

Going green to be in the black

It's possible to be kind to the environment and still run a profitable business, writes **Aneeta Sundararaj**

It is common to hear of companies undertaking environmentally-friendly projects when carrying out a CSR (Corporate Social Responsibility) exercise. While these efforts are commendable, they are still piecemeal and not part of the business philosophy. More often than not, they are carried out when the company has extra money. Is it possible, then, for a company to be green and still be a profitable business?

To sustain such efforts in the long-term, an organisation needs to have the financial resources to understand in what ways what they do affects the environment, and to come up with options to make a positive impact and maintain the company's profitability.

Although this is easier said than done, Rakesh Mohan, CEO of Unilever Malaysia, says that from 2010, the company decided to adopt a new approach to business with a view to enhancing the idea of sustainable living.

"It's a business model," says Rakesh, 55, about Unilever's Sustainable Living Plan. The idea is to double the size of its business while reducing its environmental footprint and increasing its positive social impact.

HUMBLE START

What does all this mean, though?

To explain, Rakesh, who comes from India, delves into his own history. With a natural inclination for mathematics and physics in school, he pursued a career in engineering. Before that, he was once a door-to-door salesman selling vacuum cleaners.

"My friend and I would start at 7am," says the father of two. "In one month, we would probably visit 80 houses and demonstrate how to use the machine. We were lucky if we could sell 20 sets. It cost 4,800 rupees (RM269.20) per machine."

Calling these times his formative years, Rakesh says that the most important lesson he learnt was perseverance. "Even when people slammed their doors in our face, we had to keep on trying. You never know, the next door you knock on may be the one; it may be the person who buys a machine from you. You take every opportunity and learn about the principles of negotiations and how to close a sale."



Rakesh Mohan during Unilever's celebration of Global Handwashing Day where they went into schools to promote better hygiene.

PICTURES BY AMIRUDIN SAHIB

He also worked in a car factory. He says: "At that time, we never even heard of words like 'reduce your carbon footprint'."

However, in line with the desire today to reduce its carbon footprint, Unilever has "right sized" many of the motors in its machines. What this means is that using the right machine, rather than one that is better or bigger. This way, there is less consumption of power and, in many cases, an increase in the production of goods.

Rakesh waves his arm and says: "Look around you. One of the nine areas we would like to focus on in our plan has to do with opportunities for women and fairness in the workplace. Walk around our office and you'll notice that almost 50 per cent of our employees are women. We are already practising gender equality."

"I feel that it works when you create a critical mass for this situation. It also starts at the top. Our leaders are women who understand what other women need. In fact, even at the board level, we have many women members."

His own office is devoid of paper. "As a company, we encourage people not to print and to use technology as much as possible. So I read everything off a laptop. Again, it starts at the top. If I go into a meeting with only my laptop, everyone else will soon follow and we'll have no need to print reports etc."

That said, he admits that old habits are not that easy to break; he still has newspapers delivered daily to his house.

SUSTAINABLE LIVING

Rakesh talks about the company's other efforts in its plan for sustainable living. "Instead of sending out delivery trucks half loaded, we plan a dynamic route to ensure our trucks go out fully loaded and do not make unnecessary trips," he says.

But how does the company increase its revenue? To answer this, he presents a scenario: At present, when your bottle of body wash is empty, you're likely to buy another bottle. What if you could buy a refill pack, which is cheaper?

He notices that 40 per cent of sales comes from refill packs as people are always interested when they can get the same thing for less.

Rakesh smiles as he talks about two projects that have to do with children. He says: "In one project, we went into schools to teach children about the need to wash their hands before eating and after going to the toilet."

"It was on Oct 16, also Global Handwashing Day. Together with Lifebuoy, we were trying to get people to take action to improve their health, hygiene and well-being. We had a jingle that the children could sing to and they had a fun day."

Last Hari Raya, the company organised an event where a group of mothers and their children bought tubs of Planta margarine and used

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them to bake 50,000 cookies which were then delivered to several orphanages in the Klang Valley.

"Aside from the fact that we sold the margarine, we could also see the mothers bonding with their children," says Rakesh, smiling with pride.

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