

Green Business

KATHY BURKE REPORTS ON COMPANIES THAT ARE IMPROVING THEIR ENVIRONMENTAL PERFORMANCE AND GAINING A COMPETITIVE EDGE WITH THE HELP OF ENTERPRISE IRELAND.

The Environmental Policy Department at Enterprise Ireland supports and encourages environmentally responsible business. Last year, in response to increased demand for environmental assistance from Irish firms, and to the Department of Enterprise, Trade and Employment's Sustainable Development Strategy for 2003 - 2005, it committed to providing a facility that would be a one-stop-shop. In April this year, it launched envirocentre.ie, a web portal that addresses the important environmental issues for industry. Access to the site is free to everyone.

A visit to the portal shows that it is comprehensive. It clearly explains the business advantage of addressing environmental issues: how businesses can save money and increase profitability by, for instance, reducing energy consumption. It presents a series of guides to the relevant environmental legislation that are written without the 'legalese' of the statutes. The site provides information, news, articles, access to best practice guidance documents, and case studies of



Engineering

Spring and Precision Engineering Ltd in Wexford was formed in 1997 as an amalgamation of Martin Byrne Precision Engineering Ltd and four businesses previously owned by Pierce Engineering, which was established in 1839.

The first company was involved in producing pharmaceutical and healthcare devices, and was environmentally aware, says managing director, Martin Byrne, but Pierce Engineering was an old business that the Environmental Protection Agency was in the process of closing down. 'As a new company, and as good neighbours we immediately addressed the environmental issue' he explains. As a result, the company now has the ISO 14001 standard.

The company heard about the ESP initiative by word-of-mouth and contacted Enterprise Ireland. They make truck springs, edge tools, pharmaceutical health care machine components, boilers for cookers and stoves and general engineering products. They learned that no other business in the market made environmentally friendly edge tools. Imports from countries like China use a lot of heat and oil. As part of their ESP project they looked into adopting water-based paints and lacquers, sourcing wood from sustainable managed forests (not timber from rainforests), and cutting energy consumption by reducing furnace time for steel by up to 70%.

The steel project has been very successful and is noteworthy: the characteristic of the new steel more than halves the furnace-time, and water-based polymers instead of synthetic oils are used for quenching. 'Water-based polymers are biodegradable and disposal costs nothing. The old synthetic oils had to be very carefully and expensively disposed of'. By cutting the use of the diesel furnaces, they have reduced the use of fuel and carbon dioxide emissions.

Byrne is especially enthusiastic about a spin-off result of the project. 'We have totally improved the health levels and working conditions in our plant, by dramatically reducing the oil and smoke in the atmosphere. We didn't anticipate that initially', he said. Enterprise Ireland provided half of the project finance - €27,000 of €56,000. The cost of new materials means that there weren't a lot of savings initially', he says, 'but we now have a new product with a new market niche. The cost is already coming back in the furnace time saved, and considering waste disposal costs among others it will definitely prove profitable in the future'.

SPRING & PRECISION ENGINEERING LIMITED

businesses that have already taken action to improve their environmental performance, and become more competitive and profitable in the process. You can also find details of the financial assistance available to Irish industries that are prepared to explore and develop environmentally superior products and manufacturing processes.

The e4 business initiative is for Enterprise Ireland client companies. It offers an email question-and-answer facility, and/or a confidential eco-efficiency report. This report is a more formal assessment of a company's environmental performance.

The site gives special emphasis to SMEs. These represent over 98% of Irish business, and contribute significantly to a dynamic society and economy. In addition to the employment they provide, they encourage and harness individual creative effort, fuel innovation and provide healthy competition. But they also contribute to the adverse environmental effects of industry.

'In the past', says Dr Vincent O'Malley, senior environmental consultant at Enterprise Ireland, 'poor awareness and the absence of pressure from customers and larger enterprises meant that little effort was made to address environmental issues, but this has changed'. These issues are moving centre-stage for Irish industry, driven by EU legislation and a market place that is beginning to value a 'clean' business ethos.

Consumers are taking more of an interest in environmentally responsible business than before, probably due in part to controversies over bin charges and other costs. Most big companies are developing environmental policies that require minimum standards of their suppliers, many of whom are Irish SMEs. One example is

Multimedia

Multimedia Computer Systems Ltd is a Dublin company that designs and manufactures PCs. Their MicroPro PCs and servers are designed so that the components are separable. Originally the advantage was that these could be easily upgraded, giving their computers a longer life than others on the market. Through ESP, they brought this further and incorporated compliance with the Waste Electrical and Electronic Equipment (WEEE) directive. They are currently developing a computer made of materials that can be 100% reused. For instance, the chassis is now made of aluminium, which at the end of life can be reused to make new components or recycled for other uses.

'The company was ahead of its time', says Ann Galligan, a managing director, 'a few years ago the main selling point was value for money, high-quality components that were flexible allowing customers to easily upgrade our PCs. Now, people are more aware of the environment, which gives us another niche'.

'A great spin-off of the ESP project was being chosen for the HeatSun project. We were chosen, because we produced a greener product', she says. Project HeatSun is run by the EU Commission, with the aim of re-use, recycling and recovery of IT equipment, (based on the requirements of the WEEE directive), and state-of-the-art methods for recovery, disposal and treatment of WEEE that cannot be re-used. Dublin City Council heads the project in Ireland, and the company is one of the partners. The company also hopes to qualify for the European Eco-label for PCs. 'We would be the first in Ireland, maybe in Europe', Galligan says.



Green and clean

Unfortunately, in the past, Ireland earned a reputation internationally of being relaxed about what you threw in the bin.

Fortunately, higher international standards and the single European market mean that this must change. Irish businesses will benefit from not being short sighted about environmental management. One important barrier to environmentally responsible business is lack of awareness. ESP manager, Dorothy Maxwell, points out that these ESP case examples are not unusual. 'Companies often perceive that good environmental performance equals cost. The opposite is often true, with better products, services, cost-benefits and business opportunities resulting'.

Businesses often view legislative demands as costly and disruptive, thinking that while the benefits come slowly, the costs add up quickly. These attitudes don't appreciate the benefits in terms of cost-savings, customer rewards, and healthy working conditions that come with evolving and 'cleaning up the act'. These attitudes should be challenged by living, breathing, profit-making examples where environmental improvements have worked, and indeed opened doors to new markets. Business people who are not fully aware of environmental issues might consider a visit to www.envirocentre.ie. ■

B&Q, a UK-based DIY store. B&Q has a labelling system for 'green' products. Their paints, for instance, are labelled to indicate the content of volatile organic compounds (VOCs). B&Q says 'the impact of this approach has been to encourage suppliers to press forward the development of water-based technology, allowing us to provide more low-VOC ranges for our customers'. Their customers can 'clearly identify low-VOC products and make the choice to buy them'. Their paint policy and labelling scheme is, they say, being considered as a tool in forthcoming EU legislation.

Where to begin?

It may be daunting for an SME that has been operating for years to suddenly adjust and revolutionise its processes to improve its environmental performance. For this reason, Enterprise Ireland provides a range of advisory and financial supports, such as the Environmentally Superior Products, (ESP) and Environmental Management Systems, (EMS) initiatives.

The ESP initiative aims to reduce the environmental impact of a product or service without compromising functionality, quality or cost. A business can approach Enterprise Ireland with an existing product or one that is only at the concept stage, to look for a 'greener' way of making it. EMS is about an overall approach to managing a company's environmental issues, to bring the company into line with internationally recognised approaches such as ISO 14001. A visit to envirocentre.ie is a simple way to learn more about these initiatives.

To date, about 250 companies from diverse industries have taken advantage of the initiatives. We spoke to three (see panels) about their particular projects and found that a range of benefits emerged, such as developing an all-new product line, acquiring a unique market niche and powerful marketing point, cost savings and significantly better working conditions.

Timber

Connaught Timber Products Ltd in Loughrea, County Galway developed a new product under the ESP initiative. Established in 1978, the core of the business was making wooden pallets, crates, garden furniture and wood-chip. In 1997 they began timber recycling. The company collects, or people deliver, any kind of waste timber. It began with pallet customers but grew to include many new customers.

Leading from this, they decided to develop a new product. The original idea was to manufacture and bag coloured mulch, which is used for ground covering in gardens to keep weeds down, a product that has been sold in the US for years.

The ESP project investigated the environmental aspects of the product - which was only at concept stage - and compared it with products already on the market to develop an environmentally superior product. This involved a market research study to identify the market for the product, comparing the environmental impact of their product and others, assessment of environmental legislation, and life-cycle assessment. The life cycle assessment looked at the product 'from the cradle to the grave', and the environmental aspects of each stage.

The project considered the inputs and outputs of manufacture. Inputs were uncoloured woodchip, plastic bags, colourant, water and electrical energy. They decided to use trapped rainwater instead of pumping water. Teagasc tested the colourants for adverse effects. Outputs were coloured mulch, which is biodegradable, and scrap metal such as nails from the pallets. These were recycled. They used recyclable packaging to minimise plastic waste. By preventing the waste timber from going to landfill by recycling, the company also developed a new product, the coloured mulch, which they sell under the Nullife logo.

