

## **Greening SMEs in the United Kingdom: Partnerships, Alliances and Support Networks**

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### **Introduction**

As Hutchinson & Hutchinson (1997) note the last decade has seen a fundamental shift in the way that industry views the environmental debate. This has been coupled with a increased appreciation of the ecological systems that govern our planet's life and increased public understanding and concern. An array of environmental legislation has been passed and environmental based policies have been formulated from a local to international scale. Big business, i.e. the multinationals and large corporations, have responded, to a greater or lesser extent, by incorporating environmental issues into their corporate strategy, reducing their emissions and wastes, redesigning or re-engineering their products and undertaking environmental audits. However as evidence presented below shows the UK industrial base, as with all other nations, primarily consists of small and medium sized organisations (SME's). Attention is now turning towards including these smaller organisations in the 'greening' process that is increasingly affecting businesses. The involvement of SMEs is also vitally important in achieving the national environmental targets that have been set, such as waste and CFC reduction.

As this paper demonstrates SMEs face a number of conflicting forces inhibiting environmental change and as a number of authors demonstrate (Hutchinson, 1997; Murphy & Bendell, 1997; Hooper *et al*, 1998) a range of business initiatives and projects have been developed to assist SMEs in the greening process.

This paper seeks to discuss the environmental business support services within the UK that are seeking to facilitate the greening of SMEs. The paper has five specific objectives. Firstly, it aims to outline some of the key issues surrounding the greening of SMEs. Secondly, it outlines the agents of change and the role of facilitators within the greening process, utilising examples of environmental business support services within the UK. Thirdly, the paper will comment on the effectiveness of these environmental business support services. Fourthly, a case study of the Centre for Environment and Safety Management for Business will be presented. Finally the paper will pose a series of recommendations for improving the targeting and utilising of SME environmental business support services.

### **Greening SMEs**

Research suggests that SMEs represent 93% of the current industrial and commercial infrastructure of the UK (Ghobadian and Gallear, 1996), with a marked proliferation evident over the last twenty years (Smallbone *et al*, 1993). Recent figures quoted in the Groundwork Report (1998) suggests small firms, with 9 employees or less, make up 99.8% of businesses in the UK. There are 26,000 firms with 50 - 249 employees

and 7,000 with 250 employees more. However despite this "among the mass of smaller companies, the environment is not on the agenda at all" (Bansal and Howard, 1997). Thus the issue is how SMEs can be persuaded, encouraged or forced into changing their business operations to take account of environmental issues.

However it should be pointed out that there is some debate as how far SMEs are able to take environmental issues on board and whether there is a cut off point at which current environmental management tools are appropriate (James *et al*, 1998). SMEs cannot be viewed as 'small large organisations' and techniques developed or tested in larger organisations may not be suitable for the small sized companies (Palmer & van der Vorst, 1997).

Awareness of the threats and opportunities for business presented by the environment and pressure to change has initially occurred in the main in larger firms. In fact many of the environmental management tools and techniques developed have their origins in large firm research and pilot studies (Palmer & van der Vorst, 1996; James *et al*, 1998). It cannot be denied smaller firms are not incorporating environmental issues into their businesses in the way that the larger firms have. Groundwork's 1995 report on small firms encapsulates this

*'A typical SME is ill-informed and unwilling to take action unless threatened by strong external forces such as prosecution or customer demand. Worse still many foresee no threats or advantages to their companies from the environment'* (Groundwork, 1995)

The Institute of Directors 1994 survey of business opinions on the environment found that the smallest companies spent the least time on environmental issues, with 51% of respondents from companies with 20 or less staff spending no time on environmental issues, whilst only 23% of companies with 200 or more did not address environmental issues at the board level (IoD, 1994)

A recent survey by Elliott *et al* (1996) of East Midlands SMEs suggests that only 12% of the 380 firms sampled had carried out any form of environmental review, and that this 12% were drawn almost exclusively from respondents over 100 employees in size. The study also identified that the particular sector may have a significant influence, in that energy and minerals mining firms, perceived 'dirty' industries, tended to be more likely to have undertaken an environmental review.

As James *et al* (1998) note they are significant differences in the character of large and small companies. The lack of resources, time and capital of SMEs and perceived irrelevance of environmental issues leads to greater inaction in SMEs. Larger firms have to capital to employ external consultants, or may even have an in-house expertise in environmental matters.

Information gathering in small firms compared to larger counterparts differs. Smaller firms tend to lack management information systems, to concentrate information gathering with one or two key personnel rather than sharing scanning activities amongst a range of top executives and have lower levels of resource availability for information gathering (James *et al*, 1998).

Anthony and Shane (1994) in a survey of 66 SME's in Enfield, Essex and Hertfordshire<sup>1</sup> found that 21% of SME's had acquired no information on the environment and a further 28% had no consistent source of information. The remaining firms received their environmental information from government organisations, literature and in-house expertise. Of the information received, the average communicated to management and other employees was between 11 - 25%. As illustrated in Fig. 1 size of firm appears to play a key role in differences in acquired environmental information.

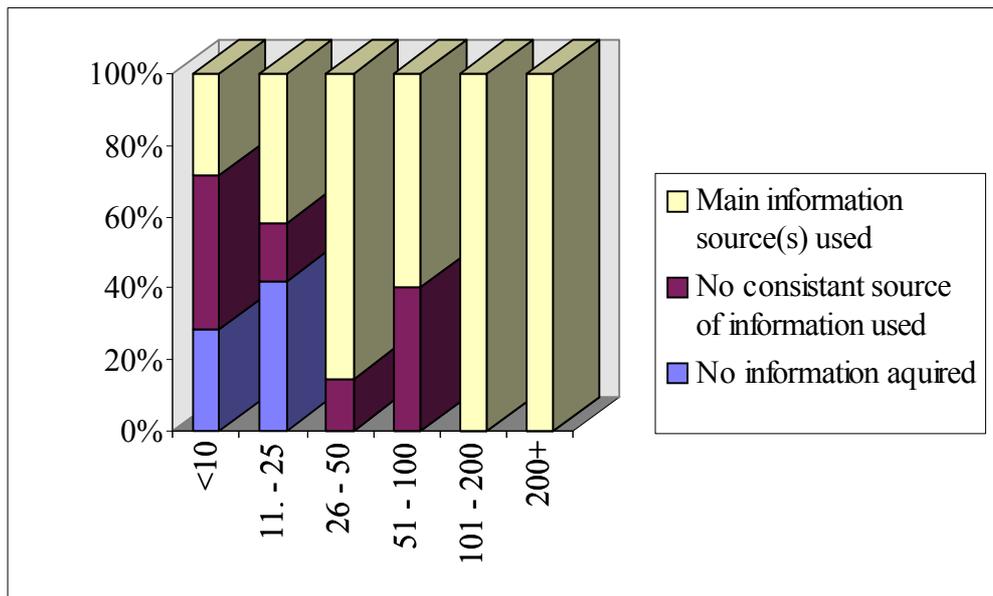


Figure 1: Relationship between size of firm and level of use of environmental information acquisition (source: Anthony & Shane, 1994) n = 66

SMEs face a paradoxical situation: to a certain extent they face a dearth of information for their specific requirements yet on the other hand they also face information overload. In recent years a plethora of handbooks, guides and workbooks have been developed to assist businesses in greening up. A recent US handbook specifically targeted at SMEs aimed at the development of an environmental management system is 150 pages long (Cooney & Stapleton, 1997). This guidebook, and many of its UK counterparts of this length, maybe too long for an average SME manager to usefully and quickly assimilate into business practice. Yet, if this material is too brief it maybe too generic to be of use. Many of these guidebooks and manuals are designed to be accessible to a wide audience, even though they might focus on a specific topic such as environmental management systems. The problem with this is that their generic nature tends to confuse the SME reader who cannot perceive the relevance of this material to their firm. They also tend not to answer the very specific questions a SME manager might have and spending hours digesting a highly technical manual to answer a very simple question is neither cost or time efficient for already overstretched staff.

Whilst many of these support documents are incredibly valuable and well written SME managers faces a number of problems:

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- finding the information in the first place as there is not one central ‘clearing’ house;
- realising they need that information at all;
- avoiding being scared off by the length and perceived technical complexity ;
- being convinced that there are no immediate benefits either competitively or for cost reduction, unless they have seen such tools in operation in other small companies;
- accepting that they have the time to become involved ;
- accepting the relevancy of the information presented to their own particular business activity;
- acquiring the environmental literacy to understand the information presented.

In light of the constraints affecting the greening of SMEs, such as lack of resources, time, capital and information a variety of environmental business support projects have been initiated . However as Palmer (1997) notes SMEs are unlikely to reach out themselves without some external stimulus and many SMEs may also be reluctant to approach an external body where legislative compliance may also be investigated (Chalmers, 1993).

### **Making a Change**

Greening businesses, irrespective of size, at the most basic level involves the incorporation of environmental concerns into all stages of a business’ operations. This involves making a change in the products, process and employees within that business. It may also include the education/conversion of suppliers and customers to adopt a more environmentally benign approach. Greening business, itself a vague term, ranges from small incremental changes through to holistic environmental management. Figure 2 outlines the key agents of change and facilitators that may play a role in the greening of a business. The agent(s) of change upon a business are varied, acting independently or in combination. The potential change that occurs may be facilitated by a variety of support mechanisms, tools or actors.

The role which facilitators of change take in relation to SMEs ranges from partners, leaders (role model) to expert. Partnerships have been defined as voluntary collaborations between two or more organisations with a jointly defined agenda focused on discrete, attainable and potentially measurable goals (Long and Arnold, 1995). Examples of this would include a group of SME’s joining together to pool their wastes and gain a higher rate of return from recycling. This is in fact a very specific form of partnership, a leverage partnership (Murphy & Bendell, 1997).

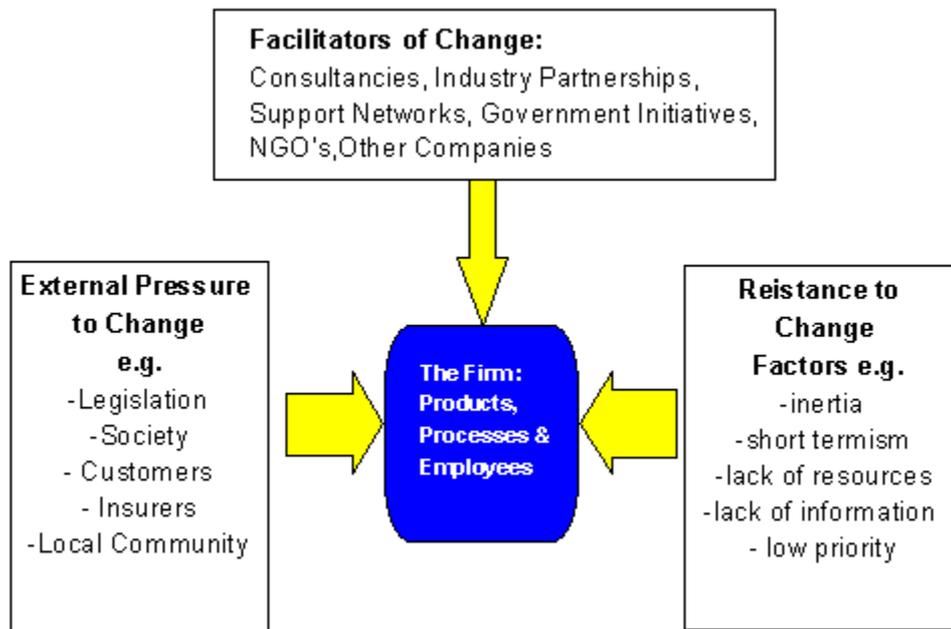


Figure 2: Conflicting forces acting on the greening process in a typical firm

A leader would be a facilitator that acts as a catalyst to change by example. These leaders, role models or providers of benchmarks would be companies that can illustrate to others the methods or results of change. There are many examples of these in literature from the UK Government's Best Practice programme (e.g. Energy Efficiency Office, case study 265) where a company acts as role model for other companies. Yet in this case the subject of the case study were themselves recipients of a facilitator of change when this particular energy efficiency project was initiated as a result of an energy audit under the guidance of an expert from the Cleveland Development Agency.

Experts are individuals who have a sector specific expertise or a technical expertise that allows them to comment with authority on a problem, project or debate. Examples of this are consultants and members of advisory panels, such as the 'Advisory Committee on Business and the Environment' (ACBE), 'Environment Council' and 'Forum for the Future'.

### Facilitators of Change

As illustrated in Figure 2 facilitators of change may include consultancies, industry partnerships, local partnerships, support networks, government initiatives, NGO's and other companies. In the 'greening' arena many specialist initiatives and support services have been developed. However environmental advice could also be provided by the more general business support services. These facilitators of change could be broadly categorised as environmental business support services. However it is important to expand on some of the subtle differences between the different types of support services. The picture is further confused by the fact that sometimes a particular scheme or initiative may be a hybrid between two or more of these types of services.

Consultants are experts, individuals with a specific specialism (primarily technical or managerial) who enter a firm, undertake a specific project or dispense targeted advice and then leave the firm. They therefore differ from the situation of a 'green champion', who is a permanent employee of the firm who co-ordinates, encourages or initiates environmental action in the workplace. Consultants and other environmental business support services may work closely with the green champion(s) in a particular firm. Such consultants can be employed by the firm and are therefore temporary employees. This type of consultancy has itself resulted in the formulation within the UK of a large number of micro and small businesses born out of the demand for these new services. Such consultancy exercises may also be performed free of charge to the firm. Such services are often provided by not-for-profit environmental business support services, examples would include the Envirosafe project detailed below. Funding for projects of this kind tends to come from European or national government funds. A fundamental difference between large and small firms, is that the smaller firm tends not to have the required expertise in-house, yet cannot afford the capital outlay for environmental consultancy projects. Environmental business support services have attempted to fill this gap by providing free or subsidised consultancy.

Support networks might be defined as the formulation of a group(s) of organisations or individuals who are able to offer assistance, advice or other forms of support, with a specific problem or issue. These networks tend to contain at least one role model firm. They tend to be part of a partnership between a range of interested organisations or individuals and may be serviced by consultants. Examples of this would include green business clubs. Funding for such networks tends to come from European funds, UK government funds and/or membership fees. As Moran (1993) notes the 1990's saw a trend towards more local level provision, with the development of local general business support services as well as local groups focusing on greening business.

Industry partnerships could involve a sector specific or cross sector body, or voluntary forum, providing dialogue, advice and support. Typically these contain the 'key players' in an industry and are funded by contributions from companies. However they may also consist of a subgroup of companies coming together to share best practice, collaborate on specific projects or act as a lobbying group. All these industry partnerships tend to consist primarily of larger firms who by virtue of their size and resources can play a more strategic proactive role. A specific industry, or individual company, may also seek to act as a role model by influencing the practices of smaller firms through conditions which must be achieved to remain in the supply chain; e.g. B+Q, a large British D-I-Y chain. Unless these larger firms involve elements of education, coaching or mentoring in this process, it cannot be viewed as a form of support. Rather it tends to result in a 'hurdle' over which a firm in the supply chain must jump in order to maintain its status.

Government initiatives are equally diverse. They occur at local, national and international level. They may involve a clearly defined goal. An example of such initiatives might be the 'Making a Corporate Commitment' energy efficiency best practice campaign. Other initiatives include providing free advice and technical support across a wide area such as the Environmental Technology Best Practice Programme, run jointly by the DTI and the Department of the Environment. All the government initiatives are funded by national or European governments and run by or for, a government department or representative.

NGO's can be a potent force. Often special interest groups they range in nature from powerful industry lobbying groups, international environmental pressure groups such as Greenpeace through to grassroots organisations. Murphy & Bendell (1997) note that the relationship between NGO's and other environmental interest groups started off on a very confrontational footing but that in recent years collaborative, less adversarial partnerships have begun to form between these groups. The relationship between Greenpeace and the German firm 'Foron' is an example of this. In this case Greenpeace assisted Foron to develop and market 'Greenfreeze'; an ozone safe hydrocarbon, which rescued the virtually bankrupt firm and led to significant improvements in the rest of the industry (Hartman & Stafford, 1997). This partnership in 1992 was an early example of the new paradigm of market based environmentalism, a philosophy of encouraging the free market to facilitate change by creating market incentives that make ecology strategically attractive to business. However as the examples in Murphy & Bendell demonstrate, many of these partnerships and networks tended to revolve around very large multinational corporations. Small and medium sized organisations tended not to be involved in these types of consultation, working group or policy formulation partnerships between NGO's and industry. However the philosophy of market based environmentalism has cascaded down to smaller firms through a number of environmental initiatives. The development of waste minimisation initiatives detailed later is a good example of this.

Table 1 details a very small selection of the environmental business support services in the UK (BiE, 1998). Some of the examples have a national body, with regional centres. Others are sector specific, such as the Northern Ireland Textiles and Apparel Association. The services they provided vary a great details, as does the membership and targeted audience. Further details are available in the UK environmental business club directory published by the Department of Trade and Industry (DTI). However this document itself is not a definitive guide to all the environmental business support services in the UK. In the past five years three organisations have been involved in trying to compile a definitive list of these support services; Business in the Environment, Environment Council and the Confederation of British Industry (CBI). The lack of one central document adds to the confusion over the range of support services available to businesses.

Ultimately all environmental business support services provide either software, hardware or combination of both. Software comprises of advice, counselling and training support whilst hardware consists of grants, loans and rent free premises. (Moran, 1993).

Table 1: Examples of some of the environmental business support services available to companies in the UK (adapted from BiE, 1998)

<b>Name</b>	<b>Details</b>
Business and Environment Associations	A national body with local centres where SMEs can get advice and guidance on the environment as it affects their business
Business in the Environment (BiE)	Established in 1986 and promotes, through the board of representatives of leading UK companies, good environmental management practice. Provides a series of guides aimed at advising businesses of all sectors and size (Scale: National)

The Environment Agency	Works to help businesses understand and fulfil regulatory and environmental obligations through the provision of guidance and training materials. Remit covers all sectors and sizes of business (Scale: National)
Northern Ireland Textiles and Apparel Association	A forum which addresses ecological issues in the textile and apparel industries. Newsletter, financial assistance, free advice, waste exchange bureau, meetings and seminars. (Scale: Regional/Local)
Cumbria Business Environment Network	Open to SMEs in Cumbria, it aims to bring together SMEs in that region and help them to improve their environmental performance. Services include helplines, environmental audits, training courses, written guidance, meetings and newsletters (Scale: Regional/Local)
Nimtech - Environmental Services	Nimtech, a business development specialist, aims to show that improving environmental performance can also benefit a companies bottom line. Support by a £5.2 million EC funded scheme 80 North West manufacturers are being assisted in schemes to develop more environmental sound processes whilst cutting wastes and reduce costs (Scale: Regional/Local)
Black Country Business Environment Association	A subsidiary of Groundwork (Black Country) it is a point of information and advice concerning environmental, health and safety legislation and technical matters. Aimed at SMEs in the boroughs of Dudley, Sandwell, Walsall and Wolverhampton. (Scale: Regional/Local)
Sheffield Regional Green Business Club	Disseminates information to SMEs in the South Yorkshire and North Derbyshire area about environmental legislation and good environmental practice. (Scale: Regional/Local)
Keighley Business Forum (Waste Minimisation)	The Forum's Waste Minimisation Programme helps local businesses to improve business and environmental performance through efficient usage of resources, raw materials and energy. (Scale: Regional/Local)
Milton Keynes Business Club	Special interest group of the Milton Keynes Chamber of Commerce. Meetings, seminars and support materials (Scale: Regional/Local)

### **Effectiveness of Environmental Business Support Services**

Whilst there is a plethora of environmental business support services little empirical research exists to prove whether these initiatives are progressing the vast majority of SMEs towards sustainability. Sometimes research is undertaken by participants of certain schemes on a 'useful - not useful' type enquiry of the service provided. However, little evidence of 'follow up' research exists on companies which have received for instance a free environmental review, to see if the intervention by the environmental business support service had engendered long term change.

A survey of 875 companies in the Hertfordshire area examining environmental business practices, perceptions and response conducted by Gunner (1994) received only 15 responses. Of the companies that responded 12 of the 15 had used or knew of a variety of environmental business support services. The most frequently used was the DTI (27%), the least used were EU helplines and DoE (6%) (Gunner, 1994). However the survey does not identify whether multiple responses were involved. The lack of response from the 860 firms who did not take part could have been attributable to a variety of reasons including, lack of interest, lack of time, perceived irrelevant nature or the 'gone away' nature of small firms. However it perhaps indicates that the environment may not be of great relevance to the non responsive firms. Of the 15 who replied the environment does appear to be an issue but the fact the questionnaire was returned may be indicative of their higher levels of concern.

Hooper *et al* (1998) in a survey of Northern Ireland's Business Support Networks concerned with environment and business, found that only 19% of the agencies and 24% of the SMEs perception of the business support networks was classed as

‘adequate’. Of the SMEs with 0-9 employees 24% had used the business support networks. Of those with 10-49 employees 48% had used the services.

Recently the Small Company Environmental and Energy Management Assistance programme (SCEEMAS), initiated in 1995, was discontinued due to lack of take up (DETR, 1998). The scheme which provided matched funding to small business to improve their environmental management had received only 270 applications and assisted 7 companies in achieving the EMAS registration within three years. The funds previously earmarked for this initiative will be transferred to the Energy Efficiency Best Practice Programmes support for small businesses.

However it can be demonstrated that some projects and initiatives have been successful. For instance The Dee Catchment waste minimisation project, initiated by the Centre for the Exploitation of Science and Technology (CEST) was funded by the BOC Foundation, Environment Agency, Welsh Development Agency and the Welsh Office. Matched funding was provided by the thirteen companies involved. Four of the firms involved were medium sized enterprises. As illustrated in Table 2 significant cost savings were achieved amongst the SMEs, indicative of a successful reduction in actual waste to disposal.

Table 2: Results from medium sized enterprises in the Dee Catchment Waste Minimisation project (source: CEST)

Participating company	£ savings achieved / annum	Number of Opportunities	Number of employees
Mixalloy	392 K	5	75
Rexam Custom	210 K	120	100
Tarmac Quarry Products	161 K	8	16
Kimberly-Clark	397 K	4	85

Results from the Leicestershire Waste Minimisation Project (Environment Agency, 1997) initiated in 1994 were equally positive. Savings amongst the 5 smallest firms, ranging in size from 50-245 employees was cumulatively £509,000. The largest saving of the ten companies involved in the whole project was made by one of the SMEs (£270,000).

The two schemes had striking similarities. In each case waste audits were undertaken by consultants and then training and seminar workshops were provided for the representatives of the companies involved. By undertaking an initial waste audit a benchmark was available against which to measure improvements. The projects also had clear, focused objectives, concentrating on single area of improvement with trained assistance to facilitate solutions. Emphasising the benefit of moving away from ‘poorly targeted messages of environmental awareness raising to high quality, bespoke environmental solutions for SMEs.’ (Hooper *et al*, 1998)

The lack of effectiveness of some environmental business support services mirrors that of the more general business support services for SMEs. Moran (1993) notes that SMEs find the provision of support generally very confusing for the end user with a great deal of overlap and concludes that:

- more time and effort needs to be spent talking to owner managers and tailoring services to their needs;
- in order to avoid confusing the end user consideration must be given to joint marketing with agencies to provide a visible focus for small business in a local area;
- a particular agency needs to become well known for a particular grouping of expertise and knowledge; and
- agencies need to be active networkers in contact with a range of other intermediary organisations.

Moran (1993) notes that the suggestion of Grayson (1990) of a ‘two-telephone call test’ is a good indicator of the effectiveness of a support network. The criteria for this test, is that anyone seeking help should have to make no more than two calls to access the information that they need. This indicator is an excellent one for the effectiveness of environmental business support services.

However, recent experience of the authors suggests that calls made to an organisation on two different occasions, can often results in radically different information being provided. In addition, an individual can find themselves acquiring knowledge of environmental information by chance, rather than accessing a clearly defined information network. Unfortunately for the SME they often seem to make no calls at all, or have to call a variety of bodies to acquire any of the information they need. If the SME manager is aware of a local ‘green network’ or the role of services such as the UK governments ‘Environmental Helpline’ this might facilitate information gathering.

However anecdotal evidence suggests that SMEs contacting more general business services are not receiving information about local environmental initiatives. This is hardly surprising since the general provision of business support services is still confusing. The quality of information and advice passed to the SME can also dramatically differ between support bodies and regions. Evidence also suggests that SMEs are more unlikely to contact bodies who have a regulatory role (Chalmers, 1993) who would arguably be in a good position to provide exactly the information the SME manager would need.

### **Case Study: Centre for Environment and Safety Management for Business (CESMB)**

Having examined the factors influencing change, types of environmental business support services and the effectiveness of these a case study of CESMB in North London will be considered.

#### Background

CESMB is located as a discrete unit within the Enfield, North London, campus of Middlesex University. The Centre is a self financing entity that acts as umbrella for a

range of environmental business support projects. The staff are based permanently or on contract basis within the Centre, but staff from the wider University and Associate Colleges network also contribute to specific projects.

The Centre was designed to combine the expertise of Middlesex University (environmental training, business, education and research), the College of North East London (health, facilities and safety management) and Capel Manor (land management).

### Environmental Business Support Services and Projects

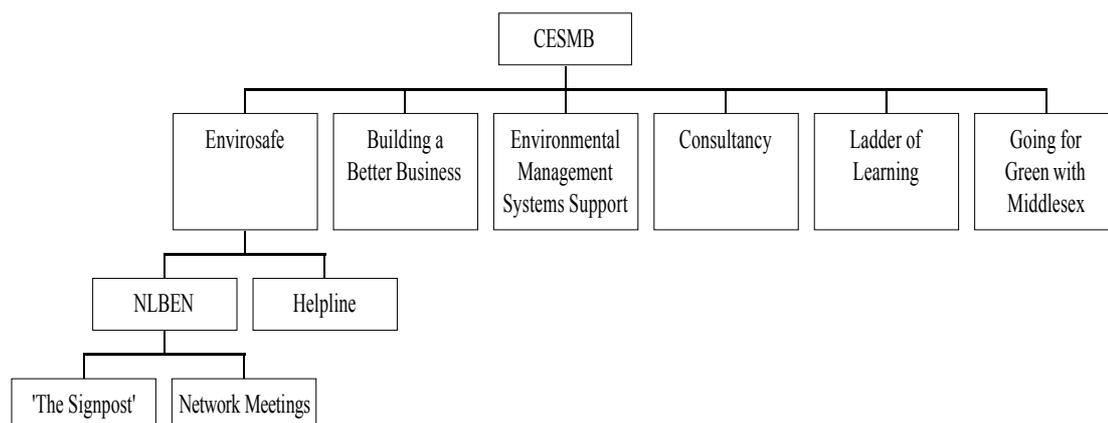


Figure 3: Structure of the projects current projects undertaken by the Centre for Environment and Safety Management for Business

As illustrated in Fig. 3 CESMB is involved in a range of projects/services, all of which are available to, or targeted at, SMEs. Obviously some of these projects are also available to larger firms.

The staff at CESMB draw on the experiences of other environmental business support services as well as the resources some of these provide. They are active in networking with other local groups and their individual role and place within a University with a strong regional presence, makes them accessible to a wide variety of organisations and individuals.

**EnviroSAFE.** The ‘EnviroSAFE’ project was one of the initial projects of CESMB. It provides free environmental reviews to SME’s in the Lee Valley region<sup>2</sup>. A consultant from CESMB reviews the current environmental practices and impacts of a company and recommends improvements to products, processes and practices. To date almost 200 SME’s have received free environmental reviews. These reviews differ in nature from some in other areas. Sometimes such reviews can be used as a way to convince firms that they need additional consultancy projects, which they obviously pay for. The free nature of the review, and the fact the EnviroSAFE reviewer does not produce a portfolio of additional chargeable services, prevents the SME from feeling as if the consultation was merely a sales exercise.

<sup>2</sup> The Lee Valley is an objective 2 priority area in North London. Funds available for economic regeneration can be accessed for this area.

The experiences from Envirosafe feed into the other projects of CESMB. Recent follow up work on the Envirosafe project suggested that managers had difficulty understanding some of the details of the reports. Therefore the new projects entitled 'Ladder of Learning' and 'Building a Better Business' will seek to address this need. Also companies are apprised by the reviewer of the Green Business Club they could join NLBEN and that a free environmental helpline is available.

**North London Business Environment Network (NLBEN)** The aim of NLBEN is to help businesses in the North London area improve their environmental performance through providing information, sharing ideas and providing mutual support and assistance. Recent free seminars have included aspects of packaging regulations and waste management. Companies who join this network, for which there is no fee, tend to be environmental proactive or have heard of NLBEN through the Envirosafe project. Attendance also tends to be by the owner manager or the company's 'green champion'. Whilst targeted primarily at companies of up to 300 employees; the vast majority of business within the Lee Valley area, it does not exclude larger firms.

NLBEN was originally set up in 1992 through Capel Manor<sup>3</sup>, with the assistance of Middlesex University and North London Training and Enterprise Council (TEC). With the establishment of CESMB in 1996, NLBEN was included in the functions of the Centre.

The objectives of NLBEN are to provide

- a forum for discussion and the raising awareness of environmental issues, and how they affect business;
- good practice guidelines and case studies showing how environmental issues can be integrated into business;
- advice to meet minimum legislative requirements and regular updates on new legislation or policy developments;
- a network of contacts to allow individuals to help each other;
- a sounding board to advise local authorities upon appropriate actions, especially in relation to Agenda 21; and
- information for business about environmental links and opportunities

In addition to the meetings a bulletin is also produced, 'The Signpost', which provides up to date information and is published at six monthly intervals, alternative to the meetings.

**Building a Better Business Through Environmental Improvement** Funded by an ADAPT bid from the European Community this scheme is targeted at staff of SMEs in the local area. Participants study a variety of environmental modules that focus on the information needs of businesses. At the end of the course, in addition to gaining knowledge that can be integrated immediately into their business' operations, they can receive an Advance Diploma in Work Based Learning or a National Examination Board in Occupational Health and Safety certificate.

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<sup>3</sup> Capel Manor is horticultural college and training centre in North London, with an expertise in land and environmental management

**Environmental Management Support for Business** This project which will come on line in January 1999 aims to develop a comprehensive database and website detailing environmental technology and services available to SMEs in the Lee Valley and North London area. The project will provide advice and support regarding appropriate environmental technology and progression towards ISO14001. The project also incorporates the development and implementation of the 'Going for Green' Environmental Healthcheck - a computer tool to support environmental decision making. The project was funded by European Development funds and is due to last twelve months.

**Consultancy** A range of private consultancy projects have been undertaken by CESMB, ranging in nature from those for large corporations through to projects for other environmental business support services. Income from consultancy work is ploughed back into the running of CESMB

**A Ladder of Learning and Qualifications for Environmental Management** Funded by the European Social Funds (ESF) this project targets SME's in the London Lee Valley Objective 2 area in mature and growth sectors who would otherwise be unable to afford training materials. The project will offer an innovative and flexible study package to achieve nationally recognised qualifications. The programme, will allow participants to pursue qualifications with a practical focus (NVQs), or gain credit towards a Masters in Environmental Management, MA Management Practice or other Masters courses.

The project will develop software as a multi media resource based learning material and take participants through a learning route which they select. It will also identify other resource based learning materials, provided by other institutions and bodies, that fit into the existing programme, including printed materials, internet resources and videos. An internet site will be opened to guide participants to appropriate learning materials.

The project will be accessible by a wide range of individuals and companies. It would for instance be suitable as a practical and master level learning package for a company's staff development programme. It could also be used in combination with other packages from elsewhere in a highly specialised programme. By virtue of its distance/ open learning format it does not require participants to constantly visit a home institution. It can also be stretched over variable time periods to respond to fluctuations in work and life commitments.

**'Going for Green' with Middlesex (GGM)** Going for Green with Middlesex is part of the national initiative 'Going for Green', which is an awareness campaign to encourage action to improve the environment, funded by the Department of the Environment. The GGM scheme aims to equip students who are undertaking any work experience placement with an awareness and understanding of environmental issues. This has a two fold objective; providing companies with employees who are environmentally literate and bringing a member of staff into an organisation that may help that organisation to go green. The training scheme the students undertake is accredited through the University's Common Academic Framework and therefore can be incorporated into a standard, perhaps none environmental, degree programme.

Therefore CESMB has four main strands, each of which is synergistic;

- it runs development projects (e.g. Envirosafe) targeted at SMEs using external funding for basic support;
- it runs training programmes aimed at SMEs, utilising a mix of public and private funds;
- it carries out consultancy and research
- it provides teaching on these topics to undergraduate and postgraduate students at Middlesex University

The location of the Centre, set within the special needs area of the Lee Valley Objective 2, and the increasing government attention paid to greening small businesses allows the Centre to access a variety of UK and European funds. These funds provide a base for the Centre to offer advice and support to SMEs, who would otherwise not have access to services which are highly priced by commercial consultancies.

### **Improving Utilisation of Environmental Business Support Services**

One of the key requirements for the future of environmental business support services is greater exposure to, and take up by SMEs. Evidence seems to be emerging that SMEs are more aware of environmental issues (Groundwork, 1998) but a gap still exists between awareness and action. The role of an environmental business support service is to facilitate environmental action in that firm, with permission from or at the request of the SME. Therefore this presumes some form of contact between the support body and the SME. This contact can involve the SME contacting a support body, via a visit or telephone call. Or it involves the SME being contacted via some form of outreach programme; telephone calls, marketing literature or visits. There is clear evidence (Chalmers, 1993; Elliott *et al*, 1996; Palmer, 1997) that SMEs are experiencing difficulties in reaching out to a support agency in the first place. If the SME managers are to overcome the initial reluctance, or other constraining factors, they often then face a confusing quest in search of the relevant information.

The authors believe the following are key recommendations in effecting better targeting of SMEs, more effective environmental business support services and could ultimately lead to a more coherent, effective service to facilitate the greening of SMEs.

**Increased communication between the different environmental business support services, especially on a regional basis.** In addition to sharing good practice and preventing overlap, it may facilitate the achievement of the ‘two-telephone’ test. One of the concrete recommendations from the 1997 EC seminar on ‘Encouraging Environmentally Sustainable Development through the European Structural Funds in British Regions’ was that a regional environmental information exchange network needed to be established. Such an electronic network, co-ordinated by the Environment Agency, would encourage wide and systematic dissemination of good practice (Environment Agency, 1998). Dickinson (1996) reports on research from 30 business and environment support groups, identifying that the sample clearly view the development of partnerships and links with other ‘like’ organisations as an important step. However he also notes that links with TECs and Business Links as a way of bringing on board SMEs had not proved fruitful at that time

**Multi-layered approach.** There is a need for provision of services from local, regional, national and international. However there must be a clear cascade of information up and down each scale.

**Focus on sector specific and local provision.** Organisations such as CESMB and areas such as North Ireland (Hooper *et al*, 1998) have been able to tap into European funds for the regeneration of selected areas. Often these areas predominantly consists of SMEs. There is a need to characterise the mix of SMEs in this area and to develop services that perhaps address the sector specific needs of that location. This approach has much in common with the principles of 'bioregionalism' and identifying if an area has an 'industrial regionalism' will facilitate the development of services specific to the needs of that area. Research needs to be undertaken and services developed that meet the needs of particular sectors. As Hooper *et al* (1998) also notes the time has come to move away from awareness building exercises, or generic packages, towards specific solutions for SMEs. One way to achieve this might be to focus on sector initiatives, where there may be some commonality in the requirements of the SMEs. An example of a sector specific regional initiative is the Lee Valley Clothing Centre, which is an EU funded initiative to offer advice and support to this sector. However the environment is only a peripheral service in this Centre. Staff direct environmental enquiries towards CESMB. However a consultant based at this Centre with an environmental expertise would be able to spot opportunities for environmental improvement in the field. The peripheral nature of the current service means that the SME themselves must recognise environmental opportunities and threats and request assistance.

**Open opportunities to new small businesses.** If the specific environmental requirements of businesses in a local area, for instance a waste exchange network, can be identified it may open up opportunities for the creation of a range of new small business opportunities to service those needs. The ultimate aim of any environmental business support service must surely be to facilitate change and then withdraw from that firm. Thus gaps may occur, allowing new businesses to take over the services generated by, or funded by, these facilitating bodies. The positive characteristics of SMEs leave them ideally placed to take advantage of new niche markets formed by the growing demand for environmental goods and services, as illustrated by the role of SMEs in the provision of pollution abatement technology and environmental consultants.

**Focus on projects which deliver business benefits first.** By utilising cost cutting opportunities such as waste minimisation to 'convert' firms, this may then allow other initiatives to flourish. Therefore specific initiatives such as waste and energy efficiency, with higher levels of economic return are focused on first. Then after the firm has received direct business benefits, then projects with lower fiscal rates of return such as developing an environmental policy, may be more likely to succeed.

**More realistic funding assessment criteria.** Many environmental business support services are victims of their own funding criteria. Often the success upon which a project is judged by the funding bodies is based upon criteria such as 'jobs created or 'jobs saved, rather than on levels of environmental impact.

**Monitor projects and establish effectiveness.** Projects and specific initiatives need to learn from their actions and clear criteria need to be established to monitor success. If companies receive some form of ‘intervention’ they need to be revisited to see if long term change has occurred. More feedback needs to be gathered from not only the proactive, already involved SMEs but the vast majority that are still not benefiting from environmental services.

**Integrated Environmental Business Support Services.** SMEs are subject to a range of support services in addition to the environment. Business, quality, safety, financial and other advice and support is often available from a range of commercial, governmental or not-for-profit organisations. There is a need to recognise that the ‘environment’ is a business issue and that SMEs need an integrated service which can offer advice on all these aspects. There is still a major role for the specialist environmental support services but these services need to be presented to the SME in a coherent and easily accessible manner. Thus firstly business advisors need at least a modicum of environmental training to recognise the environmental threats and opportunities facing the SMEs they come into contact with. Secondly the specialist environmental advice networks must link into the more generalist business services.

There is evidence from other Centres in the Lee Valley that those businesses interested in learning about design, are also those firms interested in information technology developments and environmental improvements. Therefore it may be that some firms are interested in all kinds of business development and improvement and have higher levels of receptivity towards change. It is ultimately the attitude of the SME that governs the possibility of change.

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