

ECO - FRIENDLY BUSINESS VENTURES: A BOON FOR SMALL ENTREPRENEURS

H.K. Nasir Hussain

*Dhaanish Ahmed School of management,
Dhaanish Ahmed College of Engineering, Padappai, Chennai. India.*

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Introduction

Industrial activities of the past half century have created serious ecological problems (Shrivastava,1995). The list includes global warming, ozone depletion, loss of biodiversity, natural resource scarcity, air pollution, acid rain, toxic wastes, and industrial accidents (Brown *et al.*,1993). Margaret(2009) defined the term Eco-friendly as, earth-friendly or not harmful to the environment.Environmentally friendly businesses are becoming increasingly popular. This term most commonly refers to products that contribute to green living or practices that help conserve resources like water and energy. Eco-friendly products also prevent contributions to air, water and land pollution.

Companies sometimes label their products "eco-friendly" or "environmentally friendly" without them truly being so. Called "green washing," marketing campaigns perpetuate this practice, aimed at helping companies increase their product sales by appealing to ecologically conscious buyers.

Although making the business more environmentally friendly can have wide-ranging and significant benefits there is a negative perception of implementing steps for environmentally friendly activities. Such as lowering the profit margin, sustainability of strategic planning, negative short term effects and the fear of competitiveness, business interruption due to resource constraints, Waste management costs, are some of them. However, in long run any steps towards environmentally friendly products will be sustainable and convert them as a competitive advantage in the competitive environment.

This paper will tried to explore the possibilities of gaining sustainable competitive advantage through implementation of any environmentally friendly systems.

Methodology

This is conceptual paper, where information gathered from Literature reviews and theoretical concepts already available. Supportive information gathered from secondary data.Thepresently spoken issues from various sources also used to come to the conclusion. As such this is an exploratory study.

Although there is a fear of losing profit margin and the risk of implementation among the business people especially small business entrepreneurs there are many opportunities of achieving competitive advantage through this concept.

There are conflicting opinions on the competitive impacts of environmental regulations. Porter (1991, 1994) suggests that strict environmental regulations do not inevitably hinder competitiveness against foreign rivals. They may even enhance competitiveness. For example, in response to the energy crisis of the early 1970s, Japan enacted tough energy management regulations that prompted companies to innovate highly energy-efficient systems (Watanabe, 1992). Moreover, improvements in environmental and public health are shown to lead to more

vigorous industrial development (Marshall, 1993). Product and production technologies determine the basic parameters of costs and ecological impacts. They determine the type of raw materials that can be used, production efficiencies, pollution emitted from production processes, worker health and safety, public safety, and management of wastes (Sarkis, 1995).

Strategic management is concerned with aligning organizations with their environments (Schendel and Hofer, 1979). By committing the business to comply with environmental legislation, business will avoid any penalties. By using raw materials more efficiently, minimizing waste and reducing insurance risks business will make important savings. They will be able to boost their reputation among customers, suppliers, regulators, investors, staff and the local community. They will also increase employee morale - making it easier to attract, keep and motivate staff. Staff may also appreciate the fact that they work for an environmentally responsible business. This could reduce staff turnover and cut recruitment costs. It may even help the small business to attract high-caliber staff.

Good environmental practices can reduce costs by cutting business' use of raw materials, energy, water and packaging. Use energy more efficiently. Saving energy is the easiest way to save money and - in doing so - reduce the business' carbon footprint. Changing employee behaviour, using more efficient equipment and designing more efficient processes are all ways lower the bills. Waste is the result of using materials inefficiently. Waste costs are twofold - paying once for materials then not using them a second time to get rid of them.

By using raw materials more efficiently, recycling, reducing packaging and making production processes more efficient, small business can save money and help protect the environment. Paying for regular inspection and maintenance of equipment may save money in the longer term - for example by improving energy efficiency, reducing use of raw materials or avoiding breakdowns.

There are also significant benefits to investing in technology that reduces energy and water waste. A lot of equipment costs far more to run than to buy. Small business could save money by spending more in the first place to buy more energy-efficient machinery and equipment. Becoming a more sustainable business can have a real impact on staff. It may see an increase in productivity, as people often enjoy working for ethically driven companies. It could also reduce staff turnover and save on recruitment costs. Some businesses have associated environmental risks - such as gradual environmental pollution, clean-up costs or product liability. These costs can be huge. If any business wants to improve the environmental practices, it is essential to get the support of employees - these are the people who will implement any changes.

Also, some environmental practices - such as cutting carbon emissions from travel to and during work - may significantly impact employees' lives. It's important to involve employees in environmental discussions. They may have a better understanding of the risks and problems than the business do, and will be well placed to offer solutions. They'll also see that business value their opinions and are taking steps to protect their interests.

Approach to the environment is an important factor in developing a good reputation for small business. Some businesses have built their success largely on a reputation for doing the right thing. That helps to attract and keep customers, makes it easier to recruit new employees and improves employee motivation, improves the relationship with suppliers, improves the standing with the local community, improves the relationship with shareholders and increases the chance that banks or investors will provide financial support. Small business will benefit from making customers, employees, the local community, suppliers and other stakeholders aware of the

environmental commitment. Publicizing measures taken to become 'greener' are becoming an essential part of marketing a business. Customers in particular might be interested in: how you minimize and reduce waste; what you have done to make your business energy - and water - efficient; the environmental credentials of your raw materials and supply chain; and what you have done to minimize the environmental impact of your products or services.

Carbon Trust Standard (CTS) is an award for organizations that can prove they have measured, managed and reduced their carbon emissions. If the business is certified as having achieved the standard, it can use the CTS logo to market their carbon credentials. The Carbon Trust has launched a new online assessment service to encourage more small and medium-sized enterprises (SMEs) to get certified. By improving environmental performance, small business may also be able to access a wide range of government-sector contracts.

Sustainable business is about implementing environmentally friendly and socially responsible practices, while still maintaining commercial success. First steps often include improving resource efficiency, and considering renewable resources and technologies. If the business is serious about becoming sustainable, it needs to take a long-term approach. This could involve measuring the business performance, managing its impact on the environment and getting commitment to improve from employees. Taking a sustainable approach can also improve business performance and profitability through lower costs, better stakeholder relations and greater innovation. By producing sustainable goods or services, small business may achieve more than simply reducing costs. For example, a product that uses less energy while still meeting consumer needs will give the business a competitive advantage, now and in the future.

Discussion and Conclusion

Sustainable business, or green business, is an enterprise that has no negative impact on the global or local environment, community, society, or economy. A business that strives to meet the triple bottom line. Often, sustainable businesses have progressive environmental and rights policies. A sustainable business is any organization that participates in environmentally friendly or green activities to ensure that all processes, products, and manufacturing activities adequately address current environmental concerns while maintaining a profit. In other words, it is a business that "meets the needs of the present world without compromising the ability of the future generations to meet their own needs." It is the process of assessing how to design products that will take advantage of the current environmental situation and how well a company's products perform with renewable resources. The green and sustainability trend has manifested in pressure from consumers, shareholders, employees, partners and governments (regulations) put upon companies to embrace more sustainable and green practices. Many companies resorted to green washing instead of actually creating green innovations by marketing their product in a way that suggests green practices. However, there are many companies that have taken the sustainability trend seriously and are doing so profitably. It is concluded that the present competitive market is having a wider scope and opportunities and also supported by governments for "*Environment or Eco-friendly business ventures definitely a boon for small Entrepreneurs*".

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