

# Green Business Program

Project Report  
Greening Business Applications  
ENVS 466, Spring 2017

Report No. 17-07 June 2017



**S**ustainable  
**C**ommunities  
**P**artnership

## About SCP

Western's SCP program focuses the energy and ideas of faculty and students upon the issues that cities face as our society transitions to a more sustainable future. SCP partners with one community each academic year, facilitating a program in which many Western courses complete service-learning projects that address problems identified by the partner.

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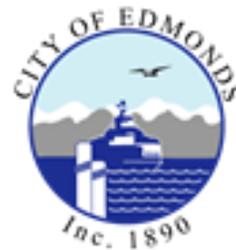
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# Sustainable Communities Partnership

## SCP Partner for Academic Year 2016 - 2017: The City of Edmonds, WA

SCP is proud to partner with the City of Edmonds, Washington, during the program's inaugural year. Eleven courses at Western will tackle ten projects identified in collaboration with city staff.



## Acknowledgment

The [Association of Washington Cities](#) (AWC) has provided invaluable assistance during the launch of the SCP program. AWC provided seed funding, guidance regarding program design, help with promotion of the program, and advice regarding selection of the inaugural partner.



SCP is housed within Western's [Office of Sustainability](#)



## PREFACE

The spring 2017 Greening Business Applications course (MGMT 466) worked on the Green Business Pledge program that has been offered in Edmonds for three years, but that has shown little growth since program launch. A ten-person team performed reviewed various initiatives, conducted interviews, distributed a survey, researched best practices, and ultimately developed a recommended revamp of the Edmonds program. City staff visited the class in early April, site visits occurred at several points within the quarter, and students traveled to Edmonds on June 9, 2017, to present their work to an audience of officials and interested citizens.

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## CONTENTS

Summary of Distinct Initiatives .....	1
Edmonds at a Glance .....	1
Current Pledge .....	1
Role of Envirostars in Sustainable Cities.....	1
Vision of Redesign.....	4
Metrics to Measure Success & Best Practices for Green Business.....	7
Waste Management.....	7
Local Involvement.....	9
Energy Use.....	11
Green Growth.....	13
SWOT Analysis & Survey Results .....	15
Market Analysis .....	15
Survey Results.....	16
Consumer Analysis .....	19
Promotion and Implementation Strategies for Moving Forward.....	21
Works Cited .....	23

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## SECTION 1: SUMMARY OF DISTINCT INITIATIVES

### **Edmonds at a Glance**

The City of Edmonds has a unique atmosphere. A growing city with a small-town feel, this city has great potential for advancement of sustainability. The people of Edmonds place a high value on the arts, and have weekly farmer's markets from May to September. It is clear that the preservation of the Edmonds community is important to its residents. Cleanliness is the standard in Edmonds, and environmental landscapes are incorporated into applicable public spaces. Public safety remains a top priority amongst the residents of Edmonds, who have historically supported action towards addressing public health and environmental concerns. Contrary to popular belief that Edmonds is home primarily to retirees, the United States Census Bureau cites that approximately 62% of the population of Edmonds is persons between the ages of 18 and 65. Other key statistics show that over 47% of the residents of Edmonds hold a bachelor's degree or higher, that over 87% have been living in the same house for multiple years, and that the median household income is approximately \$75,044 (EDMONDS).

### **Current Pledge**

The Green Business Pledge was established in the City of Edmonds in spring 2014. The initial purpose of pledge was "to raise awareness amongst the City's business community and encourage local businesses to employ green business practices in their daily operations." Since the program was launched, approximately 35 businesses in Edmonds have committed. There was a strong surge of enthusiasm from local businesses when the pledge was first implemented, but as time went on, fewer and fewer businesses chose to enroll. Due to limited staff resources, minimal follow-up with businesses has been conducted, therefore the impact of the Green Business Pledge has dwindled.

### **Role of Envirostars in Sustainable Cities**

Envirostars is a third-party organization created to assist businesses in managing their hazardous waste. Businesses are eligible to become members if they produce any form of hazardous waste, and are trying to reduce or eliminate it. As noted in the scope of work for this project, the Envirostars Program is ramping up to expand its "green" business focus beyond solely hazardous waste.

Once approved, Envirostars conducts a consultation with the prospective business, examining day to day operations and waste management procedures. Based upon the findings of the consultation, the program issues the business a rating between 2 and 5 stars. Essentially, these ratings are based upon the business's commitment to managing its hazardous waste. A 2-star rating would mean that a minimum threshold has been reached, while a 4 or 5-star rating would suggest that the business's practices are exemplary.

## Envirostars Rating System:

- 2 Star Certification. Demonstrate that you manage hazardous waste properly and set a specific goal to reduce hazardous materials and waste over the next year.
- 3 Star Certification. Identify ways you have reduced waste and use of hazardous materials in your cleaning practices, product and waste storage, and purchasing and inventory management. Show how you have involved and trained your employees.
- 4 Star Certification. Show how environmental responsibility is built into your operations, marketing, management, and tracking/accounting systems. Give examples of how you inform your clients, and what systems are in place to reinforce your efforts.
- 5 Star Certification. Demonstrate that you are a proactive leader, spreading an ethic of environmental stewardship and greener practices. Show how your business practices go beyond others in your industry, educate the industry leaders of tomorrow, or involve the community.

The 2 and 3 star ratings reflect that the business has taken significant steps with regard to managing hazardous waste, while the 4 and 5 star ratings suggest the implementation of further green business practices, beyond hazardous waste. While it is apparent that Envirostars is aware of impactful business activities, their criteria for rating and categorizing these business practices is somewhat vague. We feel that this limits the benefits that Envirostars can provide to the local businesses of Edmonds, outside of those that produce hazardous waste. According to the Envirostars website, the rating system is most directly applicable to certain categories of businesses. The list of business categories includes:

- Dentist
- Auto repair & service
- Auto repair & Paint
- Dry cleaning
- Nail/hair salons
- Marinas
- Veterinary medical/clinics
- Landscaping/nurseries
- Architecture

Envirostars classifies hazardous waste into the following five categories: corrosive, ignitable, persistent, reactive, and toxic. Common examples include:

- Oil-based Paints
- Inks and Coatings with Heavy Metal Pigments
- Fluorescent Light Bulbs and Ballasts
- Degreasing and Chlorinated Solvents
- Lead-Acid Vehicle Batteries

- Pesticides
- Cleaning products
- Vehicle fluids: Antifreeze, Engine Oil, Hydraulic Oil, Brake Cleaners
- Electronic Wastes: Computer Monitors
- Metal Wastes: Lead, Mercury, Copper, Zinc

It is apparent that the most frequently occurring waste products on the list fall within the category of cleaning supplies. According to Envirostars, auto-repair services, landscaping companies, and food services produce more hazardous waste than other types of businesses.

Using the Edmonds Downtown Alliance website, we examined how many downtown businesses produce hazardous waste, based upon the Envirostars business-type and hazardous-waste classifications. We found that, aside from the numerous nail and hair salons, there are only a handful of businesses that would benefit from the Envirostars program. The program's website states that participating businesses will receive an Envirostars window decal, and possibly a feature on the program website, depending upon the business's rating. Normally, receiving a good rating from a third party is great exposure and marketing for a business, but unfortunately, Envirostars is not yet a widely known name within the arena of green business certifications. Touting a third-party program's logo or certification does not impact consumer behavior until that program's reputation has been established. When we visited Edmonds, business owners we met confused Envirostars with "Energy Star," the well-known household appliance certification. If the business owners in Edmonds had this misconception, it is clear that consumers would, as well.

Compare Envirostars to the Green Business Pledge that was initiated in 2014. The pledge had no entry requirements, nor did it depend on the type of business. This was a great way to get every business involved and to promote the notion of implementing greener business practices. Unfortunately, since no metric system was established, the pledge was just that, a loosely based commitment. We believe both the Green Business Pledge and Envirostars are great ideas, but simply don't provide enough benefits to local business owners

In the course of our project, the Envirostars website underwent a remodeling phase and became inactive. There are signs that the program intends to expand applicability to other green business practices, but currently the program is inapplicable to most downtown business. Therefore, we have come to the conclusion that while Envirostars may be appropriate to a few companies dealing with hazardous waste, it should not be included in a revamped Edmonds pledge program until such time as the revamped Envirostars is unveiled (and determined to be applicable in the downtown!).

*\*See Work Cited for more information on Envirostars' website*

## Vision of Redesign

### Defining the Problem

Many businesses in downtown Edmonds want to operate in a more environmentally friendly manner, but lack the knowledge of clear, actionable, and measurable practices that would achieve the goal.

Some downtown businesses have already signed up for the Envirostars program, but it has not resonated with business owners overall, due to a lack of clarity regarding the steps that must be taken in order to achieve the certification. There was also some confusion with the name itself being too close to Energy Stars, the household-appliance certification. In addition, Envirostars isn't a very well-known certification in comparison with Energy Stars.

Another issue uncovered in discussions with business owners is the worry that consumers in Edmonds don't care about sustainable businesses, and that a business would be wasting time and losing money by implementing sustainable practices. Additionally, as with implementation of any sustainable business practices, accountability is a concern. Therefore, we assert that there needs to be a way to prove and verify that sustainable practices are being used.

### A Proposed Solution

As students studying Business & Sustainability at Western Washington University, our expertise involves achieving a vital economy, social inclusion, and a healthy environment, by bridging sustainable practices with business operations. We believe that business owners are invested in the vitality of their community and the environment. The reintroduction of the Green Business Pledge should serve to help them learn how to achieve their sustainability goals.

To strengthen the pre-existing pledge, we have developed four overarching green business **endorsements**, with **metrics** applicable to each, as well as examples of **business practices** to be undertaken to achieve the endorsement. This provides a specific roadmap for business owners—it educates them and steers them toward improved business practices. A business is free to pursue any or all of the four endorsements.

## Edmonds Green Business Pledge Endorsements



*Energy Use:* This endorsement promotes the incorporation of energy efficient technology to reduce the ecological impact of business operations. Modifications to HVAC, electricity, and water usage are required, with rebates from utilities available to subsidize some actions.



*Waste Management:* This endorsement promotes the diversion of waste from the landfill. Recycling and composting are required, and while zero-waste is the ultimate goal, the endorsement is earned by achieving a 50% reduction in landfill waste.



*Local Involvement:* This endorsement promotes purchase of supplies/inputs from local sources, thereby not only reducing a business's ecological footprint, but also bolstering the local economy. At least 10% of supplies/inputs must be sourced locally in order to earn the endorsement.

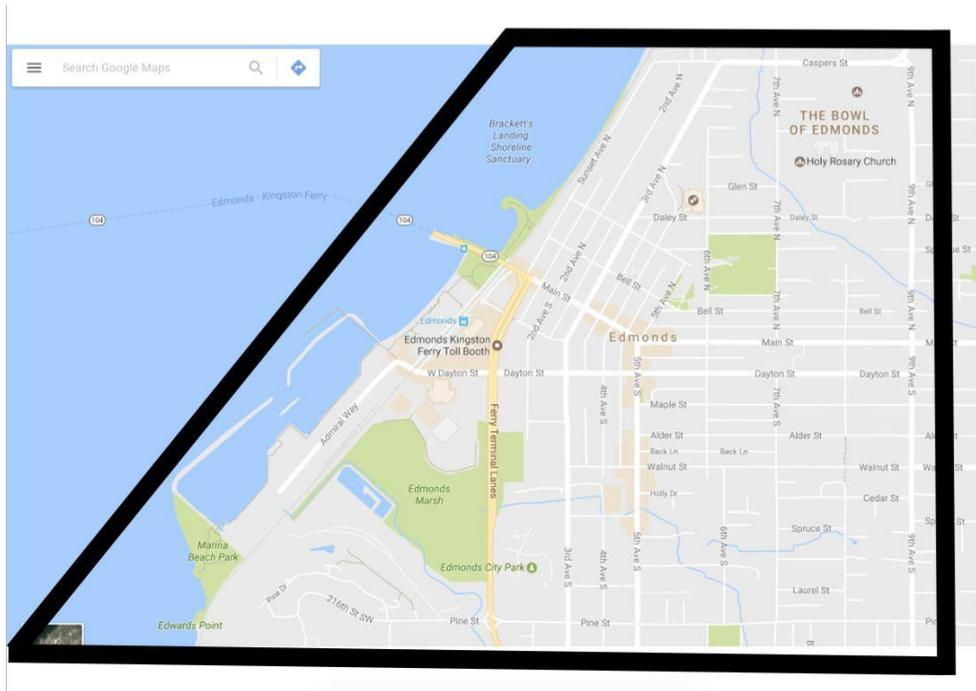


*Green Growth:* This endorsement is achieved by incorporating environmentally informed decision-making into a long term business model.

## Target District for Green Business Pledge Program

We gave main consideration to the downtown business district in our proposal. We considered the downtown to be as shown in the following map.

- Southern border - Pine Street
- Northern border - Caspers Street
- Street Eastern border - 9th Avenue
- Ave. South Western border - Water



*Google Maps, downtown Edmonds*

## SECTION 2: METRICS TO MEASURE SUCCESS & BEST PRACTICES FOR GREEN BUSINESS

The metrics provided in this document were developed based on in-depth research, extensive investigation of the Downtown Edmonds business district, case studies from businesses in Bellingham, and the Sustainable Connections organization. These metrics are tailored to fit the characteristics of businesses located in Downtown Edmonds, and are applicable across all sectors and services. To be utilized as guidelines, these metrics are conservative suggestions crafted to result in sizable impacts. The intent of these metrics is to support and maintain sustainable behavior while advancing the profitability of the business. Similar metrics adopted by businesses in Bellingham have proven to substantially drive increases in sales, customer retention, employee retention, and cost savings.

The metrics and standards provide guidelines for the adoption of sustainable behaviors with a focus on Waste Management, Energy Use, Local Involvement, and Green Growth. Each metric is defined by specific practices, and examples of successful businesses which have already adopted these practices are provided.

### **Waste Management**

Waste management pertains to the amount of garbage and disposables sent to the landfill (thrown in the trash), rather than being handled via recycling and composting methods. The metrics outlined in this document are particularly focused on composting and recycling, in an effort to divert as much waste from the landfill as possible.

These metrics are most effective if they are adopted as guidelines for sorting compostables and recyclables. Additionally, the adoption of these standards supports a shift away from materials and products that aren't compostable or recyclable, and the advancement of "zero-waste." Zero-waste practices are the frontier of waste management, and pursuit of a "zero-waste" goal is relevant to all businesses (regardless of the products and services offered).

Decreasing the amount of disposables/recyclables thrown in the trash can cut costs and lower businesses expenses. Business owners must contact their collection-provider for additional details about their current service, and inquire about decreasing their garbage service while increasing their recycling and composting service. The compostable and recyclable products that usually end up in the trash are as follows:

#### Compostables

- Vegetables
- Paper
- Compostable take-out containers
- Spoiled/outdated foods
- Tea bags
- Coffee grounds

- Eggshells
- Dairy scraps (such as yogurt, cheese, milk, etc.)
- Pizza boxes
- Napkins
- Ice cream/frozen food cartons
- Paper towels in bathrooms

*We Recommend*

- Lining all designated “compost” bins with compostable bags (this helps avoid build-up and help maintain cleanliness)
- Including a designated “compost” bin in all restrooms for paper towel composting
- Using “green” cleaning products with compostable or recyclable packaging

Recyclables

- Paper products and similar office supplies
- Mail
- Glass bottles and containers (empty)
- Plastic bottles and containers (empty)
- Aluminum cans and containers (empty)

*We Recommend*

- Reusing all packaging, as long as it lasts
- Incorporating a “paperless receipt option” for customers
- Providing a “reusable bag incentive” for customers practicing green behavior
- Using “green” cleaning products with compostable or recyclable packaging
- Printing on both sides of paper, as much as possible
- Installing air hand-dryers as a means of replacing paper towels in restrooms

Notes:

- Disposal of hazardous waste varies depending on the municipal waste-collection provider.
- Business owners must contact their collection provider for specific guidelines on proper recycling and composting practices, proper hazardous waste disposal, as well as additional materials that provide sorting guidelines.

These are the two municipal solid waste collection providers that serve downtown Edmonds:

Sound Disposal Inc.  
Edmonds, Washington  
(425) 778-2404

Republic Services  
Edmonds,  
Washington (425)  
778-0188

## Examples of Metric

In Edmonds, there are already businesses working towards and succeeding with sustainable business practices. Walnut Street Coffee is an excellent example of the ways in which sustainability can become a key pillar in business without causing a decrease in customers or profits. Below is an excerpt taken from Walnut Street's website sharing their views on sustainability within their business:

*"Our pledge to you and the environment*

*Walnut is proud of our commitment to our community and the environment. We are in the company of a small number of coffee houses across the country that serve top-notch drinks in compostable cups using only organic dairy, almond, soy, hemp, and coconut milk.*

*We are also dedicated to supporting the arts and education through donations and in-kind gifts."*

Walnut Street Coffee is already working toward Edmonds' waste reduction and community involvement goals. Walnut Street Coffee has reduced their landfill waste by a ton per week! That's right, 2,000 pounds of garbage every week is not going into landfills because Walnut Street Coffee is composting and recycling their waste.

## **Local Involvement**

The goal of this endorsement is ultimately to support the community of Edmonds. Ideally, businesses will procure 10% of their supplies/inputs from local sources. A "local source" would be defined as a supplier within a 200-mile-radius of the business. Business owners generally care about the materials that go into the products they sell and what happens to their products after being discarded. Ultimately, "shopping local" is important in supporting local businesses and providing quality products to customers.

## Examples of Metric

There are already businesses which have committed to incorporating sustainable practices into their regular operations.

### *Pure Bliss Desserts-Local Involvement*

Pure Bliss is a dessert shop in Bellingham that is very active in the local community. Owners Nick and Andi Vann value supporting other local businesses and farms, as well as aiding the less fortunate of Whatcom County. Some examples of their initiatives follow:

- Dine Out for Maple Alley Inn. 20% of all revenue on May, 2<sup>nd</sup> was donated to Maple Alley Inn, which provides over 18,000 meals per year for the hungry in the Bellingham community.
- Dine Out for Skookum Kids. 20% of all revenue on September 29<sup>th</sup> was donated to Skookum Kids, a facility for foster children and families.

- Eat Local First. Pure Bliss Desserts is committed to sourcing the best ingredients and supporting local farmers such as Boxx Berry Farm, Hopewell farm, Rabbit Field Farm, and Joe's Garden. Pure Bliss partners with various local breweries, such as Kulshan, Boundary Bay, and Wander, arranging the sale of dessert items at the breweries.
- During the winter, there is a Window Display Contest in which community businesses and consumers are invited to participate, which results in a prize awarded to the winning business.
- A coupon book is for sale in the shop, filled with discount coupons issued by many *other* local businesses in the Bellingham area.
- During Christmastime, Pure Bliss hosts a Giving Tree organized by Bellingham Mamas Support Network, which provides presents for 250 children annually.
- At random times throughout the year Pure Bliss will sponsor give-away contests that allow people in Bellingham to win a free pie or cake.
- On Halloween, Pure Bliss participates in a trick or treat event for kids in downtown Bellingham. They also provide the parents with deals on coffee throughout the day.

“We feel so lucky to be living and working in Bellingham and we love supporting our community by using locally sourced ingredients. From farm-fresh organic eggs to berries, dairy, tea and coffee, we value being a part of a thriving local economy”-Pure Bliss Desserts

#### *Walnut Street Coffee- Locally Sourced Products:*

- Macrina Bakery from Kent supplies baked goods.
- Mighty-O Donuts is a donut wholesaler in Seattle. Their donuts are made of GMO-free, zero trans-fat, vegan, organic ingredients.
- Breakfast sandwiches and burritos are sourced in Lynnwood.
- Vegan/GF options are purchased from Flying Apron in Seattle and Redmond.
- Fresh Breeze Organic Dairy is sourced in Lynden.
- Coffee is sourced from Espresso Vivace in Seattle, a family owned business whose owners state:

“We find that top quality coffee can only be produced by farms operating in a socially and environmentally responsible manner.”

## Energy Use

*Does your business offset energy use with renewables? I.e. Puget Sound Energy's Green Power Program*

“Energy use” encompasses the heating, ventilation, and air conditioning (HVAC) of a business’s building and the electricity and water consumption that occurs during operation. These metrics target energy efficiencies which can be capitalized on by small business to save money on utility costs and reduce overall consumption. The recommended options to reduce energy costs are as follows:

### HVAC

- Duct Sealing
- Night pre-cooling
- Temperature setbacks
- Regularly checking/cleaning filters
- Economizer maintenance

### Electricity

- Full LED light replacements
- PSE Green Power Program
- Power strips
- Motion-activated lights
- Personal Solar Electric System
- Personal Wind Electric System

### Water

- Replacing appliances with Energy Star certified appliances
- Reducing/banning the use of plastic water bottles
- Self-serve reusable water cups (for restaurants)
- Water-efficient toilets

These options vary in price, but all aim to reduce energy use while the business is operating. A combination of these options will allow for a multi-faceted approach to reducing consumption of water and electricity. Investing in HVAC improvements will increase the energy efficiency of the building overall, effectively reducing the need for heating during the winter and cooling in the summer. Participation in Renewable Energy Credits (RECs) with business utility providers is a guaranteed method of increasing the sustainability of a business’s energy use during operation.

## Examples of Metric

There are many types of businesses in the downtown Edmonds area with different types of energy use efficiency needs, so we have provided examples of businesses from four general fields of industry that have successfully implemented these practices. Information is sourced from the website of the Snohomish Public Utilities Business Energy Advisor:

### *Restaurants*

Standing Stone Brewing Co. in Ashland, Oregon, has implemented several energy-efficiency measures for its restaurant and brewery. In 2002, Standing Stone installed a variable-speed hood control system for the kitchen that has been saving 22% of the electricity and natural gas formerly used by the HVAC system and hood fan. The building also uses compact fluorescent bulbs in the office and service areas, energy-efficient appliances such as hand dryers, dishwashers, and office equipment, and a louvered awning over the back deck to prevent summer heat from causing a large increase in air-conditioning bills. An energy management system helps to decrease the energy expenditure attributable to heating, cooling, and lighting systems. A high-efficiency boiler has reduced natural gas consumption by 20%. Standing Stone has installed a 4.6-kilowatt photovoltaic system, which generates about 7,800 kilowatt-hours of energy annually.

### *Microbreweries*

Sierra Nevada Brewing Co. generates over half of the electricity it consumes, using four 300-kilowatt fuel cells and solar panels that can produce up to 1.94 megawatts. The company also installed a heat-recovery process for the fuel cells to recycle recovered heat back into the brewing process.

Sierra Nevada has also pursued efficiency projects beyond on-site generation. Many of its brewing systems are automated using control systems, and incorporate variable-speed drives where possible. New high-speed automatic doors replace the strip curtains of the cold storage warehouse, and the loading docks were sealed to reduce refrigeration losses. The facility takes advantage of the abundance of daylight with skylights and large windows, and the indoor lighting controls were also upgraded to incorporate timers and photo sensors as well as more-efficient lighting ballasts and fixtures. Every computer in the facility uses software that allows Sierra Nevada to track the energy use of each of its machines. Through these efficiency initiatives, the company has been able to reduce the energy costs per barrel of beer by almost \$2 since 2007, creating savings of more than \$1.5 million—all while increasing total annual production by over 159,000 barrels of beer.

### *Small Office Buildings*

Center for Neighborhood Technology in Chicago, Illinois, renovated its office building in 2003, producing an attractive and comfortable workspace that uses an average of 44% less energy than comparable buildings constructed to code. South-facing windows, high ceilings, an open floor plan, and light-colored surfaces and finishes enable the use of daylighting. In addition, all of its appliances are Energy Star-rated and the building uses an efficient ice-chiller that cools the space using stored ice. Operable, efficient windows also provide occupants with light, views, and fresh air. To keep the renovation cost comparable to a conventional rehab, the project team focused on using off-the-shelf technologies and high-quality construction practices. This kept the green

premium down to \$9.21 per square foot (ft<sup>2</sup>), or \$5.68/ft<sup>2</sup>, after accounting for funds granted to green demonstration-projects, such as an ice-cooled chiller, and photovoltaic panels which provide 5% of the building's electricity. The total construction cost was \$82/ft<sup>2</sup>.

### *Retail Buildings*

Kohl's has certainly earned its status as a leader in energy-saving practices. More than 50% of the company's store portfolio performs in the top 25% of its peers in the retail market, according to its Energy Star efficiency ratings. Implementing energy management strategies and technologies has helped Kohl's save more than \$50 million in electricity costs over four years, and has improved its energy efficiency by more than 20%. More than 1,200 variable-speed drives were installed on rooftop air conditioners at 150 stores, producing a 2-year payback. More than 800 light fixtures at 100 stores were converted from 88 watts to 55 watts, which produced a three-year payback. And 3,000 metal halide fixtures were replaced with T8 fluorescent ones in four distribution centers, producing a 2-year payback. To ensure continued savings and performance, Kohl's uses energy management systems in all of its stores in order to set equipment schedules and cycle fans to reduce demand charges, and the company tracks its energy bills to verify savings.

## **Green Growth**

*To retain Environmental Stewardship to continue to commit to sustainable and grow the social norm among businesses.*

Although it's important to focus on one's own business practices, it's just as critical to contribute to the betterment of the community. The fourth and final metric, Green Growth, focuses on stimulating not only one's own development of sustainable practices, but also community development. As members of the Edmonds Green Pledge, participants are strongly encouraged to incorporate the growth of sustainable practices throughout the community by:

- Promoting sustainable business practices
- Expanding adoption of sustainable materials
- Respecting natural ecosystems
- Changing perspective on relationship
- Pursuing LEED certified buildings
- Applying low-impact development methods

### Example of Metric

A great example of Green Growth is the Stone's Throw Brewery in Fairhaven, Washington. As a growing local brewery, founder Jack Pflueger is determined to bring like-minded, environmentally-conscious people together. In speaking to Jack, I was surprised to learn that he had thought little of his own contribution to 'green growth.' This is certainly not meant to suggest that he lacks initiative. By simply promoting responsible business practices, Jack and his products have become a homeport for a sustainably minded community. For example, Stone's Throw has hosted Green Drinks, a space for activists, politicians, and involved citizens to come

together to discuss social, environmental, and economic issues. With no literal facility growth planned, Jack has contributed to the green growth that has transpired in Bellingham.

In terms of low-impact development, Stone's Throw is at the forefront of businesses in Bellingham. The brewery utilized old shipping containers for most of its space and building materials. Now that the containers are in place, the owners feel that the unique construction is a big marketing tool, as people have reacted positively to the idea. There also is radiant heating installed that helps keep the taproom warm by using heat expelled from the beer coolers. Now, during the cold fall, winter, and even spring months, customers will be warm while drinking their beers.



<http://www.bellingham.org/insider-blogs/stones-throw-is-fairhavens-new-neighborhood-brewery-in-bellingham/>

## SECTION 3: SWOT ANALYSIS AND SURVEY RESULTS

### Market Analysis

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>● Encourages businesses to think about the environmental externalities they cause and how they can reduce their impact.</li> <li>● Helps educate businesses about options to become more sustainable</li> <li>● Designed the Green Business Pledge as a menu of four endorsements. This allows businesses to work towards environmental goals that are geared toward their markets.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>● Lack of incentives</li> <li>● Lack of resources (money and employees)</li> <li>● Low engagement from businesses with current pledge</li> <li>● Low engagement from consumers with current pledge</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>● Elucidates consumers as to which businesses are pledging to be sustainable</li> <li>● Use of social media to spread more awareness of the Green Business Pledge</li> <li>● Brings local community together</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>● Strong initial participation from businesses but dwindling enthusiasm after the initial implementation</li> <li>● Lack of knowledge regarding sustainable practices</li> </ul>

SWOT analysis on implementing a green business pledge

### Strengths

Reintroducing the Green Business Pledge creates a perfect opportunity to re-engage and excite both businesses and consumers. The Green Business Pledge aims to help businesses reach environmental goals while also educating them on best practices. The businesses which had previously signed the pledge were highly diverse in category, therefore we have designed the Green Business Pledge to offer four distinct endorsements. These endorsements allow owners to choose which goals are applicable to their businesses.

### Weaknesses

One of the greatest impediments to the existing Green Business Pledge is a lack of resources to continue the growth of the project. Currently, the City of Edmonds does not have any full-time staff committed to working on the Green Business Pledge. To be able to effectively keep the program active, there must be a dedicated team. Additionally, the pledge has a limited amount of

funding. If more funds could be allocated to keep the program active, greater consumer and business participation might be engendered. For example, we believe creating a stamp-based incentive program could help engage consumers. This might incorporate the use of a punch card, which the consumer would have stamped each time he or she patronizes a participating business. After the card is punched a certain number of times, the consumer would receive a prize. Another weakness is the lack of involvement from businesses that had entered into the pledge. While our group was conducting an informational survey, we found that many businesses who had previously agreed to the pledge had forgotten that they had done so.

## Opportunities

By revamping the current Green Business Pledge, the City of Edmonds could provide great opportunities to engage more consumers and businesses. The pledge could serve as an opportunity to educate the community on sustainable business practices. Additionally, the pledge is a way to get the community to work together and support the growth of local businesses.

## Threats

One of the greatest threats the Green Business Pledge faces is the fact that there is currently no staff committed to working on it full time. To truly make an impact with this program, there needs to be a group of people dedicated to its advancement and implementation. The revamped business pledge that our group is proposing has the potential to truly make a difference in the community, which can only be accomplished through focused planning by a designated group of employees.

## **Consumer Analysis**

The primary demographic of Edmonds is upper-middle-class adults with an average annual household income of about \$67,000, and a median age of 46 years. These census statistics represent an untapped market. According to a recent Nielsen Market Institute survey, 66% of consumers are willing to pay more for “sustainable goods.” Furthermore, consumers of the demographic most likely to consume “green” products are described as *LOHAS*, which stands for *Lifestyles of Health and Sustainability*. This demographic is mainly composed of upper-middle class, educated, middle-aged adults, who are particularly concerned with healthy living, and are willing (and can afford) to buy organic food, drive hybrid cars, install solar panels, and use natural products.

What this data indicates is the inclination of residents of Edmonds to support sustainability in their local businesses. Through the Green Pledge Program, businesses can lower their ecological footprints (following recommended reduction methods) while simultaneously using green-marketing benefits as a competitive advantage within Edmonds. Being one of the first communities to ban plastic bags in retail usage, it is clear that these consumers care about the ecosystems that give the city so much beauty. From the parks, to the waterfront, to the air quality; this area is one that has integrated nature into the character of the city.

*The Harvard Business Review* released a report that details why sustainability is actually better for businesses than traditional business operations. They include benefits such as:

- Driving Competitive Advantage: Through stakeholder engagement, sustainable businesses

cater their services to a large group, consisting of employees, customers, and community members, rather than simply the largest shareholder. In implementing such engagement, companies tend to outperform their counterparts that focus on a single bottom line and maximizing shareholder return.

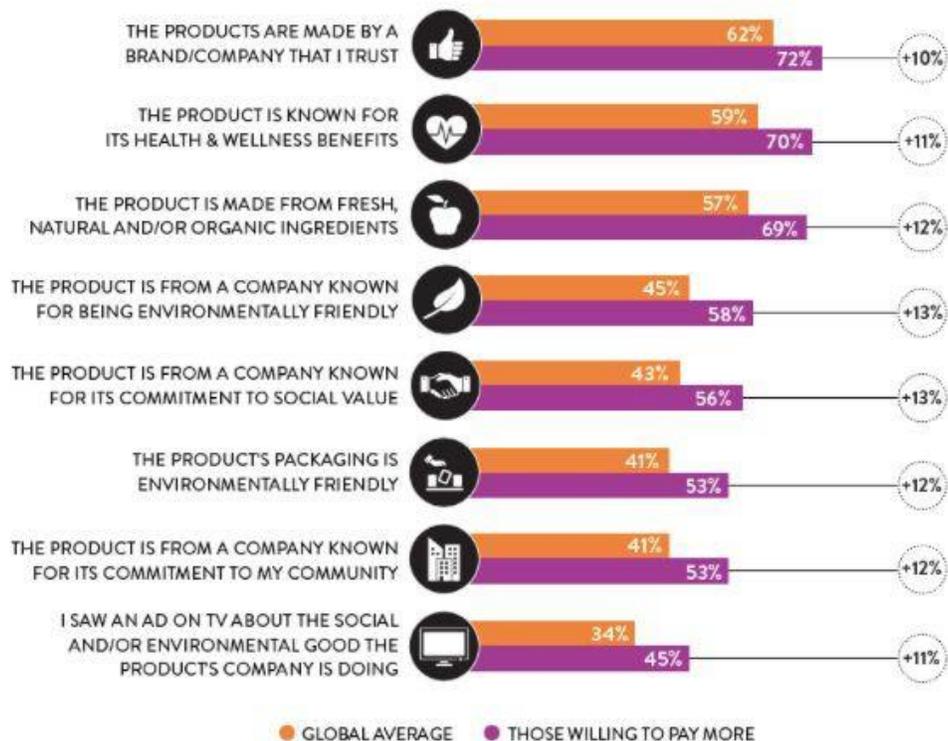
- Improving Risk Management: Sustainable businesses have a much wider lens on future changes in the natural and business landscapes. The onset of climate change is occurring, and natural disasters are starting to increasingly impact the economies of the world. Sustainable businesses are aiming to combat this and have taken many precautionary steps to avoid disruptions in the supply chain. "To address these threats along their supply chain, companies like Mars, Unilever, and Nespresso, have invested in Rainforest Alliance certification to help farmers deal with climate volatility, reduce land degradation, and increase resilience to drought and humidity—all of which ensure the long-term supply of their agricultural products" (Harvard, 2016).
- Fostering Innovation: Innovation is at the heart of sustainability, as sustainable business itself is an innovative way of shifting business models to be long term, low impact, and multi-purpose. Innovation can minimize waste, lower the amount of materials needed, and increase performance. Nike's FlyKnit shoes, for example, have much lower impact than other Nike products and are favored by runners. New product lines which follow lower impact models continue to become available, creating new markets for innovative business potential.
- Improving Financial Performance: *The Harvard Business Review* debunks the common misconception that environmentally friendly practices prove to be high cost, rather than a way to increase revenue. There are huge amounts of money to be saved by switching to sustainable business practices, such as grey water systems that reduce water consumption, going paperless, high efficiency lights, solar panels, hybrid transportation vehicles to save on fuel, lowered packaging - the possibilities for reduction are endless. According to the review:

“Mounting evidence shows that sustainable companies deliver significant positive financial performance, and investors are beginning to value them more highly. Arabesque and University of Oxford reviewed the academic literature on sustainability and corporate performance and found that 90% of 200 studies analyzed conclude that good ESG standards lower the cost of capital; 88% show that good ESG practices result in better operational performance; and 80% show that stock price performance is positively correlated with good sustainability practices.”
- Building Customer Loyalty: Customers want to buy from companies they can trust. There has been a shift such that many buyers (2/3 according to the report) prefer green products and have brand loyalty to companies that state a public mission of having a more positive impact on the environment.

The ethical reasons to adopt and implement sustainable business practices through committing to the Green Pledge within the City of Edmonds are as abundant as the economic benefits. Easy changes, such as composting biodegradable waste or installing high-efficiency lighting, will save the businesses money and show consumers that the owners care about the well-being of this tight-knit community.

## TOP SUSTAINABILITY PURCHASING DRIVERS

Global Respondents vs. Those Willing To Pay More\*



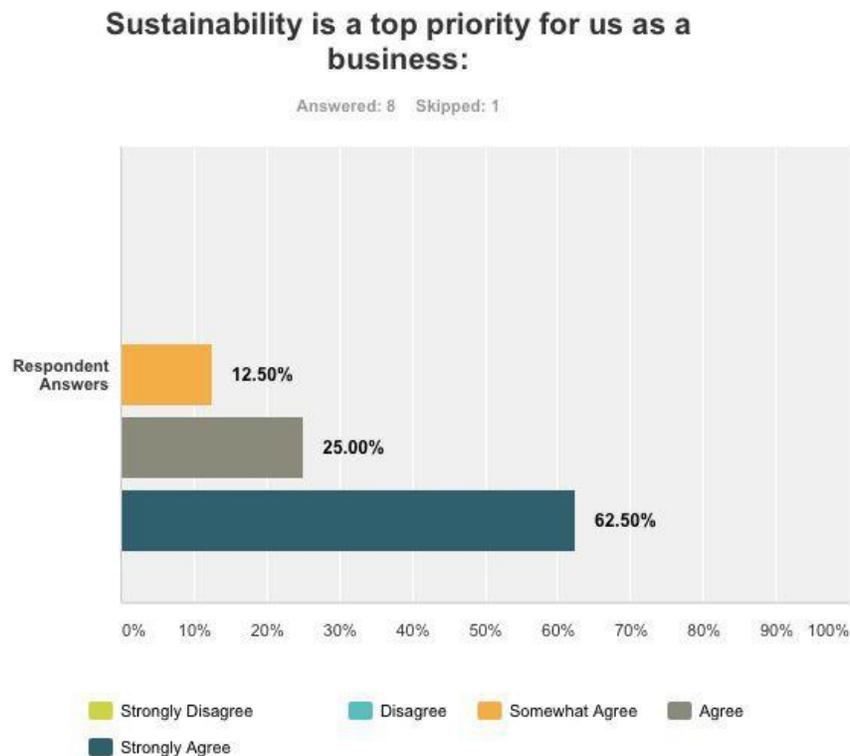
Niels <http://www.nielsen.com/us/en/insights/news/2015/green-generation-millennials-say-sustainability-is-a-shopping-priority.html>

## Survey Results

The purpose of our survey was to serve as a baseline for our marketing and education efforts. We distributed the survey to the 34 businesses that had previously made the Edmonds Green Business Pledge. We achieved a 25% response rate. Additionally, we surveyed 20 businesses that are not part of the existing program. We only received 1 response which yields a 5% response rate.

Listed below are the most important statistics from the analysis of the survey:

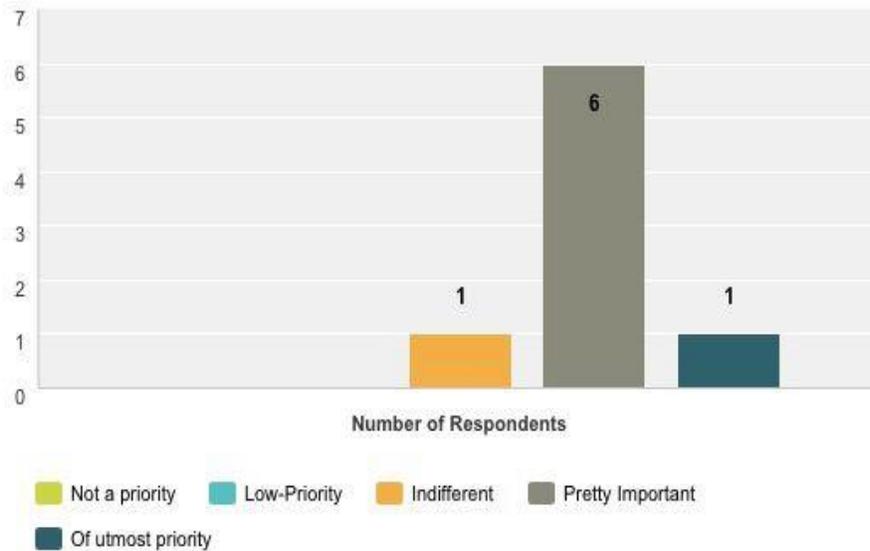
- Two-thirds of Green Pledge members consider sustainability a “top priority”
- One-half of Green Pledge members feel sustainability practices are costly
- 87.5% of Green Pledge members either Agreed or Strongly Agreed that they are doing everything to lower their impact
- More than one-half of the businesses recycle 50%+ of their waste
- 62.5% of businesses do not compost
- The majority feel that community members in Edmonds care about environmental stewardship



The graph above is a sample from the businesses that had previously agreed to the Green Business Pledge. This data set shows that all businesses surveyed agree that sustainability is a top priority to them. Investing in this pledge can help guide and motivate businesses to do everything possible to become more sustainable.

## Do community members in Edmonds care about environmental stewardship?

Answered: 8 Skipped: 1



Another important finding is represented in the graph above. Our group asked all of the surveyed businesses whether they think community members in Edmonds care about environmental stewardship. The results show that almost 90% of business owners believe that community members do indeed care about environmental stewardship.

## SECTION 4: PROMOTION & IMPLEMENTATION

### STRATEGIES FOR MOVING FORWARD

We were given a budget of \$2,400 for this project. This money could be used to generate different projects which would help maintain the Green Pledge and will encourage businesses and the community to be more active and excited about becoming more sustainable.

#### Website/Social Media Presence

We created a survey and distributed it among the currently pledged and non-pledged businesses in the Edmonds downtown area. The results showed that the majority of businesses did not know what the Green Pledge was. This includes the businesses that had made the pledge about 2-3 years ago. Creating an informational website and social media presence would help spread awareness of this program. The costs would be very minimal to buy and maintain a Green Pledge website.

#### Informational Dinner/Brunch

One way to establish the expectations of the pledge and what should be done is to tell a large number of people at once. There is no better way to encourage businesses to participate than to offer food. We suggest a dinner or brunch to bring the businesses together not only to educate people on what the pledge is doing, but to also to show the participating businesses that they are not alone in their desire to adopt more sustainable practices. Continued participation and improvement in regards to the pledge could be engendered by more community involvement.

#### Punch Card

Implementing a punch-card program would incentivize businesses to join the Green Pledge. The idea would be to incorporate a punch-card that is only valid for participating businesses. This will increase popularity and customer loyalty. After the customer fills the punch-card, it can be entered into a raffle. Every few months there can be ~5-10 winners. The prizes could be gift cards, discounts, or coupons for other participating businesses. A small portion of the project budget could be allocated for this program.

#### Eat Week/Passports

Another idea which was posed by Sustainable Connections in Bellingham would be promoting an “Eat Local Week,” during which members of the community eat at as many local restaurants as possible. You can sign up to be a part of the fun and receive a “Passport” to get stamped at each restaurant. Each of the restaurants will have a unique stamp so that at the end, when participants send in their passports, the restaurant that gave the most stamps and the participants who attained the most stamps will win a prize. To make it even more interesting, the restaurants could have certain items highlighted on their menus as ones that earn a stamp on the “Passport.” These could be dishes that incorporate ingredients from local farms in the area, as a way to emphasize the “Eat Local” concept.

## Brochure

We have created an informational brochure that should be passed out or emailed to businesses. This brochure is meant to educate business owners regarding sustainable practices they could potentially implement that will cost them very little and perhaps save them money in the long term. This brochure can also be carried in the store so customers can learn easy ways to conserve energy and save money.

## Internship & Auditing

Students in college are often looking for field experience and to build their résumés. As there are limited resources currently available to the City of Edmonds with which to audit pledge compliance, internships could be useful. The intern would undergo a training process. Our proposal for this training would be to use a segment of the budget to bring in an outside auditor to teach the intern(s) the process of auditing a business and obtaining the needed information. This would provide the interns with real-world auditing experience, and create a sense of accountability on the part of program participants.

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\* Throughout our project time frame, <https://www.envirostars.org/> underwent 2-3 website changes or alterations. Currently, the most recent view of their website features broken links that are under construction until the website is up and running again. The Envirostars information cited in this paper may be subject to change, as it was pulled from versions of their website which are no longer accessible.