## Ten Success and Profitability Secrets for Businesses Looking to do Social/Environmental Good

By Shel Horowitz, Going Beyond Sustainability

HOW TO USE THIS REPORT: Each Secret starts with bold text, so you can scan them all at once. After the bold type, you'll find a brief description of the Secret, a key insight, and at least one example for each one. And then at the end, you'll find two action steps to move your organization forward.

You may want to set aside five or ten minutes several days in a row to soak up one tip at a time, or you may want to read the whole thing and go back to the sections that feel most important to you.

Ready for the first Secret? Here we go.

1. Build a social purpose into your *profitable* core products and services: Tired of hearing you can't address big social or environmental problems and still make a profit? Do "Experts" tell you to make your money some other way and then work on your *real* goals through philanthropy? Nothing wrong with philanthropy, but that's nonsense. You *can* launch and market *profitable* products and services. And you can design them to make a difference on issues like hunger, poverty, war, and catastrophic climate change. Help your bottom line and your world at the same time!

*Key insight:* Enlightened self-interest is a far better motivator than guilt/shame/fear.

*Example:* Numerous companies are making solar LED lights to replace toxic, flammable, fossilfuel-based kerosene lamps. This one simple technology creates positive outcomes in economic opportunity, health safety, and climate change, all at once. Just on poverty, they can create at least three improvements:

• Monthly payments equivalent to the former kerosene cost make the lamps affordable. Once the lamp is paid off, the family has extra money.

- Better lighting creates income possibilities such as an evening crafts business.
- These ventures provide jobs making, selling, and servicing the lamps.

Beyond tackling poverty, the lamps also improve carbon and pollution by switching to solar. They improve health and safety by eliminating fire risk and kerosene-caused respiratory illnesses.

- Make the business case, right from the start: Show the bottom-line numbers! How does your business use social and environmental goals to:
  - Increase revenue
  - Cut costs
  - Increase employee morale/productivity
  - Increase customer loyalty and referrals

Show profit-oriented benefits!

*Key insight:* When programs make money, they thrive even when organizations tighten their belts.

*Example:* Walmart, the most bottom-line-driven, least tree-hugger company I can think of, has become an environmental icon. Why? Because of the bottom-line: revenue generation and cost control. Walmart is selling at least \$15 bn per year worth of organic products, LED light bulbs, etc. And it also <u>saves millions of dollars per year per building</u> and <u>thousands per truck</u> by lowering such costs as truck fuel, building energy use, and waste disposal. (NOTE: I don't give the company a pass on its labor policies or other issues of concern to progressives. But in sustainability, they've shown tremendous leadership and reaped the financial rewards.)

 Look for the leapfrogs and loonshots\*—but also tighten the bolts: Two approaches can make a difference on social and environmental goals.

• Go wildly creative and leap past existing practices. This might mean creating new product/service categories or new strategies.

• Find Kaizen-style continuous small improvements. Tighten leaks, do more with less, repurpose existing products...

\*Loonshots, as defined by Safi Bahcall in his book, <u>Loonshots: How to Nurture the Crazy Ideas</u> <u>that Win Wars, Cure Diseases, and Transform Industries</u>, are the "crazy," risky innovations in product OR strategy that can reinvent an industry when they succeed. This link will take you to my review of his book (scroll down past the main article and other content).

Key insight: Do both!

Loonshot example: <u>3D printing of medical machinery spare parts—AND even spare human</u> <u>parts—in remote areas</u>. For areas far from hospitals or manufacturing plants, this can shorten wait times from weeks to hours and save many lives.

*Kaizen example:* Southwest Airlines' shift from giving out boarding privileges in the order passengers arrived at the airport lounge to the order they checked in online. The original system clogged the lounges, created pressure to arrive absurdly early, and caused hardship for people with disabilities. This simple changed opened the airline to passengers who had previously rejected it and vastly increased passenger comfort. It also rewarded early check-ins, which benefit the airline.

- 4. Identify your audiences—and WHY they want to buy: Green and social change products and services can be marketed successfully to three very different categories of buyers:
  Deep Greens/Change-the-Worlders, who are thoroughly committed to green lifestyles and social change values
  - Lazy Greens, who will do the right thing if it's easy and convenient
  - Don't Cares/Antis, who are at best apathetic, at worst hostile to business doing social and

environmental good. You can still convince an Anti to buy. But you need a very different approach.

*Key insight:* In marketing, one size NEVER fits all! (Examples will follow points 5, 6, and 7, as we look more closely at these three specific groups.)

- 5. To Deep Greens/Change-the-Worlders: Market on the sincerity of your commitment. Back it up with facts testimonials, and case studies, e.g.:
  - How many economically disadvantaged single moms you've hired
  - How the schools you've built have bettered villagers' lives

• How you've conserved and recycled specific resources—and what that translates to in carbon impact, fuel saved, mining tonnage reduced, etc.

*Key insight:* This audience cares deeply about your work and they want to make sure you're on the up-and-up. You'll get major backlash from any hint of greenwashing (trying to make your company look greener or more socially conscious than it is). Document any claim.

*Example:* UK cosmetics firm The Body Shop highlighted its social causes and engaged its customers to actively support them. This strategy generated an outpouring of citizen action. It also differentiated The Body Shop from its competitors and transformed it into a global brand.

**6.** To Lazy Greens: Be as available and convenient as possible. Pursue shelf space and product *demo/sampling opportunities* with major retailers.

*Key insight:* Lazy Greens want make a difference by supporting and purchasing from the right companies. But they don't want to work at it. They'll be entranced by your storytelling. And they may find your facts and figures convincing.

*Example:* Household paper products company Marcal, recycled since 1950, started marketing that leadership around 2007. The products were right next to other leading brands. Since Marcal was already trusted AND a price leader, it made enormous headway among Lazy Greens. Even though it was only a regional Northeast US brand, it became the #1 recycled household paper brand in the country.

- **7.** To Don't Cares/Antis: Focus on the benefits: For this challenging segment, your marketing should emphasize benefits:
  - Durability
  - Ease of maintenance
  - Long-term cost savings
  - Health benefits or avoidance of health risks
  - Luxury
  - Simplicity of use
  - Convenience
  - Any other features that can turn their hostility into fandom.

*Key insight:* Meet them where they are! Listen deeply. Never shame them for a perceived lack of purity. Find the points of agreement, bring them in through those points, and perhaps sneak in some education. Eventually, you might even move them from hostile to lazy.

*Example:* Diabetes expert <u>David Mendosa blogged about why diabetics should eat organic food</u>. He focused heavily on diabetics' benefits in eating high-antioxidant foods, and why organics qualify.

8. Treat all three types of buyers with respect, even honor; turn them into long-term customers, supporters, and ambassadors: Provide superior customer service that's about creating a fun experience and a welcoming culture, not just waiting to solve problems that might arise.

*Key insight:* Part of how you do this is by empowering employees. Show every employee how they're part of your marketing strategy. Acknowledge publicly that you don't have a business without them. Celebrate them for making every interaction with a customer (or a vendor, investor, potential employee, government inspector, member of the press) feel special. And give them the freedom to listen well and provide creative service.

*Example:* Legendary clothier Jack Mitchell, owner of several high-end men's shops in the New York City suburbs, has trained and empowered his employees to do anything for a customer—even fly halfway around the world to deliver a suit. His bestselling books, Hug Your Customers and <u>Hug Your People</u>, show the power of creating a customer-centric culture by creating an employee-centric culture. (The link goes to my newsletter, with a review of the book as the bottom article.)

**9.** Extend that respect and honor to your employees, suppliers, and other stakeholders—Value your employees' opinions, ideas, observations, and special projects. Honor their insights publicly, and quickly implement the pieces that make sense. Turn your company into a coveted place to work, where they feel great about coming to work every day *because* of your organization's social and environmental goals.

*Key insight:* In an employee-centric socially conscious culture, morale, productivity, and profitability will soar. Employee turnover will drop way down. You'll be more profitable. You'll reduce the need to hire and train replacements. And when you do need more help, employees might tell their friends.

*Example:* Greyston Bakery, in Yonkers, NY, is an incredible example of not only caring about workers, but a social enterprise that hires people most companies would never go near. This gourmet brownie bakery supplies ice cream maker Ben & Jerry's and top-tier hotels and restaurants, with a workforce of ex-addicts, ex-felons, ex-mental patients, etc. They give these workers the training they need to survive in today's workplace, and many of their managers have been promoted up from line positions. Their slogan: "we don't hire people to bake

brownies. We bake brownies to hire people."

**10.** Partner with others who can expand your reach: As your reputation grows, you'll find it surprisingly easy to partner with others. They can bring you to new markets, share operations costs, and generally cooperate for mutual benefit.

*Key insight:* Ask yourself this crucial question: "How can we create win-win collaborations where both parties benefit from the success of the other partner?"

*Examples:* Just to show how this one works for any size business, one example from top corporations and another involving solopreneurs.

1) IBM, Apple, and Motorola joined forces in 1991 to develop the PowerPC chip set for the personal computer world. By collaborating, the three companies could not only break Intel's near-monopoly on PC chip design but could bring the new systems to market much more quickly. Very advanced for their time, these chips powered both Macs and PCs. 2) My own partnership with Jay Conrad Levinson, Father of Guerrilla Marketing, involved two homebased solopreneurs. Jay was at the top of his fame, more than 20 years after turning Guerrilla Marketing into the top marketing brand of all time. A sought-after speaker and consultant, he created marketing approaches for startups with big dreams and tiny budgets. I had a lot less star power, but I had expertise in green business and more than a decade of online networking. So I was able to open new markets to Jay and his Guerrilla Marketing products (with minimal work on his part). Meanwhile, I not only became part of the most recognized brand in marketing history, I also got the largest advance I've ever received from a publisher, a forward from Stephen M.R. Covey, a bunch of media, exposure to Jay's 84,000-name mailing list, and more.

## How do you implement these 10 big tips?

## 1] Try this simple exercise:

- Make a list of your existing products and services.
- Write down any ways you're already using each one to profitably promote social benefit and/or planetary healing.
- Next, write down any new ways to profitably promote social benefit and/or planetary healing through these offerings.
- From this (hopefully) long list, pick ONE to focus on. Chose something that fits your organizational culture's skills, interests, and goals—and that you can implement reasonably quickly (0-2 years). Write down the first five steps it will need to become reality. If it already exists, write the first five steps to scale it up.
- Begin to find allies within the organization. Present this idea and enlist their support. Include basic revenue and profit estimates. Strategize with them on how to get the organization moving on this initiative.

**2]** Work with a professional who understands these markets: Let Shel Horowitz be your "social entrepreneurship and sustainability Sherpa." Shel has the skills and passion to be your guide. He will

help you create, identify, and market profitable products and services that do well financially while doing good socially and environmentally.

Shel is a lifelong student of social entrepreneurship, paying attention to what works and why since the 1970s and consulting to green and social change companies in sectors as diverse as food, construction, lighting, and publishing (to name a few).

He's the multiple-award-winning author of 10 books. Four of those books specifically cover marketing for green, ethical, and/or social entrepreneurship companies. Three are on general small-business marketing, one on book marketing, and one on an environmental issue. His latest book, Guerrilla Marketing to Heal the World, has been endorsed by Chicken Soup for the Soul's Jack Canfield, futurist Seth Godin, food and democracy expert Frances Moore Lappe, and many others.

Both a marketer and an activist for more than 40 years, Shel has spoken to audiences as far east as Istanbul and Davos, as far west as Honolulu and Kauai. He's given both a TEDx and a Pecha Kucha, and spoken at many important environmental and business conferences, among them the Responsible Business Summit, Sustainable Foods Summit, Gulf Coast Green, Solarfest, Green America's Green Festivals, Association for Business Communication, American Society of Journalists and Authors, Bioneers-by-the-Bay, Slow Living Summit...

Shel is the perfect person to guide your organization down this exciting and profitable path. He offers strategic marketing and profitability planning, copywriting, presentations, training, and other help.

To take the next steps toward profitable social entrepreneurship, call Shel at 413-586-2388 (8 a.m. to 10 p.m. US Eastern Time) or visit <u>https://goingbeyondsustainability.com/</u> and click the Contact tab on the right.