



Regional Green Business Program Business Plan



August 2015

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I. Executive Summary

The EnviroStars Regional Green Business Program is designed to address the growing swell of interest in supporting thriving local economies, while protecting public health and sustaining environmental resources for future generations. Many government and utility sponsored green business-related programs currently exist in the region, and businesses need support sorting through the myriad of offerings to find the programs that best meet their needs.

A unified regional green business program will create streamlined, technology-friendly, cost-effective access to “green” services for businesses. Key features include a shared online access web portal, coordinated business outreach, and public relations under a common brand. The program is designed to make it easier for businesses and building owners to *engage* with existing city, county, and utility programs, *implement* green practices, and *receive* technical and financial (a key attraction for businesses) assistance, recognition, and marketing support. A public-facing directory will allow residents to search for and support these green businesses.

A pooled budget will be used to cover agreed on program expenses related to management and administration, web platform development and support, and joint marketing, engagement and recognition tasks. Full details of the funding for the budget can be found in the Memorandum of Agreement (MOA), [Appendix 2](#).

The Governance structure selected includes a Steering Committee made up of representatives from each of the Member organizations, and informed by technical expert Subcommittees. An Executive Committee will be responsible for policy and strategic decision-making.

The EnviroStars brand has been chosen to represent our collaborative identity as a regional program. Business participation and recognition will include several tiers, to encourage a path for continuous improvement. Verification of best practices by participating organizations will help to retain the integrity and credibility the existing certification program has achieved.

Common metrics will allow for several levels of benchmarking and reporting – by facility, industry, city, county and as a region.

This business plan serves as an overview of the program, cultivated from years of agency evaluations, business and consumer surveys, and market research, ([Appendix 4](#)). Technical details on roles, responsibilities, and structure for the program can be found in the MOA, [Appendix 2](#).

II. Mission + Goals

Establishing a strong foundation based on business needs, agency priorities, and public interests is critical to the successful launch of the EnviroStars Regional Green Business Program.

The program will provide a comprehensive “360 degree” environmental assessment for businesses, with incentives for progress around priority issues. It will provide a common set of impact measures among agencies and jurisdictions, while leveraging existing programs that conserve resources, prevent pollution, enhance community health, and promote business economic vitality. The building blocks to accomplish this are described in this document and [Appendix 4](#).

Mission

- ▶ Integrate access to green business programs to streamline access and leverage resources
- ▶ Attract and refer businesses to our services who may not use them now
- ▶ Motivate behaviors that support environment-related missions and impacts
- ▶ Provide meaningful measures and shared reporting
- ▶ Update our collective service strategy to use new, engaging technology tools

Goals

1. Increase **effectiveness and efficiency in delivering existing environmental services to businesses** by:
 - ▶ *Increasing referrals and contact* with businesses, particularly smaller businesses
 - ▶ *Simplifying the experience* for businesses through a well-designed, common access portal and unified brand

Program Vision

Visible

extends EnviroStars brand value and reach

Efficient

leads to long-term savings through centralized outreach, promotion, network of assistance and referrals

Relevant

engages today's employees and tomorrow's employers

Responsive

customizes assistance for businesses, allowing them to explore, compare, self-help and find assistance on-line according to their needs and interests

Meaningful

measures green business practices, environmental protection, and behavior change by areas of interest, priority, and across all impact areas

- ▶ Ensuring program delivery is done in an *equitable and culturally-competent* manner
 - ▶ Employing *current behavior change methods*, such as community-based social marketing
2. **Achieve greater environmental outcomes at lower cost** to partners and businesses to more effectively reduce waste and storm water runoff, reduce the use of hazardous materials, become more energy and water efficient, and reduce carbon emissions.
 3. **Create a scalable, dynamic program** that allows for participation from other cities, counties, and implementation partners throughout the state.

Program Benefits

A variety of organizations will access and benefit from the Program. These program participants fall into three main categories: 1) Business participants that access the shared web platform and member agency resources 2) Member organizations that help fund and shape the program and partner organizations that help promote the program to their network, and 3) Consumers/the public.

Benefits to Businesses

Creating an easy, enjoyable participant experience which also adds value for the business is key to the program's success. Features of the program that will help ensure this:

- ▶ *One-stop resource* website streamlines access to self-help tools, services, technical and financial assistance from utilities and other local and county programs.
- ▶ *Reduced operating and utility bill costs.*
- ▶ *Enhanced recognition* and rewards for environmental accomplishments, including a consumer-facing directory by industry type or location.
- ▶ *Track performance* over time, allows for benchmarking, and enables comparisons and ability to monitor progress.

It is overwhelming to run a small business. Can you reduce the stress? You have to be an expert on so many different issues. Would this hub make my life easier?

Business focus group participant,
4/16/2015

Benefits to Program Members and Partners

Leveraging member and partner resources to secure economies of scale and reduce duplication or overlap allows us to:

- ▶ *Cost-effectively recruit, assist and recognize businesses* with the power of a regional program brand and a dynamic web portal.

- ▶ *Address all environmental areas*—including waste, water, energy, transportation, pollution, toxics reduction, and green building—through one interface.
- ▶ *Increase accessibility* of services for businesses and building owners of all sizes and types.
- ▶ *Track business actions* and incentives to monitor progress towards environmental goals in their jurisdictions.
- ▶ *Engage more effectively* with property owners/managers, in addition to individual businesses.

“We’ve got to get cleaner, so the time is perfect for something like this. It is just a matter of turning people on to this as a movement. We’re on the right track, you are going in the right direction.”

Business focus group participant,
4/16/2015

Benefits to Consumers

Increasing public visibility and understanding means residents can support businesses which align with their values and see how their communities are making positive environmental contributions by providing:

- ▶ *A trusted source of information* on local business’ environmental efforts.
- ▶ *The ability to search for green businesses* by industry type or location.
- ▶ *Connecting information on business sustainability progress* to their communities.

III. Program Budget + Scope

Budget

A budget was developed through a review of Green Business Recognition Programs in the US (see [Appendix 4](#) and the 2013 National Summit on Green Business Engagement Programs¹); assisting us to determine the level of effort required to establish a regional program, and to agree on the desired scope of such a program. This budget estimates potential tasks and overall costs for the creation and implementation of this program.

Tasks and costs were broken down into three areas, for an initial period of three years:

1. Program Management and Administration
2. Web Platform Development and Support
3. Joint Marketing, Engagement, and Recognition

¹ http://www.abettercity.org/docs/Summit_for_Green_Business_Engagement_Programs_Booklet_2%20May%202013.pdf

Year one of the program will focus on building and a soft launch of the program. This will include forming committees and subcommittees, gathering business stakeholder input, developing a multi-year outreach and marketing plan, purchasing and customizing a web platform, training staff, and moving existing business participants into the new program.

- ▶ Year 1 Proposed Costs: \$270,00

Year two will focus on growing the program through increased marketing and a hard launch to both prospective business participants and the public, as well as recruiting new partners, and refining and building enhanced functionality into web platform including impact reporting.

- ▶ Year 2 Proposed Costs: \$295,000

Year three will focus on business outreach, assistance and certification, enhancing customer service resources, reporting and evaluation of program.

- ▶ Year 3 Proposed Costs: \$295,000

See below for detailed tasks. The details of this Scope of Work will be refined and approved by the Executive Committee following the completion of a Request for Proposals process to hire a contractor to administer the Program; projected to be completed by October 2015.

Preliminary Scope of Work

Task 1 | Program Management and Administration

- | | |
|---------------------------------------------------------------|--------------------------------------------------------------------|
| 1.1 Finalize and update program scope of work for year one | 1.7 Coordinate an annual all-committee meeting |
| 1.2 Solicit business feedback | 1.8 Conduct program monitoring and evaluation |
| 1.3 Recruit and onboard new funding Member agencies | 1.9 Complete program reporting |
| 1.4 Coordinate monthly Steering Committee meetings | 1.10 Manage stakeholder engagement |
| 1.5 Coordinate quarterly Executive Committee meetings | 1.11 Manage program hotline |
| 1.6 Coordinate quarterly Business Advisory Committee meetings | 1.12 Identify potential funding sources and write grants as needed |
| | 1.13 Create, monitor, and manage program related budget |

Task 2 | Web Platform Development and Support

- 2.1 Develop web platform
- 2.2 Upload existing green business program customer data
- 2.3 Create and update green action checklists and resource links
- 2.4 Provide ongoing system administration and maintenance
- 2.5 Develop new features and functionality
- 2.6 Provide ongoing tech support for administrative/business users
- 2.7 Conduct new Member agency training

Task 3 | Joint Marketing, Engagement, and Recognition

- 3.1 Create foundational marketing materials
- 3.2 Create and update participant outreach/recognition materials
- 3.3 Coordinate joint marketing, engagement, and recognition
- 3.4 Coordinate certification and recertification

IV. Funding Strategy

Funding to support program costs comes from a variety of sources, including member contributions and grants. Total annual contributions pledged by the Member organizations are specified in the MOA, [Appendix 2](#). These Members have worked together as a Planning Committee and are signatories on a MOA, for the first three years of program development and implementation.

The funding strategy for subsequent years will be a formula designed to provide equitable funding from each partner. The funding formula for additional Members will be a base fee of \$5,000 plus an additional component that reflects their anticipated benefits. Those benefits will be based on: 1) the relative size of their targeted business community 2) how they plan to utilize the program, and 3) how quickly they can implement those plans.

V. Governance + Administration

Governance

The EnviroStars Regional Green Business Program will be governed by an Executive Committee and a Steering Committee. These committees will be populated by the program Members. A Memorandum of Agreement, Brand Servicemark and Web Platform Licensing Agreements, and a contract for Administrative services will further define and direct participating member roles and responsibilities. Original Members are listed in the MOA and fill the steering committee roles.

In choosing an appropriate governance model, the team used the following criteria as researched in [Appendix 4](#):

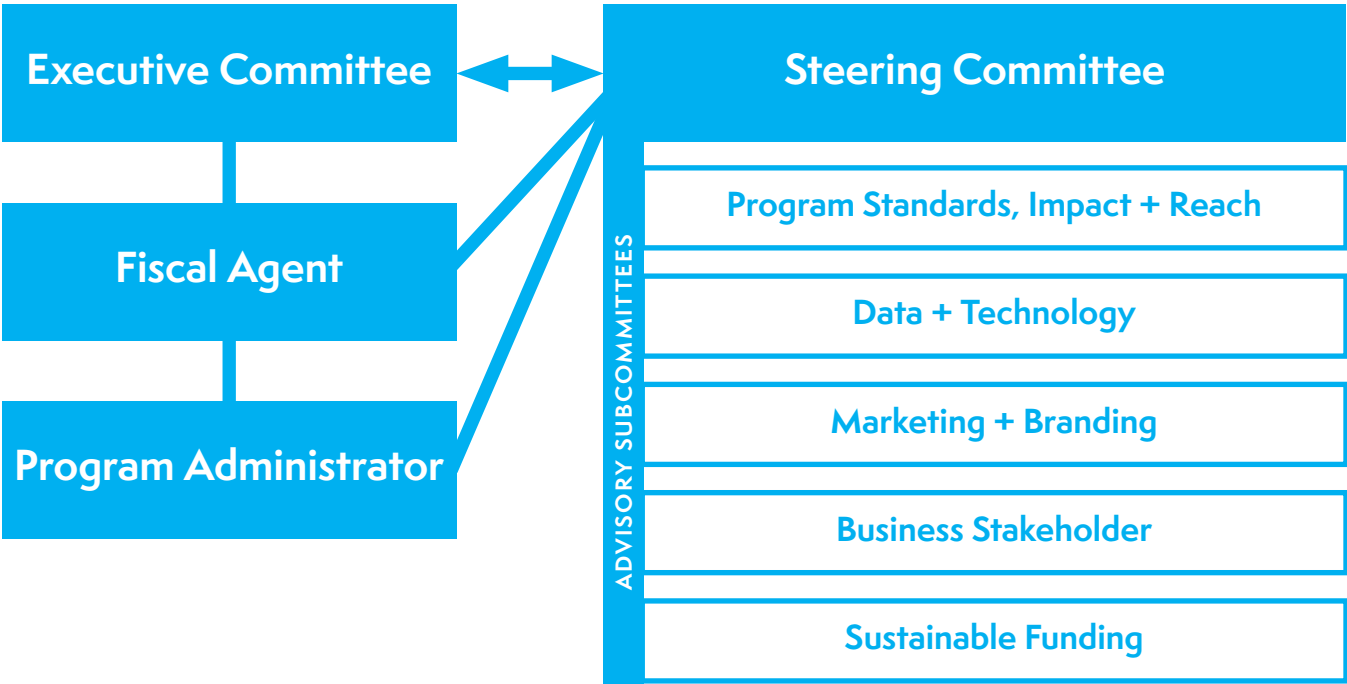
- ▶ **Achieves results** by effectively designing and implementing a program that works with businesses to implement green actions.
- ▶ **Demonstrates accountability** through clear, reliable, and timely reporting and access to program data.
- ▶ **Efficiently shares and leverages resources** to achieve greater outcomes.
- ▶ **Facilitates timely, clear decision making.**
- ▶ **Maintains local control** of individual green business programs by each participating agency.
- ▶ **Recognizes and equitably addresses the need for governance roles and decision making that is proportionate** to the relative size of the financial or in-kind contribution from each Member agency and/or the relative number of business participants in each Member agency's territory.
- ▶ **Creates, implements, and maintains a sustainable source of funding.**

Governance Roles

The EnviroStars Regional Green Business Program will be governed by an Executive Committee and a Steering Committee. A third party contractor will provide administrative oversight, marketing, and website management, business support, and support of the governing committees. For the first three years, the City of Seattle's OED will be the fiscal agent. Figure 1 shows the governance model for the EnviroStars Regional Green Business Program. Note that the Advisory Subcommittees are listed for illustration only; specific subcommittees will be determined by the Steering Committee.

For full details on the structure and operation of committees, refer to the MOA, [Appendix 2](#).

Figure 1: Program Governance Model



Executive Committee

The Executive Committee is a small group that is subset of the Members which focuses on strategic and policy issues. Positions on this committee will be tied to financial contributions so that Members contributing higher levels of funding have proportionately higher levels of input on key management issues. Members must contribute an average of \$15,000 a year for the first three years, and for each year after to be eligible to sit on the committee. Members contributing less than this will be aggregated into a “smaller contribution” caucus that will have one representative on the committee. The committee will have a maximum of eight Members, including the caucus. If there are more eligible Members than spots on the committee, the spots will be filled based on financial contributions and the remaining Members will become part of the caucus. The Executive Committee can include individuals from the Steering Committee as deemed appropriate by each organization.

The committee is responsible for strategic and policy decisions. Those are decisions that concern issues that are broad, system-wide and impact long-term strategy, budget, overall program structure, and future direction and growth. These types of decisions could include: approval of the Scope of Work, and final decision on future funding formulas.

This Committee will be finalized upon full execution of the MOA.

Steering Committee

The Steering Committee is a larger group including all Members which makes tactical and administrative decisions and carries out, or directs, most of the workload. The Steering

Committee will be informed by advisory subcommittees that will research specific issues. The committee will be comprised of at least one representative from each Member. The initial representatives from each Member organization are listed in [Appendix 1](#). Multiple representatives from each Member are allowed and may be considered for consensus decisions; however, only one representative from each will be able to vote, according to the voting formula established in the MOA.

The committee is responsible for decisions that are tactical or administrative in nature. These could include:

- ▶ Determining environmental categories and actions for inclusion in the program
- ▶ Developing annual budget and calculating Member contribution rates;
- ▶ Approving new Members to enter into this Agreement;
- ▶ Defining roles and responsibilities for committee members; nominating committee candidates; ensuring the size, leadership, and composition of the committee meets the stated requirements and goals of the program; reviewing the composition of the committee as a whole periodically, including the balance of independence, industry specialization, technical skills, diversity, geographic representation and other desired qualities.

Advisory Subcommittees

The Steering Committee will create and manage subcommittees tasked with managing or researching specific issues, as needed. Subcommittees can be long-term groups intended for ongoing work (e.g., marketing) or short-term groups created to research a specific topic (e.g., best practices for specific business types).

Membership on the subcommittees will come from the main Steering Committee, but may also include Member representatives that are not on the Steering Committee in order to include desired technical expertise. Duties of the Subcommittees will address core issues in the design and implementation phase of the Program. Subcommittees will meet as needed and will be chaired by a Steering Committee Member.

Below is a summary of five potential initial subcommittees and their suggested responsibilities:

1. Program Standards, Impact, and Reach

- ▶ Determine process for recognition, certification, and renewal.
- ▶ Create initial green action categories and checklists, process for updating checklists, and identifying need for new checklists.
- ▶ Develop process for amending rules and procedures; meet annually or biannually to review program standards and policies as proposed; provide recommendations for standards revisions.

- ▶ Develop training process and materials for program administration staff and partners to qualify and assist potential business participants.
- ▶ Collaborate with other local, national, and international green business certification programs.
- ▶ Outline business participant types or sectors.
- ▶ Determine how to measure success for business participants and program funders; plan for program updates that reflect long-term and short-term benchmarks that indicate successful performance.
- ▶ Conduct and/or contract out program evaluation.
- ▶ Outline the process for reporting to all participants.

2. Data and Technology

- ▶ Determine database ownership, administration, access, and user management protocols.
- ▶ Secure database hosting.
- ▶ Organize data gathering from participating agencies (GIS layers for service territories, account data, etc.) and data import/export plan.
- ▶ Manage database users and troubleshoot issues.
- ▶ Plan and manage regular database updates.
- ▶ Assist in platform customization and functionality.

3. Marketing and Branding

- ▶ Create guidelines for use of logo and promotional materials.
- ▶ Create joint program marketing plan; organize and track marketing initiatives regionally or statewide.
- ▶ Set annual goals for number or type of business participants.
- ▶ Produce marketing and collateral materials and update as needed.
- ▶ Organize recognition events or workshops.
- ▶ Participate in industry trade shows and events.
- ▶ Establish and maintain partnerships to help ensure broad marketing of the program.
- ▶ Transition EnviroStars website and hotline content.

4. Business Stakeholder

- ▶ Provide input regarding minimum best practices criteria, and tiers for recognition
- ▶ Advise the Steering Committee on web portal design features based on their business experience and usability testing
- ▶ Participate in review and feedback on outreach and marketing campaigns
- ▶ Participate in launch activities and promotions

5. Sustainable Funding and Membership

- ▶ Develop budgets for specific initiatives.
- ▶ Identify potential funding sources and write grants as needed.
- ▶ Develop criteria and process for adding and removing funding agencies and partners.
- ▶ Determine goals and tactics for recruiting new Members and new business participants
- ▶ Collect, organize, manage, track, allocate, and report on program funding and expenditures—including any specific outcome reporting needed for grants or other funding sources.

Program Administrator

A Program Administrator will be hired to perform three primary functions: 1) program management and administration, 2) web platform development and user support, and 3) marketing, engagement, and recognition. The Program Administrator will receive strategic direction from the Executive Committee and tactical direction from Steering Committee, as informed by Subcommittee work where relevant.

The Program Administrator will be hired through a Request for Proposals (RFP), which will be conducted by Seattle's Office of Economic Development (OED). The associated scope of work will be approved by the Executive Committee. The scope of work will be reviewed and updated annually, again with documented agreement by the Steering and Executive Committee.

Fiscal Agent

OED will act as the fiscal agent for the initial three years of the MOA. For further details on the fiscal agent, refer to page 6 of the MOA, [Appendix 2](#).

VI. Brand and Scope of Recognition

EnviroStars Brand

The umbrella brand selected is EnviroStars, which is under Trademark to King County on behalf of the Local Hazardous Waste Management Program (LHWMP) and has been approved for use regionally. This choice was made based on the following qualifications:

- ▶ *Well-respected*, well-known program and already established in seven counties in Washington State
- ▶ Encompasses a wide *range of green business behaviors*
- ▶ Has strong *brand equity* among consumers and the business community
- ▶ Offers the most *cost-effective* approach, as it will require less resource and time to launch than creating a new identity and building awareness from scratch.



The regional program will operate under a licensing agreement with King County on behalf of LHWMP, governing use of the EnviroStars brand and logo. The program will develop the brand and co-brand guidelines that build on the existing EnviroStars Brand with a “refresh/modernizing” of the logo. As part of this agreement, LHWMP seeks consideration of the 20 year investment in the brand to date as part of the future funding formula.

Business Recognition

The program will have a recognition component for participating businesses with a verification element. The program will offer a tiered recognition/certification structure to be determined by the Steering Committee based on recommendations from relevant Subcommittees.

The program will require businesses to renew their participation on a periodic schedule. The renewal component will offer the program credibility and integrity. It will hold participants accountable, and encourages them to continue taking actions and improving upon their environmental commitment.

To identify the scope of recognition, key questions considered included:

- ▶ the *attractiveness* of various types of recognition to participating businesses
- ▶ *applicability* to businesses of different sizes and sectors
- ▶ *budget and time implications* of certification and other engagement strategies

A list of successful recognition and certification programs both locally/regionally and nationally were reviewed in addition to analyzing potential types of recognition programs, including recognition only, recognition with a verification component, and recognition with certification layers.

VII. Marketing + Engagement Strategy

The regional program aims to reduce business confusion and to more efficiently and effectively reach businesses through joint marketing of existing green business programs and incentives. Currently, each program partner markets their own services in various ways. The regional program will develop centralized marketing strategies that will support the program overall, and joint marketing strategies that can be utilized by the program partners in various ways. A coordinated outreach plan and dedicated point of contact will serve business people who are less computer or internet savvy, and reach out to historically-underrepresented business owners.

“If people think they are spending their dollars at a company that aligns with their values, we’re going to keep those customers for life. That’s one of the beauties of the EnviroStars Program.”

Jim Hannah, Director of Environmental Affairs, Starbucks

An initial list of ten effective marketing strategies was prepared for consideration by the regional group. These strategies were prioritized to help determine a 3-year budget. In addition, strategies to transition and engage green business participants in existing programs will be an important component.

Outreach and engagement strategies are critical for a recognition program to grow in size, maintain businesses participation, build its brand awareness and credibility, and create desired environmental outcomes. Potential engagement strategies include awards, such as public and media recognition, for businesses that meet established criteria or through periodic “challenge” campaigns, allowing for focus on priority geographic areas, business sectors, or environmental issues. Transparent reporting of accomplishments will keep progress fresh for media interest and in the public eye.

VIII. Web Platform

The backbone of the EnviroStars regional program is a one-stop-shop online resource of best practices, and a customized service referral system, based on the California Green Business Network (CAGBN) model. Businesses will access the web portal, input basic information about their business, and receive a tailored menu of green actions. Services such as technical assistance, rebates, and recognition will be available from participating government and private/non-profit partners, and through a public-facing directory on the website. A set of minimum criteria will be required for recognition, but not to access best practices information and help with actions. Key platform attributes considered include the ability to support the program's recognition elements and the purchasing and ongoing costs for the platform.

“ We wanted to be green in the beginning but we didn't know where to start. The reason we're becoming a greener company is because it's good for our bottom line. ”

Dustin Madden, Plantscapes

In support of this need, various web platforms were researched to meet the desired attributes, feasibility and cost for developing a custom web-based database or application for the program based on requested features. This involved contacting several web developers to outline requested features and functionality, determine feasibility and timeline, and prepare a cost estimate.

Our research concluded that, the California Green Business Network (CAGBN) platform meets the highest number of desired attributes and at the most reasonable price. CAGBN currently works with 23 agencies in California and selected a web designer, Pier2 through a competitive bid process.

The Program Planning group is collaborating with the Western Sustainability and Pollution Prevention Network (WSPPN), the California Green Business Network (CAGBN) and the Pollution Prevention Resource Exchange (P2Rx), on an EPA FY 2015 Tier 1, Phase 2 National Environmental Information Exchange Network (NEIN) grant, which will be awarded in October 2015. With the grant, our program will work with CAGBN to customize the existing baseline platform to meet our needs and interests.

A full comparison chart of platforms reviewed can be found in the research summary, [Appendix 4](#).

IX. Performance Metrics + Program Evaluation

In the first six months, the program will determine desired impacts and associated measures to reflect progress and accomplishments. The subcommittees will tailor the California Green Business Program platform metrics in order to represent aggregated data and impacts. Data accuracy is important to the program's success, and a variety of reporting methods will be considered. These metrics can be reported by City/Agency, by business sector and size, and/or environmental impact, and summarized to share with businesses and the public. In addition, the program will evaluate efficiencies for Members.

“We would like to see others make similar behavioral choices, so that the benefits from our actions can multiply. That's how I feel the EnviroStars program makes a difference... getting others involved.”

Dr. Daniel Varadi, DDS (Renton)

Figure 2, below, is an example of how California currently shares data with the public, reporting savings based on formulas built into and calculated by the software tool.

Figure 2: Example of public-facing accomplishments from CAGBN



Appendix 1

Program Planning Committee Representatives + Affiliations

City of Bellevue

- ▶ Paul Andersson
- ▶ Jennifer Goodhart

Cascadia Consulting

- ▶ Stephanie Thomas

City of Kirkland Public Works (Solid Waste)

- ▶ John MacGillivray
- ▶ Jenna Higgins
- ▶ Tracy Durnell

Local Hazardous Waste Management Program in King County: EnviroStars

- ▶ Laurel Tomchick

Puget Sound Energy

- ▶ Mark Kammerer

Seattle City Light (SCL)

- ▶ Margo Dannemiller
- ▶ Hillary Colloff

City of Seattle Office of Economic Development (OED)

- ▶ Stephanie Gowing
- ▶ Charlie Cunniff

City of Seattle Office of Sustainability and the Environment (OSE)

- ▶ Nicole Ballinger

Seattle Public Utilities (SPU - Solid Waste, Water, Drainage and Wastewater)

- ▶ Phil Paschke
- ▶ Kelly ORourke
- ▶ Ellen Stewart
- ▶ Arece Hampton

Snohomish County

- ▶ Lisa Dulude

Snohomish County PUD

- ▶ John Petosa
- ▶ Suzy Oversvee
- ▶ Doug Dickson

Appendix 2

Memorandum of Understanding

Appendix 3

Evaluation and Market Research

Agency Evaluations

In 2013, representatives from the City of Bellevue, the City of Kirkland, the City of Seattle and the King County Local Hazardous Waste Management Program's (LHWMP's) EnviroStars program came together to discuss integrating their business environmental outreach and assistance programs into a region-wide engagement program. Though this effort has been initiated in the Puget Sound region, the program has the capacity to scale to the entire state, replicating successful programs elsewhere, such as the California Green Business Program.

Each member of this stakeholder group has recently explored ways to take their business engagement efforts to the next level:

- ▶ In January 2014, the City of Kirkland completed an audit of their Green Business Program to identify areas for improvement and growth. Three overarching suggestions resulted from the audit: join a regional program, attract new customers for participating businesses, and refresh and recertify the current 96 participating businesses.
- ▶ City of Bellevue, which manages the Eastside Sustainable Business Alliance and ran the 2012 Eastside Green Business Challenge, has engaged more than 100 businesses across multiple eastside cities in measurable resource conservation actions. From these experiences comes firsthand recognition that involvement across even broader regions would result in greater exposure for businesses and their brands, provide greater incentive for participation, and improve the environmental metrics of success.
- ▶ In 2011, the Seattle City Council issued a Statement of Legislative Intent, directing the City's Office of Economic Development (OED) to "coordinate, integrate and improve business access to the array of City environmental sustainability services." As a first step, the City of Seattle's Office of Economic Development conducted a comprehensive review of City-sponsored environmental programs conducting outreach to businesses. The report identified more than 30 City programs that reached businesses on environmental issues and identified more than 40 others available regionally. It recommended efforts to integrate them, based on feedback from the business community, including creating a single web portal.
- ▶ Finally, the EnviroStars program, which serves seven counties across the state, and currently has over 800 certified businesses, will be celebrating its 20th anniversary in 2015 and is evaluating new ways to expand and improve its value to the business

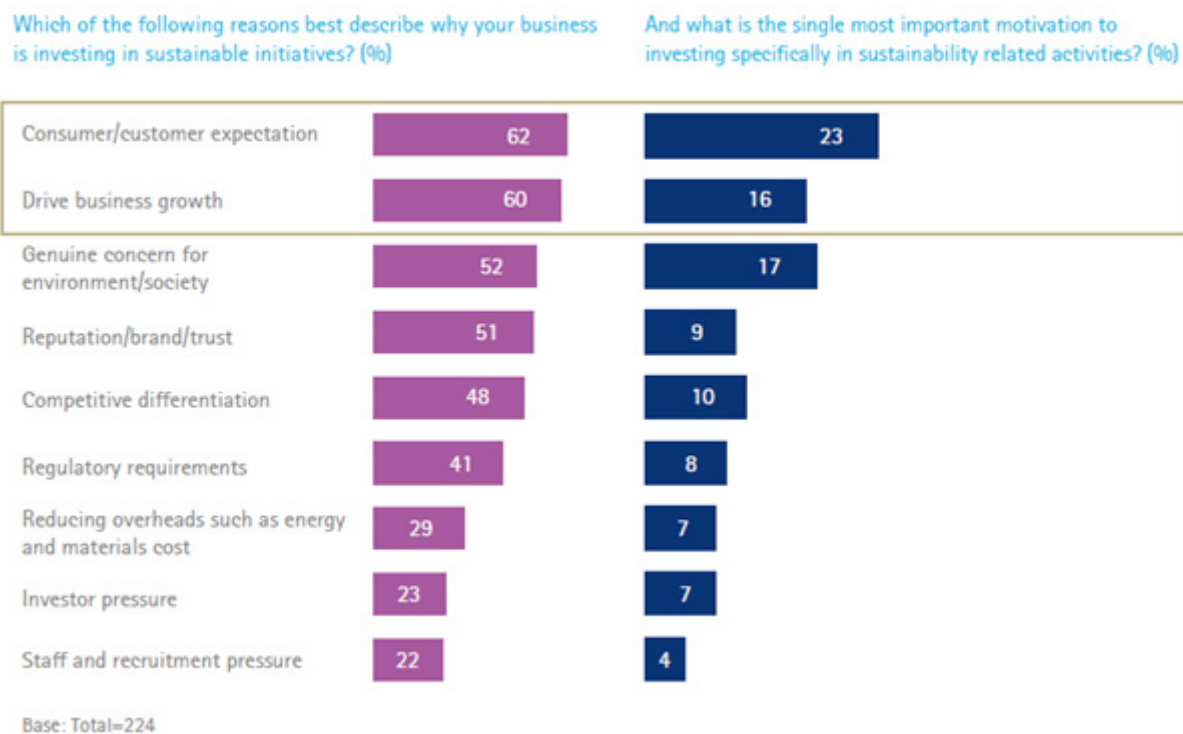
community. In addition, a Toxics Reduction Advisory Committee convened by the Washington Department of Ecology, as directed by the State Legislature in 2008, specifically recommended (Recommendation 1-9) “Implement a statewide incentive-based certification/recognition program based on the regional EnviroStars program.” EnviroStars is a showcase program for the improved brand recognition and increasing impact that come with serving wider territories.

The group agreed that by pooling and leveraging resources and expertise, there is an exciting opportunity to more effectively reach and serve their communities’ businesses and buildings. In turn, the businesses will see more value and return on their sustainability initiatives, and will receive more coordinated assistance to help them reach their goals. Furthermore, it will create measurable impacts contributing to our common agency goals/mandates related to climate change, pollution prevention, and sustainable communities. All these factors are converging to make a strong case for launching this program in 2015.

Market Research: Business and Consumer Surveys

According to a 2012 global survey of business executives conducted by Accenture, the primary driver for businesses to invest in sustainability initiatives is consumer demand and customer expectation [5]. In previous, similar surveys, compliance with regulations and overhead and utility cost considerations were given as primary motivators. Today’s businesses seek out channels to communicate their green actions and commitment to their customers. Consumer-facing participant recognition opportunities will be an important component to help attract business participants.

Figure 1. Primary drivers for businesses to invest in sustainability initiatives



In the business survey mentioned above, 78 percent of respondents agreed with the statement that sustainability is critical to the growth of their business, and driving business growth was the second most common driver listed for investing in sustainability initiatives.

Additional web-based research conducted for this task confirmed that businesses who achieve well-known environmental certification, such as Leadership in Energy and Environmental Design (LEED), have been able to demonstrate positive impacts on their business. A recent study by the Cornell University School of Hotel Administration found that hotels that achieved LEED certification had significant increases in average revenue per room and average daily occupancy [6]. LEED certified hotels were compared with a competitive set of non-certified hotels. “The hotel industry has embraced environmental sustainability and several hotels have registered for or earned ‘green’ certification under the LEED program,” said Rohit Verma, professor at Cornell’s School of Hotel Administration. “The question was whether there is also a revenue benefit from LEED. We found that the answer is, absolutely yes.” [7]

The scope of work for this task did not include new surveys of business attitudes towards different certification models or barriers and benefits to green business program participation. However, Cascadia did reference recent surveys of regional businesses conducted at three local business events, the GoGreen Seattle Green Business Conference in April 2014, the 2014 City of Seattle Reverse Vendor Trade Show in July 2014, and the Food Services of America Show in October 2014 which included questions on preferred models and benefits and barriers to participation.

The majority of survey respondents (63%) listed lack of awareness of existing programs as the top barrier to participation in green business programs. A successful green business program needs to invest in recognition activities aimed at potential participants to increase program awareness.

When asked whether their business or organization would be interested in a new integrated regional or statewide green business recognition program, a certification program, a program with both recognition and certification or neither, the majority (58%) chose a program with both recognition and certification.

City of Kirkland

In spring 2014, 178 Kirkland businesses participated in a survey about green business programs. Responding businesses reported they’d be most likely to use web-based information services (65%), printed information (48%), written step-by-step instructions (42%), and case studies of other businesses implementing green actions (39%).

Recognition by a green business program that would most motivate businesses to participate included having their business listed in the City’s website (53%), a printed advertisement (50%), the City’s produced publications (47%), and the City’s social media (42%).

ENVIROSTARS/Local Hazardous Waste Management Program

2015 EnviroStars Focus Groups:

Conducted 3 business focus groups regarding regional green business program concept and key features. Twenty one businesses participated.

As a whole, businesses appeared to believe that environmental issues were important and they would be motivated to adopt green business practices if barriers such as lack of resources and confusing information did not get in the way. Many of the barriers mentioned by participants could potentially be overcome with the creation of a coordinated regional green business program. The following are key observations for moving forward.

Observation 1: The regional green business program needs to be recognized by consumers.

Businesses indicated that one of the major-value added pieces of an environmental certification was the use of that information in advertising and marketing. If consumers do not recognize and search for the EnviroStars brand, then it is unlikely that businesses will see much increase in customers/clients.

Observation 2: The web portal must be professionally designed and user friendly.

In order for the web portal to be successful, it must be easy to use. Businesses were quick to point out the flaws in the websites provided as examples during the discussion. In order to draw businesses in, the web portal needs to be of a high quality.

Observation 3: The regional green businesses program should increase coordination between agencies.

One of the biggest barriers for businesses was a perception that there is a lack of coordination between agencies and organizations that regulate and promote green practices. A regional green business program creates an opportunity to look at coordination between agencies.

Observation 4: The regional green business program should not be an added layer of bureaucracy.

A fear of businesses was that the regional green business program would simply be another level of bureaucracy. In order to be successful, the regional program needs to be value added and not simply a place with hoops to jump through or a library of siloed information.

Observation 5: The regional green business program needs to keep up the reputation of the EnviroStars brand.

Given that EnviroStars is an existing brand with a strong, positive reputation, it is necessary that the regional green business program keep the brand's reputation in-tact. There are several environmental-type certifications out there and it is easy for businesses to say they are following green business practices, even if they are not. The EnviroStars brand must continue to be seen as something legitimate and of high quality for it to have meaning to businesses and consumers.

2014 Local Hazardous Waste Management Program, Voice of Customer survey:

Telephone survey of 600 businesses (included EnviroStars certified businesses, businesses visited by our Business Field Services, in the past 5 years, and businesses that represent potential clients with no contact yet from our program)

Please indicate how much concern your business has for the following issues: Following good environmental or green business practices

	High Concern	Medium Concern	Low Concern
EnviroStars	88%	6%	6%
Visited Businesses	74%	19%	8%
Potential Businesses	78%	15%	7%

Think about the most recent change your business made regarding waste reduction or pollution prevention. What was the greatest motivator for that change?

	New Knowledge	Regulatory Change	Industry Trend	Financial Incentive
EnviroStars	33%	17%	13%	12%
Visited Businesses	30%	17%	10%	13%
Potential Businesses	33%	17%	13%	12%

How likely is your business to use following services?: A certification program that recognized your business as being environmentally responsible

	Very Likely	Somewhat Likely	Not Likely	Don't Know
EnviroStars	74%	14%	7%	4%
Visited Businesses	41%	29%	22%	8%
Potential Businesses	45%	33%	17%	7%

Key findings as related to a regional green business program through overall Voice of Business Customer (VoBC) work

- ▶ Certification/recognition was seen as a useful tool especially for businesses with public facing customers
 - ▶ 45% of visited and potential businesses would be very likely to use a certification program that recognized the business for being environmentally responsible
 - ▶ 55% of visited and potential businesses were very likely to use web technology

Key findings from regional EnviroStars concept focus groups

- ▶ EnviroStars business were very receptive to concept
 - ▶ Want a single place to get information

- ▶ Feel it is a natural evolution of the program
- ▶ Felt it would boost visibility of program
- ▶ Non-EnviroStars businesses were interested in the concept
 - ▶ Think environmental issues were important
 - ▶ Many factors make it difficult to follow green business practices
 - ▶ Felt that coordination would make it easier
- ▶ Business hesitations/recommendations to a regional green business program
 - ▶ It would be most useful and influential if it was highly recognized by consumers
 - ▶ The implementation and promotion must be of a high quality
 - ▶ It cannot be an added layer of bureaucracy

2012 EnviroStars consumer survey (1000 phone/online surveys):

- ▶ Awareness of EnviroStars has remained steady: 15% of King County/17% of Seattle residents say they have heard of EnviroStars, and 14% say they have seen the EnviroStars logo – similar to previous years.
- ▶ The program is important: Even in these tough budget times, 63% agree that EnviroStars is a good use of tax dollars after hearing a short description.
- ▶ While cost, convenience and quality are primary – many are interested in using green businesses. A majority think that green certification is important when choosing a business and two-thirds are likely to look for an EnviroStars business after hearing a description of the program.

2011 Business Survey conducted for EnviroStars and Ecology by EMC Research (300 interviews)

- ▶ 38% of businesses surveyed have heard of EnviroStars. It is slightly higher (41%) among targeted industries –automotive, dry cleaners, landscaping, dental and vet
- ▶ 10% of businesses self -identify as already EnviroStars certified and think it is valuable for their business.
- ▶ The survey identifies 34% of businesses as a likely target audience for certification. This group thinks: -It's the right thing to do; -It would be good for marketing new customers
- ▶ Businesses are generally online and are also reachable through trade publications

Washington Department of ECOLOGY

The goals and mission of the State's Beyond Waste Plan reflect the needs and interests being addressed by the EnviroStars expansion proposal.

2014 Ecology Beyond Waste Plan update

- ▶ Safe products, buildings, and services are designed for human, economic, and environmental health and are readily available. Products, buildings, and services are designed to minimize hazardous materials throughout their life cycles and green chemistry is the norm. Most toxic threats to human health and the environment from hazardous materials have been eliminated. Consumer demand for effective, environmentally preferable products, buildings, and services is widespread
- ▶ State regulations and infrastructure support the reduction and eventual elimination of waste and toxics. Local waste management plans and pollution prevention plans focus on sustainable materials management and toxics reduction
- ▶ Washington businesses thrive and provide sustainable jobs. Businesses prosper in the domestic and global marketplace as they eliminate waste and hazardous materials from products and services, replacing them with safer materials. Consumer confidence increases, while risk and liability to consumers, waste-management workers, and others decreases.
- ▶ State and local government measurement systems for waste and toxics have improved. Data gaps have been identified, their significance determined, and important gaps have been filled. Existing data collection has been strengthened and provides useful information for stakeholders. Data are used to direct programs and priorities.
- ▶ Greenhouse gas emissions have decreased due in part to wiser management of material resources. Reduced consumption and increased reuse and recycling of resources are recognized as key means to conserve energy use and reduce associated greenhouse gas emissions.

GOAL 3: The Local Source Control (LSC) program, and other small business hazardous waste and stormwater pollution technical assistance programs, will be expanded and fewer environmental issues will be found at facilities visited by staff. (System-wide)

- a) Action: Align local source control and other small business technical assistance efforts with Ecology's toxics reduction strategy and chemical priorities.
- b) Action: Expand coordination and collaboration between entities providing assistance and services to small businesses to ensure effective and efficient use of resources.
- c) Action: Request additional legislative funding for Local Source Control so interested local entities can sustain or increase small business technical assistance visits in urban areas and priority watersheds.

2008 Toxics Reduction Advisory Committee Findings and Recommendations

In March 2008, the Washington State Legislature directed the Department of Ecology to convene a stakeholder advisory committee to develop recommendations on four tasks related to pollution prevention (P2) plans and fees, and toxics use reduction.

- ▶ Recommendation 1-9 (pg 15): Implement a statewide incentive-based certification/recognition program based on the regional EnviroStars program. <https://fortress.wa.gov/ecy/publications/publications/0804029.pdf>

Appendix 4

Research Summary

