Engaging SMEs in environmental improvement: a best practice guide for business support organisations
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Envirowise - Practical Environmental Advice for Business - is a Government-funded programme which assists UK companies to reduce their costs by using resources more efficiently. This is a big task, and we cannot do it alone. We, therefore, work with a wide range of organisations with similar objectives to reach as many companies as possible and to ensure that our assistance is complementary to other help that is available. We invited these organisations to an event in Birmingham on 6 December 2001 and this guide has been produced from the expertise that was pooled at the event.

The event in December 2001 about Engaging SMEs was hosted by Envirowise and WWF-UK’s Business Education Unit.

WWF, the global environment network, has a significant track record of working with business to develop workable solutions to environmental problems.

A key part of WWF’s approach is to learn from its work and identify how these lessons can be used for the widest possible audience. Through its work, WWF identifies best practice, promotes the business case for change through the use of concrete examples and develops programmes for use by business of all kinds.

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Small with great potential

Small companies are vital to the prosperity of the UK economy. They also have a crucial role to play in improving the country’s environment.

In doing so, they can help themselves to greater business benefits - and boost the efficiency and competitiveness of ‘UK plc’ as a whole.

The trouble is, not many realise this. Few understand how environmental management can enhance their commercial prospects. In addition, many think they are too small to make an impact.

The challenge for business support organisations is to help SMEs (small and medium-sized enterprises) adopt environmental management as a core business skill and become drivers for change.

This guide has been produced by two leading environmental champions, Envirowise and WWF. It is based on information shared by more than 100 environmental specialists from top UK business support organisations at a conference held in December 2001: Engaging SMEs - Learning from Collective Experience. For more details of the conference, visit the Envirowise web site (www.envirowise.gov.uk). Also visit the web site to register in the area especially for Business Supporters.

This guide is designed to help the helpers.

The aim is to encourage ‘joined up thinking’ by all the public and private organisations out there.

No one-stop shop can possibly cover all the services provided by that vast array of supporters, advisers, regulators, legislators and auditors. However, the best practice outlined in this guide should help you engage SMEs with clear and consistent messages about how to achieve sustainable business benefits from continuous environmental improvement.
SMEs - who are we talking to?

Key characteristics

Although a large and diverse group, SMEs still share certain common features:

- Companies with more than 100 employees are likely to have a management structure; those with 20 - 100 staff probably just have a management team; those with fewer than 20 usually rely on a few managers each with a number of different responsibilities.

- The smaller the company, the less likely there is to be an environmental specialist. The environment will be an area covered by someone who wears several other hats.

- Time available to individuals in a small business for any single topic is very limited. So, those seeking to engage them must use information that is concise and to the point.

- Their daily concerns are financial, not environmental, and focus on meeting orders, generating cashflow and maximising revenue. Very often this boils down to survival.

- On the plus side, small companies often have simple decision-making processes. Engage the right person and you can see rapid action.

- SMEs usually have a rolling agenda of only three items, including the ‘universals’ such as cost and customers. To promote environmental benefits, you must get on the list.

- Few small companies have a good idea of what all their costs are. They seldom measure things systematically.

- Many will be unaware of the business benefits that can be achieved through environmental good practice. Those that do may fear high costs or feel they lack the necessary skills.

- SMEs do not lack support. In fact, the opposite is probably the case: there are so many organisations competing for their attention, they may be bewildered about where to turn or whom to trust.

What’s in a name?

This guide defines SMEs (small and medium-sized enterprises) as any company with fewer than 250 employees. In 2000, there were about 3.6 million such organisations in the UK. Of these, 150 000 were involved in manufacturing and 110 000 had fewer than 10 employees - known as ‘micro’ companies.

The term ‘SME’ is useful for funding bodies in deciding who qualifies for aid. It also helps business support organisations target relevant groups. However, to the companies themselves it is jargon with little relevance or commercial value.

They define themselves by what they do, not by their size. Many set great store by their background and culture - their difference - and often sell the virtues of being family-owned, unconstrained by corporate structures, flexible and independent.
Getting started

Understand their needs
The first step is to understand a company’s needs so you can tie their agenda into yours. Finding out how companies see themselves will prepare you for a wide range of attitudes to environmental change. Then you can tailor your support package accordingly. Get to know their management structure and whether they already have any systems certification or awards.

Try different approaches
There is no single solution in marketing to SMEs. A combination of approaches should be tried, including telephone, e-mail and post, backed up whenever possible with personal contact. Although information overload should be avoided, repetition is often required before a message is seen. Be prepared for a lot of effort and plug away with patience, perseverance and good humour.

Face-to-face or remote control?
Face-to-face meetings are time-consuming and difficult to arrange but they get you on site and show you are concerned. Be aware, though, that time-wasters are not tolerated. So be co-operative and make your message direct and to the point. A tried and tested strategy is to go for personal contact at first, followed by remote methods once a good communication channel has been established. Then keep in touch at all costs.

Find the right person
Senior buy-in is crucial for success, so it pays to aim high. In micro companies you should consider trying the managing director, in larger companies approach any manager with a suitable sphere of influence. Don’t ignore the sales team – often the most dynamic people in any organisation. Above all, if you have a name use it, regardless of job title. In larger companies, don’t be afraid to target two or three people.

To pay or not to pay?
Does offering an up-front payment for environmental advice tie companies in or is it a barrier to engagement? If advice is free companies may feel it has low value and, generally, businesses will be prepared to pay as long as they can see a genuine business advantage. It is good practice to be versatile: make initial visits, interviews or club membership free and ask for payment later when value is demonstrated. A ‘no win - no fee’ arrangement can also be effective.
Empathy and contact
Build up empathy with companies to win their confidence and establish credibility. Regular two-way contact will make sure you keep up to date as the goalposts move.

Sell benefits
Concentrate on selling benefits, not threats. Focus on cost savings and practical advice. Show them no-cost or low-cost improvements. There’s nothing like a quick win to kick-start a company’s environmental progress.

Tell them what to do
Lacking time and resources, SMEs like to be told what to do and how to do it. A free one-day environmental consultation - possibly an Envirowise FastTrack visit - can identify the main issues. A walkabout means you can gain initial impressions, talk to staff and set up effective communication lines.

Handholding works
No matter how good your business support package, there is no substitute for personal contact. Handholding really works. But take care. Small firms don’t necessarily like outsiders and there’s a fine line between handholding and nagging. Be sensitive and show awareness of their needs.

Help them put together a simple action plan identifying two or three things to start on straight away. Don’t ask them to do too much at once.

Explain how to measure and monitor their costs so they can identify potential savings without too much trouble.

Case studies and other examples may help to convince them they can save money through sound environmental practice. Provide local case studies of successes and failures. Identify key local publications and drip-feed case studies and other examples into these media.

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Work in partnerships to increase resources and credibility. SMEs often listen more readily to their peers than to outsiders. Ask someone they trust - bankers, accountants, other companies - to show them how environmental management pays off.

Use clubs and other networks to stimulate action. Members grouped by sector, size, location or another common interest can learn from and inspire one another. Work through trade associations to increase credibility and improve environmental knowledge.

Seminars are a good systematic approach. Small-scale, locally focused seminars share common knowledge and problems.

Universities are a valuable resource. Graduate student placements are a good way for companies to get specialist, dedicated environmental support without excessive cost. Validated training qualifications also bring kudos to their environmental efforts.

Larger companies can help smaller businesses achieve better environmental performance through supply chain initiatives. Investigate if the supply chain of a company’s larger customers is a possible driver.
Keeping going

Stay in touch

Effective communication is the key to keeping environmental management high on a company's agenda. Make sure you're meeting their needs all the time.

Reasons for losing interest in group activities may include pressure of work, inconvenient meetings, personality clashes or sheer boredom. Find out the reasons and leave the door open so they can return without penalty.

Any club must offer a payback for the members' cost in terms of money, time, effort and commitment. One way is to ask them at the end of every meeting what they want to do next. Every session must have stimulating content, relevance, good communications, handy venues and a mutually acceptable timetable.

Give them a gong

Awards are particularly helpful in sustaining effort over a long period. They are a great boost to staff morale and motivation through external recognition and local publicity.

Top-level commitment will ensure continued activity even if a particular individual leaves. Offer a presentation to the board to secure senior management buy-in. Encourage businesses to opt for effective environmental management systems as these work through procedures rather than personalities.

Educate all employees about the true nature of waste so that environmental performance becomes part of a company's mainstream activity.

Be flexible

SMEs change and may be committed to a specific issue for a short period only. Once they have solved one problem, ask if they can share that success with others.

If stressing the business benefits of environmental improvement doesn't work, try another tack. Concentrate on other pluses, such as better public relations, opportunities to enter new markets and safeguarding a company's licence to operate.

Avoid confusion

Signpost companies to other sources of help and funding but don't give them long lists - tell them only what they need to know. In many SMEs there is a cycle of inaction from fear of reprisal, through mixed messages and conflicting pressures to genuine disinterest.

It is incumbent on all support organisations to interact so that they deliver consistent information and do not increase the administrative burden on small businesses.
For all their diversity and sheer abundance, SMEs can be successfully engaged at every stage of environmental activity if intermediary organisations follow some basic tenets of best practice:

- It’s hard work but it pays.
- Understand and address company needs.
- Win top-level commitment.
- Establish good two-way communication.
- Give them simple messages and support systems.
- Stress bottom-line benefits.
- Use awards to motivate.
- Handholding and networking work.

Here are some other tips and tricks, as tried and tested by many of the leading practitioners in the UK business support community:

**DO**
- recognise each company’s viewpoint.
- remember their main concerns are time, effort and expense.
- tailor your advice to their needs.
- deliver support in a convenient package - breakfast-time seminars, for example, are valued because they are ‘short, focused and just around the corner’.
- make companies feel they are receiving individual attention.
- help small companies to move up the waste hierarchy, from recycling and re-use towards reduction and elimination.
- emphasise material waste savings in the first instance - it is an easy way to measure achievement.
- encourage networks - small companies take more notice of their peers than outsiders.
- try to help a company find money by, say, a review of its utility bills to fund additional environmental initiatives.
- stay flexible.

**DON’T**
- make appeals to altruism.
- wield a big stick.
- try to do too much.
- over-emphasise legislation - surprisingly few SMEs are directly regulated and most of those that are regulated do comply.
- adopt a patronising attitude.
- carry out overly detailed audits and produce long reports.
- explain at length about the environment.
- get bogged down in jargon and TLAs (three-letter abbreviations).
- send out mailshots unless you’re going to follow them up.
- give up.
Have your say

No guide to engaging SMEs for environmental success can hope to be exhaustive. In some ways, this summary account of the findings from the Envirowise - WWF conference is only a start. More details can be found on the Envirowise web site. Log on there for further information - or to make your own contribution to the discussion forum set up specially for everyone concerned with motivating the UK’s small businesses towards more sustainable - and profitable - environmental performance.

Visit the Envirowise web site:

www.envirowise.gov.uk

and see the area for Business Supporters. Set this up as one of your list of web site ‘favourites’ so that you can check frequently for news and developments.
How can Envirowise continue to help you?

In particular, please let Envirowise know how you, as a support to SMEs, would welcome help and support yourself. Would you welcome further events like the one this guide came from? Would you like more support material to use that Envirowise could produce for you? Please let us hear from you. You can contact us:

- through the Environment and Energy Helpline on freephone 0800 585794
- by visiting the Envirowise web site: www.envirowise.gov.uk
- by e-mailing the Environment and Energy Helpline: helpline@envirowise.gov.uk
- by using the fax back form opposite
- by calling the Intermediaries Manager and team on 01235 432888

Please keep on talking to Envirowise so that we can know what you need from us.
Making your work easier

Why not plan to use Envirowise in your support of SMEs over the next six months

While there is no single solution to marketing to SMEs, business support organisations may find that there are a number of resources from Envirowise that can help to meet individual company needs. For example:

- Would you like help in setting up a waste minimisation club?
- Would you welcome training in how to run Envirowise workshops?
- Do you need speakers for your events?
- Can we put you in touch with other environmental business support groups?
- Would you like any of our free publications - for your staff or for your clients?

Complete, photocopy and fax back this form to tell us about your needs.
Fax back form (for intermediaries GG346)

Please fax this page to 01235 433961

If you need any of the above over the next six months, or you have some other requests, please let us know NOW via the Environment and Energy Helpline or by using this fax back form.

**Would you like us to...**

Talk to you about running an event/training session for you?  
Provide a speaker for an event/training session you are running? (Please contact us at least two months prior to the event.)

Talk to you about providing other resources and help? (Please give a brief outline of what you have in mind.)

Please send me a free copy of:

- *Seven Practical Workshops: Helping companies to profit from reducing waste* CD-ROM (IT341)
- *Waste Minimisation Clubs: Setting them up for success* (GG122)
- A current list of Envirowise publications

Please note: we may share your name and address with other sources of free Government help. Please do not enter your e-mail address if you do not wish to be contacted by e-mail.
Envirowise - Practical Environmental Advice for Business - is a Government programme that offers free, independent and practical advice to UK businesses to reduce waste at source and increase profits. It is managed by AEA Technology Environment and NPL Management Limited.

Envirowise offers a range of free services including:

- Free advice from Envirowise experts through the Environment and Energy Helpline.
- A variety of publications that provide up-to-date information on waste minimisation issues, methods and successes.
- Free, on-site waste reviews from Envirowise consultants, called FastTrack visits, that help businesses identify and realise savings.
- Guidance on Waste Minimisation Clubs across the UK that provide a chance for local companies to meet regularly and share best practices in waste minimisation.
- Best practice seminars and practical workshops that offer an ideal way to examine waste minimisation issues and discuss opportunities and methodologies.

WWF, the global environment network, has a significant track record of working with business to develop practical solutions to environmental problems. In 1997 WWF-UK published the Better Business Pack, a joint initiative with the NatWest Group, providing small and medium-sized enterprises (SMEs) with practical help to save money and reduce environmental impact.

To understand the success and influence of the Pack, WWF-UK’s Business Education Unit conducted a two-year, in-depth evaluation of the project with Bristol University’s Management Research Centre and Oxford Brookes University Business School.

In order to build upon the key findings of its evaluation and experience, WWF-UK was pleased to work jointly with Envirowise to run the conference ‘Engaging SMEs: Learning from Collective Experience’. The conference drew together practitioners from a wide range of organisations to share experience and best practice. This document draws key learning from that conference. WWF-UK hopes that it will provide valuable assistance for professionals working to improve the environmental performance of small business.