



How to measure the ROI of your sustainability, CSR efforts

Environmental sustainability and corporate social responsibility (CSR) among businesses are no longer “nice to have” ideologies. They are important parts of a company’s overall growth strategy.

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A recent PricewaterhouseCoopers study documented ways in which companies that report their sustainability efforts get better returns on their assets than companies that do not. Also according to a TIME poll conducted in 2009, 40 percent of consumers said they bought products or services because they liked the social or political values of the company. Nearly half of Americans in the poll said protecting the environment should be given priority over economic growth, and this comes in the midst of a recession.

However, taking actionable steps to become a sustainable and socially responsible company also typically requires a significant amount of capital and resources investment. Therefore, it's critical to be able to demonstrate the value and return on investment (ROI) that putting environmental and CSR reforms into practice will provide. So what are the best ways to measure the ROI of a company's sustainability and CSR efforts and effectively convince senior management these activities are worth the investment?

1. Begin with small projects:

Consider making small reforms over time rather than tackling multiple, large projects simultaneously. Through gradual transformations throughout the organization, it becomes easier to not only secure funding for the sustainability and CSR efforts but to also benchmark their impact. For example, consider making a company-wide commitment to replace all dry-cell battery supplies throughout the office with rechargeable batteries. Then in three to six months measure how using rechargeable batteries has impacted overall energy costs and battery supply costs.

2. Poll your customers:

Customer surveys and polls can be useful in helping to gauge how changes in your organization's sustainability and CSR practices affect their perceptions of your company and brand loyalty. Ask them if they notice and value any particular sustainability and CSR initiatives and how that has impacted their perceptions of the products or services your company offers. Once you've determined what specific sustainability or CSR initiatives your customers value most, you can then refine your offerings to meet their specific preferences.

3. Leverage the success of other companies' green efforts:

Highlight the successes of other large organizations which have already made significant investments in their sustainability and CSR initiatives. By sharing examples of these types of success stories it will become easier to convince your management team of the importance of applying those same principles to your own organization. For specific examples of America's most sustainable companies, a good source to reference is Newsweek's "2009 Green Rankings", a rating of the 500 largest U.S. companies on their sustainable practices.

4. Publicize your green initiatives:

Perception is reality. Therefore, publicizing your sustainability and CSR initiatives will add tremendous value and credibility to those efforts. Take advantage of opportunities to make others aware of your commitment to being conscious of the environment and a socially responsible company through all marketing, public relations and sales activities.

5. Have realistic goals:

Recognize that the tangible ROI benefits of your sustainability efforts won't happen overnight, so it's important to set realistic and achievable goals that can then be built upon over time.

Source: [Environmental Leader](#)