

Carbon Strategies

How leading companies are reducing their climate change footprint

Andrew J. Hoffman

THERE'S REALLY NOT a great deal of guidance for business when it comes to responding to climate change. Apart from the obvious measures you can take to combat the physical threat, such as flood barriers, panic rooms and such like, how do you reorganise a global supply chain, maintain regulatory compliance in multiple jurisdictions and increase profits while reducing your carbon footprint? It is a big job and there is no 'Teach Yourself Carbon Management' quick fix because business has had to strike out alone and learn from its mistakes; whatever progress has been made to date, we still do not know what the long-term success will be.

The latest book from Andy Hoffman goes a long way to providing guidance. It could have been just a list of case studies from the newsdesk of the Pew Center's Business Environmental Leadership Council (BELC); instead there is a real application of strategy and thoughtful analysis of carbon management in the context of organisation, operations and objectives. Since this is a book for management, there is no debate on the science of climate change, simply an examination of the business drivers, exploration of the business terrain and a blueprint for action. Which sounds ideal if you are a manager who considers climate change as not just an issue of human survival, but as something that offers a whole new epoch of sustainability, efficiencies, economies and leadership. This is a book for the anthropogenic manager.

Business and philanthropy can be a suspicious marriage because a lot of 'socially responsible' work gives birth to a customer announcement. Would business be so keen to embark on the expense of climate change mitigation and adaptation if there was no profit in it? Perhaps, but ask if it came with profit, then I suspect the answer would be 'yes... tell me how to do it'. Hoffman has surveyed over thirty BELC companies and developed a model for business to address climate change as a business problem, not necessarily a social one.

There are six in-depth case studies of what are best described as BELC leaders. These illustrate eight specific steps in three stages of the creation of a corporate climate-related strategy. According to Hoffman, four themes emerge: strategic timing in deciding when to act; establishing a level of commitment that will not expose a business to unacceptable risks; how a company can influence policy development by opting for early action and best practice; and creating opportunities that integrate climate change strategies into core business activities. The

motive for adopting these principles is that the business climate is changing and so the companies that are responding will be the ones best placed to reap the benefits of the opportunities that it brings.

In all the case studies covered, it is pertinent that in each case history, there is at least one individual specifically charged with overseeing business transformation. The chief executive may have the vision but it is the operational management who deliver it. It is also interesting that these are people who know the business – they are not outsiders but classic knowledge managers who understand their company's DNA – so when it comes to managing transformational change, they know where it starts.

It is helpful that in the appendix, Hoffman has listed the kind of activities BELC members have begun in response to climate change: addressing the physical risks to a company and operations, the sustainable consumption of resources, improving the efficiencies of processes and methods, right through to carbon trading and investment. It paints a good map of corporate interests, so companies who are now selling carbon management solutions can see where they need to go, just as much as their customers can.

Jeremy Blow

biography

Andrew (Andy) Hoffman is the Holcim (US) Professor of Sustainable Enterprise at the University of Michigan; a position that holds joint appointments at the Stephen M. Ross School of Business and the School of Natural Resources & Environment. Within this role, Andy also serves

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Andy has published five books and more than fifty articles/book chapters on environmental and social issues as they relate to business.

