

Business Growth and Sustainability Going Hand-In-Hand

“It is time to get off the path of suicidal emissions” was the UN Secretary General António Guterres statement on climate change in Climate Summit 2019. The recent California wildfires, among many other environmental catastrophes, were an alarm for the international community to start directing more attention towards the potential losses on all fronts. Consequently, it is commonly argued that “environmental changes are bad for business” as the planet has reached its limits. It is true that environmental changes affect businesses in many different ways; however, thinking about environmental trends as limits to expansion creates unessential barriers to business growth. Frances Moore Lappe argues in her book *“Eco Mind: Changing the Way We Think, to Create the World We Want”* that climate change and other environmental crises are not the biggest challenge to businesses; however, it is the way businesses think about these environmental trends as obstacles that form a dead-end instead of thinking of it as a route that we go through. Below are some of the most common consequences of environmental change on businesses and the ways through which businesses could avoid the consequential risks and explore business opportunities for growth:

How Environmental Trends Affect Businesses:

1) Shift in Consumer Demands

“Who needs a heater if it is getting too hot?” is one example of how customer demand is altered by environmental changes. Furthermore, as consumers become more aware of the negative consequences caused by climate change, consumers’ preferences and demand tend to shift towards environmentally-friendly businesses and products; they choose to buy from vendors that acknowledge the environmental trends and accordingly introduce products and services that cause less harm to the environment. This shift in consumers’ preferences pose a challenge on businesses to develop sustainable products and processes yet it also creates business opportunities. If you would like to know more, kindly check [“Examples of Environmentally Friendly Business Ideas”](#) by Nicole Crampton.

2) Natural Resources Availability

The availability of natural resources is directly affected by climate change and extreme weather. For example, floods and droughts are two of various climate change phenomena that affect agricultural land and agricultural production leading to low production levels. Currently, agriculture consumes 70% of the world's water while the number is expected to increase to 90%. Businesses starting from farmers to restaurants and grocery stores as well as consumers will suffer from the consequences of this shift in agricultural production.

However, Lappe might argue that shifting the way we look at things would lead to greater benefits for businesses and individuals without risking environmental damage. She used the example of India’s agricultural revolution during which India has shifted towards industrial agriculture using many pesticides and other chemicals that led to an ill population, high cost farming processes, and dying agricultural lands. Farmers demanded different practices and

once the government was able to see the negative consequences, they worked on figuring out alternative natural solutions to chemicals without having to cut the amount of goods produced. In similar ways and for sectors other than food, sustainability is not always driven by producing and consuming less.

3) Environmental Policies, Rules, and Regulations

Climate change and environmental awareness has been leading major changes in rules and regulations of conducting businesses. Change in policies usually forces businesses to change operation processes, production equipment, etc. Green agendas and environmentally-friendly policies are now being implemented for business operations to have the least negative effects on the environment. Businesses should not think of these policies and regulations as limits to growth instead as an incentive to create sustainable business models to ensure the continuity of businesses.

How Businesses Can Avoid Risks:

Businesses need to make sure they are prepared to adapt to the changes in customer demand, technologies, and policies resulting from environmental changes as well as. Businesses and organizations utilize the PESTLE analysis to understand how their businesses are affected by various external factors including the environmental one in order to avoid potential losses. The PESTLE analysis framework provides businesses with the insights needed in order to understand how political, economic, sociological, technological, legal, and environmental factors are externally affecting the business/organization.

How Businesses Can Create Opportunities:

Lappe argues that business leaders should look at environmental changes as an opportunity to grow while advocating for social change without incurring any business losses. It is not going to be a straightforward; however, if business leaders are intrigued by the idea they should think drawing “a map of all the connectedness” through which they can figure out things such as how they can decrease their carbon footprint, spend less money, and make workers feel productive and more motivated? Using this way of thinking about environmental changes, business leaders will be able to create business opportunities and grow without risking environmental sustainability.