UNDERSTANDING THE TRIPLE BOTTOM LINE

The top 5 business benefits of sustainable practices
The term “Triple Bottom Line” (TBL) was first coined by John Elkington in 1994 who argued that companies should be measuring three distinct bottom lines: their social responsibility (People), their monetary responsibility (Profit) and their environmental impact (Planet).¹ Corporate social responsibility programs have evolved quite a bit over the last 20 years, but the concept of a strategy based on the 3 P’s has continued to provide a compass for companies large and small looking to reduce their footprint while continuing to run profitable businesses.

The Specialty Coffee Association of America (SCAA) has counted sustainability as one of its core values for some time. Recently, at the request of our members, we’ve put a renewed emphasis on providing tools that will help our members not only apply these tenants to their businesses but to actually lead in responsible practices that take into consideration the 3 P’s, not just one or two. In collaboration with The Food Service Technology Center and the Green Café Network, we’ve designed a tool – the Green Guide – to support these efforts at Retail, where the greatest opportunity for impact reduction in the coffee industry exists.

But even with a user-friendly tool you may be asking, is the effort really worth it? What can I expect to accomplish? How will it ultimately benefit my business, employees, customers and the planet?

Coffeehouse Retailers, like many businesses in today’s economy, are seeking creative ways to run a leaner more profitable business, yet often overlook one of the easiest ways to reduce operating costs – energy conservation. Restaurants (this term includes coffee retail shops) use an average of 5 times more energy per square foot than any other commercial buildings (i.e. hotels, shops, and offices) which equates to a lot of opportunity for cost savings.² Many Coffeehouse Retailers don’t take advantage of this opportunity simply due to the fact that they’re not sure where to start and how to quantify their efforts. The reality is that a few small changes can yield big savings, and it can start with something as simple as changing a light bulb. By employing energy conservation measures, it’s possible to cut your utility costs 10-30%². With electricity rates rising every year, conserving energy is a great way to offset those increases. The Green Guide breaks down these savings opportunities into simple, actionable tips that you can implement when it’s most financially convenient for your business to do so.
Being viewed as an environmental leader can give your brand a distinct advantage over the competition. Many brands have very successfully designed their entire identity around their responsible practices such as Toms, Patagonia and Whole Foods. However one of the most sacred tenants of a successful marketing campaign around sustainability is ensuring you don’t fall victim to greenwashing, defined by the Concise Oxford Dictionary as “disinformation disseminated by an organization so as to present an environmentally responsible public image.” What, you might ask, is the kryptonite to greenwashing? Transparency and traceability, or as Ogilvy & Mather puts it “Tell the truth about the truth (and nothing but the truth)”.⁶

By crafting a compelling story about your path to sustainability that is founded in both data and humility, businesses stand to gain customer loyalty and CSR cred. But, since tracking and reporting your efforts are so important to a successful marketing effort, you’ll need a credible and unbiased tool to calculate your impact. Tools such as SCAA’s START (Sustainability Tracking And Reporting Tool) will become the cornerstone of your communications efforts and your means of demonstrating your outcomes – whatever they may be – to your customer base. With brave honesty as your foundation, you’ll start to build a reputation as a brand that understands and acts on real data and has an undying commitment to always trying harder.

“Merging great sustainability efforts with great marketing can be done; and when it is done well, it can lead to ground-breaking work, a galvanized workforce, grateful consumers and gangbuster sales.”

– From Greenwash to Great, Ogilvyearth.
“Generation Y and X, in particular, are very motivated to work for a bigger mission than simple profits,” states Karen Martinsen Fleming, director of Green Mountain College’s sustainable business MBA program in Vermont, adding that companies that follow sustainable business practices “tend to attract the highest-quality candidates, who then turn into passionate employees who share the business owner’s drive to see the company grow.”

With coffee retailer staffs being largely comprised of employees in the Gen Y category (those born in the 80s and early 90s), this is a meaningful trend to take note of. Demonstrating to your employees that your vision extends past a simple profit margin and into something bigger can be key to creating an environment of shared vision and team loyalty. Samuel Bacharach, professor of labor management at Cornell and director of Cornell’s Institute for Workplace Studies, notes “Team loyalty is a key tool for motivating and retaining Generation Y members. They identify strongly with their team, often more strongly than they identify with their company. The team is a source of social and professional support and gives them a base from which they can move forward. You need to enhance their collective culture, their sense of team, and their feeling of cohesion and social integration.”

Steve Jobs once said “When you innovate, you’ve got to be prepared for everyone telling you you’re nuts.” Although the institution of sustainable business programs isn’t exactly a new and innovative idea, those who fully commit to a brand identity of sustainable leadership may initially be seen as fringe. The reality is, this isn’t a passing fad, the data is clear that without meaningful and wide reaching changes in business practices we are facing some bleak outcomes. Being able to say you were ‘doing it first’ when the paradigm shift occurs (arguably happening now) and CSR programs become less of a feel good enterprise and more of a required practice can position your business as both innovative and visionary.
For the Good of the Planet

It’s easy to feel like one person’s impact won’t make a significant difference; but what if we all chipped in? If each of the 20,000 cafes in the U.S. replaced only two incandescent lamps (bulbs) with CFLs or LEDs, we could avoid over 5,300 tons of CO2 emissions each year (equivalent to taking 954 passenger vehicles off the road for one year), while saving the industry over $770,000. That’s the impact of simply changing two light bulbs!

Environmental impact isn’t the only issue; 9.3 billion people are projected to populate the earth by 2050, compared to 6.7 billion in 2000, representing nearly a 50% growth. This is on top of a doubling of the world population during the 20th century. Those 9.3 billion inhabitants will need proportionately more energy, food and water. This fact, coupled with the consumption growth in emergent consumer economies is putting further stress on limited resources and is a recipe for global energy shortages. Unless a concerted effort is made to better utilize the limited resources we have available to us, shortages will become an inevitable result of overconsumption.

In Conclusion

Companies who adopt a triple bottom line strategy stand to gain reduced overhead, brand advantage, employee loyalty, innovator status and contribute to a better environmental future for generations to come. If you’re ready to apply more responsible practices in your business remember: you don’t have to jump in the deep end. Just dipping your toe in the water and slowly learning to swim is an enormous step in a beneficial direction.

If you’d like to learn more about the SCAA Low Impact Cafe™ program and the Green Guide module series, visit:

1 - http://www.economist.com/node/14301663
2 - SCAA, Green Guide Module 1: www.scaa.org/greenguide
4 - http://www.entrepreneur.com/article/225948