

Leadership

Sustainability: Don't Even Wait For The Rest Of Management

Saj-nicole Joni, 05.29.09, 05:00 PM EDT

An interview with Mark Tercek, CEO of the Nature Conservancy.



Mark Tercek



commentary

Many of the most creative, high-impact sustainability projects around were started by smart business leaders in the middle of their organizations. If you want to do your part, you don't have to wait for the whole executive suite or the board to come around. So says Mark Tercek, president and chief executive officer of the Nature Conservancy, the oldest and biggest international environmental organization.

I sat down with Tercek recently to discuss the practicalities of pursuing sustainability in a difficult business environment. He became CEO of the Conservancy nine months ago. Before that he was a top leader at **Goldman Sachs** ([GS - news - people](#)), so he has a businessperson's penchant for getting things done—which fits well with the culture and history of the Nature Conservancy.

Forbes.com:What is the starting point for leaders in business who want to do their part to ensure a sustainable environment?

Mark Tercek: Leaders need to think about sustainability as smart for business now as well as in the future. We need to stop looking at the environment as something we have to protect from humans, and begin thinking about our ecosystems as service systems. When we use those services—for example, clean water—we have to pay for and care for them in appropriate ways.

I've found that for many of the top leaders I work with, going green has moved from a display of social responsibility to something much more fundamental. The drivers of environmental action are in the executive suites and boardrooms now. Your organization has been at the center of helping leaders make that shift.

Yes, a significant part of our mission is to partner with leaders everywhere to help them make decisions that are smart for both the environment and business, and today we operate in all 50 states and in 35 countries. We have found three fundamental drivers of action that all leaders relate to:

First, reducing costs. One of the oldest and perhaps most famous examples is the 3P program at **3M** ([MMM - news - people](#)), "Pollution Prevention Pays." In that sustainability program, which has been going on for 30 years, cost control is the primary driver.

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Second, managing risks. We're working with China on its Three Gorges Dam project. As you know, that's the biggest hydroelectric project in the world. It has two aims: flood control and hydroelectric power. Those aims are in conflict. If you want to maximize hydropower, you fill up the reservoir behind the dam. If you want to maximize flood control, you don't fill the reservoir, so you'll have capacity to absorb flood waters. Because they're going to fill it, we're working with them to restore wetlands throughout the region. The wetlands will provide flood control, the way nature has done it for millions of years, and the increased revenue from the hydroelectric power will be enough to pay for the restoration. It's a classic win-win situation.

Third, securing long-term access to the resources and communities you need. For example, water supply. Whether you have an ethanol refinery in Indiana or a bottling plant in India, the impact of new production facilities on local drinking water supplies is a major issue for you. How you approach the issue will materially affect your bottom line.

You make it sound simple, but having a meaningful positive effect on the environment is very complicated. I sense that people feel a pent-up desire to address these needs but don't think they can make a big difference, especially now, with the economy in recession. What can you say to leaders who stand alone on sustainability or aren't at the top?

Many of our highest-impact projects started with one take-charge manager. For example, in the city of Quito, Ecuador, the biggest users of water are the brewery industry and ordinary people. The watershed is upstream, and there's a condor reserve there with great biodiversity. To guarantee Quito a sufficient supply of clean water, there was discussion of building a big filtration plant. One manager said, "Instead of building the plant, let's create a fund where the industrial users of water downstream pay for the protection of the watershed upstream."

We talked everybody into doing it, and it has been an enormous success. The fund continues to grow every year. Now we've rolled the program out so that we have a dozen of these water funds across Latin America—in Brazil, in Colombia, in Bolivia, in Peru. A project that began with one person in middle management and one watershed will help literally millions of people and watersheds all over the world.

Most of the CEOs I work with are very aware of their roles as stewards of the environment. At the same time, they're having to make very tough economic choices at the moment. How can they find ways to pursue sustainability projects that are really affordable right now?

Many mid-level executives we work with start by developing environmental performance objectives with positive net present values and bottom lines. Beyond that, there are several ways to build success: First, always consider the whole-life-cycle impact of products. Second, push your suppliers to be better environmental stewards themselves, in ways that bring better economics into your supply chain. Third, develop new products that will help your customers meet their own environmental needs. Projects that do those things will get attention and results.

Our environmental issues won't wait while the economy slowly improves, and we know how to roll out sustainability projects that boost the bottom line. Isn't it up to all of us to rebuild economic viability and create environmental sustainability all at once?

Exactly. The environmental crisis is real, urgent and global. The good news is that we can address both sustainability and economics at the same time.

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