



The Challenges of Creating an Environmentally Sustainable Company

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Introduction

In more recent times, environmental sustainability, which is the ability to continually sustain oneself using materials not limited in quantity, without producing waste, has been overlooked in most companies and businesses, creating many environmental problems, most notably plastic pollution. This has greatly impacted massive parts of the Earth in places such as the Great Pacific Garbage Patch, which covers over 1.6 million kilometers of the Pacific Ocean in microplastics and debris and threatens marine wildlife populations (Loria, 2018). Although there are many factors that contribute to pollution in the world, one method to combat the global pollution problem is to encourage companies and businesses to make changes towards environmental sustainability and reduce their plastic waste. However, "In a survey with 60,000 respondents from companies around the world, Kiron et al. (2017) found that only a fourth have developed a clear business case for sustainability, even though 90 percent of the executives viewed sustainability as important" (Atz, 2019). This leads me to the question:



Figure 1: Beach Littered With Plastic Waste

What are the challenges of making an environmentally sustainable company focused on reducing plastic waste?

Research Methodologies

I was interested in the reason behind the lack of environmentally-friendly companies. In order to answer this, I first had to gather information about environmental sustainability so that I could further my understanding about the subject and begin to analyse the challenges around it. I also researched companies that are currently thriving with sustainability in hopes to find what they did differently to succeed. Next, I searched for company struggles that were already documented so that I could compare it with my interview results. Finally, I gathered a list of sustainable companies that focus on reducing plastic waste, so that I could interview them. Many of the companies were gathered from various sources, such as a simple google search or a database. But I also collected a list of companies from people around me who knew about the company. From there, I contacted each company for an interview. To the companies that replied back, I scheduled interviews with them and then talked about their methods, the success of their company, and their struggles, using some interview questions that I thought up.

Sample of Interview Questions:

1. How has being sustainable affected your company? (ie. profit, popular or more known)
2. What persuaded your company to pursue sustainability?
3. How has your company pursued sustainability? What methods have you tried to reduce waste?
4. Is it hard to become sustainable? In terms of money? Does it prevent you from having lower prices? How did you overcome it?
5. Are there any struggles that you found while trying to be sustainable? (Switching suppliers to sustainable, too expensive, time consuming?) How did you overcome those struggles?
6. What advice would you give other companies trying to become sustainable?

Data and Findings

Companies often face challenges that make it extremely difficult to reduce waste. Some of these challenges include customers not factoring sustainability into their purchases and companies unsure of which problems need to be immediately addressed (Laughland and Bansal, 2011). If customers and companies are unaware and uninformed of these crises, it becomes infinitely harder to produce and sell environmentally sustainable products. Other than morals, there doesn't seem to be any incentives for companies to reduce plastic, not even from the government. In fact, another one of the major inhibitors that companies face is that government policies don't incentivise outcomes and don't clearly connect to sustainability (Laughland and Bansal, 2011).

On the other hand, a few companies have succeeded and profited from sustainability. Some companies, such as restaurants and manufacturers, have made small, but influential steps toward sustainability simply by switching to recyclable paper products to reduce waste. One company, Patagonia, has developed a strong, flexible material made of 50% clothing waste material for their clothing (CGS, p. 1). Patagonia has embraced sustainability and as a result, is flourishing where many companies have failed.

Steve Weiss - Head of Marketing at Genomatica Inc

Genomatica - focuses their efforts on helping other companies reduce their carbon footprint and makes bioengineered products out of microorganisms for use as plastic substitutes.

If the prices of your company's product cannot match the prices of other non eco-friendly companies, then the impact your company has must be great enough for the customer to actually want to buy it. In order to have sustainability, a company must increase their prices to combat the heavy price of sustainability. This means that it makes it almost impossible for companies to make a profit off of sustainability.

Rebecca Rudick - Content Marketing Associate at TIPA Compostable

TIPA - company that makes 100% recyclable packaging.

Companies have trouble with sustainability because they get caught up in trying to be fully sustainable. However, customers want a company that makes a big impact on the environment. This creates a sort of uncomfortable in-between because the prices of the company's products will go up slightly from sustainable sources being more expensive, and the customer sales will go down because of the smaller impact from being not fully environmentally sustainable.

Sam Valentine - Business Development at TemperPack

Temperpack - sells curbside recyclable packaging and liner.

Although TemperPack didn't encounter many struggles in the very beginning, other than the design of the product, competing prices with other companies was definitely difficult. In order to combat this, they chose to work with their buyers to offer them packaging that fit their products the best, so that they can eliminate excess space in the box. Having a box that fits the product better allowed Temperpack to reduce their prices and at the same time, reduce the amount of waste they produce.

Conclusions and Analysis

Overall, it seems that the challenges that environmentally sustainable companies face are extremely difficult to overcome because they require them to balance and predict market prices and customer habits, along with keeping a steady flow of profit in order to grow. No wonder so many companies are timid when it comes to becoming eco-friendly. In fact, it makes it so impossibly hard that only 2% of companies are able to achieve their goals of becoming eco-friendly (Davis-Peccoud, 2016). This means that before we can really take on this goal, we have to find and tackle the new problems that are arising for struggling companies.

More people need to be informed of these pollution problems that are endangering the world. I believe that a government's aid in informing the public with the use of advertisements or incentivised policies would have an influential impact on the advancement of this goal. This could very likely lead to more people considering sustainability in purchases, more companies being able to discriminate the most important issues to combat, and more companies working towards environmental sustainability.

Implications and Next Steps

Now that I have an understanding of the challenges that plague companies pursuing sustainability, I can focus on researching ways that companies can overcome these challenges. My first step will be to interview companies who have failed at sustainability and try to analyze their actions that lead to failure and come up with solutions. By finding solutions to these challenges, I believe that companies would struggle a lot less and not become discouraged to continue on the path to sustainability. Hopefully by researching this and encouraging companies to reduce waste, pollution will be less of a problem in the future.



Figure 2: A Cleaner Future

Acknowledgments/References

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