworthy business. In 2013, Nielsen surveyed 30,000 consumers and 42 per cent of those consumers in North America agree they would pay more for products from sustainable sources. This is a 7 per cent increase from a similar Nielsen survey two years before. This not only bolsters a company's existing market base but extends it people who may never have heard of that company may pay attention to one that believes in being eco friendly.

Employee morale: Going green doesn't only foster positive feelings from customers. Employees feel safer working for green businesses. Involving workers in company-wide green initiatives boosts morale. Employees feel that their health is cared for and they aren't simply expendable commodities. This is also a good way to reduce turnover, because employees don't want to leave a place that makes them feel as if they are a part of a work community that cares.

Establishing status: As more and more internationally known companies go green, the idea of going green becomes that much more tantalizing. In fact, it is becoming a status symbol to be an environmentally friendly business.

4. Green corporate social responsibilities

The idea that companies must do CSR and play an active role in the sustainable development fight has its roots in the work of some American managers in the 1950s. What was their idea? They thought that if companies no longer focus only on their profits but also on the impact they have on society and the environment, they will have other kinds of benefits. For example, if a company pays its employees better, it may spend more on paying salaries but on the other hand, their workers purchasing power increases and so do the chances that they buy the company's products. As well, if a company better manages its

impact on the environment, it will save money in the short term by avoiding fines and in the long term by bypassing the necessity to manage natural disasters. In 1953, Howard Bowen published a book entitled “The Social Responsibility of the Businessman” in which he explains why companies have an interest in being more socially and environmentally accountable and gave the first “recognized” definition of CSR. With the development of environmental concerns in addition to economic and social issues in the second half of the 20th century, corporate responsibility became a growing issue. More and more consumers started becoming critical of companies and wanted them to be more respectful of the laws, the environment, and more responsible in general.

5. Benefits of an environmentally friendly business

Running an environmentally friendly business helps you reduce your impact on the environment and preserves natural resources. Making your business environmentally friendly not only benefits the environment but can also save you money.

1. Recycling reduces your costs: Avoiding, reducing, reusing and recycling can lower your costs. For example, a few simple changes to how you deal with paper can involve your staff in environmentally friendly processes while saving you money.

2. Good practice can attract new customers: Promoting your environmentally friendly methods can set your business apart from your competitors and attract new customers who want to buy products and services from an environmentally friendly business.

3. Improves sustainability: Reducing the environmental impact of your business will improve the sustainability of your business. If you are less dependent on natural resources than your competitors and have ways to deal with rising costs due to climate change, your business will have a greater chance of long-term success.

4. Make your business environmentally friendly: Making your business environmentally friendly should save your money on electricity, paper and other resources - money that you can reinvest in your business.

5. Assess your impact: You should assess your current impact on the environment.

6. Make green purchasing decisions: Almost everything your business buys uses energy and resources, and creates waste. Sustainable purchasing is a great way to reduce your impact on the environment.

7. Spread the word: Make your environmental policy clear to new staff at induction so they know what they can do to help. Use signs around your business and on your website, packaging and invoices/receipts to tell customers what you are doing to help the environment.

6. Environmental risks

The environment can pose many risks to business, but climate change is perhaps the biggest environmental risk. Climate change refers to the build-up of man-made gases in the atmosphere that trap the sun's heat, causing changes in global weather patterns. It has environmental, economic and social impacts. Climate change risks for your business may include:

Frequent extreme weather: You may have increased insurance costs, more damage to property and resources, and disruption of power and water. Customers may be unable to visit your business, or suppliers may be unable to deliver goods or services.

Decreased demand: There may be less demand for your goods and services if they are not environmentally friendly, or competitors with energy-efficient products may target your customers. It may be difficult to attract and retain staff if your business is not sustainable.

Global impacts: Overseas suppliers may be unable to deliver goods or services due to climate change events in their country or international customers being encouraged to buy locally.

Increased costs: You may experience higher costs for energy, water and other resources. Water restrictions may also affect your business.

7. Conclusion

Sustainability reporting builds on existing business management tools and concepts and applies them in a broader context in response to a complex and highly interactive social, environmental, and economic environment. It builds on conventional business management techniques such as key performance indicators. It requires a sophisticated approach of integrating nonfinancial, sustainable performance measures into the traditional reporting of an organization. The challenge of sustainability for business organizations is to extract value from sustainability reporting so that it constructively guides and transforms their business operations. Sustainability reporting allows companies to identify business risks that were previously undetected and also to alert management to business opportunities related to new markets, products, and services. While sustainability reporting is still maturing, there is

considerable guidance and expertise available to help guide management in incorporating sustainable practices into their organizations.

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