

Partner Perspective

The Building Blocks Of Sustainability

SUSTAINABILITY IS AN AREA WHERE RETAILERS ARE LEADING and one that is quickly becoming central to the way retail conducts business. Industry leaders recognize that progress can be made, and corporate social responsibility is something their customers want. This has been demonstrated by nongovernmental organizations (NGOs), investor relations activity, and through overall increases in consumer awareness.

In partnership with APCO Worldwide, the Retail Industry Leaders Association (RILA) recently participated in a “State of the Retail Industry” study that takes a holistic, 360-degree view of reputation. The study provided deep insight into the key issues and expectations that define the retail industry’s reputation.

One of the top findings in the study revealed that environmental expectations are essential in defining the reputation of the retail sector. Retailers are rising to the occasion and leading the industry’s charge to be more sustainable, with numerous retailers exhibiting very progressive sustainability programs and others quickly following their lead.

Breaking this new ground certainly bears many lessons, with collaboration and measurement identified as two of the core building blocks to any successful sustainability program.

Today’s executives must be facilitators of this collaborator’s mindset, driving innovation throughout every aspect of their operations and working with partners and stakeholders to successfully implement sustainable business practices.

Retailers must continue to work upstream with suppliers and manufacturers on product design and packaging. Manufacturers are not going to sacrifice quality, performance, or price to make a product green. While consumers want more sustainable products, they too continue to look for value and strong performance. Products need to address those underlying elements for today’s consumer mindset, and retailers and manufacturers need to work together to find solutions to these challenges.

In addition to synergy with suppliers, service providers, and product manufacturers, it is also vital to start the conversation with NGOs and government agencies to seize on programs and resources

available to retailers and to share thoughts and ideas.

When looking at metrics, the bottom line is that it’s hard to make improvements if you have no frame of reference. When launching a sustainability program, it’s important to know where the biggest opportunities for improvement are. Measuring allows retailers to determine this. Through this discovery process, retailers can decide where it makes sense to add and drive value and are often surprised at the opportunities they find.

Measurement is also key in maintaining and advancing a sustainability program. Once a program is in place, it becomes a continuous improvement exercise. There has to be measurement for forward progress. Metrics allow an organization to use data to compare where it started.

It is also important to demonstrate some quick wins to get C-suite buy-in, and measurement can act as a vehicle to highlight results. Installing energy-efficient lighting or auxiliary units in trucks to prevent idling, for example, will demonstrate a direct impact, quick turnaround, and cost reductions. This will drum up interest with executives and enable teams to work on more long-term projects.

The ability to propel consumer behavior and attitudes, drive change within their own operations, and affect how partners and stakeholders operate allows retailers the opportunity to have vast impact in driving corporate responsibility. It is with this influence that these contemporary initiatives will become embedded in the processes for all retailers, resulting in efficiency and cost savings for the industry and enduring social change for society. ■



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