

Cost Savings From Environmental Management Systems (Newsletter)*

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Every company with a dozen or more employees can gain many benefits from having--and using--an environmental management system (EMS) tailored to their specific needs. The EMS does not require ISO 14001 certification to provide direct and indirect benefits.

Several factors influence a company's decision to implement their EMS:

- They are required to comply with environmental laws and regulations.
- They desire to improve their environmental performance.
- They have a significant liability in their environmental affairs.
- They lack the time and resources to effectively manage their environmental affairs.
- The relationships between their environmental and other business goals are not well defined.

A custom-tailored EMS makes sound business sense by identifying causes of environmental issues and eliminating them. This saves the company direct, indirect, and opportunity costs. Consider: is it better (and cheaper) to do things right the first time, or to fix them later? Is it less expensive to prevent a spill or to clean it up after it occurs? Is it more cost effective to prevent pollution or to address it later, perhaps defending a law suit? An EMS is also an investment in the long-term viability of the company, particularly with today's focus on sustainability and corporate social responsibility by investors, lenders, and the public.

Important benefits of creating and implementing an EMS include:

- Improved environmental performance which increases productivity and profitability.
- Reduced legal liability.

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- Competitive advantage in seeking financing.
 - Improved permit compliance.
 - Reduced costs; e.g., no fines or remedial actions.
 - Fewer accidents such as spills and releases.
 - Employee involvement through increased knowledge.
 - Improved public image.
 - More favorable credit terms; attract investors; facilitate sale of business or project.

Much of what is needed for an EMS may already exist in the company. A tailored EMS includes elements common to managing many organizational processes such as quality, health and safety, finance, and human resources. A company might already have many EMS processes in place because these processes were designed and implemented for other purposes. Integrating environmental management with other key organizational processes can improve financial, quality, and environmental performance. This eliminates avoidable costs and increases profits.

A custom-tailored EMS helps make regulatory permit compliance more consistent and effective. It does not result in more or less stringent legal compliance obligations, but it improves efforts to comply with legal obligations. This may lead to more flexible, less onerous, or less costly compliance requirements.

One of the largest indirect cost savings of having a functioning EMS is its value in training and guiding environmental managers. Having an inexperienced or inadequately trained manager, or a highly trained one who has no immediate complete reference to the company's environmental policies and practices, costs the company (or project) in lost time, inefficiencies, and increased likelihood of compliance violations. When an environmental manager retires or leaves the company, having an established EMS facilitates searches for a qualified replacement and guides interviews and selections. The company also gains a new manager who hits the ground running with all the information he or she needs to be effective and productive.

Having and using an EMS tailored for specific needs is an investment in the future. The return on this investment can continue providing benefits for the life of the company. Not many investments made by a company have such a high return.

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