

Creating Sustainable Businesses in New Jersey

***The Intersection of Business, Economic Growth
and Sustainability.... Are we there yet?***

***Michele N. Siekerka
President and CEO***

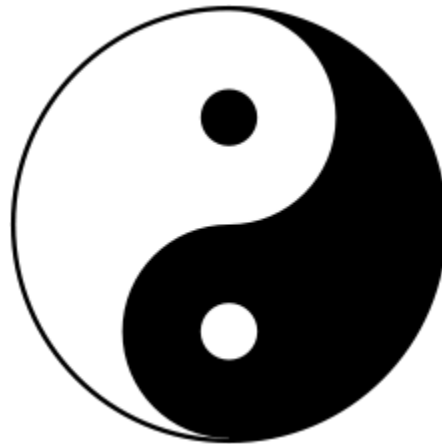
New Jersey Business & Industry Association



NJBIA

Sustainable Business Practices...

Disruptive Innovation or a Key
Driver of Innovation



Why Should Business Care...

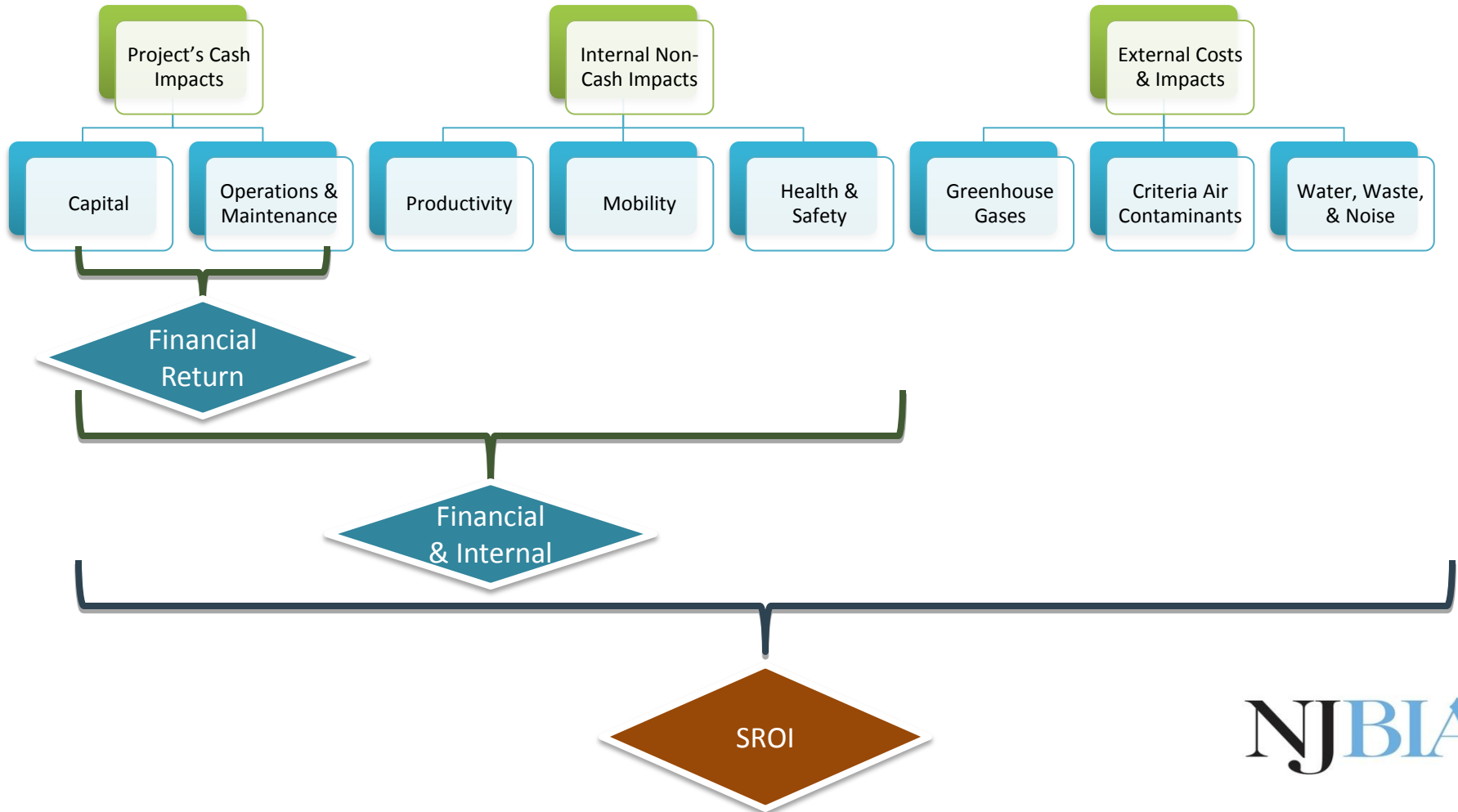
Sustainability & The Triple Bottom Line; SROI

- Gain Competitive Advantage
- Reduce costs: waste reduction, energy efficiency, water efficiency
- Efficient production process = lower costs & increased profits
- Lower liability insurance, legal costs
- Trade options increase – supply chain mandates
- Satisfy investor criteria
- Improve access to capital for loans and grants
- Enhance image and market share
- Improve relationship with government
- Expedite the attainment of permits and approvals
- Ability to attract job candidates
- Improvements in worker safety and health = increased productivity
- The RIGHT THING TO DO!



SROI = Calculating The Triple Bottom Line

SROI adds the monetized value of non-cash benefits and externalities to a traditional financial analysis



Benefits from SROI

- Cash

- Reduced Electricity, Heating and Cooling Costs
- Reduced Water Costs
- Reduced Sewage Costs
- Reduced Waste Disposal Costs
- Other Reduced Operational Costs- insurance/legal
- New Opportunities- Market Share and Supply Chain

- Non – Cash

- Reduced Carbon Footprint
- Fresh Water Conserved
- Improvements in worker safety and health = increased productivity
- Improved Resiliency
- Enhanced Image
- Corporate Social Responsibility
- Attract and Retain Happy Workers!!
- Expedited permitting

Sounds good but...

How Do We Get it Done

- Are we Planning....
- Are we Reacting....
- Are we Adapting....

....to Current and Future Challenges



- Sustainable practices require:
 - Actions at every level of organization
 - Strategies for buildings, products and services that generate ecological, social and economic value through process optimization, resource conservation and waste minimization:

...and Transformative thinking:

- Viewing Compliance as Opportunity
- Making Value Chains Sustainable
- Designing Sustainable Products and Services
- Developing New Business Models
- Creating Next-Practice Platforms

- **Transformational Thinking = *Innovation***
 - Today Innovation is more about looking for ***better ways*** to satisfy customers with improved quality, durability, service, and price.
 - The pace of society means constant advancements in technologies and organizational strategies.
 - In order to be competitive in today's market we all must be innovators- always seeking to deliver the next best product and service.
- **Innovation is about sustainability.**
- **Innovation is a catalyst to growth!!!**

But...its not just about the individual business practices and infrastructure....

- To drive real economic advantage, we must go beyond the building envelope and look at the community landscape, business climate and political environment we find ourselves in...
 - Does it foster innovation and new technologies?
 - Is community infrastructure able to support the innovative growth?
 - Are investments in community infrastructure being made?
 - Oftentimes this is where we come up short.

Why Manage INFRASTRUCTURE Assets?

- Utility assets represent a major public or private investment
- Reliable infrastructure promotes economic development
- Efficient system operation and maintenance is essential to public health and safety and protection of water quality
- Its all about capacity to grow....no infrastructure, no growth...

Asset Management

Making the right investment at the right time

Three Elements of Asset Management:

- Routine asset evaluation and assessment
- Programmed Preventative Maintenance (PPM), and
- Procedure for evaluating the life-cycle costs of repair and/or replacement decisions

Benefits to Asset Management

- Increased knowledge of the system fosters better financial decisions, and can influence choices when considering options to address various system challenges (e.g. meeting regulatory requirements or upgrading system security)
- Enables efficient and cost-effective operation of systems
- May provide greater access to financial assistance
 - Funding assistance eligibility bonuses (e.g. higher priority ratings) may be awarded for having an asset management plan or a capital improvement plan.

Innovations in Asset Management...

Green Infrastructure?

- Utilizing soil and vegetation to manage rainwater where it falls
 - Infiltration
 - Vegetative uptake
 - Storage



Sustainable ROI

- **Environmental:** can both manage stormwater volume and treat runoff for a variety of pollutants
- **Social :** aesthetically pleasing and community building
- **Economic:** Can reduce the capital costs and O & M costs of gray technology; short term quicker impact



Impacts...

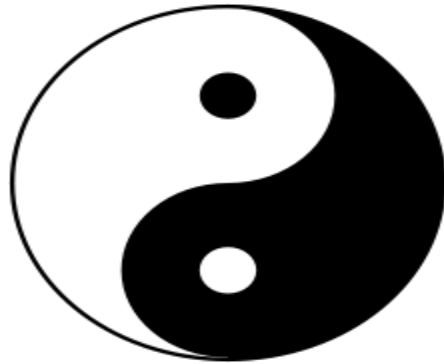
- **Water Quality:** Stormwater from urban areas delivers pollutants to streams, lakes, and beaches - including pathogens, nutrients, sediment, and heavy metals. In cities with combined sewer systems, high stormwater flows can also send untreated sewage into our waters.
- **Flooding:** Conventional stormwater infrastructure quickly drains stormwater to rivers and streams, increasing peak flows and flood risk and slowing and reducing stormwater discharges.
- **Water supply:** Rainwater harvesting and infiltration-based practices increase the efficiency of our water supply system and water infiltrated into the soil can recharge groundwater, an important source of water in the United States.

Private and Public Cost Savings:

- When stormwater management systems are based on green infrastructure rather than gray infrastructure, developers often experience lower capital cost.
- Savings are derived from lower costs for site grading, paving, and landscaping, and smaller or eliminated piping and detention facilities.
- In cities with combined sewer systems, green infrastructure controls may cost less than conventional controls , and green-gray approaches can reduce public expenditures on stormwater infrastructure.

Sustainable Business Practices...

Disruptive Innovation or a Key
Driver of Innovation



**I think we know the answer...now
let's make it happen!!**

THANK YOU...

Michele N. Siekerka

President and CEO

New Jersey Business and Industry Association

msiekerka@njbja.org

609-858-9500

NJBIA