

International
Labour
Organization

GREEN BUSINESS BOOKLET





GREEN BUSINESS BOOKLET

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Produced by: ILO Decent Work Team for South Asia, ILO SME Unit, ILO Green Jobs Programme and ILO Environment and Decent Work Asia-Pacific

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FOREWORD

The challenges brought about by climate change have made the shift towards sustainable consumption and production a necessity for the well-being of workers, enterprises and economies more broadly.

The global consensus on the critical importance of greater environmental-responsiveness is reflected both in broader agendas such as the Sustainable Development Goals (SDGs) as well as climate-specific policy developments such as the Paris Agreement. It is also reflected in the setting up of new organizations with mandates devoted to the environment, such as the International Solar Alliance (ISA), and the integration of environmental concerns in the strategies of existing institutions. For the International Labour Organization (ILO), this means bringing green jobs to the forefront of development efforts as a driver of inclusive, sustainable and sustained growth.

Green businesses have a key role in this.

As green businesses save scarce resources, help to maintain healthy ecosystems, minimize pollution and waste, limit greenhouse emissions, and provide green goods and services to enable more responsible consumption patterns, they are vital for a development model in which the planet is a priority.

In addition, green business acts as a catalyst for entrepreneurs to make a considerable socio-economic contribution as these businesses safeguard the health of consumers and communities, generate jobs, and provide much-needed green resources such as renewable energy to

fuel other businesses, thereby stimulating the growth of the economy.

Equally importantly, for the entrepreneur, green business brings with it numerous advantages such as access to new markets as the demand for green products is on the increase, reduced costs thanks to greening measures in production processes, and improved staff productivity linked to green workplaces.

The ILO thus sees green business as a win-win solution to address current development challenges.

The Green Business Booklet (GBB) aims to help aspiring entrepreneurs to set up green businesses and existing enterprises to go green. It was developed as a joint initiative of the ILO's Decent Work Team for South Asia (DWT-New Delhi), Small and Medium Enterprises (SME) Unit and Green Jobs Programme, and provides guidance on how to generate green business ideas, how to design a green business plan, and how to green the processes of a business.

We trust that it will enable entrepreneurs to choose a green pathway and to benefit from the many advantages this brings while contributing to a more sustainable future for all.



Vic Van Vuuren
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ACKNOWLEDGEMENTS

The GBB is part of the Start and Improve Your Business (SIYB) series of products and of the Green Jobs Packages of the ILO. It draws on the materials on green business developed in recent years by ILO initiatives in Africa and Asia, and was produced as a collaborative venture of the ILO SME Unit, ILO Green Jobs Programme, the ILO Decent Work Team for South Asia and Country Office for India, ILO Environment and Decent Work Asia-Pacific and the Society for Technology and Action for Rural Advancement (TARA).

The GBB was written by Eva Majurin with contributions from Sibongile Sibanda and Manisha Mishra.

The review efforts and technical inputs of Merten Sievers and Pranati Mehtha (ILO SME Unit), Moustapha Kamal Gueye and Marek Harsdorff (ILO Green Jobs Programme), Cristina Martinez and Lorraine Villacorta (ILO Environment and Decent Work Asia-Pacific), Alice Vozza (ITC-ILO), Anjana Chellani, Anandan Menon and Diya Banerjee (ILO India Country Office) and Sohina Singh, Arpita Goyal, Shrashtant Patara and Vijay Charturvedi (TARA) are sincerely appreciated.

ACRONYMS

CFL	Compact Fluorescent Lamps
GBB	Green Business Booklet
GYB	Generate Your Business Idea
EMS	Environmental Management System
EYB	Expand Your Business
ILO	International Labour Organization
ISA	International Solar Alliance
ISO	International Standards Organization
IYB	Improve Your Business
LED	Light Emitting Diodes
SDGs	Sustainable Development Goals
SIYB	Start and Improve Your Business
SME	Small and Medium Enterprise
SWOT	Strengths, Weaknesses, Opportunities and Threats
SYB	Start Your Business
TARA	Society for Technology and Action for Rural Advancement

ABOUT THE GREEN BUSINESS BOOKLET

The Green Business Booklet (GBB) has been developed by the International Labour Organization (ILO) to support the creation of green businesses and the greening of existing businesses.

Green business is vital in contributing to green jobs, decent work and the development of sustainable solutions to climate change and other environmental challenges.

For entrepreneurs, going green should also make business sense. Consumers are increasingly interested in eco-friendly products due to ethical, cost or health reasons so the demand for green products is growing. At the same time, “going green” can cut long-term costs as enterprises find new ways to make savings and increase profit margins by lowering energy consumption, recycling materials or other greening measures.

The manual is designed to be used in conjunction with the ILO’s flagship Start and Improve Your Business (SIYB) programme. SIYB is a management training programme that builds on more than three decades of experience. It helps entrepreneurs to start and improve micro and small businesses as a strategy for creating more and better employment for women and men.

The GBB brings a green angle to the SIYB programme, enabling entrepreneurs to make a positive contribution to the environment by setting up and running profitable and sustainable businesses. It helps potential entrepreneurs to come up with a viable green business idea and to develop a business plan from a green perspective, and guides existing entrepreneurs on ways to green their business.

Who is it for?

The GBB is intended for persons interested in setting up a green business, or already operating a business that could be greened. As it is primarily geared towards trainees of the SIYB programme, basic business management concepts that are covered in SIYB are not covered in the GBB, and we therefore encourage all readers of the GBB to also draw on the SIYB materials.

How does it link to the Start and Improve Your Business programme?

The SIYB programme consists of a set of four inter-related packages aimed at different levels of business maturity:

- The Generate Your Business Idea (GYB) package helps potential entrepreneurs to assess their entrepreneurial characteristics and to come up with a viable business idea.
- The Start Your Business (SYB) package takes starting entrepreneurs through the process of developing a business plan in order to get started.
- The Improve Your Business (IYB) package consists of a set of modules to help already existing entrepreneurs to improve various aspects of their business, such as marketing, accounting or planning.
- The Expand Your Business (EYB) package is for growth-oriented entrepreneurs and helps them to come up with a growth strategy in order to expand their business.

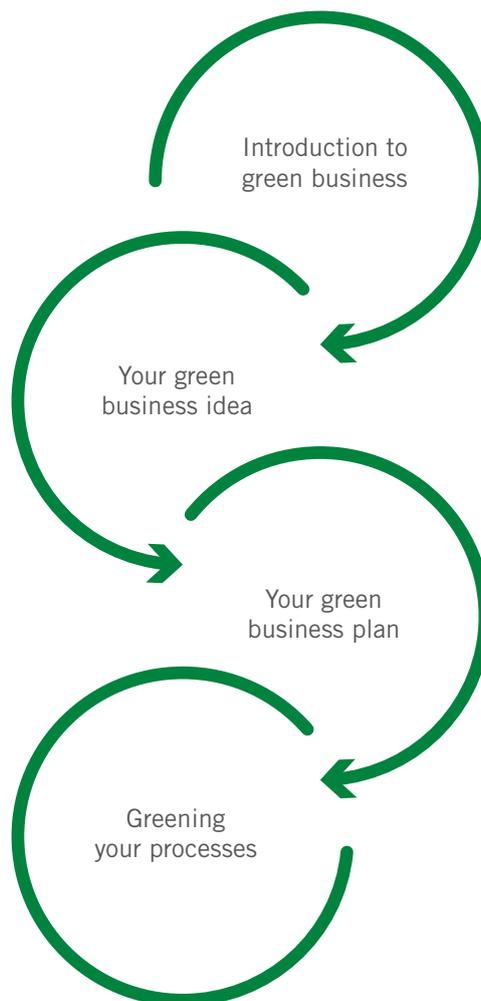
The GBB is intended to provide practical guidance on green business for SIYB trainees interested to go green. To make it easy to use, the GBB mirrors the structure of the SIYB programme, with its chapters addressing the issues covered in the first three SIYB packages (GYB, SYB and IYB), but from a green perspective. The GBB does not duplicate business management concepts covered in the SIYB packages; for optimal learning outcomes, the GBB should therefore be used in conjunction with the SIYB packages which it complements.

Structure of the booklet

The GBB is designed to assist potential entrepreneurs to identify a suitable green business idea and to develop a business plan for their future green business, and to help entrepreneurs who already have an enterprise to green their business. The booklet is structured as follows:

- Readers will learn about what is meant by green business and what its benefits are in **Chapter 1**.
- Potential entrepreneurs in search of business ideas will be guided through ways of generating green business ideas and selecting an appropriate idea in **Chapter 2**.
- Potential entrepreneurs preparing to start a green business will be assisted in the critical steps needed for developing a business plan for their green business in **Chapter 3**.
- Existing entrepreneurs are introduced to practical steps for greening their business processes in **Chapter 4**.

It should be noted that though Chapter 2 is intended for starting entrepreneurs, it will also be relevant for existing enterprises which may choose to go green by adding a green product or service to their existing range. Similarly, though Chapter 3 is primarily designed for starting entrepreneurs and Chapter 4 for existing entrepreneurs, both starting and existing entrepreneurs will benefit from going through the two chapters as some aspects will be relevant for both categories of readers. We therefore recommend to work your way through the whole booklet. We hope you will enjoy exploring and making use of green business opportunities through the GBB.



Going green is good for the environment – and it's good for your business, too!

TIPS FOR USING THE GREEN BUSINESS BOOKLET IN AN ENVIRONMENTALLY FRIENDLY WAY:

- Print the manual only if you really need to. You can view the electronic version on screen by downloading it from various ILO websites, including: www.ilo.org/siyb and www.ilo.org/greenjobs
- When printing, select the eco-friendly version with less graphics and colours
- Once you have finished using the printed version, pass it on to someone else who may need it
- When it is really no longer needed, please give it in for recycling - paper is recyclable up to 7 times!

INTRODUCTION TO GREEN BUSINESS

Welcome to the world of green business, an exciting and rapidly expanding sector for entrepreneurs like you who want to create an impact on the economic, environmental and social fronts.

Our daily business activities can have a negative effect on the environment through air and water pollution, the disposal of waste, or the overuse of natural resources, among others. At the same time, businesses depend on the environment to access different inputs, such as land, energy, or water. In instances where natural disasters, pollution, climate change and resource depletion are experienced, businesses are negatively affected.

On the one hand, going green has thus become a necessity for running a successful and sustainable business, rather than an option.

On the other hand, businesses are also uniquely placed to contribute positively to the environment.

Finally, going green can be a good business decision as we intend to show in this guide!

By producing environmentally friendly products or offering environmentally friendly services, or by ensuring that their processes are “green”, businesses can participate in the protection of the environment while making a profit. Often, greener processes also lead to other benefits such as cost savings and productivity increases, meaning going green makes good business sense.

We congratulate you on taking the decision to explore green business opportunities through this booklet.

This introductory chapter will provide an overview of some of the current environmental challenges and why we need to go green, explain what is meant by green business and explore what the benefits of green business are.

1.1 Environmental challenges and how we can solve them

What environmental challenges exist?

Environmental challenges that we are faced with include the longer term challenge of climate change, as well as the more immediate challenges of air, water, soil and solid waste pollution:

- **Climate change:** The use of fossil fuels (coal, petrol and natural gas) releases large quantities of greenhouse gases, which in turn cause a rise in temperature and global warming. This results in a range of challenges such as a loss



Solar energy businesses are booming in South Asia. In India, many rural households are now able to access off-grid energy thanks to them, and in addition, they help to fuel other businesses and their growth.



of biodiversity because of the extinction of species that are not able to tolerate the new environment; desertification; rises in sea levels that will take over land in coastal areas; and extreme weather incidents such as droughts, floods and storms.

- **Air, water, soil and solid waste pollution:** Air pollution results from gases or hazardous substances entering the air, often from human activities such as emissions from factories, vehicle exhausts, smoke from farmland burning or dust from construction. Water pollution occurs when harmful substances enter clean water, including from domestic sewage, industrial sewage, or farmland sewage with chemical pesticides, herbicides and fertilizers. Soil pollution is caused by pollutants entering the soil through water or other means. Solid waste pollution includes solid waste from domestic, agricultural or industrial sources, such as organic waste, plastic, or metal for example.

How do these environmental challenges affect us?

These environmental problems affect us in many ways. Two key impacts that are of utmost importance to our wellbeing are health and incomes:

- **Environmental problems cause health problems.** Air, soil and water pollution mean that we breathe, eat and drink toxins that harm our health. Furthermore, changes in weather patterns can disturb food production and jeopardize food security; droughts and unseasonal rains, for instance, result in harvest losses that can limit access to basic nutrition. Diseases also spread more easily following extreme weather events such as floods, and temperature rises mean that heat-related diseases, such as malaria, migrate to cold areas where they were not found earlier.
- **Environmental problems damage business activity and livelihoods.** If the resources that people depend on are destroyed, business and incomes suffer. For example, if water pollution causes fish to die or if temperature changes mean that a particular crop no longer grows where it used to, this means business closures and livelihood losses for the communities that depend on these resources. In addition, environmental problems can also affect the ability of people to work. For example, workers in a factory with a high level of indoor air pollution may become sick and less productive at work, or may even need to discontinue

work altogether, which impacts both the workers' incomes as well as the operations of the factory.

What can be done?

Given the negative consequences of these environmental problems, governments worldwide are taking action to tackle them, including measures such as gradually shifting from the use of fossil fuels like coal to alternative sources of energy like solar energy; developing public transport systems that reduce urban air pollution; and encouraging industries to cut their emissions.

But, action can and also needs to be taken at the level of private individuals, whether as consumers or businesses. Here are some examples of action that can be taken:

- In terms of **energy consumption**, we can opt for renewable sources which are clean such as the sun, wind or water flow instead of non-renewable sources such as coal or diesel. For **water use**, we can opt for renewable sources such as rainwater harvesting instead of groundwater pumping.
- We can use the **"3R" strategy** of reducing, reusing and recycling: by reducing unnecessary consumption, reusing things and recycling waste material to create new material, we can increase efficiency, minimize waste and avoid the overexploitation of natural raw materials.
- We can choose **organic products** instead of ones that rely on synthetic, chemical substances for their production.



Exercise:

Think of the community you come from. What are the environmental problems it faces? How do these affect community members as well as businesses in the community? What needs to be done to solve them? Use the table below to summarize your answer.

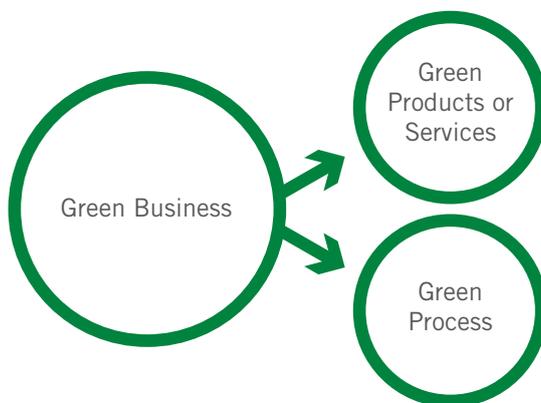
WHAT IS THE PROBLEM?	HOW DOES IT AFFECT PEOPLE?	WHAT NEEDS TO BE DONE ABOUT IT?	CAN ADDRESSING THE PROBLEM IMPROVE BUSINESS PERFORMANCE?

The GBB provides guidance on how businesses can contribute to solving the above mentioned problems by going green through measures tackling environmental problems while tapping into growing markets and making a profit.

1.2 What is green business?

The concept “green business” is composed of two elements – “green” and “business”. As all business, green business is about making money. But “green” means doing so while sustainably harnessing opportunities that nature holds, and without harming the environment.

Green business can be defined from two perspectives: one relates to the output in the form of green products or services, while the other relates to the process of an economic activity. This means entrepreneurs can enter into the “green” business sector by either providing environmentally friendly products or services or through an environmentally friendly process or with the help of clean technologies which reduce any negative effects of the business.



While a step-by-step approach of gradual greening is usually most practical, ideally, as the business matures, both its outputs as well as processes should become green.

EXAMPLES OF GREEN BUSINESSES:

Green businesses may offer products or services that are explicitly green, often making use of technological innovation...:

Waste management business: A company involved in the collection and processing of waste so it can be recycled, composted and disposed of in a way that is as environmentally friendly as possible.

Renewable energy company: A company involved in the manufacturing, installation and servicing of solar panels to generate electricity instead of generating it from non-renewable sources.

...Or, green businesses may operate in “standard” sectors offering mainstream products and services, but may still be green because of the operational choices they have made:

Hair salon: A hair salon that uses dyes and styling products made of organic substances; has installed solar panels to provide electricity for the operation of equipment; and has procured second-hand furniture and equipment.

Clothes manufacturer: A clothes manufacturing company that uses organic cotton and dyes as raw material; that filters its waste-water in a way that it can be partly re-used for irrigation; and that has installed LED-lights.

In terms of greening processes, there are many dimensions of operations that should be considered. The main pillars of greening processes in businesses are outlined below:

RECYCLING AND WASTE REDUCTION	➤	Reduce • Reuse • Recycle • Separate waste • Dispose in a suitable way
ENERGY AND WATER CONSERVATION	➤	Save heat and electricity • Save water • Use efficient equipment • Use only when needed • Source from renewable sources
POLLUTION PREVENTION	➤	Use low emission equipment • Operate efficiently • Use degradable materials
GREEN PROCUREMENT	➤	Procure environmentally sustainable and local materials/products • Choose suppliers that try to be environmentally friendly
GREEN DISTRIBUTION	➤	Avoid transport to far- away places • Use the most sustainable method of transport • Choose distributors that try to be environmentally friendly
DECENT WORK	➤	Provide productive work, a fair income, security in the workplace, social protection, voice, and equality of opportunity and treatment



You will note that while the other pillars refer to the environmental dimensions of doing business, the last pillar, “decent work”, refers to its social dimension. Because of their contribution to broader development goals as well as to guarantee business success, it is important that businesses consider both their environmental and social performance, as economic performance is linked to these. Green businesses therefore need to also provide “decent work”, that is, work that is productive and delivers a fair income, social protection and voice to workers; only that way will the business function optimally.



Exercise:

Decide whether the following businesses are green or not green. Then try to rank them in terms of greenness from most green (1) - to least green (4).

BUSINESS	GREEN NOT GREEN NOT SURE	GREEN- NESS RANK	YOUR COM- MENTS
A bicycle manufacturer that uses second-hand parts to make the bicycles			
A shoe manufacturer that makes shoes for the export market			
A tourism company that organizes jeep safaris in a nature reserve			
A juice-making company that has converted to solar energy			

Note: You will notice while doing the exercise that it is not always easy to answer whether a business is green or not, or to compare enterprises in terms of their greenness. Often, businesses start with only a few changes that begin their transformation into a greener business than before, and they then continue to progressively become greener. Initially, even a few small changes are a step in the right direction!

1.3 Why go green?

The benefits of green business

There is no doubt that green business is critically important for productive, healthy and sustainable societies. As green businesses use limited amounts of (or no) fossil fuels and have low (or no) emissions, they can play a key role in combating climate change while contributing to growth and the creation of decent and green jobs.

But apart from macro-level benefits, going green also makes business sense for the entrepreneur. The benefits of greener business include access to untapped markets, improved resource efficiency and cost savings, and improved productivity of staff as a result of a cleaner and safer working environment. These benefits are explained in the section below.

EXAMPLES OF THE BENEFITS OF A GREEN BUSINESS:

- **Access to markets**, as clients increasingly demand environmentally friendly products because of increased eco-awareness, but also because of health reasons (greater safety of non-toxic products) or financial reasons (lower operating cost).
- **Cost savings**, as water, energy and other bills go down and as resource-use becomes more efficient.
- **Access to support**, both financial and non-financial, as governments place increasingly high importance on environmental considerations.
- **Higher productivity** due to a healthier workforce whose ability to work is not compromised by health hazards such as toxins in the workplace.
- **A healthier surrounding environment** in which the resources needed by the business now and in the future are preserved.

A growing market and increased demand

There is an increased demand for green products and services for several reasons.

In their choice of products and services, because of ethical concerns, customers are increasingly interested in clean production processes, environmentally friendly inputs and the way businesses dispose of their waste.

In addition, because clients are aware of the reduced operation cost of highly efficient products, the market is increasingly demanding products and services which are highly material and energy efficient as well as environmentally friendly. This is not only because of reduced costs for users but because of the added benefits: energy efficient light bulbs reduce the users' electricity bill and require less frequent changes; solar lanterns provide better and cleaner light as compared to kerosene lanterns while they can also be re-charged for free; and highly efficient cell phone batteries which last for one week are far more convenient for clients than those that last for only one day.

Organic products and nature tourism are in demand because of the perceived health and leisure benefits for the clients. Clients consider food that is free from pesticides and synthetic additives to be a safer and healthier option than non-organic food. Similarly, relaxing in a nature resort with beautiful scenery is preferred to staying in a concrete block in a polluted environment.

Green enterprises offer environmentally friendly innovations that can tap into this growing market demand.

Increased business efficiency and cost savings

Going green can reduce costs and improve the business' productivity (meaning that with the same amount of inputs, it can produce more), making it more competitive. A business that reduces its material costs, energy costs, water costs as well as other costs that might be incurred by wastage becomes more efficient, less costly and more productive. For example, if the business is able to reduce electricity costs through energy efficient equipment or techniques, and thereby reduce its overall production cost, its profit margin may grow or it may be able to reduce its price to attract new customers.

A healthier and more productive workforce

Workers in a green business will usually have less health problems than those in businesses which engage in environmentally damaging processes. For example, in enterprises that use toxic chemicals, indoor air pollution in the facilities can cause both immediate health problems such as nausea, headaches and dizziness as well as long-term health impacts like lung damage. If these issues are resolved, less people will be sick and firm production processes will not be inter-

rupted. With less disruptions, the business will not lose time and resources. Workers will also be more productive because they will not be worried about health hazards. The greening of processes can thus lead to less absences in the form of sick leave or a lower rate of discontinuation of work due to serious health problems, and higher on-the-job productivity as workers are able to work in a healthy state.

Access to financial incentives and other support measures

Different countries have developed measures and policies to create a shift towards an economy that has a reduced negative effect on the environment. Policies, laws, and regulations have been developed to discourage traditional enterprises from high energy consumption, high pollution and high greenhouse gas emissions. In some countries, polluting activities may be subject to fines, and taxes may be imposed on fuels such as petrol or diesel; shifting away from these thus makes financial sense. But more importantly, positive incentives are also increasingly being introduced to encourage greener business processes and to stimulate emerging green industries such as renewable energy, eco-agriculture, and green tourism among others. Because of this, businesses which go green are often able to benefit from a range of measures designed to encourage the growth of the green business sector. These may include, for example, tax reductions, access to attractive financial products such as low-interest loans for green business, subsidies for switching to new environmentally friendly technologies, or various types of non-financial assistance such as training programmes.



Exercise:

Try to brainstorm incentives and support measures that are available in your context for green businesses:

TYPE OF INCENTIVE/ SUPPORT AVAILABLE:	WHO PROVIDES IT?	WHO CAN ACCESS IT?



A better business environment

Businesses not only have a responsibility but also a self-interest to ensure a healthy environment.

Businesses depend on the resources in their communities, and often, an environmentally friendly choice in terms of resources is a sound business choice too: for example, fossil fuels are depleting and becoming more and more expensive to procure. If your business continues to rely on a fossil fuel and does not diversify energy usage to renewable natural resources, it might run the danger of suffering losses when the fossil fuel is no longer available.

Also, the impact of a business on the surrounding environment affects the enterprise itself, other enterprises, and communities at large, particularly children who suffer the most from water and air pollution. For example, a textile company that dumps waste materials such as dyeing or bleaching chemicals into a nearby river pollutes freshwater which many poor families use for cooking and drinking, and may kill the fish upon which communities depend for food and livelihoods. Similarly, a farm that uses pesticides that are toxic to humans or a brick kiln emitting polluting smoke may affect the health of the surrounding community, including those who work for these businesses as well as other community members. Protecting the resources within the surrounding environment is therefore both an ethical responsibility of the business as well as a sensible business strategy to ensure continued access to these resources.

Beyond these immediate effects, green businesses can also contribute to slowing down climate change in the long term, and have an interest to do so. Agro-enterprises, for example, suffer from the changing weather patterns and extreme events such as floods or droughts. By greening their businesses, entrepreneurs contribute to the maintenance of an environment in which they can continue to operate on a profitable basis also in the future.



Exercise:

Test whether you have read everything in this chapter carefully and reflected on the various benefits! Read the following statements and think about whether they are true or false. Note your reflections in the “your thoughts” column:

STATEMENT	TRUE	FALSE	NOT SURE	YOUR THOUGHTS
Green businesses have a small market, because only ethically concerned customers want green products				
Greening an enterprise can also help to make it more productive and efficient				
Green businesses are good for the community, but costly for the entrepreneur because of the new investments needed				
There are no political or financial incentives to go green				



YOUR GREEN BUSINESS IDEA

This chapter of the GBB complements the Generate Your Business (GYB) manual in the SIYB family of products. The GYB manual will help you to determine whether you have the right characteristics to become an entrepreneur, to generate business ideas using different sources, and to assess and pick the best idea.

This chapter of the GBB helps you to do the above from a green perspective. While this chapter is primarily intended for aspiring entrepreneurs in search of a business idea, it may also prove useful for entrepreneurs who already have a business but would like to diversify their product or service range.



When developing green business ideas, consider your future market and resources that can be availed. This Zambian architect decided to take an eco-friendly approach while building affordable houses.

2.1 Do I have the right characteristics to become a green entrepreneur?

Green entrepreneurs are involved in the production of environmentally friendly products and services or make use of processes that are environmentally friendly.

Green entrepreneurs like any other entrepreneurs need to possess certain characteristics to be successful. These characteristics (passion; goal-orientation; decision-making; risk-taking; ability to handle stress; ability to access to social support; financial endowment; business management skills) are discussed in detail in the GYB manual.

In addition to these general characteristics, green entrepreneurs need to think about the planet and its people along with profit, so some further characteristics are required.

When completing the assessment in the GYB manual, we recommend you also reflect on whether you have these additional characteristics.

A GREEN ENTREPRENEUR NEEDS TO BE:

- **Analytical** – As the green sector is relatively new, entrepreneurs venturing into it need to be able to analyze the potential for success and failure and plan accordingly.
- **Innovative** – Green entrepreneurs need to be able to “think outside the box” and come up with new solutions to address environmental problems.
- **Committed to ethical standards** – A green entrepreneur needs to think about profit, but also about people and the planet (the 3 “P”s) when making business decisions.



2.2 Coming up with your green business idea

Your green idea is the starting point for your green business.

The GYB manual provides guidance on many different ways of coming up with business ideas. These include learning from business people, drawing from your own and other people’s experiences, surveying your local business area, scanning your environment and structured and unstructured brainstorming.

A green business idea can relate to either a green product or a green service, or it can relate to a “standard” product or service, but which is produced or delivered in a green way. Some examples of green ideas are provided in the box below.

SOME GREEN BUSINESS IDEAS:

- Organic fertilizer
- Organic beauty products
- Biodegradable packaging
- Organic restaurant
- Souvenirs made from waste
- Eco-tourism
- Green building materials
- Eco-friendly transport service

In order to come up with a green business idea, you may use the brainstorming exercise below to complement the exercises in the GYB manual, thinking about what environmental problems need to be solved in your community and about what resources in your community could be tapped into:

ENVIRONMENTAL PROBLEMS IN THE COMMUNITY		
1a. What health and environmental problems exist in your community?	1b. What is already being done to address these problems?	1c. What is not yet being done at all, or what is not being done well?

NATURAL RESOURCES AVAILABLE IN THE COMMUNITY		
2a. Does your community have any natural resources or waste products that could be used for business?	2b. Are there already some businesses in your community that make use of these resources?	2c. Are there any untapped opportunities to make use of these resources?

YOUR BUSINESS IDEAS	
Based on your answers to question 1c and 2c, list as many green business ideas as possible:	
Idea 1:	Idea 4:
Idea 2:	Idea 5:
Idea 3:	Idea 6:

2.3 Screening and selecting your green business idea

Once you have come up with your list of possible business ideas, you need to decide which one is the most suitable for you.

To do this, you need to describe each idea in detail and then screen them.

The GYB manual advises you to use the following five questions to describe each of your ideas:

- Which need is fulfilled?
- What product or service will the business sell?
- Who will the business sell to?
- How will the business sell its product or service?
- How much will the business depend on and impact the environment?

When completing the description and addressing the question on the environmental dependence and impact, consider the following issues:

- To what extent does the business depend on the surrounding natural environment (soil, wood, charcoal, fish, wind, sun, water, etc.)?

.....

.....

- Will the business have a positive impact on the environment (clean the water, improve the soil, etc.)?

.....

.....

- Will the business affect the environment in any negative way?

.....

.....

TYPE OF IMPACT	Y	N	N/A	DETAILS ON THE NEGATIVE IMPACTS & WAYS IN WHICH THEY CAN BE AVOIDED OR MINIMIZED:
Will it use large amounts of fossil fuel-based energy?				
Will it use large amounts of water?				
Will it use natural resources that are in short supply or overexploited?				
Will it require the use of harmful chemicals?				
Will it generate large amounts of solid waste?				
Will it create air pollution?				
Will it create soil pollution?				
Will it create water pollution?				

The GYB manual then advises you to carry out a “Strengths, Weaknesses, Opportunities and Threats” (SWOT) analysis to assess a few of your ideas and identify the best idea from among your list.

When doing the SWOT exercise, you should also keep in mind strengths, weaknesses, opportunities and threats that relate specifically to the green dimension of your product.



Green SWOT analysis example:

STRENGTHS		WEAKNESSES	
Conventional strengths High-revenue product	Green strengths Energy & material efficient production process can decrease costs and increase profits	Conventional weaknesses Lack of skilled labour	Green weaknesses Lack of knowhow to produce innovative products (e.g. solar panels) needed for the idea
OPPORTUNITIES		THREATS	
Conventional opportunities Upcoming market for this product	Green opportunities Large consumer base for eco-friendly & healthy products	Conventional threats Cheaper product available in the market	Green threats Government subsidies for competing, non-green products

Important: Remember that even if your main motivation is to help overcome an environmental problem, you cannot only think about the environmental dimensions when assessing your idea. It is equally important to assess the economic dimensions such as

whether there will be sufficient demand for the product or service. If your business idea is not economically viable, it cannot succeed, no matter how noble the idea may be. So you need a sound business idea to be able to help the environment!

YOUR GREEN BUSINESS PLAN

As you now know, a green business may be a business that sells green products or services, or which operates according to green principles. Green businesses therefore contribute to solving environmental problems and have a minimal negative impact on the environment.

In order to launch your business, you need to develop a business plan. The Start Your Business (SYB) package has a detailed step-by-step process for developing a business plan.

The business plan for your green business needs to be adapted to include key elements that are critical in starting a green business. In addition to coming up with a viable green business idea (see Chapter 2 for guidance), as you

plan for starting your green business it is important to also look at the business processes and workplace behaviours and practices with the objective of increasing resource efficiency, clean production and reducing any possible negative impacts on the environment.

This section of the GBB highlights some important green aspects to include in the business plan.

A more in-depth overview of how to green your processes by setting up an environmental management system (EMS), also important for your business plan, is provided in the following chapter, as it is applicable not only to starting enterprises, but also existing ones.

3.1 The green dimensions of your business plan

Writing a green business plan is one of the most important steps for starting up a green business. The development of the plan is not an overnight process and may take several weeks to complete. The business plan for your green business should cover all the aspects to be considered before starting the business.

The main components of a business plan are outlined in this chapter. For all the components of your business plan, you need to make sure that you add any green dimensions that are relevant.

These green dimensions may relate to:

- How the **environment is affected** by the particular business plan component: for example, in terms of marketing, when considering distribution, long-distance transport will be more damaging to the environment than short distances.



The founder of Lemonbar decided to start a business that serves organic drinks to a health-oriented clientele. To get started with your green business, a first step is the development of a business plan.



- How each of the **business plan components is affected** by the green characteristic of your product/service: for example, when considering the price, you may be able to charge more than your competitors because customers may be willing to pay more for a green product, and you may thereby enjoy a higher profit margin. You will note that the business plan also includes a section on greening your business. Greening is a cross-cutting issue that will come up in most other sections of your business plan. However, it is useful to give greening specific attention through a section specifically devoted to summarising all the required measures.

BUSINESS PLAN COMPONENT	PURPOSE & GREEN DIMENSION
Executive summary	The executive summary is an outline of your green business idea. In addition to the generic issues covered in a business plan, the summary should highlight its green dimensions.
Your business idea	All business plans are based on an idea. In describing your idea, you need to highlight what makes it unique as a green business (in terms of the product/service or process).
The marketing plan	Your marketing plan needs to be based on a solid understanding of the market. Once you know your market, you then need to develop a marketing plan based on the 7 “P”s: Product, Price, Place, Promotion, People, Process, and Physical Evidence. Consider the environmental dimension of these 7 “P”s when developing the plan (for example, for “Price”, whether you can charge a premium price).
Staff	You will need to decide what your business’ staffing needs are based on what tasks need to be performed. When assessing what staff you need, consider whether any additional technical skills are needed for your green product/service.
Organization and management	Like any entrepreneur, you will need to decide on the form of business. A green business can take one of many forms, including a sole proprietorship, a partnership, or a cooperative, for example. You should weigh the pros and cons of each before choosing the best form. You will also need to consider all required taxes and permits and select an appropriate insurance policy; make sure to include environmental taxes and environmental permits when doing so.
Buying for your business	Your business will need to buy before you make or sell your products/services. When buying for your business, consider how environmentally friendly the materials or equipment you buy are.
Greening your processes	Greening your processes covers a range of elements, starting from how environmentally friendly your raw materials are to how you get your product to your final consumers. To ensure the environmental-friendliness of your enterprise, you should set up an environmental management system (EMS). This system will help you track and improve your performance in key areas such as procurement, energy and water consumption, pollution prevention, distribution and waste management.
Costing	To be able to set your price and make a financial plan, you will need to calculate the cost of your products. Keep in mind that you may incur some additional costs at the outset for green investments relating to equipment, premises or skills, but also that you will most likely make savings thanks to green practices such a reduced consumption of electricity or water, resulting in reduced utility bills.
Financial planning	You need to be able to plan and monitor the financial situation of your business using tools such as the profit plan and a cash flow plan. Like any other business, your green business needs to perform financially, otherwise you will not be able to keep it going!
Required start-up capital	When estimating the required start-up capital, you will need to assess your needs in terms of capital investment and working capital. Consider the elements required for your business to be green while estimating this cost, and be realistic when doing so.
Sources of start-up capital	The most important types of start-up capital are owner’s equity and loans. Keep in mind that there are also a number of institutions with special funding opportunities for green businesses.

3.1.1 Your business idea

All business plans are based on an idea. In the previous chapter, you will have discovered ways of identifying and selecting a suitable business idea. In describing your business idea, you need to highlight what makes it green. The description should explain which environmental challenge your business idea is addressing and/or how the process makes it environmentally friendly.

3.1.2 Marketing plan

Your marketing plan needs to be based on a solid understanding of the market. By doing market research you will be able to identify the needs of potential customers and find out how your future competitors have been satisfying those needs. While carrying out the research, be sure to assess:

- Whether your future customers **want to buy** a product/service with green added value; and
- Whether they are **willing to pay** a premium price for this.

You will then need to develop your marketing plan based on the 7 “P”s of the marketing mix. As explained in the SYB manual, the 7 “P”s are:

- **Product** - the goods or services you are going to offer to satisfy the customers’ needs.
- **Price** - how much you are going to charge your customers for your goods or services.
- **Place** - how and where you are going to reach your customers.
- **Promotion** - how you will inform customers about your goods or services and attract them to make a purchase.
- **People** - who will develop the unique characteristics of your business that differentiates your business from others.
- **Process** - the various mechanisms and procedures to get the product to your customers.
- **Physical evidence** - the overall appearance of your good, service or company.

When developing your plan, consider the environmental dimension of each of these 7 “P”s. Some examples are provided below. Depending on your specific business, more may emerge.

EXAMPLES OF ENVIRONMENTAL ISSUES IN THE MARKETING MIX:

- **“Product”**: By offering a green product that addresses an environmental challenge or does not harm the environment thanks to its recyclability/reusability, its green production process and its green packaging, for example, you will be able to attract customers who place importance on environmental, social and health issues. This will differentiate you from others and will give you a competitive advantage. You may also wish to consider having your product certified by a reputable organization to show that it meets the green standards that have been set.
- **“Price”**: Green products and services or green production processes might help the business to reduce costs. As you may charge the same price as your competitors while producing at a lower cost, this can enable you to have a larger profit margin. Sometimes, green products or services might be more expensive, if suppose the cost of the green technology used is higher. But you can still attract customers by explaining the benefits of the products or services so that they see the value added and are convinced to pay a higher price.
- **“Place”**: When deciding on the location of your business, try to minimize distances to raw materials as well as to the market. Not only will this help the environment, but it will also help the business to reduce the cost of transport and result in less time-losses due to travel. To appeal to a health-oriented clientele, such as the customers of a beauty shop, you may wish to choose a naturally beautiful location which is clean and has trees.
- **“Promotion”**: When deciding on how to promote the product, consider ways of reducing resource use and the generation of waste/pollution. For example, go paperless and make use of electronic media, or, if using print material such as leaflets, opt for recycled paper and non-toxic inks.



Exercise:

Think of as many as possible green elements for each of the 7 “P”s:

“P”s OF MARKETING	GREEN ELEMENTS
Product	
Price	
Place	
Promotion	
People	
Process	
Physical evidence	

3.1.3 Staff

You will need to decide what your business’ staffing needs are based on what tasks need to be performed and what you can or cannot do yourself.

When assessing what staff you need, consider whether any additional technical skills are needed for your green product/service. Think about the following questions: Do you need to hire extra staff? Or can you train existing staff? If this is needed, what types of training are available, which institutions offer such trainings, and at what cost? Or, alternatively, could you rely on short-term expertise from outside of your business?

3.1.4 Organization and management

Like any entrepreneur, you will need to decide on the form of business. A green business can take any of the legal forms available in your country, such as a sole proprietorship, a partnership, a cooperative or a limited company, for example. You should familiarize yourself with each form and weigh the pros and cons before choosing the most appropriate form.

You will also need to consider the taxes that your business has to pay, licenses and permits it needs to obtain, and insurance that it needs to take out. Keep in mind that:

- On top of other generic **taxes**, in some countries businesses may need to pay additional taxes that are related to the environment, such as pollution tax; depending on the

green choices you make, you may be able to lower the tax amounts you pay or even be completely exempt.

- Environmental **permits** may be included in the regulations of your country, and in order to obtain a permit, you may need to submit an environmental impact assessment report or other documentation to show how you intend to assess and address environmental issues in your business.

3.1.5 Buying for your business

Your business will need to buy before you make or sell your products/services. When buying for your business, consider:

- How environmentally friendly the equipment and materials you buy are. Are the products certified through a recognized label?
- If sourcing natural resources such as wood, charcoal, fish, water etc., whether these are sustainably produced or overexploited, which is a risk not only for the environment but also for your business future.
- Whether the materials and equipment are available locally or as close as possible to your business to avoid long-distance transport. This will also help the business to reduce the cost of transport. Reduced travel time will mean quicker access to the materials needed for production or the provision of services.

3.1.6 Greening your processes

Greening your processes covers a range of elements, starting from how environmentally friendly your raw materials are to how you get your product to your clients.

To ensure the environmental-friendliness of your enterprise, you should set up an environmental management system (EMS). This system will help you track and improve your performance in key areas such as:

- **Procurement:** using environmentally friendly and locally available materials.
- **Energy and water consumption:** using energy and water from renewable sources and saving energy and water where possible.
- **Pollution prevention in production/service provision:** using low-emission equipment and techniques.
- **Distribution:** using environmentally friendly transport methods and avoiding long distances.

- **Waste management:** reducing, reusing and recycling where possible and disposing what needs to be disposed of in a responsible way.

The setting up of this system is discussed in more detail in the next chapter; please refer to it in order to develop yours!

3.1.7 Costing

To be able to set your price and make a financial plan, you will need to calculate the cost of your products.

When costing your green goods and services, keep in mind that:

- Some additional investments may be needed in terms of equipment, premises, skills or other areas. This will entail additional costs at the outset. Specialized equipment may be needed to make the green product/deliver the green service, or, instead of standard equipment, you may wish to opt for more efficient equipment which you may need to buy. You may also make green choices for your premises (such as the installation of LED lights) or for your sources of energy (for example, solar energy) which will have a cost implication.
- But, you can also make savings through these investments in terms of operation cost. For example, the use of solar panels will cut your bill in terms of regular electricity.
- Other green choices that you may make, such as buying second-hand equipment or furniture for your business may also help you to lower the cost of your product.

When costing, consider also the cost of an environmental impact assessment, an environmental certification if you opt for one, and other similar costs. These will give you an added marketing advantage later, but their cost needs to be included when doing your initial costing.

3.1.8 Financial planning

You need to be able to plan and monitor the financial situation of your business. You can do so by making a profit plan and a cash flow plan and checking the actual performance of the business against these plans.

Like any other business, your green business needs to perform financially, otherwise you will not be able to keep it going, no matter how noble its objective. Therefore, make sure to be thorough in your financial planning.

3.1.9 Required start-up capital

When estimating the required start-up capital, you will need to assess your needs in terms of:

- Capital investment: business premises, equipment, and furniture.
- Working capital: the stock of raw materials and finished products, marketing costs, salaries, rent, insurance and other costs.

Consider the elements required for your business to be green while estimating this cost. In particular, keep in mind that:

- Some green investments will entail additional costs at the outset, as mentioned in the section on costing, above.
- However, these green investments will usually pay off in the long term thanks to lower operating costs.
- Furthermore, other green choices that you may make, such as buying second-hand furniture for your business, may also help you to lower the start-up capital that is required.
- In terms of other costs, consider also whether you have to budget for an environmental impact assessment, an environmental certification if you opt for one, and other costs that may arise such as contracting an energy expert. As mentioned in the section on costing above, these will be beneficial for your business, but their cost needs to be kept in mind while budgeting.

In estimating the required start-up capital, be realistic in assessing the capital needed to sustain your green business up to a time when you make enough money to cover your expenses and make a profit.



Exercise:

Think about the additional costs and savings resulting from greening your processes. Does it make financial sense to go green?

ADDITIONAL COSTS THAT MAY BE INCURRED BECAUSE OF GREENING YOUR PROCESSES:	SAVINGS THAT CAN BE MADE THANKS TO GREENING YOUR PROCESSES:



3.1.10 Sources of start-up capital

The most important types of start-up capital are owner's equity and loans.

Keep in mind that there are also a number of institutions with special funds for green businesses. In some countries green businesses can also earn money through incentives designed to encourage greener business practices. Find out about these schemes and take advantage of them!

Exercise:

Try to do some research (online, by talking to people, or by visiting the offices of possible finance providers, for example) on funding that may be available in your specific case. Think of government institutions, banks, foundations, etc. Map out the type of funding available from each and qualification criteria, and think about which one you could realistically try to secure:

NAME OF INSTITUTION	TYPE AND AMOUNT OF FUNDING AVAILABLE	QUALIFICATION CRITERIA

4



GREENING YOUR PROCESSES

The “Improve Your Business” (IYB) modules of SIYB help businesses that are already operational to improve various aspects of their business, such as marketing, costing, or human resource management.

If you are an existing entrepreneur and are running a business that is not yet a green business, in addition to these areas, one way of improving it is to go green!

Green businesses are flourishing in a number of sectors in countries across the world, and this is not surprising; you will recall from Chapter 1 that greening comes with a number of benefits, including access to a market

of ever-more environmentally conscious and health-aware consumers who want safe and eco-friendly products, and cost savings and productivity gains as resources are used more efficiently.

Existing enterprises can go green by adding a green product or service to their range. Chapter 2 on green business ideas will provide useful tips for doing so.

But even when continuing to offer conventional products or services, existing enterprises can also go green by making their processes environmentally friendly.

This chapter is related to this second strategy. It explains what is meant by the greening of processes, and provides practical guidance on how to do so.

Though this chapter is intended for existing entrepreneurs, it will also be relevant for those who are in the process of starting a business, as the environmental management system covered in it complements the business plan for starting entrepreneurs from the Chapter 3. In a similar way, existing entrepreneurs should also refer to Chapter 3 as revisiting certain elements of their already established business plan from an environmental angle will be useful when going green.

4.1 What is greening and how can you green your processes?

You will recall from Chapter 1 that a business can be a green business in two different ways:

- By offering products or services that are environmentally friendly.
- Through environmentally friendly business/production processes, even when offering conventional products or services.



Good waste management practices help businesses to reduce costs, and sometimes even enables them to make extra money as recyclables are sought-after material.



Greening your processes refers to the transformation of the business/production processes of your enterprise in order for it to become a green business.

Every enterprise can green its operations and processes. There are two dimensions to this. On the one hand, it concerns the inputs required and on the other hand, it concerns the unintended output or waste and pollution. So, greening your processes aims both at:

- Increasing the efficiency of inputs used in the enterprise, i.e. reducing the use of en-

ergy, material and water while increasing or maintaining the same level of product or service delivery;

- Reducing the amount of unintended output, i.e. reducing waste, pollution and the excessive destruction of natural resources.



Exercise:

Read the case study below and think of the inputs and outputs of the business, and whether they could be greener.

Greening the Cutting Edge Clothes (CEC) company*

Cutting Edge Clothes (CEC) is a T-shirt manufacturer with 30 workers in a small town in Bangladesh. They buy cotton imported from India, dye it with dyes imported from China, and cut and sew it into its final shape.

They operate in a building that was previously a school class room and which had the advantage of already being connected to the city's electricity grid and sewage system.

The T-shirts are sent to the capital city, 500 km away, in a rented truck in lots of 20-50 T-shirts several times a month depending on the requirements of their 3 buyers.

INPUT (RAW MATERIALS, ENERGY, ETC.):	IS THE INPUT GREEN?	COULD THE INPUT BE GREENER?

ARE THERE LIKELY TO BE ANY UNINTENDED OUTPUTS WHICH HARM THE ENVIRONMENT?	HOW COULD THESE UNINTENDED OUTPUTS BE AVOIDED:

*A fictional company made up for this exercise

4.2 Tips for greening your processes

In the exercise above, you will have thought of many ways of making the processes of a business greener. Here are some further tips on how to go green:

- **Pay attention to your raw materials:** When selecting your raw materials, think sustainable. This may mean organic, biodegradable, recyclable or renewable. Organic agricultural products, biodegradable plastic, or wood from sustainable forestry are examples of raw materials that make your business footprint greener.
- **Green your energy and water consumption:** Your business is likely to require energy and/or water. You can go green by using energy from renewable sources such as solar energy, and by using harvested rainwater, for example. You can also reduce your energy consumption by making use of more energy-efficient equipment. Energy and water usage can also be minimised by technologies that help you to use as little as possible, such as light switches or taps with sensors. These changes are good for the environment, but they are also good for your business: the less you use, the less you spend!
- **Minimise your emissions:** Switch to fuels that are as green as possible and use equipment that produces the smallest amount of emissions possible. Sometimes a switch from a diesel generator to an electric machine reduces costs while cleaning the local air. In case of any remaining emissions, look into appropriate filtration technologies.
- **Reduce, reuse and recycle waste:** Reduce by using as little as possible. Could your product be packaged with less material, for example? Reuse whatever can be reused. Your raw materials may be supplied to you in packaging that you can in turn reuse for packaging your own product. For waste that you can't reuse yourself or provide to others for reuse, give it in for recycling. In many cities, waste collectors will pay for your recyclables, so don't miss the opportunity! Finally, for waste that cannot be reused or recycled, dispose of it in a responsible way.

- **Transport responsibly:** Minimise distances used for transport, reduce weight and volume through efficient packaging options, avoid less than full loads, plan efficient journeys, and when transporting, choose the least environmentally harmful options available. Also think of sharing transport with others when possible.
- **Think outside of the box:** Use your creativity to make a profit while helping the environment. Eco-entrepreneurs tend to be innovators. Sometimes, sophisticated technologies, scientific expertise or a large amount of money are needed to make an innovative idea a reality. But sometimes you can also use resources that are already available in your community and transform them to make a profit. You may have heard of innovative ideas such as eco-coolers made from discarded plastic bottles, or cups and plates made from coffee grinds, or even of entrepreneurs creating services from products: because a consumer is often interested in the quality of the service (e.g. light) rather than the product itself (e.g. a lantern), entrepreneurs have started selling light by charging solar lanterns during the day and bringing them fully-charged to households in the evening. Be creative in your thinking and you may become an eco-innovator too!

EASY WAYS TO HELP THE ENVIRONMENT AND YOUR BUSINESS: THE 3R STRATEGY

If you manage your waste using the 3R strategy, you can help the environment:

- **Reduce:** The creation of waste can be minimized by reducing our consumption. We can buy less, and we can buy more durable products that last longer, meaning less new products and less waste.
- **Reuse:** We can also reuse things in another way to diminish the amount of waste we produce. Old objects can be re-used in a different way instead of being thrown away.
- **Recycle:** When reduction or reuse are not possible, recycling can be used to produce new raw materials from waste; in this way, waste is not simply disposed of, and in addition, raw materials do not need to be extracted from the natural environment for the creation of new products.



Though the above are the most commonly used basic 3 “R”s, even more “R”s can be added to the strategy: “Rot” is sometimes added to bring in composting as a way of dealing with organic waste, and “Repair” is a useful means of extending the life of many products if broken.

All these “R”s have a positive business implication. You can save money by reducing the amount of inputs you are using, and by reusing whatever can be reused. In some countries, the disposal of waste also results in taxes/fines which a proper separation of waste can avoid. Finally, not only can you save money this way, but by selling your waste to those who are in the business of recycling or equipment you no longer need to others who are looking for the same type of equipment, sometimes you can even make money!

SAVING THROUGH GREENING

Did you know you can save money by being environmentally friendly? Here are a few examples of how you can help the environment and cut costs at the same time:

- **Reduce usage.** Cutting costs and reducing bills can be as easy as only using electricity and water when you really need it. Installing taps with sensors or automatic light switches helps you do this.
- **Go for efficient choices.** For example, in terms of energy use, by choosing energy-efficient lighting options such as LED and CFL lights instead of the more traditional incandescent light bulbs, you can reduce the amount of energy you use by 50 percent or more because of their efficiency. In monetary terms, replacing a traditional light bulb with a CFL of the same brightness will save you about USD 7 per year, or USD 87 over the lifetime of the bulb. Think of this when setting up your business premises and choosing equipment!
- **Switch sources.** For example, start using solar energy instead of regular energy. You’ll need to pay for the installation of solar panels, but once you’ve done this, you’ll have access to a source of energy that is free.

Think about how much you could save if you would implement some of these measures in your business!

Sources: <http://yourenergysavings.gov.au/> ; <http://www.energysavingtrust.org.uk/home-energy-efficiency/lighting>

4.3 Greening in practice: Your environmental management system

In order to green your business, it is helpful to develop a simple environmental management system.

To do this, you can follow the steps below:

- **Assess your current situation.** How well are you performing in terms of environmental-friendliness? Are there any areas in which you could do better? To do this, you can use the greening checklist below.
- **Plan your greening measures.** You will not be able to do everything at once. Decide on priorities, think about what each possible measure will cost, and set realistic timelines for achieving your priority action. You can use the greening plan below to develop your own plan.
- **Monitor regularly.** As we are busy in our day-to-day lives, we often forget the goals we set earlier. Make sure to go back to your assessment and plan once in a while to check whether you are on track!

4.3.1 Assess

Adapt and use the greening checklist below to assess your current situation.

Greening checklist:

DO YOU:		Y	N	N/A	GREENING MEASURE:
GREEN PROCUREMENT	Use environmentally friendly materials? (recycled, recyclable, second-hand, organic, natural, biodegradable...)				
	Use locally available materials?				
	Use suppliers which try to be environmentally friendly?				
ENERGY AND WATER CONSERVATION	Use electricity from renewable sources?				
	Use efficient equipment?				
	Use only as much electricity as needed?				
	Use water from renewable sources (such as harvested rainwater)?				
	Use only as much water as needed?				
POLLUTION PREVENTION IN PRODUCTION/ SERVICE PROVISION	Use low-emission equipment?				
	Operate efficiently?				
	Avoid the use of hazardous chemicals or other substances that can cause air, soil or water pollution?				
	Minimize the entry of pollutants into the environment through measures like air or water filtration?				
RECYCLING AND WASTE REDUCTION	Reduce as much as possible?				
	Reuse as much as possible?				
	Recycle as much as possible?				
	Compost whatever can be composted?				
	Separate waste?				
	Dispose what needs to be disposed of in a safe and suitable way?				
GREEN DISTRIBUTION	Avoid transport to far-away destinations?				
	Avoid transporting individual items/small sets of items?				
	Use the least-polluting modes of transport possible?				
	Use transport providers which try to be environmentally friendly?				
OTHER	In your premises, do you have furniture that is second-hand or made of renewable or recyclable materials?				
	Do you share equipment with others when possible?				
	Do you (and your employees) get to work in an eco-friendly way? (walking, cycling, car pooling...)				



4.3.2 Plan

- **Prioritise**

Based on the assessment above, you will have identified a number of possible greening measures.

As you cannot do everything at once, you will need to decide on where to start. In order to help you decide on priority actions to start with, you can use the prioritisation matrix.

Fill it in for your business using the following symbols:

- ++ Very positive/very easy
- + Positive/easy
- 0 Neither positive/easy nor negative/difficult
- Negative/difficult
- Very negative/very difficult

Prioritisation matrix:

GREENING MEASURE	IMPACT ON YOUR BUSINESS	IMPACT ON THE ENVIRONMENT	EASE OF DOING	EASE OF FINANCING

Based on your answers, you will see that some measures are more important than others in terms of impact, and some are easier to do and to finance than others. You will need to find a balance between what is important and what is realistic. Look at your table and prioritise based on it.

- **Plan**

Based on the prioritisation exercise above, make a greening plan. Decide on what needs to be done by when and by whom, how much it will cost and how the cost can be covered.

It is important to be realistic when planning. Even if an action might have a very positive environmental and business impact, if you do not have the resources to implement it, you may need to start with other actions while working towards getting the resources required for it.

Adapt and use the greening plan for greening your business.

Greening plan:

GREENING MEASURE	WHEN WILL IT BE DONE?	WHO WILL DO IT?	HOW MUCH WILL IT COST?	HOW CAN THE COST BE COVERED?

4.3.3 Monitor

It is important that you revisit your assessment and plan on a regular basis. We all get busy and sometimes forget the goals we had set earlier, so ensure that you regularly re-assess your business.

To make sure you are on track, go through your greening checklist and greening plan once every six months. This will help you to make any necessary adjustments to achieve your goals!

REFERENCES

Apart from the websites cited in the relevant sections, the Green Business Booklet draws on a number of ILO publications. These include:

The core SIYB manuals:

ILO: *Generate Your Business Idea* (Geneva, 2015)

ILO: *Start Your Business* (Geneva, 2015)

ILO: *Improve Your Business* (Geneva, 2015).

Green business manuals:

ILO: *Are you in search of a Green Biz Idea?*, ILO Green Jobs Programme and YEF-Africa (Dar es Salaam, 2000)

ILO: *Start Your Green Business - Phase I: Start Up*, ILO-IJEP Project (Jakarta, 2013)

ILO: *Improve Your Business-Greening*, ILO YEF-Africa project (Dar es Salaam, 2012).

LINKS

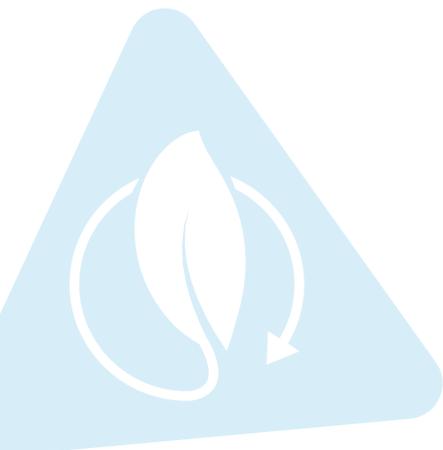
SIYB Manuals: http://www.ilo.org/empent/areas/start-and-improve-your-business/WCMS_192062/lang--en/index.htm

Are you in search of a Green Biz Idea:
http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_216177.pdf





ANNEXES



ANNEX 1

Glossary

Climate change: Climate change refers to a broad range of global phenomena created mainly by the burning of fossil fuels, which add heat-trapping greenhouse gases to the Earth's atmosphere. These phenomena include increased temperature trends (global warming), sea level rises, ice mass losses, and extreme weather events.

Decent work/jobs: Decent work involves opportunities for work that is productive and provides a fair income, security in the workplace and social protection for families, freedom for workers to participate in the decisions that affect them, and equality for women and men. Green businesses should provide decent, green jobs.

Environmental protection: Environmental protection is a practice of protecting the natural environment on individual, organisational or governmental levels, for the benefit of both the environment and humans. It aims to conserve natural resources, preserve the current state of the environment and to reverse its degradation where possible.

Fossil fuels: Fossil fuels are fuels such as coal, crude oil, and natural gas that were formed from the buried remains of plants and animals that lived millions of years ago. They are considered to be harmful to the environment because their use creates greenhouse gases such as carbon dioxide or methane which cause global warming.

Global warming: Global warming refers to the increase in temperature across the Earth due to the increase in greenhouse gas emissions resulting from the burning of fossil fuels.

Green business: A green business is a business that produces/provides an environmentally friendly product/service or uses an environmentally friendly process, or both. Green businesses thus help to protect and restore the environment, while generating profit for the owner.

Greenhouse effect: The greenhouse effect is a natural process that warms the Earth's surface. When energy from the sun reaches the Earth's atmosphere, greenhouse gases such as carbon dioxide act like a roof, absorbing and re-radiating some of this warmth. This is a vital, natural process that allows life on Earth to exist. However, because human activities such as the burning of fossil fuels in-

crease the concentration of these gases, we are now facing a problem of global warming.

Greenhouse gases: Greenhouse gases are gases such as carbon dioxide or methane that trap heat and make the planet warmer. A large share of these gases are produced through human activities such as the burning of fossil fuels for electricity or for transport, for example.

Green jobs: Green jobs are decent jobs that contribute to preserving or restoring the environment. Green jobs can be found in traditional sectors such as manufacturing and construction, or in new, emerging green sectors such as renewable energy and energy efficiency. Green businesses are essential providers of green jobs.

Pollution: Pollution is the introduction of unsafe or toxic substances that are harmful for living organisms into the environment (the soil, the air and water). Pollution is caused by human activities, such as the spilling of oil, the emission of harmful gases from cars or factories, or the disposal of industrial waste.

Renewable resources: Renewable resources are resources that can be replenished naturally, usually in a short period of time. For example, solar energy is a renewable energy source because it replenishes naturally in a short period of time, while crude oil, natural gas, coal and uranium (nuclear energy) are non-renewable sources of energy as they do not form or replenish naturally in a short period of time.

3 R: This is a strategy for dealing with waste, involving reducing consumption before waste is generated in the first place; reusing rather than throwing away items for which new uses can be found; and recycling waste by extracting materials from it and transforming them into new products.

Sources:

<http://www.ilo.org/global/topics/green-jobs/lang--en/index.htm>

<http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

<https://climate.nasa.gov/resources/global-warming/>

<https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

<http://www.environment.gov.au/climate-change/climate-science/greenhouse-effect>

<https://www.epa.gov/recycle>

https://www.eia.gov/energyexplained/?page=nonrenewable_home

ANNEX 2

Examples of Innovative Green Business Ideas¹

The Solar Radio

This is a very creative innovation for people living in areas that have little or no electricity but lots of sunlight. The solar powered radio is a small portable radio with in-built photovoltaic cells, fixed over a panel.

Advantages include:

- The problem of an unreliable electricity supply or the need to purchase batteries no longer exists.
- It replenishes electric current with sunlight-generated power, without interrupting the programme or affecting its performance.
- It is economical and affordable.

iBamboo iPhone Speaker



This speaker is a natural and elegant way to amplify the sound of your iPhone. Made from sustainable bamboo, the speaker requires no electricity and is light and robust allowing you to carry it around.

Advantages include:

- Bamboo is one of the most powerful natural conductors of sound.
- It grows faster than any commercialized plant.
- Bamboo is Biodegradable.

Solar Powered Bags



A solar powered bag is a book bag that has waterproof solar panels designed into each bag. These bags contain a converter that channels solar energy into the batteries with which you can then run your laptop, phone or other electronic device.

Advantages include:

- For every hour charged in the sun, they can provide 2 - 4 hours of power for your laptop.

- Simply converting to a solar powered bag can help save money when we need to charge cell phones or other electronics.
- These bags can go anywhere with you and they look stylish.

Sugarcane Disposable Bowls



Sugarcane disposable bowls allow you to enjoy any event that requires disposable bowls without worrying about the waste going to landfill.

These eco-friendly bowls are fully compostable and are made from a sustainable material.

Advantages include:

- They will not absorb oil, nor will they leak.
- They can be disposed of in compostable waste and will fully decompose after a few months.
- The bowls are constructed from sugarcane fibre which would otherwise be discarded or burnt.

Clean Energy Water Clock



This clock is a digital clock that uses water as a power source.

The clock uses water to create electrical energy through an electrochemical reaction between the water and the electrodes of the device. The electrical energy that is generated is used to power the digital clock display.

Advantages include:

- There is never a worry over batteries running out with the clock.
- It can operate from moist soil which allows you to grow small plants in the clock.

¹ Text adapted from and all photos except sugarcane bowls replicated from ILO (Marek Harsdorff), *Improve Your Business – Greening*, ILO-YEF project, Dar es Salaam, 2012. Photo of sugarcane bowls from: <http://www.theofficedealer.com/STML003R-StalkMarket-LO03R-Sugarcane--Disposable-Bowls.html>

ANNEX 3

Green Certification²

You may wish to consider getting your green business certified in order to show compliance with specific standards. Certifications or eco-labels are issued by governmental agencies, industry associations, non-governmental organizations and commercial environmental auditors, among others.

Certification has several advantages. It helps you to do a more thorough job of greening, meaning more efficiency and greater cost savings for your business. It also provides a competitive marketing advantage through increased recognition by media and trust by consumers, which can result in increased sales and overall improved business performance.

For example, the ISO 14000 certification standard involves a voluntary environmental management system which can help to improve business performance while providing an objective basis for verifying a business' claims about its environmental performance.

However, given the number of certifications available, choosing the most appropriate one may be confusing. Moreover, keep in mind that obtaining and maintaining certification status may have implications in terms of money and time.

Check what certifications are available in your country and what is required in order to obtain them. If one of them is a realistic option for you and one that would help your business, you may benefit from giving it a go!

Below are a few examples of international environmental certifications and standards:

Certified Emission Reductions (CER) and Clean Development Mechanism (CDM) Gold Standard

Demeter

Fair Trade

Forest Stewardship Council (FSC)

Global Organic Textile Standard

Global Reporting Initiative (GRI)

Green Globe Certification

International Federation of Organic Agriculture Movements (IFOAM)

International Standards Organisation (ISO)

Oeko-Tex

Rainforest Alliance

Soil Association

Sustainable Travel International

UTZ

² Adapted from Green Africa Directory website: <http://www.greenafricadirectory.org/resources/green-certifications/>

Figure: Examples of eco-labels³



³ Selected eco-labels reproduced from ILO (Oliver Ortis and Janti Gunawan), Start Your Green Business - Phase I: Start Up, ILO-IJEP project, Jakarta, 2013.

ANNEX 4

Green Business and Decent Jobs

Jobs are green when they help reduce negative environmental impact, ultimately leading to environmentally, economically and socially sustainable businesses and economies, and when they are decent.

Decent work is defined by the ILO as work that, among others:

- Is productive and delivers a fair income,
- Provides security in the workplace and social protection for families,
- Brings with it better prospects for personal development and social integration,
- Gives people the freedom to express their concerns, organize and participate in the decisions that affect their lives, and
- Ensures equality of opportunity and treatment for all women and men.

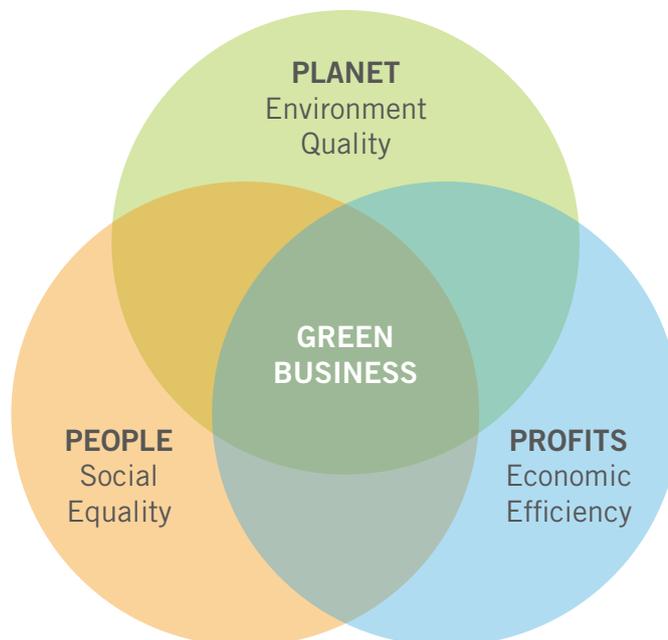
Green businesses create work that is decent, contributes to poverty reduction and leads to social inclusion.

For example, if we look at the energy sector, various reports show that renewable energy businesses provide more green jobs than fossil fuel energy businesses.

By participating in the green economy, your business contributes towards reducing unemployment by creating green jobs and decent work.

But, going green can also help your business, given that it can provide a marketing advantage, and results in cost savings and increased efficiency and productivity. In many cases it also enables you to access new types of support for green businesses.

So, greening your business is a win-win situation!



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