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# 20 years later, Interface looks back on Ray Anderson's legacy

By Mikhail Davis Created 2014-09-03 00:01

Twenty years ago last week, Interface founder and CEO <u>Ray Anderson</u> spoke the word "sustainability" for the first time. When reading GreenBiz or any of the other numerous media channels that cater to the field of "sustainable business," it's easy to forget that such a notion scarcely existed 20 years ago.

Today, nearly every large corporation devotes a section of its website to sustainability, including many that claim to have been committed to environmental stewardship since they were founded (as far back as the 19th century!). Ironically, Ray's story has such impact precisely because, unlike companies seeking to retroactively green their history, he fully acknowledged that he hadn't given a thought to the environment in the 20 years before his epiphany.

Only by dropping the pretense of a perfect green history and understanding the true nature of the journey to sustainability can companies hope to reach the top of Mount Sustainability. We hope that sharing the journey, bumps and all, helps other companies make the climb with us.

## Moving through skepticism

At the time of his life-changing epiphany, Ray Anderson had just turned 60 and had lived the entrepreneur's dream, going from a guy with a few small investors and a crazy idea ("Why would you want to cut a perfectly good carpet into squares?" they asked him in 1973) to a millionaire CEO of a public company in 20 years. Ray later would become the first <u>Toyota Prius</u> owner in Georgia, but back in 1994, he drove a Bentley.

He was an unlikely tree-hugger at best. So when Ray first laid out his environmental vision to Interface's nascent Environmental Task Force on Aug. 31, 1994, reactions were mixed.

Buddy Hay, now assistant vice president of Sustainable Strategies, was an accountant in 1994. Hay said, "Most people didn't know what to think. We just had no idea what Ray meant. We thought of environmental sustainability as something for tree-huggers. How could this possibly apply to an industrial company like ours?"

Similarly, sales executive Kenn Rickman recalled, "Our first response was sympathy, because we all loved Ray and it was quite clear that he had snapped under the pressure of running the company."



When Ray Anderson first used the word "sustainability," his goals seemed far away, even impossible. (Credit: Lee Yiu Tung via Shutterstock)

Current CEO Dan Hendrix, then CFO and a self-described "big, big skeptic" in 1994, recalled the first time Ray brought his sustainability message to a group of Wall Street investors: "The next day our analyst called to say that one of our biggest investors was dumping the stock because Ray had clearly gone 'round the bend." Ray later explained that it was part of his job as CEO to be 'round the bend' so he could see what was coming up next.

Over time, programs that linked bonuses for employees at all company levels to reductions in waste started to put meat on the bones of Ray's "business case for sustainability." The company could point to millions of dollars saved and Ray's latest crazy idea slowly started to look like another winner.

Another key moment occurred after one of many talks Ray gave to share his environmental vision with Interface associates. He wasn't sure he was getting through until he received <u>the poem "Tomorrow's Child,"</u> written by Glenn Thomas, an associate who had been in attendance. Ray described it as "one of the most encouraging moments in my life," and used the poem in every talk he gave for the next 15 years, including the following year when he addressed 1,200 Interface associates and suppliers and unveiled the company's new vision. At this global meeting, Interface turned the corner on the skepticism that characterized the earliest days of our sustainability journey.



Interface founder and CEO Ray Anderson started out as an old-school, Bentley-driving businessman. (Credit: Interface)

## Experimentation, failure and lessons learned

The next challenge was to figure out how to make Ray's impossible dream of sustainable and restorative business a reality. We started out neck-deep in petroleum with less than 1 percent of raw materials coming from recycled or renewable sources in 1996. Today we are at 49 percent, but it wasn't without some bumps along the way.

An early failed approach to recycling included a process that dissolved whole carpet tiles in a chemical solution to reclaim materials. Another process involved specialized energy-intensive facilities in two countries. Both were discontinued because they not only were more expensive, but actually increased our environmental footprint once we crunched the numbers. Our current recycled backing technology emerged only after the tough lessons of these failures.

Some product innovations took years, but finally succeeded. Over 13 years after attending our global sustainability meeting in 1997, our nylon supplier <u>Aquafil</u> made possible the first 100 percent recycled nylon carpet fiber, which we previously had been assured was technically and economically impossible.



Human Nature product collection is made with 100 percent recycled content nylon from Aquafil. (Credit: Interface)

Other innovations never took off. Solenium, an experiment in <u>dematerialization</u>, was a product woven on solar-powered machines with no nylon face fiber. It had a very low environmental footprint, but ultimately failed due to performance issues.

Another big idea, shifting carpet from being purchased as a disposable product to being managed in a closed loop as a service, proved to be well ahead of its time. The unfavorable tax laws around leasing carpet combined with the challenge of changing how customers did business with us forced us to shelve our Evergreen Service Agreement.

Without sufficient belief in Ray's vision, any one of these hard lessons, let alone the economic downturns the company had to weather, might have led us to give up on sustainability. But by this time our people had moved past skepticism and experimentation, on to the new challenge of using what we were learning to transform our company and influence others.

## Living the legacy

The curse that comes with a bold vision is that yesterday's successes quickly become tomorrow's failures. The flip side of sourcing 49 percent of our materials from recycled or rapidly renewable sources is the urgent need to figure out the other 51 percent before 2020. <u>Our Netherlands factory</u> can purchase "Green Gas Certificates" generated from a fish waste processing plant to cover 100 percent of its natural gas usage, which highlights some of the green energy gaps at our other facilities.

Looking at our <u>accomplishments</u> and how far we still have to go before our 2020 Mission Zero deadline, many have begun to lament that it'll take a miracle to achieve it. But for those such as Jim Hartzfeld, a former Interface executive who was the head of that first Environmental Task Force in 1994, it's business as usual: "People don't realize that it took five or six miracles to get this far; Interface has always been in the miracle business."



The road to sustainable success isn't easy or well-marked. (Credit: Interface)

## From crazy to status quo

Remember, the green business status quo we have today looked impossible in 1994. It is my hope that this will embolden today's business leaders to strive for the impossible again.

As stewards of Ray Anderson's legacy, Interface forever must be willing to push our business into the impossible frontier first, or as long-time advisor Paul Hawken put it to us a few years back: "Remember when Interface started out in sustainability, and everyone thought you were crazy? We need to get back to that!"

Top image of carpet tiles by Interface.

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