

# THE CSO MEANS BUSINESS

**PROFITABILITY, COMPETITIVENESS, COST SAVINGS**

*“Without a Chief Sustainability Officer, you’re leaving money on the table.”*

—One of Pamela Gordon’s Tech Industry Clients



A White Paper by “Start-up CSO” Pamela J. Gordon, who for 15 years has served in the role of Chief Sustainability Officer at numerous global tech companies.

If your company doesn’t yet have a CSO improving your products and operations through profitable, 21<sup>st</sup>-Century sustainability strategies, then read on.

**TECHNOLOGY**  
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## PROFITABILITY, COMPETITIVENESS, COST SAVINGS

Companies operating at the intersection of exponential technology advancement and increasing environmental constraints need a new breed of executive with the vision to choose the most responsible and profitable paths, and the leadership to get everyone moving together.

This white paper first explains why positioning sustainability leadership at the “Chief” level is good for business, then points to how CSOs at three tech companies are contributing to their companies’ financial and competitive success.

## WHY “C” LEVEL IS BEST FOR BUSINESS

- **The stakes are high.** The CSO is held accountable for not only establishing and maintaining the company’s exemplary sustainability performance, but also measurably reducing costs and increasing revenue.
- **A high vantage point creates results.** This remarkably multifunctional role intersects with Operations, Supply Chain, R&D, Facilities, HR, and Marketing to reduce risks and maximize cost savings and revenue creation.
- **Senior executives need only apply.** He or she should have led other executives to achieving profitable sustainability gains across the tech industry.
- **Influence the CEO and Board.** Brand “insurance policies” require an experienced sustainability executive adept at influencing the executive suite and boardroom.
- **The “face” matters.** Given the highly positive or negative press opportunities, the role demands a seasoned professional at the forefront of the field with a strong presence both inside and outside the company.

## LESS RISK; MORE REVENUE

“I advise any significantly growing tech company whose brand is particularly vulnerable to sustainability negligence, or that has environmentally-demanding customers, to establish a CSO position -- nothing less senior.”

--Pamela J. Gordon

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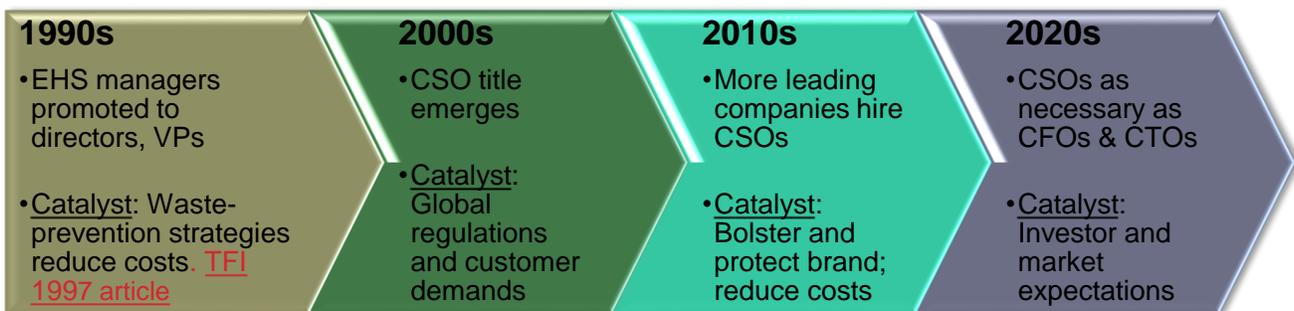
CSO Job Description for the Tech Industry

## TECH COMPANIES' PROGRESSION TO CSO

Starting in the 1970s when President Nixon created the USA Environmental Protection Agency, companies hired Environmental, Health, and Safety managers to comply with regulations aiming to curb pollution to water, air, and soil. It wasn't until the 1990s that leading tech companies realized that **preventing pollution earlier in the process** was far less expensive than capping pollution at the "end of the pipe."

But to develop and implement pollution-prevention strategies, **strategic leaders** were needed: broad-skilled executives to drive cost reductions, competitive advantages, and efficient compliance across all corporate functions, products lines, and operations.

### From Tactics to Strategy: the Tech Industry's Progression to Hiring CSOs



## CHANGES WARRANTING THE EXECUTIVE LEVEL

**Given:** Increasing each year are...

1. Global environmental and social-responsibility regulations — covering tech companies' facilities, product designs, supply chains, worker treatment, and electronic waste.
2. Corporate and retail customers' concerns about human and environmental health — driving demand for more efficient, safer products made by responsible companies.

**Choice:** Tech-industry executives can either...

- Ignore the regulations and face market blockages, fines, expensive "emergency" measures, and risk of tarnished brand, or
- Profit by staying *ahead* of regulations, customer requirements, and competitors by embedding environmental efficiency and social responsibility into *all* processes and product life cycles — requiring corporate-wide strategic planning and implementation.

**This is why strategic executives dedicated to sustainability CSOs are warranted.**

## HOW CSOs STRENGTHEN COMPANIES

- ✓ **Through their Corporate Sustainability Experience, CSOs...**
  - Initiate and implement profitable sustainability throughout the company.
  - Create and lead 5- to 10-year high-ROI roadmaps.
  - Work alongside the CEO to achieve strategic goals sustainably and efficiently.
  - Direct sustainability for both facilities *and* products (design through end-of-life).
  
- ✓ **Based on their Business-Planning Acumen, CSOs...**
  - Calculate and project cost-and-carbon reductions needed to win, given new regulations, customer demands, constrained supply, and competitors' moves.
  - Develop best-practice sustainability strategies: from concept, to implementation, to continuous leadership over the years.
  - Achieve measurable financial and sustainability results through vision and leadership. CSOs stay ahead of the game as sustainability targets increase.
  - Create disaster-preparedness-and-recovery plans for facilities and products.
  
- ✓ **Tapping their Industry Leadership, CSOs...**
  - Create customer preference for responsible, sustainable products and vendors.
  - Sell sustainable, responsible practices using profit-based strategies.
  - Present and publish thought-leadership concepts.
  - Maintain valuable connections leading to strategic sales.
  
- ✓ **Serving as Trusted Coaches, CSOs...**
  - Create a framework that engages employees' strengths and passions – aligned with corporate culture – to make unified and positive behavior change.
  - Develop talent for profitable, sustainability leadership in products and operations.
  - Coach executives in talking with the Board, the Press, and concerned customers, employees, and communities.
  
- ✓ **Being Fluent in Regulations, CSOs...**
  - Understand and strategically prepare for global regulations, and customer requirements that exceed regulations.
  - Leverage strategic software tools to efficiently track, comply, and report sustainability and cost-reduction data, across functions and regions.

*“What has become so very clear to me from working with Pamela Gordon in her Start-up CSO role is how money can be saved through sustainability practices. Once you see the bottom-line savings possible, it would be irresponsible from a fiduciary standpoint not to embrace the practices that would make savings possible.”* –Cathy Dalton

## CSOs' FINANCIAL WINS FOR TECH COMPANIES

Now that we've established why today's tech companies need this new breed of executive called the CSO, let's see how three such CSOs draw upon their executive experience both in the tech and sustainability worlds, uniting both profitably and competitively.

### EMC Corporation: Kathrin Winkler



Winkler address four concentric circles of profitable sustainability:

1. Operations within EMC's four walls
2. Supply chain through end of life (including influencing where products are made)
3. Global IT infrastructure
4. Broader societal economic impact

Read the full [EMC interview](#) in TFI's blog

### Life Technologies (Thermo Fisher Scientific): Cristina Amorim



Cristina Amorim's sustainability strategies result in her company reducing annual spending by US\$5 million. One example of a profitable *facilities* project was installing energy-efficient Bloom Energy boxes (see [TFI's home page](#)).

Read the full [Life Technologies interview](#) in TFI's blog.

### SAP: Peter Graf

SAP reached out to the financial community by combining its Annual Report and Sustainability Report in single document — highlighting the connections between non-financial performance like Employee Retention with financial performance. “This details the business case of the financial benefits of sustainability.”

Read about [SAP's 3-legged stool sustainability strategies](#) in the TFI blog.



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## PROFITABILITY, COMPETITIVENESS, COST SAVINGS

### TECH INDUSTRY CSO JOB DESCRIPTION:

**Role.** Lead corporate-wide sustainability initiatives yielding direct, measurable cost savings, revenue generation, and CO2-emission reductions that exceed progress at peer companies.

**Profitability Goals.** Champion change in Operations, Supply Chain, R&D, Facilities, Finance, Employee Engagement, and Marketing to reduce Cost of Goods Sold by >2% and SG&A by >3%. Create customer preference for sustainable products/services to boost revenue by >3%.

**Background.** >5 years executive experience in sustainability. Change agent leading initiatives with track record of significant, measurable financial results. Visionary enough to create profitable sustainability roadmaps spanning 5 or 10+ years, and dynamic enough to achieve buy-in across multiple functions and regions. Specialized in the electronics industry.

### Direct Reports and their Profitability Goals.

|                              |   |
|------------------------------|---|
| Sustainability Director      | Sustainability-expert assisting CSO's profitable sustainability goals, groomed to be future CSO |
| Product stewardship Director | Infusing sustainability from product concept through end of life; reduce COGS by >2%            |
| Director EHS                 | Facilities and internal manufacturing; reduce SG&A by >3%                                       |

### Close Working Relationships, Cross-Functionally.

|               |         |                     |
|---------------|---------|---------------------|
| Supply Chain  | Legal   | Marketing and Sales |
| Manufacturing | Finance | Facilities          |
| R&D           | HR      | Executives, Board   |

## ABOUT THE AUTHOR

PAMELA J. GORDON IS FOUNDER AND CEO OF TECHNOLOGY FORECASTERS INC., SERVING AS "START-UP CSO" AT NUMEROUS TECH COMPANIES.

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