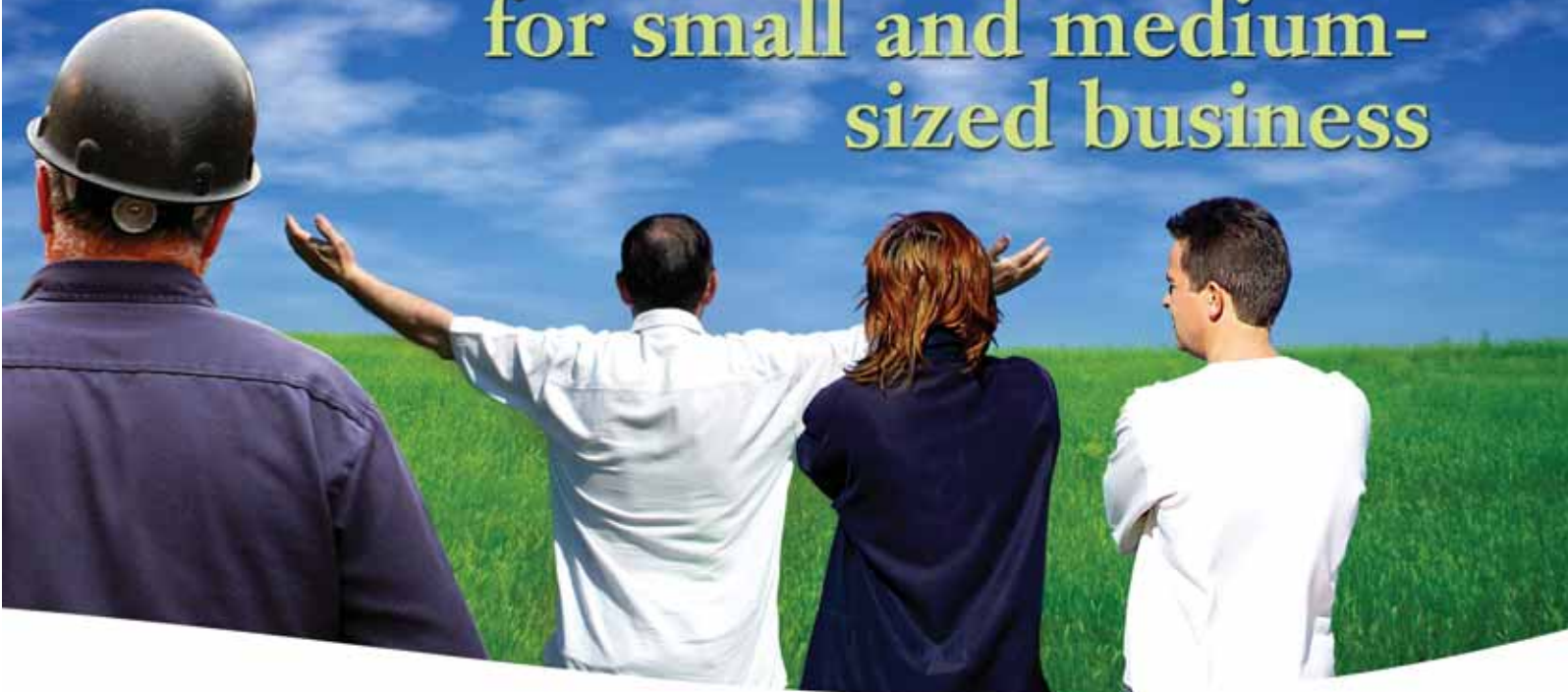


MANAGEMENT SYSTEMS

Big challenge, bigger rewards for small and medium- sized business



Picture the Grand Canyon. Put small and medium-sized businesses on one side and the standards community on the other. Now ask the two sides to discuss the benefits and costs of management system standards. The conversation would probably sound something like this:

“Hey over there, we think that your business could really benefit from certification to a management system standard. Why don’t you come on over here and give it a try.”

“Speak up! We can hardly hear you. Did you say certification? Sounds expensive! How will it help us? Wait, our customers want...can you call back? We’re too busy to talk right now.”

At least that’s the analogy environmental management system expert Lynn Johannson uses to describe the challenge of selling a management system approach to small and medium-sized businesses.

An ISO survey of more than 2,500 small and medium-sized businesses around the world in 2005 supports Johannson’s analogy. It also echoes the results of a survey by the Canadian Federation of Independent Business in 2000. Both revealed a low level awareness of management system standards by small business. Among

those who were familiar with the standards, many saw them as too complicated to meet their needs and too costly to implement.

A change for the better

A self-described ‘change navigator’, Johannson says the Canadian economy – which is made up primarily of small and medium-sized businesses – will benefit when more organizations can take advantage of the benefits of management systems standards.

“I think the role and value of standards is only going to increase.

International trade is not going to go away and most countries are dependent on the innovation and competitiveness of their small and medium enterprises,” says Johannson.

Johannson’s long list of credentials includes president of E2M, an Ontario-based management consultancy specializing in sustainability and co-founder of the ISO 14000 Registry (www.14000registry.com). The site hosts a growing library of simple, low-cost tools for small businesses. It is also the



gateway to the EnviroReady Report, an option to confirm an ISO 14001 system using accountants.

Johannson is a Canadian delegate to the ISO technical committee responsible for ISO 14000. She also sits on an ISO task group that recently released a list of recommendations aimed at making environmental management systems standards more relevant and accessible to small and medium-sized businesses.

Innovative approaches and alternatives to certification

There are two important steps that need to be taken to increase use of management system standards in Canada, says Johannson. The first is better communication between smaller businesses and the standards community about how a robust and credible management system can result in real bottom line benefits for small businesses using real small business examples.

“In Canada and in other countries the first problem is awareness. We really don’t have a marketing arm for standards... We aren’t going to make any real progress with small business until we take a true customer approach, and take the time to understand what they need,” says Johannson.

“Small business doesn’t have the luxury of time or the profit margins that some bigger companies have, so we have to present a clear path with simple steps for implementation.”

Johannson also stresses that unlike bigger organizations that have dedicated resources for planning, the small business approach is much more likely to be drafted on the back of a napkin and tested after a coffee break.

Secondly, to be useful for smaller businesses, the standards community must look at how it can package the standard so that companies can see how the elements of a management system will help them run their business better day-to-day and see immediate

improvements in cash flow, says Johannson.

Eco-Mapping is one example of a simple yet innovative approach that can show small businesses the benefits of understanding their environmental aspects and impacts, the things they have or do that cause inefficiencies and risk. Johannson explains that up to 80 per cent of a company’s environmental challenges are location-based. Armed with pen and paper, even a micro-enterprise can draw a map of a company’s shop floor and surrounding area to identify areas of business risk quickly.

In addition to promoting simple approaches to implementing a management system, the standards community and other supporters of management systems must recognize and promote the various options that exist when it comes to verifying conformity to the standard.

“As valuable as certification should be to a company, the cost is simply not something that the majority of our micro-enterprises and small businesses can afford,” says Johannson.

In addition to certification, other conformity assessment options recognized in ISO 14001 include:

- Self-declaration,

- Confirmation of your management system by a party that has an interest in your organization, such as a customer or industry association or,
- Confirmation of self-declaration by a party external to the organization.

This option is based on the EnviroReady Report.

The conformity assessment option a business seeks will reflect market requirements, says Johannson.

“Certification should bring value, but it is not the end goal. Having a robust and credible management system that improves your productivity and competitiveness, that’s your end goal,” says Johannson.

“We need to learn how to communicate this a bit differently. Instead of selling ‘certified systems’, we need to get them in the door by marketing the standard in a way that makes sense to small business, and meets their needs. We have fewer than a thousand companies involved in ISO 14001, but there are 1.2 million legally constituted employer businesses in Canada. What a great opportunity. Let’s get going.” ■

ISO Task Group recommendations:

- Development of new standards to allow organizations to implement an environmental management system in stages
- Development of a free handbook to help small and medium-sized business implement ISO 14001 – similar to ISO 9001 Guide for Small Businesses,
- Promotion of all the options available to small and medium-sized businesses for conformity assessment,
- Broadened communication – using simplified language and terminology – about the bottom line benefits of environmental management system standards
- Guidance for small and medium-sized businesses on the use of management system consultants
- Increased involvement of small and medium-sized businesses in standards development
- Promotion of the concept of integrated (quality and environmental) management systems