

Interface

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URL: <http://www.interfaceinc.com/>

The following articles come from various sources and from different time points that give some additional perspectives on the organisation and its approach to sustainability:

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Sustainable Growth - Interface, Inc.

By Charles Fishman

Ray Anderson has spent most of his life as an environmental vandal. He has devoted his career - the better part of four decades - to mastering the black magic of the 20th century: He takes huge lakes of petroleum and spins them into elegant brocades.

The petroleum, which took millions of years to make, is irreplaceable. The brocades - beautiful woven fabrics that carpet offices and corridors from the U.S. Capitol to MTV headquarters - will last forever. After just 10 years, most of that fabric will end up in the dump.

Indeed, Anderson's success has been marked by a kind of galloping enviro-gluttony. He is the 63-year-old founder and CEO of Interface Inc., an Atlanta-based company with 7,300 employees. Its business: turning petrochemicals into textiles. In 26 factories on four continents, Anderson's looms produce a million pounds of synthetic carpet and fabric every day - along with more than seven tons of air pollutants every year.

Ray Anderson is a certified captain of industrial capitalism. He is also becoming one of the nation's leading environmentalists, a radical who makes the folks from Greenpeace look timid.

Four years ago, Anderson made a decision that changed the course of his carpet company, and that could transform the nation's economy. He decided that Interface would become, as he put it, "the first fully sustainable industrial enterprise, anywhere." Anderson decided that his petrochemical conglomerate would become 100% environmentally benign.

His vision for the 21st century: Interface would no longer use virgin nylon yarn to stitch its fabrics. Interface's factories and offices would use power from renewable sources only. Interface would produce zero waste; indeed, it would reclaim its own products and use them as raw material for new textiles. And Interface would pull its suppliers and customers into its sustainability orbit, insisting that the products it bought be recyclable and nontoxic, pushing clients to think differently about carpeting - and about their own businesses. "I want to pioneer the company of the next industrial revolution," says Ray Anderson.

Anderson wants to turn the entire U.S. economy inside out. He wants to harness the awesome, triumphant engine of democratic capitalism to the task of fixing the environment - before that engine suffocates on its own waste. The concept is simple: For its first century, industrial capitalism has been obliviously, relentlessly linear: raw materials, energy, product, packaging, marketing, waste. In the century to come, Anderson wants

business to evolve to the next level: cyclic capitalism. Companies would consume their own waste. Landfills, after all, are best seen as a yardstick of the failure of human ingenuity. In nature, there is no garbage; everyone's waste becomes someone else's food.

Anderson's thinking is so advanced, and the efforts at Interface are so far along, that Interface ranks as the most highly evolved big company in the country today. In terms of combining social responsibility and economic growth, no one comes close. At Interface, social responsibility and growth have become the same thing.

From 1995 to 1996, sales at the publicly traded company grew from \$800 million to \$1 billion. During that same period, the amount of raw materials used by the company dropped almost 20% per dollar of sales. Which means, says Anderson, "The world just saw the first \$200 million of sustainable business."

Interface's performance shatters the idea that environmental stewardship is just another cost. During the first three years of the company's drive toward sustainability, from 1994 to 1997, its net income totalled about \$84 million. During that time, the company saved \$50 million - in reduced materials costs, reduced energy costs, and reduced waste. That money went to the bottom line, not to the dump.

Of course, you can't reinvent the modern industrial enterprise in just a year or two; it's not that easy to disconnect a giant company from a century's worth of supply arrangements and infrastructural habits. Interface still consumes 10,000 pounds of virgin nylon per hour, still trucks almost 30 tons of garbage to landfills per day, still sends 2.3 million pounds of CO₂ into the air per week.

But a dramatic change has taken hold at the company. From the factory floor to the R&D lab, sustainability has become as important a consideration in every business decision as profitability. Interface, for instance, has developed a new idea about carpeting and customers: It wants to lease carpet instead of selling it. The company would make, install, and maintain the carpet, take it back from customers, and then turn the old carpet into new carpet.

Says John Picard, a corporate environmental consultant who helped Interface develop the leasing idea: "Ray Anderson is going to be one of those people you look back on and say, 'He changed the world.' Interface is the corporation of the 21st century."

Nylon Is Forever

The nylon molecule from which interface spins its carpet has two amazing properties: It is completely recyclable, and it is stable for eternity - which is why discarding it by the ton hardly makes sense. Still, there is a small flaw in Ray Anderson's plan to recycle carpet by leasing it and taking it back: Right now, it's neither feasible nor economical to turn carpet back into carpet.

Don Ellison, 50, a preacher-turned-factory manager, is explaining the problem at Interface's plant in West Point, Georgia. "Look at this beam of yarn," he says, pointing to a stainless-steel spool of yarn the size of a truck axle. The shining spool is meticulously wound with half a ton of yarn. "That beam has 205 'ends' of thread," says Ellison. "Five colors form a color pattern of 18 threads, repeated over and over." The 205 ends will be threaded into a large stitching machine and "tufted" into a lovely piece of tan carpeting flecked with turquoise and maroon. "Once you weave all this into carpet, stitched through and backed with latex, you can see the problem," says Ellison. "It's no easy task to take it apart, separate it, and use all those parts again."

True. But if recycling is hard, consider what it takes to make carpet. Helicopter out to the middle of the Gulf of Mexico. Straight down, beneath 750 feet of water and 11,000 feet of bedrock, is an enormous lake of crude oil. Suck up some of that crude, wind it onto Ellison's stainless-steel bobbin, and weave carpet out of it. That's no easy task either. Indeed, seen from that vantage point, making carpet the modern way - using oil rigs, tankers, petroleum-cracking plants, pipelines, and nylon-spinning factories - seems improbable.

That's the shift in perspective that Anderson wants to cultivate. At Interface, the change is happening in two ways. First, across the company, employees are wringing out as much waste as possible. At its plant in LaGrange, Georgia, Interface used to send six tons of carpet trimmings to the landfill every day: ribbons of brand new carpet, made and discarded within hours. By reducing the unnecessarily generous comfort

margins built into its production system, the factory has dramatically reduced its scrap. Since June of last year, the plant has sent no trimmings to the landfill. What scrap remains is recycled - much of it back into carpet. Net savings: 3 million pounds a year of indestructible carpet that is not sent to the dump.

At Guilford of Maine, a division of Interface, new computer controls on the boilers in a fabric factory reduced carbon monoxide emissions by 99.7%, from two tons a week to a couple of hundred pounds a year. The computer controls also improved the efficiency of the boilers by 23%, by minimizing human error and by monitoring temperatures more precisely.

Every Interface factory has similar stories. At Bentley Mills - a division in Los Angeles that makes luxurious, high-end carpet - the amount of scrap carpet wasn't even tracked until June 1996. When employees first measured the scrap, they discovered they were throwing away 2 running yards of carpet for every 100 yards they stitched. That's the equivalent of operating the factory two days a year, three shifts a day, and throwing all that carpet away. By the end of 1997, the scrap carpet had been cut by 30%.

The second change sweeping Interface is the company's determination to transform the way carpet is made and sold in the 21st century. At the moment, the Bentley Mills dye house, where carpet yarn gets its vivid colors, is still the kind of factory that Charles Dickens would recognize: cavernous, smelling of ammonia, with cauldrons radiating clouds of steam. Huge carts, stacked with carefully skeined yarn, are lined up everywhere. Some yarn is the whitish gray of raw thread; the rest presents a riot of color - mauve, aqua, tan, blue. The process of giving thread its color hasn't changed in 5,000 years. Put the thread in a pot that contains water and a dyeing agent. Boil it. Dry it.

At the Bentley Mills dye house, the cauldrons can handle 5,000 pounds of yarn at once; 10,000 gallons of water and dye are brought to a boil in a vat big enough to submerge a compact car. The yarn is dried in an oven the size of a small trailer house. It's a system that consumes an enormous amount of energy - and that could never be run on solar panels.

Around the corner in the dye house, workers are using a different method to color yarn. The raw yarn unspools through a couple of glass-enclosed boxes, through a small steam box, and then into a series of drying chambers. Then, fully colored, it spools back onto a cone at the end of the line. In that first set of boxes, dye is sprayed onto the moving strand of yarn. Excess dye is captured and constantly recycled. The steam chamber fixes the dye.

Each drying box is not much larger than a microwave oven. A strand of yarn speeds through it at 1,200 feet per minute.

"This is the first machine of its kind anywhere in the world," says Jim Harley, 39, the vice president of manufacturing at Bentley Mills. Compared with the boil-and-bake method - which, for the time being, Bentley Mills will continue to use at least partially - "this system uses 10% of the energy," says Harley. "Or less. At half the cost. And with this system, there is no wastewater or dye going into the sewer." And this system could run on solar panels.

The most visible step toward the kind of cyclic, sustainable company that Anderson envisions was taken at Interface's Guilford of Maine division. Guilford specializes in making the fabric that upholsters cubicles. Using fabric made from polyester fiber, which is delivered in 600-pound bales from a supplier, Interface upholsters half the office cubicles in the country.

"We've always used virgin polyester fiber," says Paul Paydos, 46, Guilford's vice president of technical services. But Guilford decided to produce cubicle fabric from recycled polyester - which had to be indistinguishable from the virgin polyester fabric in quality and price. It took about a year to make the change.

With the bargaining muscle that comes with making 15 million running yards of fabric a year, Guilford partnered with a South Carolina soda-bottle-recycling outfit to supply the plant with recycled polyester fiber that is chemically identical to the virgin product. Last June, Guilford looms started using the recycled polyester; by the end of the year, all the cubicle fabric was woven from old soda bottles.

Now Guilford is working with suppliers on an even more advanced step. "Our goal is to throw discarded cubicle fabric back in the smoking cauldron," Paydos says, "and have new polyester raw material come out."

Planting the New Economy

Ray Berard is a senior vice president in interface's R&D division, overseeing a dozen efforts to design carpet and fabric that can be pulled apart and turned into carpet again. But for Berard, a 60-year-old with a PhD in physical chemistry, who has worked at Celanese Corp. and Telleist & FootJoy Worldwide, one of the most exciting projects involves all-natural commercial carpet.

"It's made of hemp," Berard says, "backed with natural fibre, using natural dyes. It looks good, and it feels good." To make the point, he displays a square sample located behind his desk. "And it has wicked strength," he says. Hemp "grows so fast, it keeps the weeds out. You don't need pesticides or herbicides. And when you're done with the carpet, you can take it, compost it completely, and use it to fertilize the next crop of hemp."

The only problem: Growing industrial hemp in the United States is illegal, because of its genetic relation to marijuana. For now, Berard is looking to Canada and Asia for supplies of hemp - he's already bought the harvest from 150 acres - and he hopes to start offering commercial hemp carpet later this year.

Berard's projects are part of the new world that Anderson envisions. They represent a radical leap from the way business is done now - involving different relationships and different ways of thinking about suppliers, customers, products, garbage, and raw material. But as Interface is proving every day, that world is very much within reach: Lease carpet instead of selling it - progress begins with an idea just that simple.

The human economy doesn't have to be the only one on Earth that generates garbage. Cyclic capitalism - a form of business that refreshes itself and the world around it - would fire the imaginations of those who make the current, more primitive capitalism thrive. And as Anderson says, "It's the right thing to do."

Source: Doppelt, B 2003, *Leading Change Toward Sustainability*, Greenleaf Publishing, Sheffield, UK, pp 54-56 & 239-241

Sustainability at work: the interface example

The sustainability action plan adopted by Interface Corp., one of the world's largest producers of commercial floor coverings and a global leader in the sustainability movement, demonstrates how the hierarchy of steps can be translated into action. The company's goal is to become the world's first truly sustainable company. To achieve this vision, Interface has adopted a seven-part strategy:

1. Achieve *zero waste*. The company launched an effort called QUEST (quality utilising employee suggestions and teamwork) to squeeze out all waste, including wasted steps and anything we don't do right the first time'. The QUEST programme helped the firm cut solid waste to landfills (per unit of production) by 70% from 1996 to 2001. Water use, an important indicator of environmental impacts related to consumption and waste-water, has been reduced by 26% per unit of product in that same time-period. This was accomplished through water conservation efforts, process enhancements (e.g. re-using dyebath water) and process eliminations (e.g. eliminating printing process). The most significant improvement has come in the modular carpet business, where water consumption per unit of product has been reduced by 68% during that time-period. The fabrics businesses reduced their consumption of water per unit of production by almost 35%. Through the use of renewable energy, rematerialisation (replacing petroleum-based materials with non-petroleum-based matter) and dematerialisation (creating products with less stuff'), petroleum-based materials have been reduced by 33% from 1994 through 2001. In 2001, Interface increased its use of non-petroleum-based materials in its products to 24%.
2. Generate *benign emissions*. Worldwide, Interface has actively worked to eliminate air emissions (or stacks) and effluent components (or discharge points). The company inventoried every outlet pipe in its facilities to see what was being released and the amount of each emission. By 1998 the company had reduced the number of stacks from 247 to 185. When the investigation began, there were 18 process-effluent pipes; today there are 10. In all, 71 stacks and pipes have been closed off, and emissions of all types have been reduced to the toughest standards. Using 1996 as the baseline, globally Interface reduced carbon dioxide emissions by 25.6% through 2001.

3. Shift to *renewable energy*. This means slowly shifting to solar and other forms of renewable energy. By 2001, Interface had reduced its use of nonrenewable energy by over 18% since 1996. The company has also pursued many renewable energy projects, such as the application of photovoltaic power at its Intek factory in Aberdeen, North Carolina, and its Bentley Prince Street Victory in southern California.
4. *Close the loop*. This line of attack introduced closed-loop recycling. Two cycles have been established: a natural, organic cycle which recycles natural raw materials and compostable products (which they call 'dust to dust') and a technical cycle, which recycles man-made materials and precious organic molecules over and over again. In 2001, 74% of the waste generated by Manufacturing facilities worldwide was recycled into other products or used to generate power in environmentally efficient energy facilities.
5. Use *resource-efficient transportation*. This is an area the company feels is the most difficult area to resolve. Although the company has purchased hybrid gas-electric cars, increased its use of video-conferencing, eliminated unnecessary trips, sponsored the planting of more than 31,000 trees to sequester more than 10,000 tons of CO₂ over their lifespan, and taken other steps, it has not yet determined how to contact customers and deliver its products in a truly sustainable manner.
6. Expand the *sensitivity hookup*. This track focuses on the human and social elements of sustainability. It includes service to the community through involvement and investments (such as in education) and developing closer relationships between employees, suppliers and customers. Interface employees are continually educated and sensitised to their stewardship responsibility for 'the treasure of life in all its forms, as well as Earth's life-support systems'.
7. *Redesign commerce*. To Interface this means shifting emphasis from selling products to providing services. As a result of this new way of thinking, the firm created the 'evergreen service agreement' whereby carpet is no longer sold outright to customers, but leased. As carpet squares wear out, Interface replaces them with new carpet and recycles much of the used materials into new carpets. Although available, the Evergreen lease is not yet a big seller, though product take-back is increasing dramatically.

While Interface has perhaps gone farther than most other organisations toward sustainability, senior executives readily admit they have a long way to go to achieve their vision of becoming the world's first truly sustainable company. They acknowledge, for example, the need for help from their suppliers, distributors and customers to break through the next level of barriers to success. They also acknowledge the need to design a number of new breakthrough technologies. Company founder, chairman and former CEO Ray Anderson believes new laws such as shifting taxes from labour to waste and pollution are also needed to help his firm achieve its goals (Anderson 1989)

Although the people at Interface acknowledge they have just begun the journey to sustainability, they have achieved some impressive results already. One outcome is significant economic returns. This suggests that, if skillfully applied, sustainable development could become a major economic driver.

The interface approach to sustainable governance

Interface have come to understand that the firm's governance system is *key* to their ability to make continued progress toward sustainability. After many years of trial and error, senior executives now believe that three prominent drivers will determine success: employees want to be listened to, meaningfully contribute and be part of something bigger than themselves. Interface executives believe that the company's commitment to sustainability is 'something bigger than themselves' that can energize employees. Their key challenge is to build a system that meaningfully engages employees and makes them feel listened to.

Developing this new system requires fundamental changes in the firm's traditional approach to governance. When Ray Anderson, former CEO and now chairman of interface, first became focused on sustainability, the organisation was governed through a hierarchical command-and-control structure. Anderson set the direction and employees implemented it. A single person was also in charge of each department of the company. Each manager reported to a higher-up in the patriarchal structure that existed.

The company has spent several years pursuing sustainability and during this time bumped into numerous obstacles. Many of the barriers, it turns out, were caused by a lack of alignment between the hierarchical command-and-control governance system and the company's focus on sustainability.

The learning process Interface has engaged in led to the understanding that one person alone cannot possess all the attributes needed of an effective leader. People have different natural orientations and attributes. Some are entrepreneurs, some are team builders, some are competitors, some are commanders, some are safety-oriented and some are creators. Few people excel in all of these areas. The entrepreneur is the antithesis of those who are safety-oriented. The commander is the antithesis of the team builder. While no single person may have all of these attributes, they are all needed for Interface to achieve its potential.

Executives at Interface now believe that the old organisational model of a single department or unit leader, who is often ego-driven, cannot succeed in today's world of increasingly complex issues and rapid change.

One individual usually does not realise that they do not possess all of the attributes needed for success. The responsibility of senior executives is to develop teams of people whose natural attributes complement each other so that all of the roles and functions necessary for success are performed well. For example, if a leader is an entrepreneur, a safety person must be close at hand to continually tell the risk-taker when to slow down or back off so as not to overwhelm staff or make a major mistake.

Consequently, Interface has focused more on more on developing team structures than on individual leaders per se. In the functional areas of management, it is developing teams with offsetting qualities. At the departmental level, a manager is now responsible for cost, delivery and scheduling of labour. A different manager is responsible for 'agility' and quality. Still other people are responsible for additional issues. Ultimately, no single person is responsible for all of the key functions. In short, people with all of the key attributes needed for success are part of the teams. To avoid confusion, the new structure requires clarity about goals, roles and rules.

Interface is also building an internal market economy within the company. In the old model, department managers ran their units as a separate business. This led to siloing and fragmentation, which reduced productivity. Today, a whole new structure is evolving whereby everyone in the organisation has been turned into the 'customers' of others. People are asked to treat others as they would want to be treated if they were customers.

The shift away from the single-authority model and competition between units means that employees are now continually told, 'You work for the company, not for a department manager.' Employees are encouraged to use their talents to make the company, not just their unit, the best it can be. Managers no longer ask employees to be loyal to them but to use their talents to help the firm. Through continual repetition and the development of new structures and systems, employees are beginning to understand what this change means. One of the biggest challenges has been establishing systems to support and encourage employee involvement and innovation. One step has been to encourage employees to make suggestions about how to improve the firm's operations.

Management went to each of the company's 7,000 employees and asked them to participate in the QUEST (waste reduction) process. They now actively seek ideas from employees. When an employee proposes an idea, the individual who offers it is actively involved in implementation. Interface staff believes it is vital to provide honest feedback when an employee's suggestion is not chosen for implementation. When associates step out of their normal role, the company owes it to them to explain why their ideas were not acted upon. Every time someone puts forth extra effort they need to be acknowledged, responded to openly and honestly, and rewarded.

'Unless you go the full gamut, the suggestions stop coming. Because Our work is so enormous to become a sustainable enterprise, we now realise we need to look at any suggestions, because you never know when we will get a gem that will take us to the next level,

says John Bradford, vice-president of manufacturing and operations.

Employees at Interface also have the right to challenge or refute any idea or proposed action. If employees see activities or decisions they feel are not consistent with the company's sustainability vision and principles, they are encouraged to speak up. This message is delivered at every staff meeting. This new form of employee empowerment is a major cultural change for Interface. To make it work, the company has reoriented its structures and system.

Staff from the human resources department initiated many of the changes in governance. Joyce LaValle is in charge of human resources at Interface. LaValle sees her role as enhancing the services provided to employees at Interface. For this reason, when she took the job she made sure her title became senior vice-president of human services (not resources). LaValle took the position after many years in sales and marketing. Her exposure to HR in that role associated it with rules and regulations. When something was wrong, HR got involved. This did not feel 'good' or 'fair' to LaValle.

Therefore, after she took on the human services job at Interface Americas, LaValle reoriented the department into one that served employees, not controlled or ordered them. One change LaValle insisted on was that human services had to report directly to the company's senior leadership. She felt her department had to be at the table with all of the other senior managers at interface.

Another change LaValle made was to transform her department from one that wrote and enforced rules into one that helps employees learn, grow, and prosper. Her department is now rewriting policies in language that everyone can understand, with a focus on fostering partnerships and in building a powerful team at interface. Focusing on the development of a high-performance team is very different from the historic HR focus of rewarding people who maximise their individual performance. When individuals seek to maximise their own performance, they often reduce team performance. To make this shift, LaValle's department changed the traditional focus On fixing the weaknesses or limitations people display to one oriented toward situating people in roles and locations where they can naturally excel. That is, they now evaluate and Manage the *relationships* that exist among people, not their actions per se. This fundamental shift has significantly changed the focus and value of the work done by the human services department.

The transformation that LaValle, Ray Anderson and others have initiated has helped the staff understand that to achieve sustainability they must not only learn new ways to manage their interactions with the environment, they must learn whole new ways of managing the interactions between people as well.

One of the changes Interface has made is to make 'agility' a new requirement for managers. Few organisations measure 'agility'. At Interface, agility means embracing suggestions that employees may offer, gaining new ideas through research and product development, or seeking them from outside sources. In short, the company is actively mining ideas. For example, Interface now holds meetings where outsiders who know the company are asked to point out issues that could put the company out of business. Executives want smart people from outside the company to help them identify emerging threats-from new products, competitors, environment or socioeconomic pressures, legislation, or other issues. The firm seeks not only to bring in new ideas but to apply them as well. Gathering new ideas does little good if they are not operationalised.

Interface has applied this new governance system both at the Bentley Prince Street carpet facility in California and in its facilities in Georgia. 'This new structure and approach is what is propelling us into the future at a high rate of speed. We went from shunning new ideas to letting them come in by osmosis to looking for ways to farm ideas,' says John Bradford.

By developing this new form of governance the people of Interface don't just hope they can achieve sustainability; they *know* they can do it. 'There are just a few technical problems that stand in the way, and we are working these out. Cultural change never happens quickly. As we work through these issues and develop the new structures, our culture will change,' said Bradford. (pp. 239-241)

Source: Hargroves, K & Smith, MH 2006, *The Natural Advantage of Nations*, Earthscan, London, pp 78-81

Rob Coombs, Asia-Pacific President of Interface, writes of what the experience has been like from the inside of Interface in the Asia Pacific. He summarizes many of the key concerns, relevant to all companies, that have driven these changes within Interface. This testimony also illustrates some of the key points in this section of the book. Namely, that there are significant strategic business opportunities available - through the adoption of sustainable solutions - that multinationals and firms cannot ignore. As with all waves of innovation, however, companies need to be strategic in deciding where to invest. Furthermore, he honestly and openly discusses how a multinational, in this case Interface, can strategically position itself, in the Asia-Pacific region, to lead and consolidate in countries where there are market drivers for sustainable solutions (i.e. Japan and Australia), whilst awaiting the emergence of further market opportunities in Asia.

The business world is slowly coming to the realization that it needs to develop practices sympathetic with the natural environment in which it operates. The slumbering giant is beginning to understand that there are also a range of stakeholders affected by business practices and that there is a social contract that needs to be re-thought and redeveloped. This awakening brings with it many pressures; the need to rethink age old values and approaches to problems, the need to find solutions to previously unapproached technical barriers, and the need to create a new set of decision making criteria. For Interface in the Asia-Pacific region, the evolution of sustainable business practice has created another challenge: How to play an

important part in the process of becoming a sustainable business within a large organization at the leading edge of the debate? How to support the position for which the company is known globally and how to live up to the position on a local basis?

Led by Ray Anderson, interface has created a culture in which the drive to sustainability is an imperative. In doing so, the company has established a position as an early mover, an example to be used when looking for the route map to an environmentally better business model. With a vision to become sustainable and then restorative through the power of its influence by 2020, Interface has already established a clear measure of business success. It is moving towards this goal through the adoption of a strategy on seven fronts: eliminating waste, using only renewable energy sources, creating only benign emissions, closing the product loop, energy efficient transport, energizing people and changing the nature of commerce itself. Asia-Pacific represents 5 per cent of global interface revenues and although the region is seen as a growth engine for the business, the relatively small scale of the division creates a series of challenges around the move to sustainability. How has Asia-Pacific embraced the philosophy and what has it done to support it? What are the challenges faced by a small division of a leading force in sustainable business development? In answering these questions it is important to note that the culture of sustainability within interface globally is well developed, with a broad base of leadership created over the past six years. Whilst there are pockets around the company where knowledge and activity are lower than in others, no part of the business could operate without a long-term commitment to the vision for the company - it would simply not fit with the whole.

Let me start with some general observations. First, there is no Asia-Pacific! The size and cultural diversity of the region is such that there is no simple answer to these questions. The response differs by country. Second, we are driven by the corporate goal in many different ways and these ways are influenced by the communities around each site. In some communities the commitment to sustainability is greater than in others and therefore more conducive to active participation by interface. The focus of the debate is influenced greatly the same way. For example, Japan has embraced, by necessity, the concept of recycling as a noble activity and it is promoted by government and within the business community. Thus, Interface is engaged in a wide range of activity in Japan around this issue, while discussion around renewable energy receives much less attention. A third observation is that the two countries across the region that appear most engaged are Japan and Australia. In most other countries, sustainability remains a very low priority and Interface operates with less external stimulus. As Ray Anderson would say, the stimulus from customers for more sustainable solutions is the greatest driver we have. With this less evident, Interface operates in a vacuum. No less committed but with the need for more self discipline to press forward. This discipline is self imposed by the measurement systems we have in place to monitor progress on quality, waste, sociometrics, ecometrics and environmental procedures and standards. The company's wide visibility of these measures assures that the focus is not lost.

In the Asia-Pacific division the progress across the seven strategic fronts has been in line with its place in the Interface world. That is, it is able to move forward independently in many facets of the effort. Yet there are some developments it is unable to embrace at the same pace as its larger divisional cousins because of the scale of the organization. There are also some areas in which the company actively centralizes investment and activity in order to maximize the speed of projects and the return on investment. Some examples from each of these three categories follows: the region has a strong track record in waste elimination, the cornerstone and enabler of the Interface programme. In both the Australian and Thailand manufacturing facilities, Interface has reduced dramatically all forms of process and material waste. In Australia, for example, waste per unit of production has reduced by 90 per cent since 1996, an achievement that has both funded other sustainability projects and helped to deliver greatly improved business performance. The waste effort has been driven in both facilities by people working in teams at operator level with strong supervisor leadership. It is very much a grass roots programme to reduce the company's environmental footprint. Equally, regional success in reducing harmful emissions has been encouraging. Since 1999 our annual greenhouse gas emissions have reduced from approximately 1650 metric tons of CO₂ to 1450 metric tons, while at the same time we have increased our production throughput by 35 per cent. The source of these emissions is electricity production 63 per cent (indirect contribution) and the burning of natural gas 37 per cent (direct production). We have reduced and rationalized the use of solvents at our production facilities and even gone to the extent of identifying new cleaners with less solvent emissions for our Carpet Spot Cleaning Kits, admittedly a small component, but significant in the message we are trying to put out into the market place. In the short term we are evaluating the sale and use of 'Climate Neutral' products and services.

Interface has invested significantly in the region over the past six years in the education of its own people around the principles of sustainability. This investment has covered training programmes around the scientific basis for the philosophy, programmes of engagement and training around Interface's strategic methodology, communication tools for use with customers and other interested parties and the investment in managers dedicated to leading the Interface Asia Pacific sustainability effort. There has also been a wide ranging programme of engagement with the local community. Probably most importantly, it has led to activity within the local communities in which we operate, with projects ranging from regeneration of natural habitat to the fostering of sustainable business opportunities within Thai village communities. Interface strives for a situation where the nature of commerce changes, from the linear 'take, make' waste' process based on 'making stuff', to a cyclical process in which the transactions become service based. This will result in the customer leasing the benefits of the product rather than purchasing the physical properties that provide them. In Australia and Japan, interface has developed leasing programmes involving the leasing of carpet (or the functional benefits of it), where Interface retains ownership of the product, maintains and then reclaims it at the end of its life to ensure landfill is avoided. The success of the programme is growing, but so far has been limited by customer acceptance. Long established procurement methodologies are embedded in many organizations and will take time to change.

These are some areas in which Interface Asia-Pacific has independently engaged in sustainable development. We have also made progress in other ways but at a slower pace. For example, the adoption of renewable energy sources has been less widespread than in other Interface locations, mainly due to the lack of availability of the source. Local infrastructure is not available to the same extent in support of this objective. The company is actively seeking alternatives to fossil fuels, and remains committed but frustrated with the lack of realistic options available. Then there are the areas in which interface Asia-Pacific has, through necessity, left major development to central bodies within the company. Closing the product loop represents the greatest technical sustainability challenge faced by Interface, a company whose product is founded on numerous petro-chemical based raw materials historically designed not to separate during or even after use. Creating products that use post consumer product as raw materials that can then be recycled (not just down cycled) into their own raw material stream at the end of their life, is a goal that has the undivided attention of many people within the company. Great progress has been made in Asia Pacific with many of the raw materials we use. Locally, Interface has been active in working with outside companies to research ways to reduce and re-use waste streams. Internally, we have developed a process that could recycle backing material and reduce landfill quantities by 80 per cent. Globally, Interface is inching ever closer to the end goal. The resources required to undertake the major technical developments required in this area have been centralized in the United States. Local part-recycling initiatives are underway, but the large scale break through projects will probably be undertaken elsewhere, before results are implemented here.

So, where is the scope for improvement? Well, as staff turns over in a five year period, we have a need to regenerate some knowledge and vigour around the subject and with some new champions in place. Any long-term programme needs regular stimulus and re-growth: there is a need to redevelop tactical activity to support each of the seven fronts, to re-focus leaders and the company as a whole on the importance of the journey the company is undertaking. There are also some strategies which require greater focus, notably the transportation initiative and the drive for renewable energy sources. As the low hanging fruits have been picked we now need to be more innovative. We are a small part of a large company fully engaged in a long journey. We are learning more from mistakes than we are from successes. The region is in the great position of being able to draw on the resources of a larger parent whilst enjoying the freedom to develop its own initiatives as well. Trying to keep pace with the vision and determination of Ray Anderson, to create the world's first sustainable enterprise, is no easy task. But we wouldn't have it any other way. (pp. 79-81)

Source: GreenBiz.com

Interface Launches Sustainability Consulting Practice

Source [GreenBiz.com](http://www.greenbiz.com)

URL: http://www.greenbiz.com/news/news_third.cfm?NewsID=34062

ATLANTA, Sept. 26, 2006 - Carpet company Interface, Inc. has launched InterfaceRAISE, a corporate consulting resource that will amplify Interface's efforts to educate others seeking to implement the necessary steps for becoming sustainable.

Having already piloted the InterfaceRAISE concept with leaders at Wal-Mart, General Mills, Sara Lee and NASA, Interface has taken another sizeable step in its mission to "lead others forward through the power of its influence," sharing best practices and tailoring its own tools for successful application in numerous other industries.

"This new Interface business was formed in keeping with Interface's desire to share its passion for sustainability with others, a formalization of what we have been doing for years," said Neel Bradham, vice president of business development, Interface, Inc. "At a time when historic trends are reshaping the competitive landscape and encouraging more businesses to take notice, InterfaceRAISE provides the ideal platform for educating stakeholders on the full scope of sustainability and its virtues for adding value to the bottom line."

As the name implies, InterfaceRAISE was founded to "raise" awareness and reinforce the importance of integrating sustainability into core business strategy. To achieve its transformative potential, sustainability must be embedded into business, rather than bolted on as a sideline. While such an approach certainly helps reduce negative impacts on the environment, it also offers significant opportunity to "raise" business value in terms of enterprise reputation, cost reduction, access to talent, associate engagement and innovation.

Andy Ruben, vice president for corporate strategy and sustainability at Wal-Mart, acknowledges, "People and companies need to look at their ability to make change in the world. Interface has value for being a living model that continues to evolve its sustainability practice. Their influence is their journey, and the length of their journey, and at what depth the company integrated sustainability and change. That has influence."

Doug McMillon, President and Chief Executive Officer of SAM'S CLUB, observes, "Visiting Interface and seeing the creativity applied to establish more sustainable practices made it undeniable that the rest of us can do the same. We don't have to spend time wondering if we can do something. Instead, we can move on to figuring out how."

InterfaceRAISE will serve as a resource to companies looking to drive business value through sustainability education, cultural transformation and innovation. It will also serve as an internal support mechanism for Mission Zero and customer events, such as the recent Biomimicry Retreat hosted by InterfaceFLOR (Interface's commercial modular carpet business) at Shelburne Farms in Vermont.

At the helm of InterfaceRAISE as Managing Director, is Jim Hartzfeld, one of the "chief architects" of Interface's Sustainability Journey and a long time resource for Interface associates and customers worldwide on the company's efforts and philosophies pertaining to sustainability. Jim is also past chairman of the U.S. Green Building Council.

"Interface cannot achieve sustainability alone," said Hartzfeld. "We've proven our leadership through the way we embrace sustainability with one collective voice and through our efforts to share our experiences. InterfaceRAISE is the focal point of a continuing effort to distill the latest concepts and practical experience of Interface and other partners into ever more powerful tools and perspectives. Hartzfeld adds, "We created InterfaceRAISE to use our first-hand experience to help companies climb up their learning curve faster than by doing it alone, by showing them our scars and medals, like a Sherpa in a climbing expedition."