

Using **S.M.A.R.T.** Sustainability Management

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Employing Sustainable Business Practices (SBP) calls for managers to operate in a socially responsible manner that honors the **three P's or Triple Bottom Line (TBL) - Prosperity/Profit, People, and the Planet**. SBP positively impacts a company's value chain - all the dynamic actions, exchanges, and relationships with all customers (stakeholders) involved in the transformation and delivery of raw materials resulting in products or services that create value for the customer and society. Focusing on SBP is also just plain **S.M.A.R.T.**.

The **S**. in the **S.M.A.R.T.** acronym refers to a **Stakeholders** focus. This means that managers should focus on developing win/win value relationships with primary and secondary stakeholders including shareholders, employees, customers, suppliers, government, and the local community.

The **M**. in **S.M.A.R.T.** pertains to **Money or Prosperity/Profit**. Money or Profit should be viewed as a way to an end, not an end in itself. A Prosperity/Profit focus allows us to afford to be proactive in our social and environmental efforts. In other words - money enables us

to be financially viable while doing the right thing!

The **A.** in **S.M.A.R.T.** pertains to **Action** in the community. **Action** focused managers have their sights set on social (People) capital. Social capital is created when the company and the community collaborate with each other to find reciprocally advantageous solutions to common problems. Such as the focus taken by Cascade Engineering in Grand Rapids, Michigan with its Welfare to Career Program (WTCP). The WTCP saves the state of Michigan nearly one million a year by leading people out of poverty and mentoring them toward meaningful employment.

The **R.** in **S.M.A.R.T.** refers to **Recycling** in an attempt to reduce the impact that a company has on the environment. This means going above and beyond federal regulatory efforts to reduce waste and unnatural substances that are released into the environment.

The definition of Sustainability that seems to be the most inclusive and long-term focused is: ***'protecting and enhancing long-term cultural, ecological & economic health and vitality.'*** This definition provides a focus on the third **P of SBP - People**. The fundamental SBP question is - ***should managers be good stewards?*** A steward is someone who has been assigned another's assets and charged with the responsibility of managing them, in the owner's best interest, to produce a win-win for all stakeholders. This idea encompasses the **T.** in **S.M.A.R.T.** that refers to the essential element of **Training** employees in SBP while focusing on proactive stewardship. Employees must learn to understand that every action taken by a business has two components: an impact on profits and an impact on the world. Staking out a path to where profitability and social benefits blend is a point where managers should aim to enable them to remain successful in the long term.

In the final analysis, effective managers operate as good stewards in the application of the **three P's**. And, they simultaneously figure out how to make 'doing the right thing' good business. This is just plain **S.M.A.R.T.** management.

About the Author



Jack Cichy, CM

Jack D. Cichy is Professor Emeritus of Management and Sustainability at Davenport University in Grand Rapids, Michigan. He also served as a trainer/educator at Cascade Engineering of Grand Rapids, a leader in sustainability methods and procedures. Dr. Cichy is a Certified Manager® and a former member of the ICPM Board of Regents.