

THINKING BIG

Putting sustainability at the heart of your business strategy can pay big dividends — even for the little guys.

By **CAITLIN SYKES**

MIKE TOURNIER is a great believer in setting big hairy audacious goals.

“It forces you to lift your thinking out of the weeds,” says the business manager of the CarboNZero Programme. “It provides clarity about what your business is going to achieve and it does this in a crisp and clear way that everyone can understand.”

CarboNZero’s vision certainly ticks all three big, hairy and audacious boxes: to be among the top three leading international certification programmes for greenhouse gas (GHG) measurement and reduction. And it’s no small goal given it is a fledgling programme based in a tiny country at the bottom of the world.

But thinking big has proven a smart strategic move for CarboNZero, and its well-articulated plans for world domination caught the eyes of the Sustainable 60 judges, who named it winner in the strategy and governance section.

Tournier says another advantage of the big hairy audacious goal is in laying down a challenge, and forcing an organisation to develop clear strategies and tactics to meet it.

While the CarboNZero Programme created the GHG certification market in New Zealand and retains 95% market share here, it never wanted to be “world famous in New Zealand”, he says. CarboNZero evolved out of Landcare Research Manaaki Whenua, and being backed by the Crown Research Institute’s solid science and reputation for excellence has built credibility and trust internationally, says Tournier. Gaining international accreditation has also been key and it is currently the only accredited ISO14065 verifier outside the US.

“If we wanted to be world’s best, then our certification scheme needed to transcend borders and be able to be used everywhere,” says Tournier. “This has been a differentiation from our international competitors whom, as a general rule, only focus on their domestic offering and thus their systems are not able to operate in other markets.”

Also key to the programme’s international growth has been its strategy to secure partnerships via licensing arrangements, exemplified by its 2008 tie-up with UK-based Achilles Information. Such a strategy has provided critical speed to market,

says Tournier, and allowed the business to leverage off the established distribution channels and market presence of its partners.

Current turnover at the business is in excess of \$2.25 million and its stellar trajectory is evidenced in a growth rate averaging 410% over the past three years. As for that big hairy audacious goal, CarboNZero has been ranked one of the top two schemes of its type in the world by Oxford University.

But there’s still room to grow. The potential global market for GHG verification and certification is estimated at \$280 million, says Tournier. Demand worldwide has strengthened over the last year, due to individual country commitments to emission reductions (to meet Kyoto targets), the introduction of emissions trading legislation and the impact of the US changing its stance on climate change. In the voluntary market, businesses are responding to growing consumer and supply chain pressure for them to declare their carbon credentials.

Sustainable 60 judge Rick Christie says CarboNZero had a motivating story and its international growth was testament to the quality of its offering.

“For a relatively small company, it had made a huge impact,” says Christie. “They punched well above their weight in terms of what they were up against.”

Given CarboNZero’s success, it’s no surprise its parent has long been a leader in sustainability. Landcare adopted a sustainability strategy in 1998 and its sustainability report, covering 1998/99 and published in 2000, was the first produced in New Zealand and internationally recognised for its quality.

Being a leader in sustainability is central to the CRI’s strategy. But it’s not leadership for leadership’s sake, says Richard Gordon, Landcare’s science general manager, environment and society; it’s central to the work of the organisation.

In order to run a financially sound business delivering sustainability research to government and business clients here and offshore, it’s imperative Landcare addresses sustainability in its own business, he says.

“It’s not a question of should we, but of how should we? Not only must we walk the talk, we must also learn from our own

STRATEGY AND GOVERNANCE FINALISTS

- **CarboNZero Programme (winner)**
- Landcare Research Manaaki Whenua
- Nomad Safaris
- State of Grace
- Watercare Services
- Westpac



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RICHARD GORDON

practice, challenges, successes and failures, because these are the realities faced by our clients.”

Adds public relations manager Judy Grindell: “All our science is about sustainability so it’s not rocket science that we should be doing it ourselves ... we’re a research organisation so it’s the nature of science that you’re always pushing the boundaries and trying to stay at the leadership edge. There’s learning that we can get from our research that we can then feed back into what we do ourselves.”

Getting buy-in to a sustainable business strategy may be easier in an organisation where staff are primed to ‘get it’. But key to success in any organisation is having the strategy endorsed at the highest level and getting the right people on board to help implement it.

Sustainability is one of five key business goals at Westpac and part of its strategy has been to develop a four-year sustainability plan, comprising a range of environmental and social objectives. Steering the process are two key groups — environmental, chaired by the CFO, and community engagement — which meet quarterly.

Getting cross-functional governance for the plan has helped it succeed, says the bank’s head of sustainability, Suzie Marsden. Having members of the bank’s property team on board, for example, has helped drive its huge reduction in carbon emissions through good energy management practices.

“Every single person in the business can have some impact but you have to figure out who’s going to have the most impact,” says Marsden. “It’s identifying the right people to get on board, going and getting them on board and then letting them drive it.”