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# The Age of Sustainability Has Arrived in West Michigan

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**W**est Michigan businesses can trace their “green” roots back 50 years with the efforts of the furniture industry, including Herman Miller, Steelcase, Haworth, and others. Many of these early-on activities and initiatives became embedded in the “green” movement, which was associated primarily with environmental stewardship programs surrounding air, waste, water, and land use issues. Some have used the terms green and sustainability interchangeably and synonymously, but there is a significant difference. Sustainability takes into account a broader perspective of economic and social impact, as well as environmental stewardship. These three sustainability impacts are known as the “triple bottom line.”

West Michigan has been practicing “triple bottom line” sustainability for many years and the progress can now be seen across the public, private, academic, and service sectors. Business leaders, owners, and managers are now able to implement and use these applied sustainable development best practices in their companies and organizations. Think of sustainability as a toolbox of applied skill sets that can help business and organizational leaders make better decisions today and in the future by improving their overall economic, social, and environmental impact in the communities they serve.

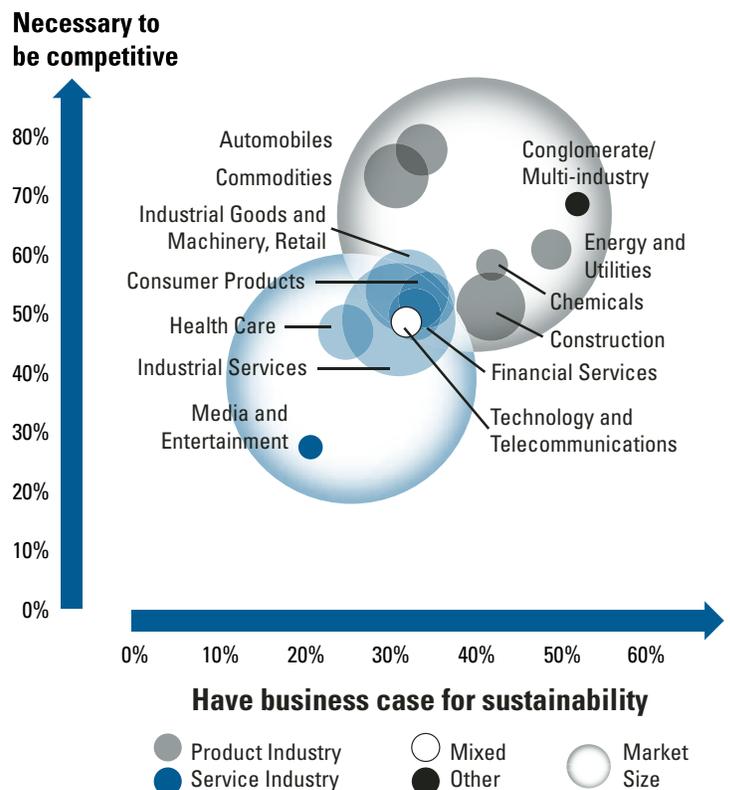
West Michigan companies and businesses are being drawn into the era of sustainability through their supply chain and global business opportunities and because sustainable development best practices can generate short-term efficiencies and long-term value for their operations. What are some of the market driving forces for sustainability? Accenture in 2010 issued a United Nations Global Compact CEO Study entitled “A New Era of Sustainability.” (1) Feedback and responses were received from 1000 CEOs. The following are a few statistics from this CEO survey:

- 93% believed sustainability issues would be critically important to the future success of their business;
- 91% reported that their company would be implementing new innovative technologies such as energy efficiency, energy optimization, IT, etc., to address sustainability issues over the next 5 years;
- 72% acknowledged that “brand, trust, and responsibility” were one of the top 3 factors that were driving them to address sustainability issues and opportunities;
- 96% believed that sustainability issues should be fully integrated into the business strategy and operations of a company, up from 72% in 2007;
- 88% believed that they should be integrating sustainability throughout their supply chain.

Additionally, the MIT Sloan Management Review, in collaboration with the Boston Consulting Group, issued a Research Report in the winter 2011 entitled “Sustainability: The ‘Embracers’ Seize the Advantage.” (2) Over 3000 global business leaders and executives participated with the following key findings:

- Spending on sustainability survived the downturn, with 60% of companies increasing their investments in 2010;
- all companies, including embracers and adopters, are seeing the benefits of strategies such as improved resource efficiency and waste minimization efforts;
- companies across all industries acknowledge and agree that implementing sustainability best practices is essential to remaining competitive;
- all companies recognize the results and benefits of the brand building and reputation for being sustainability driven.

The following chart depicts industry and market segment perception of the necessity for sustainability relative to the presence of a business case for sustainability. For nearly all industries and market segments, 40%–80% responded that sustainability is necessary to be competitive, and 25–50% responded that they have the business case for sustainability.



From these surveys and other reports, sustainability can be seen as becoming part of the DNA of a business or company, not a passing management fad or interest, and not just representing a future cost and opportunity. Companies and organizations are now able to use these best practices to “do the right thing” and make money while doing it. Moving forward, sustainability is leading the way into the sixth wave of innovation in the United States. (3) Sustainability is closely associated with several important business processes, such as radical resource productivity and whole systems design, and new clean technologies, such as green chemistry, renewable energy, and green nanotechnology.

How then are the West Michigan businesses progressing along the sustainability journey? During the last several years, our sustainability journey has gone through several sustainable development stages including awareness, understanding, application, and progress. We have now reached a level where expectations have been raised.

Leadership and excellence will be required to help develop new behaviors and lifestyle models. Our business leaders will need to inspire their organizations with new visions and help empower their companies to act as change agents!

West Michigan is fortunate to have a number of businesses and organizations that are leading the sustainability journey and helping to pave the way for others. These companies include Amway, Cascade Engineering, Haworth, Herman Miller, Steelcase, and many others. They are willing to share their sustainability best practices and experiences to help others gain insights from lessons learned. Today, the West Michigan Sustainable Business Forum ([www.wmsbf.org](http://www.wmsbf.org)) has a membership of nearly 100 companies that meet monthly with active committees on sustainable design, sustainable business, social responsibility, and energy.

The Business and Institutional Furniture Manufacturers Association ([www.bifma.org](http://www.bifma.org)) in Grand Rapids has also taken a leadership position in sustainability by developing the voluntary ANSI/BIFMA Furniture Sustainability Standard and level® Certification program. The institutional furniture marketplace in the U.S. is an approximately \$10B industry. Thirty-one companies, including Haworth, Herman Miller, Izzy+, Nucraft, and Steelcase from West Michigan, have 1448 product lines level® certified to the e3 standard. This standard was modeled after the Leading Environmental and Energy Design (LEED) rating system format. “Level 3” is the highest product rating category, with the following breakdown as of November 2011:

- Level 1 - 919 product lines
- Level 2 - 378 product lines
- Level 3 - 151 product lines

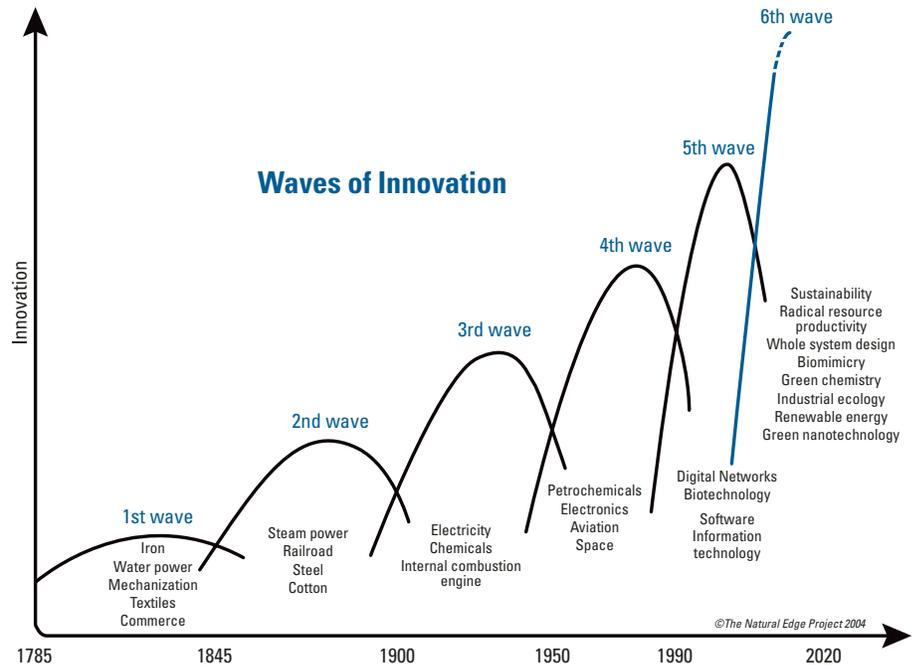
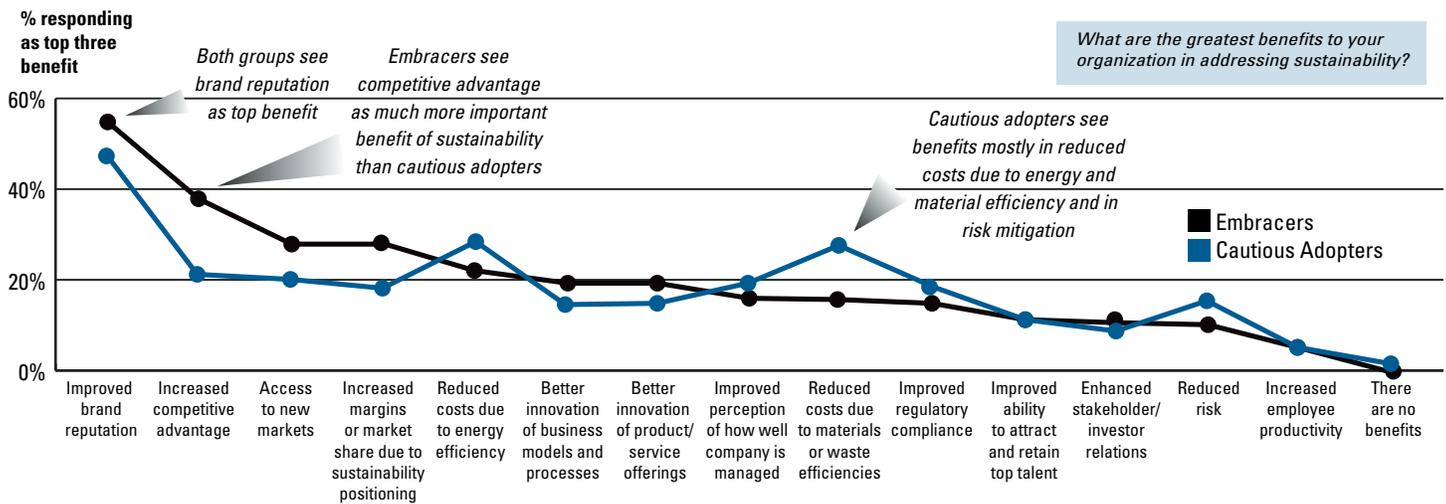


Figure 2 Waves of Innovation of the First Industrial Revolution

The level® mark means third party certification ([www.levelcertified.org](http://www.levelcertified.org)). Other industries and companies are now evaluating this voluntary standard for their own use and implementation. Significant progress has also been made in LEED building and construction in West Michigan. The West Michigan chapter of the U.S. Green Building Council ([www.usgbcwm.org](http://www.usgbcwm.org)) has over 165 organizations and professionals that are focusing on LEED-NC (New Construction), LEED-H (Homes), LEED-ND (Neighborhood Development), advocacy, and incentive opportunities. To date, there are now 159 LEED building projects totaling 26,970,801 sq. ft. that have been certified to LEED platinum, gold, silver, and certified levels in West Michigan as follows:

- LEED Certified - 76 buildings
- LEED Silver - 40 buildings
- LEED Gold - 30 buildings
- LEED Platinum - 3 buildings

There are also several “LEED firsts” in the US in the West Michigan area, including the Grand Rapids Arts Museum, the David Hunting YMCA, and Keystone Community Church. On average, all LEED buildings cost \$144 per square foot to build and save 52 cents per sq. ft. on annual energy costs. Using these averages, there has been approximately \$3.8B of capital investments in LEED buildings in West Michigan with average annual energy savings of approximately \$14MM. LEED buildings also offer a healthier and more productive work environment for employees. West Michigan also has approximately 65% of all LEED building construction projects in Michigan. West Michigan has also taken the reduction in waste to a new level. Initially the focus was improving recycling rates. For example, at Grand Valley over the last five years, we have been able to improve our recycling rates twofold to over 40% campus wide. Then the focus shifted to why we generate so much waste in the first place.



Americans, on average, each generate 4.5 pounds of waste every day. Businesses then further developed strategies to reduce, reuse, recycle, redesign, and re-imagine new uses for their various waste streams. (4) Comprenew Environmental ([www.comprenew.org](http://www.comprenew.org)), a local non-profit electronics recycler, last year, for example, kept over 2MM pounds of electronics products from reaching our landfills.

Food composting has also been a proven industrial process for Steelcase, Grand Valley, and others. Today, the bar has been raised even higher by companies in the furniture industry that have set auspicious zero waste goals for their operations. Haworth Inc. set a goal of zero waste to landfill and has now achieved it for its Holland, Michigan corporate headquarters and in its manufacturing facilities in the United States, China, and India. Since 1993 and the opening of the Haworth Recycling Center, more than 460 mm lbs. of material have been processed. ([www.haworth.com](http://www.haworth.com))

Additionally, West Michigan has been able to leverage the Green Suppliers Network (GSN) program ([www.greensuppliers.gov/gsn](http://www.greensuppliers.gov/gsn)). The GSN is designed to provide small and medium size businesses with lean, green, and clean best practices to improve their manufacturing processes, reduce waste, use materials and energy more efficiently, increase the use of environmentally friendly raw materials, reduce labor costs, and increase overall profitability. The Right Place Inc., the MDEQ, and West Michigan businesses formed a partnership to undertake this program. There have been 17 GSN reviews with West Michigan member companies with total estimated savings of over \$6MM. About one-half of these were one-time savings. The other savings were considered to be annualized savings, such as water and energy use reduction. The \$6MM savings include both “lean” and “green” savings. Today the GSN has completed a total of 166 company interviews with aggregated annual environmental savings of approximately \$36MM and aggregated annual lean savings of approximately \$41MM.

West Michigan has also formed the West Michigan Sustainable Purchasing Consortium (WMSPC) [[www.wmspc.org](http://www.wmspc.org)]. The WMSPC is the nation’s first voluntary public-private purchasing consortium to focus on sustainable, environmentally friendly, and socially responsible products

that leverages quantity discounts and helps spur economic growth in the region. The initial products of interest include copy paper, de-icing products, and janitorial supplies.

Why is sustainability gaining traction and momentum? What have been the benefits that businesses and organizations have realized when using sustainable development best practices?

From “Sustainability: The ‘Embracers’ Seize Advantage” the top reasons include:

1. Improved brand reputation
2. Increased competitive advantage
3. Access to new markets
4. Increased margins
5. Reduced costs
6. Better innovation

The use of sustainable development best practices has gained significant momentum in the recent past and will continue for West Michigan business and organizations. After all, for those who live and work in Grand Rapids, it is the most sustainable mid-size city in the United States.

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