



Accelerate your sustainability impact

CHOOSING THE RIGHT SUSTAINABILITY METRICS FOR YOUR ORGANIZATION



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REV's whitepaper, Choosing the Right Sustainability Metrics, is written for organizations, municipalities and businesses of all sizes, whether just launching sustainability programs, or already thoroughly engaged.

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A note to readers — This is an interactive PDF. The bolded blue text items throughout this document are hyperlinks providing more information.

About the author

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INTRODUCTION

Metrics tell stories. Done well, they tell people what's been done, what's important, and how to achieve goals like embedding sustainability in your organization. Metrics can shape behavior and reinforce culture. Metrics can encourage collaboration, stakeholder engagement and facilitate transparency.



However, done poorly, metrics indicate a lack of thought. They confuse. They complicate and add work. They aren't relevant to strategic goals. They foster counterproductive behaviors, potentially raising costs and creating more silos.

To make sure your organization's metrics tell the stories you want, it's helpful to remember that the correct metrics should help embed sustainability in your organization and should have two key qualities – aspirational and tactical. Aspirational metrics should strategically enhance your organization's reason for being. Tactical metrics should measure your organization's progress to date (both year over year and since the initiative(s) began).

WHAT IS A METRIC?

Most simply, a metric is a performance indicator that measures an organization's progress towards its sustainability goals. As mentioned above, metrics tell stories. Metrics support the evaluation and communication of the sustainability impact, the effectiveness, the value and the progress of your initiatives.

THE PURPOSE OF METRICS

Quoting the author Scott Turow, "Who are we but the stories we tell ourselves, about ourselves, and believe?" Metrics tell stories about ourselves, leading us to turn those stories into reality. Metrics communicate both the goals and details of sustainability initiatives to external stakeholders and internal stakeholders. Metrics can assess the contributions of individuals and teams against performance criteria and become the basis for recognition. They can indicate a program's effectiveness and evaluate Return on Investment (ROI). Metrics can also serve to encourage more people in your organization to collaborate who might not typically do so. This can lead to innovations and new market opportunities.



WHERE TO BEGIN

As Stephen Covey said, “start with the end in mind.” To frame that “end”, we ask two questions. You can start with whichever is easier to define first:

1. What is/are the “moon shot” sustainability goal(s) of the organization?
2. What are the organization’s sustainability vision and mission?

MOON SHOT GOALS

If you start with the moon shot goal, make it broad enough and audacious enough that everyone can buy into it and ensure that it fully encompasses your organizational intentions. For example, a client established an organizational moon shot goal of having zero environmental footprint in 25 years. While longer than the 5-year time frame our customers usually use, that moon shot goal speaks to their vision and mission. It also makes it easier to communicate to their stakeholders why zero waste is important, why aiming to be energy and water positive is important, how employees will be evaluated in part on their role in achieving these goals, and how the firm positions the brand in the marketplace, among other benefits.

Having an aspirational goal like this also helps create a time line for different initiatives. For example, achieving zero waste certification might be a 7-year goal. Being energy and water neutral might be 15-year goal. Each specific goal clearly and easily ties back to the aspirational moon shot goal of “zero environmental footprint.”

MISSION AND VISION GOALS

If you start with the sustainability mission and vision, keep in mind that the vision is the change you want to see in the world. The mission is what your organization does to support that vision. LinkedIn’s vision, for example, is that all 3 billion people of working age on the planet have jobs that pay living wages. LinkedIn’s mission is to help professionals worldwide succeed.

Once you have the end in mind, it becomes easier to see the relationship between your long-term goals, your processes, your culture and the short-term actions that will get you there. Long-term goal(s) should be audacious (e.g. energy and water neutral by 2025). Short-term goals to support that aspiration could include a lighting retrofit or a water audit in the next 6 months. This is an iterative process so as you explore different metrics, select those that support both short-term and long-term goals, align your processes and culture to drive the necessary behavior change through relevance to the people accountable, and include them in your system of employee benefits and recognition.

“Evaluating your organization by looking at details of how you function shows opportunities for improved efficiencies, existing model efforts, and how you can get assistance to perform audits and help save energy, and water, and reduce waste and save money at the same time.”

Sam Herzberg, Senior Planner, San Mateo Parks

QUALITIES OF GOOD METRICS

In order to tell the right stories well, metrics need to be **intelligible, relevant, useful, and legitimate**. When metrics meet these four qualities, they foster the culture, shape the behavior and drive the decisions that embed sustainability into your organization.

- **Intelligible** means the metric is easy to understand by all stakeholders and shapes their behavior as a result. If a metric becomes part of someone's role and responsibilities, that person needs to be able to easily understand what to do and how to do it.
- **Relevant** means the metric aligns with your organization, its industry, culture and goals. Each metric should be shared in a way that it relates clearly to the role(s) where accountability lies.
- **Useful** means the metric serves as a measure of how much progress has been made against a given goal, and how much work remains. The metric can also serve as a leading indicator, providing insight into how appealing an aspirational goal is, and how well it's being communicated.
- **Legitimate** means the metric clearly has purpose. You're measuring and monitoring something with reasons that support the business and how it operates in the world. It's not measuring something for measurement's sake.

Not everything that matters can be measured, and not everything that is measured matters.



CASE STUDY: HERMAN MILLER

ANOTHER WAY THAT SUSTAINABILITY METRICS CAN BE USEFUL IS AS A WAY TO BUILD NEW BUSINESS CASES. FOR EXAMPLE, METRICS ABOUT NEW RECYCLING MARKETS COULD BE COMBINED WITH METRICS THAT EVALUATE WASTE MORE SPECIFICALLY TO IDENTIFY WAYS TO CREATE NEW “CIRCULAR ECONOMY” MODELS FOR BUSINESS.

For example, when the Design for Environment group at Herman Miller set out to design a more recyclable chair, they did not expect to improve the forward supply chain. They simply wanted to make it possible to disassemble a task chair in 15 minutes with a few common tools, rather than having it take a couple hours with five specialized tools which is what the Aeron chair required.

What happened when they set out to do this? They realized something important. Making a chair recyclable was also going to make it simpler to build. Before this design project, the Aeron chair was using nearly 100 different kinds of materials from dozens of different vendors. The **Design for Disassembly** project was able to show that the number could be reduced to less than 20. This resulted in new Cradle to Cradle products such as the Mirra Chair and enabled **Procurement to streamline purchasing**, including renegotiating better prices with vendors.



BEST PRACTICES FOR METRICS SELECTION

ACCOUNTABILITY

To be effective, metrics, like their associated initiatives, need to have owners. At the top, there needs to be an internal champion, preferably at the executive level. There should also be an owner who implements the metric by collecting the data and reporting it in the appropriate format. This primary owner should have the metric included in their job description, and be evaluated in part upon it. In choosing this owner, ensure that this role best aligns with the underlying purpose behind collecting this data.

Have the metrics visible to all and regularly reviewed. First, this communicates to all stakeholders the strategic importance the initiative and sustainability hold for the organization. This can help strengthen consensus and enthusiasm for changes, and serve as a vehicle to publicly recognize accomplishments. This can also encourage people at all levels and in all kinds of roles to propose ideas to support and achieve the organizational goals.

DEVELOP BASELINES AND EVALUATE DATA QUALITY

Once you have assigned the “owners”, figure out your baselines, existing data quality, and whether business processes might need to change to improve data quality and facilitate collection. Know your starting point — whether attributes of materials, energy and water consumption, or costs.

In compiling this data, you need to evaluate its quality. For instance, utility bills usually have reasonable data quality. However, only collecting data when the bill arrives may not provide the necessary insights to achieve specific goals. If you have a water efficiency goal and experience wide variances in monthly usage, but receive your bill quarterly, the biggest opportunities for reducing water consumption might be hidden. Ideally your data would highlight consumption on each process or area that uses water. The data would also be much more granular — perhaps on a daily or even hourly basis.

With your baselines established and your data quality and needs identified, you can more easily recognize the resources required to achieve goals and set realistic timelines.

ITERATIVE LEARNING

As with any other process, select what you consider to be the most meaningful indicators, analyze them, plan and implement them, and then evaluate how well they work. Adjust the metrics and/or the processes according to your quality control analysis. Not all metrics are relevant to an organization forever. If it doesn't drive the change sought, change the metric, record why it is being changed, and move forward. Organizations commonly go through several cycles of measuring, monitoring and reporting in order to find the right recipe for their organizational goals, structure and culture.

EXAMPLES OF METRICS

ASPECT	HOW TO TRACK
ENVIRONMENTAL	
Total electricity consumption per year in kWh or natural gas consumption in therms	Invoices from utility company or directly from meters and/or estimations including electricity, heating, cooling and steam purchased for consumption, plus any self-generation of heat, power or steam
Total consumption of gasoline/diesel fuel for vehicles owned/leased and operated by the company; business travel miles	Business travel receipts, supplier information, life-cycle calculations, or estimates
CO2 emissions	Identified sources for gross direct GHG emissions using relevant rates in CO2 equivalents from EPA tools - https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator .
Total water usage per year in gallons or CCF (100 cubic feet)	Water meters, bills, calculations derived from other water data or estimates from all water use sources including irrigation and cooling water
Waste generation in lbs/tons	Identify volume, type and method of waste disposal. Separate hazardous from non-hazardous with data from haulers and independent audits
Waste recycled in lbs/tons	Identify volume of waste saved from landfill and sent for recycling based on type of material
SOCIAL	
Supplier network labor practices	Percentage of current and new suppliers that were screened using labor practices criteria
Significant impacts of supplier network labor practices	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken
Product and Service Labeling	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes; Results of surveys measuring customer satisfaction

EXAMPLES OF METRICS CONT'D

ASPECT	HOW TO TRACK
Customer satisfaction	Concerns/cases issued, customer surveys, contract continuation trend from procurement, sales and marketing data
Diversity	Consider management and full/part-time workforce, gender, age, ethnic makeup with data from HR
Training, development and evaluation	Track type and number of participants by workforce category, number of employees by gender and category who received evaluations; plus outcomes including promotions
Employee engagement/satisfaction	Employee satisfaction/involvement surveys using key indicators customized to the culture; retention data from HR
Volunteerism & philanthropy	Volunteer hours/yr by employment category, location and type; in-kind/cash donations using data from HR and Community Relations
FINANCIAL	
Internal rate of return (IRR) and Return on Investment (ROI) on sustainability initiatives	Cost/benefit estimates and analysis from finance

“We’ve engaged an Energy Management partner to help us obtain price and consumption data at a granular level across our enterprise and together with our participation in Demand Response and site level Energy Reconciliations, we’re now on a path to actively and consciously manage our natural gas, electricity and associated footprint as never before.”

Dan Burlinghaus, Corporate Director of Sustainability, MTD Products, Inc.

SUMMARY

Metrics tell stories of your aspirations and your accomplishments. They also shape behavior and reinforce culture. They can drive collaboration, and clarify job responsibilities across the organization. While selecting the right sustainability metrics can be time consuming, taking that time is important to ensure that the actions you take as a result will guide your organization in the direction you intend.

Make sure that the metrics you choose are appropriate for where your organization is and what it wants to achieve. When the metrics have been selected, assign accountability. Compile existing data to create baselines and assess its quality. Don't be afraid to ask yourself questions along the way. Do you need different data? Better quality data? How do those metrics hold up over time? Do they give you the insights you need? Let it be an iterative learning process to find the right recipe for your organization. If you have questions, REV is here to help.



REV'S APPROACH TO SUSTAINABILITY

REV's Sustainability Circle® suite of programs integrate the best of sustainability with behavior change to accelerate business impact. Our services are a hybrid of education, expert resources and tools, and individualized consulting that empower organizations to get tangible value out of sustainability — saving money and resources, enhancing employee engagement through increased purpose, reducing risk, and building resiliency.

The foundation of REV's services is a peer-learning model that engages like-minded businesses, municipalities, and institutions to learn together, share ideas, and inspire new thinking. The outcome of the flagship 6-month **Sustainability Circle** program is a customized 5-year Action Plan that details initiatives and ROI, establishes the business case for sustainability, and drives a mindset of efficiency and sustainability into the culture of the organization.

“The Sustainability Action Plan is specific and unique to each organization – it quantifies the savings in energy, water, waste and production costs and results in substantial savings. The Circles have led to a robust exchange of ideas, leading to solutions, better communication between the City and its businesses and organizations, and new approaches to sustainability from all parties.”

Daniel Smith, Director of Public Works, City of Pleasanton

REV CIRCLE PARTICIPANTS:

- Learn of shared pain points and ways to address them through sustainability planning & action
- Learn and share best practices, innovative ideas, resources, and references
- Gain up-to-date knowledge of programs and incentives relevant for their initiatives

REV'S BROAD CURRICULUM OFFERS ORGANIZATIONS:

- A comprehensive overview of sustainability
- Access to experts in HVAC, Lighting, Indoor Air Quality, Water, Green Business Practices and more
- A focus on behavior change and how to effectively design programs for change
- Awareness of the local collective environmental impact and benefits of collaborative efforts
- Modules on Climate Change, Water, Waste, Energy, HVAC, Lighting, Energy Roadmapping, Metrics, Green Offices, Renewables, and Transportation



For more information about REV and
our Sustainability Circle® suite of programs, visit
www.revsustainability.com
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