

How your organisation's commitment to EMS implementation can drive Continual Improvement Throughout Your Organisation



ASSESSING PERFORMANCE // IMPROVING QUALITY // CREATING CONFIDENCE

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ISO 14001: A Tool For Continual Improvement

ISO 14001 requires an organisation to demonstrate a commitment to compliance with environmental laws, pollution prevention and continual improvement. Of these three, continual improvement poses a unique challenge, due to its need for constant renewal. This challenge can be met through an appropriate design for the environmental management system (EMS), i.e. one that fosters continual improvement.

With twelve references to requirements related to continual improvement in the main body of the Standard, it is clearly a cornerstone of ISO 14001. The intention is that the management system is improved on a continual basis, although most organisations tend to focus on improving their environmental performance through objectives and targets and rely on the combination of their corrective/preventive action programme, internal audit programme and management review to improve the EMS. Even in the latter case, the intention is that an improved EMS will lead to improved overall performance.

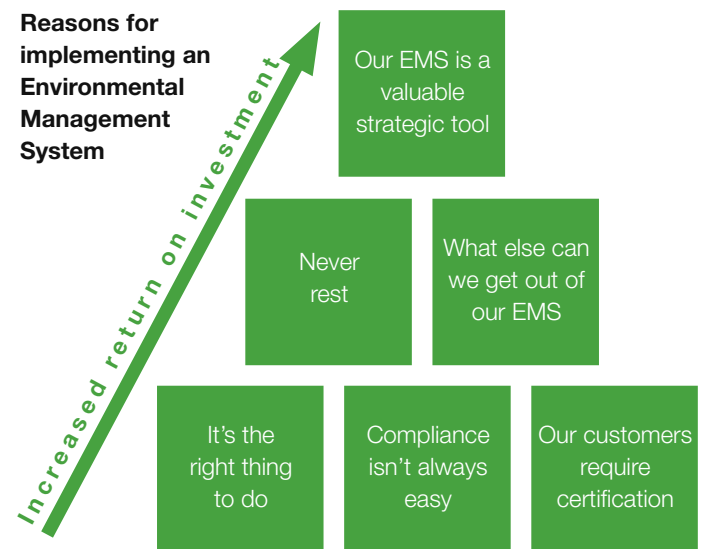
Given that continual improvement is a necessity, is your organisation achieving it and is there consensus that your EMS can continue to deliver? Or are you still working on the "low hanging fruit"? What happens when they are exhausted? Can you foresee your current EMS enabling your organisation to continue to improve, year after year? There are numerous organisations that have sought to achieve specific goals and objectives through their management systems, and designed and redesigned them accordingly. Is your EMS capable of promoting and achieving continual improvement? Absolutely.

Levels of Achievement

Environmental management systems are implemented for a variety of reasons. The reason your organisation implemented its management system is the driving force behind its eventual design and the potential benefits it will provide. A lightly taken or non-value driven decision to certify to ISO 14001 will yield few benefits, regardless of the resources secured to put it in place. When examined closely, ISO 14001 provides many opportunities and placeholders where unique or objective-driven processes can be incorporated into the EMS. The end result can be an EMS that actively contributes to the continual improvement and even sustainability of the organisation.

The design your organisation chooses - or inadvertently arrived at - for your EMS gives it the possibility of providing benefits from a continuum beginning with solidifying your reputation and progressing through improving compliance, securing contracts, continual improvement, leveraging the management system for other programmes and company sustainability. This progression is the solution for organisations that see the end of the road in terms of continual improvement.

The illustration below, shows the various levels of commitment that your organisation can make to your EMS. As companies begin to build the structure of their EMS, it becomes a direct reflection of their commitment to continual improvement. The higher their reasoning for implementation of an EMS is in the pyramid, the more return on investment they typically receive. If your organisation sees its management system as a strategic tool, it will be continuously refining, re-jigging or overhauling the EMS to achieve new goals. Continual improvement will naturally take care of itself.



How your organisation's commitment to EMS implementation can drive Continual Improvement Throughout Your Organisation (*Continued*)

Scenario: "It's the Right Thing to Do"

Implementing an ISO 14001 EMS is viewed as an excellent initiative and the right thing to do. Your organisation aspires to be a good corporate citizen and has a track record of caring about its environmental performance and supporting environmental programmes. An EMS is expected to help secure your record. Unfortunately, if that is your organisation's only motivating factor, the value your organisation gets from the EMS will be limited. Your management system most likely mirrors the ISO 14001 requirements exactly, and without a critical analysis to justify implementation, it is unlikely that there has been an effort to achieve anything from the management system other than certification and whatever else may naturally ensue. The benefits will be marginal, and will center on solidifying your reputation related to environmental concerns.

BENEFIT: Reputation, Perception

Scenario: "Compliance Isn't Always Easy"

Applications, permits, training and reporting requirements in environmental regulations are complex and often difficult to meet. Well intentioned or not, adequately resourced or not, challenged by aging facilities or not, your organisation has an unfortunate history of compliance excursions. You either chose to implement an EMS or were ordered to do it. Either way, you are doing it to better manage your compliance with environmental legislation and regulations. If that's the case, your level of commitment to the full requirements of the management system is likely marginal. You have developed a bare bones EMS that focuses on the compliance components addressing tracking laws, operational controls, reporting and evaluating compliance status. Do not expect much else from your management system.

BENEFIT: Improved Compliance, Relief from Regulatory Authorities and other External Stakeholders

Scenario: "Our Customers Require Certification"

Certification to ISO 14001 has been mandated or strongly encouraged by your customers. An increasing number of large organisations are paying greater attention to the environmental performance and capability of their supplier base. They are instituting registration mandates, on-site audits, surveys and so forth in order to ensure they are associating themselves with other well-managed companies and to reduce their own environmental exposure. To maintain their business, you have implemented an EMS, perhaps reluctantly. Without consideration of the true value that a management system can provide, it simply becomes a cost of business for maintaining the customer. Little other value is achieved.

BENEFIT: Secure a contract

Scenario: "Never Rest"

Competition is a threat, and an opportunity. You have recognised that unless you continually improve and focus on the effectiveness and efficiency of your operations, your organisation risks a downward economic spiral to closure. You have embraced continual improvement and adopted the latest practices, like management systems, to be the best. You use them to drive process improvements. The EMS is your platform to identify, implement and integrate further tools. With this perspective on environmental management, your EMS should yield benefits beyond those identified in the earlier scenarios and is now now giving greater return on investment to your organisation.

You have many best practices within your management system and may have included:

- A powerful management of change process as part of the Environmental Aspects procedures
- Six sigma black belts running environmental projects as part of the Objectives, Targets and programmes procedures
- A 5S system maintaining the workplace as part of the Operational Control and Monitoring and measurement procedures
- Empowered, cross-functional teams throughout the management system
- Sophisticated electronic tools to manage training, documents, correction and preventive action and records
- Significant upper management commitment to review and correct environmental performance
- A strong community outreach programme as part of the Communications and Emergency preparedness and response procedures
- A supplier/contractor management programme to reduce associated liabilities as part of the Competence, Training and Awareness and Operational Control procedures.

BENEFIT: Effectiveness, Efficiency, Performance

How your organisation's commitment to EMS implementation can drive Continual Improvement Throughout Your Organisation (*Continued*)

Scenario: "What Else Can We Get Out of Our EMS?"

An opportunity has arisen for your organisation to leverage the EMS to achieve a new set of benefits. The EMS provides a management system foundation that can be expanded upon to encompass other existing or brand new activities. The benefits of bringing these additional activities under management system oversight can be earned with reduced effort, given the EMS currently in place. If this situation arises, your organisation is realising additional benefits above and beyond the other scenarios mentioned so far.

Your industry association has developed management system requirements for its members, such as those put in place by the American Chemistry Council with its RC14001 and RCMS programmes and the Canadian Chemical Producers Association with its Responsible Care programme. Your established EMS permits you to expand its scope to similarly address the additional health, safety, security, and stewardship concerns and gain the associated benefits of having a wider range of operations under a formal management system.

You have an opportunity to participate in a Greenhouse Gas programme that involves reducing your emissions and accurately reporting them. You enhance your EMS such that you can:

- Identify programme requirements
- Implement reduction projects
- Ensure your reductions are permanent
- Measure the reductions
- Correct any deviations from target
- Record and demonstrate the reductions

You choose to publicly report on your environmental or corporate sustainability performance through an annual report. You review and add additional information-handling components to your EMS to ensure that:

- Appropriate parameters are identified
- All relevant data is measured, collected and compiled properly
- The published information accurately reflects your actual performance

BENEFIT: Leverage the management system; achieve the benefits of other programmes

Scenario: "Our EMS is a Valuable Strategic Tool"

You recognise that your EMS can be a valuable business tool, and that strategic use of it can contribute to achieving high-level, business critical objectives. It can do this because your management system is respected: it has continually delivered on its EMS responsibilities; it is aligned with the vision and

key performance indicators of your company; and it has been promoted so that it is visible and credible. An EMS such as this can produce the greatest benefits.

The management system is now in a position to contribute strategically to the organisation by:

- Being a source of best practices for the rest of the organisation
- Creating new business opportunities
- Influencing product or service design and offerings
- Influencing capital investment decisions
- Becoming a key component of the company image
- Being fully integrated into operations and becoming a Business Management System

BENEFIT: Sustainability of the Organisation

Conclusion

Achieving continual improvement commitments over the long term is a significant challenge. Early successes with "low hanging fruit" projects such as material substitution and recycling can soon lead to concern about "What can we do next?" given technological, resource or company cultural constraints. These concerns are typical of an organisation whose EMS is designed among the "Implement It – Achieve It" grouping. Achieving benefits that are not naturally facilitated by the design of the EMS is like trying to squeeze water from a stone. These designs are also reactive, given that these EMSs are typically put in place to address a specific presentday crisis.

Forward-looking designs, such as those in the "Re-Design It - Exceed It" and "Continually Improve It - Sustain It" categories, naturally encompass the characteristics of leading organisations. A leader is at the forefront because it is internally motivated to be the best, and can only do that by always getting better. There is no other clear solution to resolving the ongoing challenge of continual improvement other than ensuring your organisation and its EMS are aligned in such a way that it naturally occurs.

Your organisation's management system has huge potential because ISO 14001 incorporates so much of what needs to be done right within an organisation. The certification is a starting point, and with innovative adaptation of the requirements and open mindedness about various ways the EMS can contribute, your EMS can move through the continuum of benefits and provide increasing value to the organisation so that it becomes a competitive asset.



If you have any questions or for more information, please contact our Customer Service Centre on 0800 004 004 or email us admin@telarc.co.nz