

▶ **Transforming Mindset From
Compliance To Business Value**

White Paper

▶ Enviance



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Sales buster. Progress impeder. Barrier creator. Expensive. Are these words and sentiments used to describe environmental programs in your organization? If so, you're not alone. But when companies can look past the "burden" of compliance to identify unique opportunities to increase business value and expand their audience, environmental programs and performance become a more promising opportunity. This white paper explores how to transform your corporate mindset from being strictly compliance-focused to creating business value via environmental data – and the benefits that can follow.

Then and Now

Many corporate environmental departments started with just one employee who created, maintained and lived off of spreadsheets. In fact, environmental data was often managed at the individual facility level. But as environmental requirements and regulations changed, EHS departments have expanded exponentially – with much of the growth

taking place just in the last five years. In addition, as the need to understand regulations and environmental obligations has become more critical, many companies have brought environmental data responsibilities back in-house from the facilities, and using software systems to create tasks that can be executed, managed, recorded and escalated.

But instead of business operations and environmental compliance running in opposite and often conflicting directions, a need has arisen for environmental compliance to work in conjunction with business operations – transforming environmental data into usable information that creates business value. And as a result, environmental managers become a critical part of the business.

The Challenge

Successfully transforming corporate mindset surrounding the environmental function requires recognition that compliance performance is an integral component of business performance. In addition, understanding that compliance teams inform a broad community, including shareholders, employees, customers, contractors, regulators and NGOs is needed. The challenge is ultimately to provide synthesis and analysis of data and information clearly and with impact.

Let's face it. There are an increasing number of audiences for your organization's

environmental information. Corporate executives need to know progress toward the company's goals, the board of directors wants to understand compliance performance relative to peer companies, shareholders are interested in compliance success and progress, and operations needs analysis that allows for business change. In addition, the legal and financial risks associated with any potential areas of noncompliance are relevant and significant to all of these audiences, and need to be not only accessible, but proactively communicated to them.

These varying audiences need environmental data, analysis and risk information to meet their unique needs, which means the environmental managers need to be equipped to provide usable information that's not only easily communicated, but easily understood. You can start by identifying your company's audiences and their unique data needs. Once you decide how to apply the data and communicate what the data shows to the right audience, the business can understand what's driving the environmental results and behavior modification can begin. Environmental data can then be used to drive changes such as streamlined or improved business operations, or identify cost savings. By visualizing beyond compliance, environmental managers can transform data into information and communicate it to the intended audience. The resulting behavior changes lead to enhanced compliance and increased operational efficiency – which positively affects the bottom line. After all,

compliance performance *is* part of business performance, and environmental managers need to ask themselves: What can we bring to the business? It's ultimately the role of environmental managers to provide critical environmental information because rarely in an organization does anyone even know what to ask.

Leveraging Your Data Investment

Businesses can make the most of their investment in environmental data by asking the following questions: What data do we have? What data are we missing? What does the data tell us? What actions do we need to take?

Transforming environmental data into business value also enables companies to implement strategic compliance. For example, companies often want to impose a one-size fits all compliance plan when strategic data review would reveal that tailoring compliance programs to specific regions, including frequency of audits and threshold calculations, would suffice and be more cost-effective.

In addition, environmental data analysis enables organizations to measure the success of their contractors. By having insights into the data, companies can make more strategic business decisions, such as frequency of maintenance, selection of contractors based on performance and efficiency, and alignment of compliance with sales information.

Data Visualization and Communication

In order to visualize and communicate environmental data beyond compliance, a

process needs to be created. The following is a sample data visualization process:

| TEAM | IDENTIFY OUR CUSTOMER |
|------------------------------------|--|
| What does data visualization mean? | Clarify their mission(s) |
| Specified report request | Identify reports required to reach goals |
| Audience | Identify the intended audience for each report |
| Data marketing | Develop a communication plan surrounding the compliance data |
| Team priority | Determine which goals take highest priority based upon resources |
| Leadership priority | Determine which goals take highest priority based upon mission |
| System priority | Outline priority for report creation in environmental software system |
| Timeline/duration | Identify timelines and deadlines for reports to ensure relevant, timely information is shared to create momentum |
| Cost | Identify cost associated with creation of reports in software system |

How To Go Beyond Compliance

Many environmental groups want to provide added value within their organization, but they just don't know how to start. Some examples of data that could prove helpful for your business include providing comparisons of top performing facilities and bottom performing facilities from a compliance perspective, or comparing facility compliance performance relative to sales

performance. These ideas help to foster healthy competition among operations.

In addition, environmental departments can expand past compliance by using environmental data to effectively manage contracts and modify data collection processes. Data can also be used to drive execution of corporate goals down to the facility or operations levels.

Environmental managers should ask themselves what information corporate leadership needs and then put it into context where they can understand and apply it to the business.

Conclusion

Savvy environmental managers and companies no longer look at compliance as a burden. They have transformed their mindset to seek and act on the unique opportunities that environmental data provides to increase business value. With a rapidly increasing and varied audience to whom meaningful information can be analyzed and packaged, environmental teams are becoming indispensable bearers of critical business information. By following the ideas outlined above to create additional business value, environmental managers are playing a key role in improving business operations in their company – and the bottom line.

About Enviance

Enviance is the leading provider of Environmental ERP software. With more than a decade of experience providing environmental data management and expertise, Enviance's proven system is used by the world's largest corporations and government agencies.

Enviance maintains deep domain expertise in EHS management and technology, and has more than 17,000 users in more than 49 countries, including *American Electric*

Power, ArcelorMittal, Beam Global Wine & Spirits, Boral Industries, Chevron, Continental Resources, DuPont, Entergy, FujiFilm, Freescale, Georgia-Pacific, Koch Fertilizer, Los Angeles World Airports, Metropolitan Water District of Southern California, Midway Products, NV Energy, Oldcastle Building Products, Pacific Gas & Electric, Patriot Coal, Princeton Plasma Physics Laboratory, Roquette America, Sanofi Pasteur, Southern California Edison, Southern Company, Syngenta, US Dept. of Defense, Valero, and Walmart.

Industry leaders have used Enviance to streamline GHG Management since 2006.

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