



## Business benefits of ISO 14001

Business today is not just about selling a product or service to a customer around the corner. In the rapid evolution to a global market-place, having a set of common rules is critical to facilitating trade. At the same time, these rules have to be flexible enough to be as applicable to a company in Hokkaido, Japan or Salvador, Brazil, as they are for one in San Francisco, USA, or Reykjavik, Iceland.

Increasingly in this single world market, an organization needs to be able to demonstrate sound business management that includes concern for the environment. There is growing evidence that this results in advantages in financing, insurance, marketing, regulatory, and other areas of operations. An Environmental Management System (EMS) provides a solid framework for meeting environmental challenges and realizing the above benefits. The International Standard ISO 14001 is used as a model for implementing an EMS by nearly 37 000 organizations in 112 countries at the end of 2001.

There are many reasons for implementing an EMS. Businesses recognize that a focus on “command and control” by itself does not provide the bottom line results desired. ISO 14001 has proven to be a useful tool to evolve from maintaining regulatory compliance to a position of improved productivity and enhanced competitive advantage.

There is mounting evidence that companies which manage not only the standard economic factors but also the environmental and social factors affecting their business show financial performance superior to those which fail to manage all three.

Furthermore, experience has shown that ISO 14001 is a framework that inspires and channels the creativity of all members of an organization, making them active agents of change promoting environmental protection, resource conservation and improved efficiencies. When all members in an organization are challenged to think differently, it leads to the creation of innovative products and services. Innovation is a primary economic driver of economic growth. This makes ISO 14001 a powerful tool in which to invest.

How quickly and how effective the return for investment by an organization in ISO 14001 occurs is a function of a variety of conditions that include:

- the status and level of sophistication of its existing management system;
- the degree of environmental challenge it faces, including the past, present and future situations;
- the amount and quality of resources it has access to, both internally or externally;
- its state of preparedness – such as existing environmental management practices;
- the knowledge, skill and ability of its staff with responsibilities relating to environmental management and their relationship with those in other departments;

- the expectations that stakeholders have in relation to the EMS;
- the current status of compliance with legal requirements;
- other requirements to which the organization may have made a commitment, and
- the level of verification required by the organization to meet market requirements or the expectations of stakeholders.

By design, ISO 14001 is flexible: it is as applicable to the small business as it is to the multi-national organization, enabling access to a global market-place where business and environmental performance go hand in hand.

