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From Green Business

Wondering where to start with your climate change strategy? *Climate Change: What's Your Business Strategy?* offers a few useful tips. By Robert Colman

It's nearly impossible to avoid the issue of climate change today. Every newspaper, magazine and television station has covered it in some form or another over the past year, such that the awareness of the critical challenges we face in coming years is pretty clear to everyone.

Yet, there are very few books that explain how business executives should handle the issue. Business executives have to consider how climate change will affect their business, and may have to convince others of the urgency of the issue. No concise introduction was available... until now.

Pocket pundits

Climate Change: What's Your Business Strategy? serves this purpose well. It's a slim pocketbook of about 100 pages and tackles climate change as the business issue that it has fast become.

The book examines four strategies that impact a company's environmental impact and its business success. Authors Andrew Hoffman and John Woody explain how to:

- Measure an organization's carbon footprint;
- Set a climate target that meets environmental needs – and the company's own;
- Actively engage the company's operations in climate change initiatives; and
- Help shape future regulations by gaining a seat at the policy development table.

Prior to tackling these main issues in the book, the authors provide a very effective précis of the state of climate change management today. They briefly describe efforts by the United Nations Framework Convention on Climate Change to manage the issue through the Kyoto Protocol's measures, and outline how the European Union, the U.K., the U.S., China and India are affecting and are affected by the climate change issue. The authors go on to describe how these developments are spurring financial market, investors and shareholders to consider the issue of climate change as relevant to their capital asset decisions.

Opportunities open

Hoffman and Woody stress on a number of occasions that, like any market shift, climate change creates both risks and opportunities, winners and losers.

“Now is not the time to prepare for the worst,” they state, “what is required of you and your management team is a careful analysis of your company’s positioning on climate change vis-à-vis your competitors and a strategy to seek opportunities as they emerge.”

That said, they also note that American companies overall are less prepared than their European and Asian counterparts to deal effectively with the strategic implications of the issue. I would argue that Canadian companies have a long way to go as well to match their European counterparts. With a little guidance and some tough decision-making, however, it’s certainly possible to make the turnaround.

The book offers a basic science lesson in the first chapter, to explain the most common greenhouse gases (GHGs) and the reduction goals required to avoid serious impacts.

The wrong questions

The chapter also confronts the two most common questions asked about GHG emissions mitigation – and why they are the wrong ones. The first question is “How much will this cost?” While the basic answer is that it will be expensive, the fact is that there are opportunities for those who act.

The second question raised is, “Does it pay to go green?” The authors suggest that this is “like asking ‘Does it pay to innovate?’ Clearly the answer to such a question depends entirely on who does it, how they do it, and when they do it.” The book offers examples of companies that have innovated effectively to face the climate change challenge.

The bulk of the book focuses on steps to help a company build a climate change strategy. The authors have very credible backgrounds for the task at hand. Hoffman is the Holcim (US) Professor of Sustainable Enterprise at the University of Michigan and associate director of the Erb Institute for Global Sustainable Enterprise. Woody is a deal associate at MMA Renewable Ventures, a renewable energy firm in San Francisco. Previously, he was the Business Solutions Fellow for the Pew Center on Global Climate Change.

The book is part of Harvard Business School Press’ *Memo to the CEO* series, which is tailored for time-starved executives. Each book explores a critical management challenge and offers authoritative counsel and practical insight. Other topics covered in the series include managing the media, lessons from private equity, and high performance with high integrity.

This is an excellent read for anyone who wants to understand the basics of climate change and how to manage the challenge from the ground up.

Published by Harvard Business School Press.

Digital Edition

To read an excerpt from *Climate Change: What’s Your Business Strategy?* click on this box in the digital edition of *Green Business* or visit www.green-business.ca.