

Lean & Green Summit: Learning to Create Sustainability's Next Generation

We must wake up and shift.

Lea A.P. Tonkin

How are we going to create a more sustainable world? Can organizations make a buck and still be conservation-minded, collaborative sustainability activists? How can we make a difference in sustainability — and why should we passionately care about these things?

Participants in the recent “Lean & Green Summit: From Compliance to Innovation” in Boulder, CO listened, pondered, discussed, challenged, and planned how to make changes happen in sustainability. No simple or easy formulas for “getting it right” in sustainability emerged. None were expected. We were reminded to ask, “What?,” “So what?,” and “Now what?,” recognizing the need for continuous learning. (See Figure 1.) Reminders and encouragement from summit planners and speakers challenged us to engage in dialog, not simply discussion (not try-

ing to convince others of our own viewpoints — see Figure 2). We met and learned from fellow attendees as we participated in the “World Café” exercises (“creating a living network of conversations in which new knowledge, new relationships, and creative insights can emerge) led by facilitator Susan Skjei.

This article reflects concepts shared by several presenters during the event. A common thread was that so much more can be (and must be) learned and done, if we are going to have a shot at tipping

our planet toward sustainability. The alternative will be a radical, perhaps uneven shift away from “life as we know it.”

Nike: Where Are You Going, How Far, and How Will You Get There?

Darcy Winslow, senior advisor for the Nike Foundation, shared a progress report on Nike’s work, with its partners, to progress in the “increasingly urgent and important” quest for sustainable operations.

In Brief

Collaboration, dialog, continuous learning, and action can make a difference in the quest for a more sustainable world. No simple sustainability solutions are available, however. Participants in the “Lean & Green Summit: From Compliance to Innovation” in Boulder, CO shared insights and challenges in the sustainability journey.

Questions to Deepen Your Lean and Green Learning Experience

What?

What did I just hear and see?
Am I sure that I understood it?
To clarify this, what questions do I have?

So what?

How does this fit with what I already know?
How does it relate to me and my company?
What dialog should I engage in to help clarify this?
What new questions are merging for me now?

Now what?

What more do I need to learn?
What actions might I take?
How does this affect future plans for me or my company?

Figure 1.

Dialog versus Discussion

Dialog

- To inquire to learn
- To explore shared meaning
- To integrate multiple perspectives
- To uncover and examine assumptions

Discussion

- To tell, sell, persuade
- To gain agreement on one meaning
- To evaluate and select the best perspectives
- To justify or defend assumptions.

Source: Juanita Brown and David Isaacs of Whole Systems Associates.

Figure 2.

“The level of needed change is increasing in the environment, the supply chain, and the communities in which we operate,” she said.

Citing Nike’s efforts to strengthen its corporate responsibility efforts, Winslow said the \$18.6 billion company is mindful that it has the power to engage millions of people in these activities. Everything from the chem-

ical content of products to engaging suppliers and people in communities where Nike does business is fair game for the company’s sustainability scope. She challenged summit participants to think about the next generation beyond current “lean and green” concepts. Winslow asked, “If you are already on that path, how will you accelerate?”

Drawing counsel from representatives of Natural Capitalism and others, Nike has learned to cultivate systems thinking as it pursues more sustainable growth and direction. Nike earlier relied on a core staff sustainability group in these efforts. “Now corporate responsibility is no longer a staff function. It’s part of how we operate,” Winslow commented.

Among the tenets and challenges of Nike’s commitment to responsible, sustainable operations:

- *Wake up and shift.* Where are you today and where do you want to go? For example, could your organization make the goal of carbon neutral operations by 2015? Nike’s learned to share information about sustainability with other organizations (such as New Balance) as it has reduced VOCs (volatile organic compounds) resulting from production, designed shoes with less non-value-added activity, reformulated packaging and shipping processes, and otherwise reduced its environmental footprint.
- *Do you know where you want to get, and how far, and how?* Rooting out sources of non-sustainability requires new mind-sets, organization-wide commitment on a long-term basis, and the use of valid performance measures.
- *Collaborate and lower your stress.* People, water, energy, land, and food are the greatest environmental stresses. Learn creative ways to improve your organization’s sustainability performance (Nike created an organic cotton exchange, for example).
- *Accelerate into the future.* Set aggressive goals for migrating to the next level of sustainability.

Experiment and innovate with mitigation strategies, seeking new opportunities rather than reacting with fear to change.

- *Know your world.* Practice systems thinking and scenario planning. Look for opportunities to collaborate.
- *Unhinge doors.* Change your thinking. Leadership doesn't have to start at the top. Risk, uncertainty, and some loneliness can be part of making change happen.
- *Own your choices.* Imagine a world in which everyone is awake, aware, and making choices based on new learning.

Interface, Inc.: Progress and Challenges

Making the best organizational and personal sustainability choices in a murky environment is not always easy. "Every time I see a guy driving a Prius and going home to a 10,000 sq. ft. house, it's kinda like having a Diet Coke with a Big Mac," said Dave Gustashaw, assistant vice president of supply chain and engineering at carpet manufacturer Interface, Inc. Atlanta, GA-based Interface got started on its systems approach to sustainability in 1994, and they've been striving to improve ever since. (More detail on the Interface experience was featured in the *Target* article, "From Lean to Green: Interface, Inc." by Gustashaw and Robert W. Hall in the fifth issue 2008.)

For others planning to improve their sustainability performance, Gustashaw counseled that specific lean/green tools and goals are needed. For example, Interface reported cost avoidance from waste elimination totaling \$372 million, as well as significant reductions in waste sent to landfills, total energy use, water

use, greenhouse gas emissions, and other sustainability improvements. Their goal is to be the world's first environmentally-restorative company by 2020. (More Interface measurements and data are available at www.interfacesustainability.com/metrics.)

"We need to challenge old thinking, to be innovative about sustainability," according to Gustashaw. He emphasized the need for continuing improvements. Among the challenges for Interface's sustainability progress: trying to weave together more effective symbiosis with suppliers, customers, and competitors for recycling of post-consumer material. "We're struggling with getting material back from customers," Gustashaw said. Post-consumer material is not only used by Interface but also sent to other companies. "We're becoming a recycling supply chain," said Gustashaw. Interface is calling on suppliers to rethink what they incorporate in their product.

Apply Lean Design Principles to Design Green Products: NCMS

Approximately 80 percent of a product's related environmental impacts and the majority of total product cost are determined in the product design stage, according to Mike Gnam, executive director, Lean Product Development Initiative, National Center for Manufacturing Science (NCMS). He shared "lessons learned" about design for the environment (DFE). Lean and green product design principles are not the same thing as lean manufacturing principles, he noted.

Where to start with DFE? "Find an approach that works best in your organization," Gnam suggested. "A good place to start is with

lean (or Toyota-like) paradigms." Exploration, planning, leadership, and knowledge paradigms should be addressed. Gnam noted that organizations can learn useful lessons from Toyota: management by walking around, set-based concurrent engineering, becoming totally customer-focused, and making all decisions based on profound knowledge.

"We are so quick to go to solutions. We need to look for root causes," said Gnam. "In environmental tradeoffs, we need to ask life cycle questions all the way up the supply chain."

Burgerville: Mission-Led Organization

Jeff Harvey, CEO of Burger-ville/The Holland Inc. said the chain asks vendors to use the concepts of "fresh, local, and sustainable." Noting that many ideas for improving sustainability are also generated by the 1600 employees of the Oregon-based restaurant chain, he said three tracks encourage innovation and top performance within the organization:

- 1) fundamentals and best practices
- 2) leadership development
- 3) business culture.

"We want people to generate consistently in the face of the unknown," said Harvey. Among the means for developing leadership among employees and encouraging local involvement is the company's Center for Responsible Community Leadership.

"Burgerville is a mission-led company: thriving people, businesses, and communities," Harvey stated. "By developing people who develop communities, this has a huge impact on the loyalty of customers. Our mission is to serve with love, combined with the indi-

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Gary Langenwalter, ConfluencePoint

vidual, family, and community impact. Many ‘millennials’ — and some of the rest of us — look for meaning, not just making a buck.”

Burgerville can count many successes in improving sustainability. All of the company’s 39 restaurants as well as their corporate offices are powered 100 percent by wind energy. Harvey said Burgerville is the first restaurant chain to purchase wind power credits for the entire chain. This renewable energy can provide an additional revenue source for area ranchers and farmers who host wind sites on their land and provide new jobs in rural areas.

Harvey said the company is the only quick-service restaurant chain converting its largest waste products (cooking oil) into cleaner-burning biodiesel fuel (4400 gallons monthly). Burgerville is one of the few quick-service chains in the country that started employee-driven recycling and composting programs. Ranchers who provide beef for the chain use sustainable practices and also practice humane treatment of their animals; developing a network of ranchers capable of supplying all of Burgerville’s needs took several years’ efforts.

Burgerville is committed to local sourcing for products such as berries for shakes and Walla Walla onions for their onion rings. Even as they deepen sustainability efforts, offer affordable healthcare benefits for employees, and support community activities, the company’s boosting sales and profits.

Collaboration and Capturing Hearts

To unleash the full potential of *everyone* in your organization as you strive to better your sustainability track record, you need to “capture their hearts and souls,” according to Gary Langenwalter¹ of ConfluencePoint, Portland, OR. “People want to be loved and love others; relationships matter,” he said, commenting on the reluctance of many leaders to use the “L word.”

Langenwalter called for a commitment to the “triple bottom line: profit, people, and the planet.” Among the steps leading to sustainability improvement, he said, are: opportunity assessment, core values, sustainability benchmarking, sustainability strategies, an action plan, and team launch of needed

initiatives. Sustainability challenges demand that business and industry collaborate with non-profits, utilities, state government, possibly federal government agencies, and area communities to make long-term progress, said Langenwalter.

Green Suppliers Network

One of several breakout sessions attracting lively interest focused on the Green Suppliers Network (GSN). Network participants can reduce their organization’s environmental footprint and gain financial benefits to boot, as explained by facilitators Aleta Sherman and Elaine Thorndike of the Colorado Association for Manufacturing and Technology (CAMT).

GSN is a collaborative program launched by the U.S. Environmental Protection Agency (EPA) with the U.S. Department of Commerce’s National Institute of Standards and Technology (NIST)-Manufacturing Extension Partnership (MEP) and related initiatives. Designed to help small and mid-sized U.S. manufacturing companies in their efforts to cultivate more sustainable purchasing practices, the network also serves as a resource for larger companies and their suppliers.²

Now What?

“We’re not here to discuss whether we’ve got to do something ... The next question is, what are we going to do about it?” said Robert W. Hall, *Target* editor-in-chief.

Although barely discussed at the conference, Hall is the author of a book, *Compression*, forthcoming from Taylor & Francis (Productivity Press). He defines *Compression* as: “Almost the opposite of economic expansion. It turns old economic and business assumptions wrong

side out. Most business thinking, indeed most daily thinking, presumes an expanding economy. We expect money invested in a bank or corporate stock to grow. We expect companies and cities to grow. So we solve most problems by finding and using more resources — energy, materials, land.

“Five hundred years of global expansion are nearing an end,” he continued. “The physical resources to support it are limited, and we must closely heed the global environment that supports us. However, the financial and business systems developed during expansion goad us to continue continuing physical expansion. The goal of *Compression* is to learn how to continue improving human quality of life while greatly reducing our consumption of energy and virgin raw material, while releasing no toxic chemicals into either air or water.”

At the conference, Hall called for people in manufacturing and others to get moving in the direction of sustainability. He noted that there are no experts in solving thorny, complex sustainability issues, but that lean organizations tend to conserve resources. More important, they are “learning to think — a totally different matter — and learning more every day.” That can pull us all in the right direction.

So what’s your next move in stalking sustainability gains? Have you learned something today that will make a difference as you move along that pathway? Believe that you can make more of a difference by sharing the challenge with others. After all, the future is up to all of us.

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Footnotes

1. More information about Gary Langenwaller’s focus on lean and sustainability is featured in the article, “Sustainable You,” by Lea A.P. Tonkin, in *Target*, Fourth Issue 2008, pp. 38-40.
2. Check online for more information about the Green Suppliers Network at <http://green-suppliers.gov/gsn>. To learn how participating companies gain financial and environmental benefits from the program, see the article, “Green Suppliers Network: Lean Met Green and Got Hitched,” by Lea A.P. Tonkin, *Target*, First Issue 2008, pp. 15-25.

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