



Case Study 4: Polar Pin ~ Economically Profitable, Earth-friendly, and Socially Responsible

The Organization

Incorporated in December 2003 by Bruce and Gini Dalgas, Polar Pin is a promotional products company with a traditional product line of custom designed lapel pins, badges, souvenir spoons, embroidered crests, and various other products. The company currently has three full time employees and two offices – one in Canmore, Alberta, and one in Georgetown, Ontario. Information technology and financial services are contracted out.

In 2003, Bruce left a family promotional products business where he had worked for 20 years to start Polar Pin with Gini. A good part of his decision, he says, stemmed from his desire to pursue new directions, including using emerging technology to enhance customer and supplier communications, and to eliminate an endless paper shuffle and long road trips.

Gini, with a background in environmental education, has spent most of her professional life living near natural

protected areas and working in education and in earth-friendly retail operations. As Bruce's business partner, Gini works on the overall greening of Polar Pin's operations and specializes in sustainable product research, development and education. Together, as Gini says, the couple wanted "to take the company through a metamorphosis from grey to green," and to do it in a place that seemed supportive of the lifestyle they wanted. Specifically, they wanted to live in small town with strong community spirit, ready access to an international transportation hub, high speed internet service and IT support, and lots of natural amenities. After much research and discussion, they headed for Canmore to open Polar Pin's new head office.

Polar Pin's third employee, Christine Upton, is the manager of the Georgetown office. After spending a decade in the clothing retail business, Christine joined Polar Pin in 2004, seeking a a simplified work schedule and an opportunity to contribute to an eco-commerce initiative.

Polar Pin sales doubled from its first to second year of operation. Bruce attributes



the growth largely to using computer technology to support product design, customer and supplier communications, invoicing, banking, and bill payments. Although the increased sales did not immediately translate into increased profits – the initial expenses of the new IT systems and the cost of establishing a second location were considerable – those costs are now off the books and the couple anticipates profits to increase along with sales.

The biggest challenges in going green have been finding and procuring sustainable products (the traditional Canadian supply markets are generally non-sustainable items from Asian and India); establishing eco-efficient yet profitable business practices; educating an established customer base about the company's new direction; and finding new customers who share Polar Pins' desire to contribute to a sustainable planet through their purchases.

The Natural Step to a Sustainable Canmore

Although Bruce and Gini moved to Canmore in part because of its reputation as a progressive community, they were unaware that the Town had committed itself to a major sustainability initiative in the form of The Natural Step to a Sustainable Canmore.

Shortly after their arrival, Gini read an article in the paper about launch of the program and contacted the organizers to ask how Polar Pin could become involved. On the strength of her interest, Polar Pin was invited to participate initially as an observer and, later on, as a full Early Adopter. Bruce and Gini consider involving staff in creating and implementing Polar Pins vision for sustainability as essential to its success, and they accordingly flew Christine out on two occasions for training workshops.

Baseline Evaluation, Sustainable Practices

Before becoming involved with The Natural Step to a Sustainable Canmore, Polar Pin had already established two paperless offices in communities that were by-and-large sympathetic to sustainable business and lifestyles.

As well, the company was already recycling shipping materials as a cost saving measure that complemented its environmental ethos, and it was using technology in a conscious manner to decrease its travel and operational costs, and to speed up the sales cycle by decreasing the turn around time from supplier to customer.

Finally, all three Polar Pin employees were donating time and/or money to a variety of community groups and events that



included coaching soccer, community gardens, town clean-ups, festivals, school councils and fundraisers. Under their analysis, they saw such efforts as a contribution to social sustainability and thus relevant to The Natural Step's fourth system condition.

Baseline Evaluation, Non-Sustainable Practices

The baseline analysis (Appendix A) revealed a number of sustainability challenges for Polar Pin and other promotional products companies. Viewed against The Natural Step's Four System Conditions, the biggest challenges to emerge were:

1) Contributions to systematic increase of substances taken from earth's crust

The company relies heavily on fossil fuels for transporting products from Asia to Canada, as well as for power and heating both in manufacturing facilities and two office locations.

2) Contributions to systemic increases in concentrations of substances created by society.

Enamel paints and plastics are composite materials used in most North American promotional products. The problem is compounded because it is difficult to

determine the exact composition of many of the Asian and Indian imports, and that, in turn, affects post production waste disposal.

3) Contributions to the systematic degradation of nature

A large percent of the company's sales are custom designed products made of metal. (Many of Polar Pin's customers are government agencies who purchase metal pins for civic promotional purposes and metal badges worn by enforcement personnel. While there are several sustainable alternatives to the metal pins used to promote the agencies, the metal badges serve the important and enduring purpose of publicly identifying enforcement personnel.) Metals entail mining, and mining, as an industry, has one of the poorest track records in the entire resource sector when it comes to land reclamation.

On par with the degradation caused by mining and metal manufacturing is the degradation associated with the extraction of the fossil fuels used to produce and distribute the products, as well as provide the power the business consumes at home.

As the company imports largely from China, which is experiencing exponential industrial growth and degradation to their natural environment, Polar Pin contributes



to the degradation of nature far away from the point of sale.

4) Contribution to conditions that undermine people ability to meet their needs

In terms of social sustainability, Polar Pin is most concerned with the effect it may be having on the people who manufacture the products. Although manufacturing provides wages, the manufacturing processes themselves may entail polluted air and water and generate negative health repercussions. As Gini says, "We don't have many facts to go on, but we do know that the developing world's hunger for the developed world's wealth often means the pollution and exhaustion of a country's natural resources and a poor working environment for its people. Off-shoring is commonly justified in the name of cutting labour costs. Unfortunately, a part of the reason those costs are so low is because many of the developing countries lack the environmental and social regulations of the developed world. Many of the manufacturing practices being used in Asia would not be allowed in North America." One of Polar Pin's biggest challenges has been to find accurate information on the environmental and social practices of suppliers who work half a world away. The geographical gap becomes even more pronounced when factoring in cultural and linguistic differences. This grey area is seen by

Polar Pin as a transgression of System Condition Four.

Sustainability Vision

Polar Pin's vision statement and vision map (Appendix B) were developed during The Natural Step to a Sustainable Canmore training. The statement reads: "The Vision of Polar Pin is to provide our customers with products that promote their unique identity and purpose in the world and are ultimately affordable, sustainable and contribute to the overall welfare of the planet."

When Polar Pin attains its goal, it "will provide customers with promotional products made from recycled and renewable materials that are biodegradable, recyclable and useful, and that are delivered from producer to consumer using the best available earth-friendly transportation. It will also contribute positively to the communities in which it operates as well those communities from which its purchases goods. By practicing and promoting sustainability, it will make them better places in which to live."

Action Plan

Developing a sustainability action plan was perhaps the biggest benefit of Polar Pin's participation in The Natural Step to a Sustainable Canmore. The workshops and



associated homework, says Gini, “resulted in a flood of new and exciting ideas. Initially, we just grabbed on to a bunch of them that looked like they would get us where we wanted to go and drew up a plan. In fact, it wasn’t very selective or all that useful. Our next cut was much better focused, more selective, and more realistic.”

The current plan (Appendix C) was reviewed at the annual business planning retreat in November 2005, is posted in the employees’ work stations, and will continue to be reviewed and revised each year at the annual planning retreat.

Implementation

Polar Pin has been aggressive in working to implement its action plan. To track its progress, Bruce, Gini, and Christine have created a “sustainability timeline” that starts from the founding of Polar Pin and the “paperless office” and carries through to the present. Anytime they need to regain their sense of momentum, they look at the timeline, note the landmarks they have achieved since the last time they checked, and see how they are progressing toward their vision.

Polar Pin uses its “spheres of influence” as a way to organize the implementation of its sustainability actions. A sphere of influence refers to the operational

domains over which it has varying degrees of control. The three spheres are:

- Operations, or what office practices the company follows;
- Procurement, or who the company gets its goods from; and
- Sales, or who the company sells to.

Operations

Of the three spheres of influence, Polar Pin can exercise the most control over its own operations and, accordingly, this is where the first actions have been taken. As Gini reports, “Taking those first few steps have been very important to reinforce the company’s’ commitment to sustainability.”

Polar Pin’s actions to date include:

- Switching the paper stock in the two “paperless offices” to 100% post consumer recycled paper (both offices now use less than one 500-sheet ream every six months).
- Replacing incandescent bulbs with compact fluorescents as the incandescent bulbs burn out.
- Selecting new office equipment on the basis of its energy efficiency and recyclability.



A Lead-free Pewter Ripple. . .

Inspired by green procurement possibilities she encountered during the Natural Step training, Gini discovered a metal pin manufacturer in the US that was using lead and antimony free pewter, as well as renewable energy to power its facility.

In addition, she discovered the manufacturer was extending the purpose of its lapel pins by putting any date specific information on a custom card (on recycled cardstock) rather than on the pin itself, thereby making the pins timeless. The pin thus provides the point of conversation while the card provides the information on the organization being promoted. Each pin then becomes a valued piece of jewelry instead of a time-limited item promoting a specific event.

On the strength of her discovery, Gini asked one of Polar Pin's Canadian manufacturers of pewter pins if they could also make pins free of the toxic metals.

The request resulted in some collaborative research that yielded a source of lead free pewter for the Canadian manufacturer. The manufacturer is also now rethinking the design of its pins with regard to date specific information.

"It seems like a little thing," reports Gini, "but if it is repeated enough times in enough places, it can become a big thing."

The Natural Step Canada has developed an e-learning course that Polar Pin is using to extend its Natural Step learning and to serve as a reference when employees need to step back from the demands of day-to-day business and reorient themselves to the path towards sustainability.

According to Gini, "Polar Pin, like other small businesses looking to change for the better, has experienced immediate and measurable benefits in adopting The Natural Step as a planning framework. Before the training, we wanted to do better, but we weren't sure what would actually work for us, or how to do it. With the framework, we have a very good idea of what it is we're trying to do, and why, and we have a list of actions that are specific to our business and resources. It seems that we're finally on the right track. We have a lot of confidence that we can finally operate a business that is economically profitable, earth friendly – if not restorative – and socially responsible. We want to help lead the way."



- Turning down the office thermometers to create cool indoor environments, and wearing extra clothing rather than turning up the heat. (A pre-Natural Step action.)
- Purchasing wind power carbon offsets for the computers, and budgeting to do the same with office heating.
- Reducing business travel drastically through introducing IT innovations. (A pre-Natural Step action.)
- Purchasing carbon offsets to compensate for air travel fuel consumption.
- Recycling dead stock: metal from pins and badges is highly recyclable and worth more to the recycler than scrap metal.
- Recycling shipping materials.

Procurement

Both procurement and sales are less subject to the company's control, but Polar Pin assesses it is making headway in both spheres. In procurement, the company is:

- Addressing the volume of fossil fuels it requires for production and transportation by researching on-shore and local suppliers, and by closely calculating order quantities so as to not import more product than is needed.
- Asking both offshore and on-shore suppliers the "hard" questions about their manufacturing practices and materials, the availability of products made from recycled and renewable materials, and their human resource policies, and then choosing new suppliers accordingly.
 - Sharing information both with Polar Pin's established and new suppliers about sustainability issues and options.

Sales

In sales, Polar Pin is:

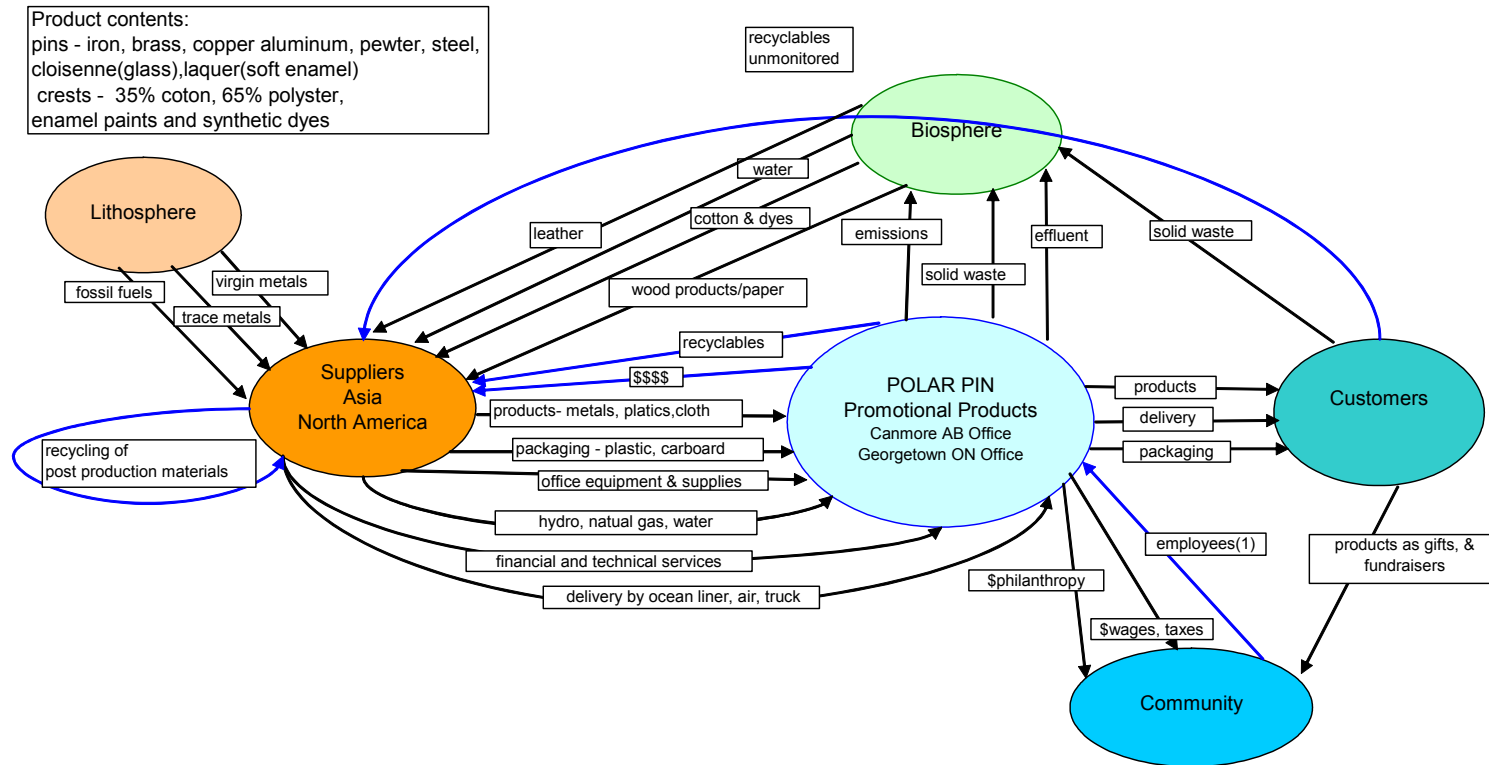
- Promoting "products with a purpose," which is changing the "give away-throwaway" dynamic and reducing the number of items that will end up in the landfill after their first use (or shortly thereafter).
- Offering its customers the option to purchase sustainable products and educating them about the benefits of such products.
- Adding sustainability to its marketing message.



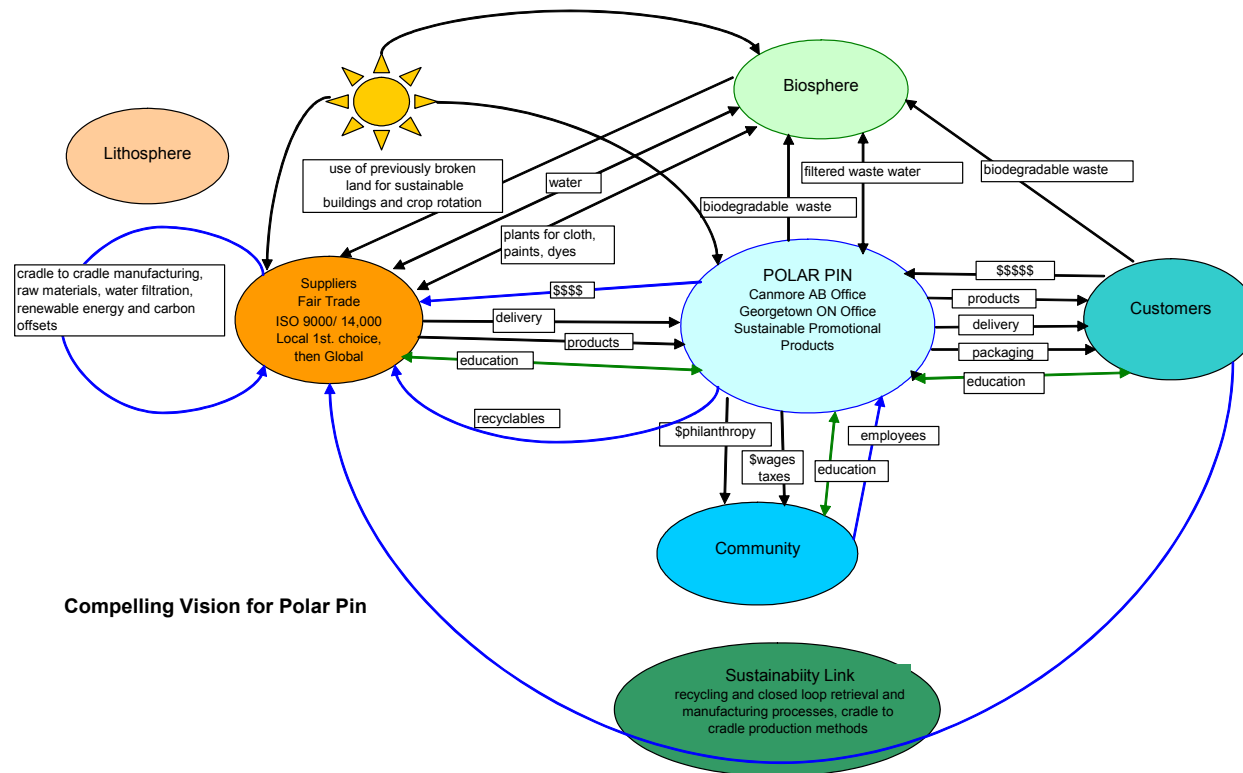
Last Words

Polar Pin is currently using the Natural Step framework in all its planning. Prior to The Natural Step to a Sustainable Canmore training, Polar Pin didn't have an overarching planning strategy. Although many of the business decisions were based on the owners' personal environmental, social and economic values, those values had not been defined or even discussed, let alone included in a formal planning framework. Today, short weekly meetings provide a touchstone for sharing successes and challenges in making the business not only economically, but socially and environmentally sustainable as well.

Polar Pin Appendix A: Baseline Mapping



Polar Pin Appendix B: Sustainability Vision Mapping





Polar Pin Appendix C: Action Plan

short term mid range long range Polar Pin - Action Plan						
	Sourcing Our Product Recyclable Biodegradable	Our Suppliers (System Conditions)	Our 'Footprint' Minimal Socially Responsible Operations	Transportation Of Our Goods Low Impact	Our Customers Knowledgeable Satisfied	Our Public Relations Role Modelling
Research & Development	Identify New Products Web research & network with other 'Green' purchasers Delegate who will research what	Web search Fast track using existing 'Green Procurement org's (i.e. Terra Choice, Recyclers, Amazing Recycled)	Investigate options for ideal working conditions (physical), that minimize consumption and maximize "productivity" through physical and mental well being.	Research companies demonstrating environmental practices	Broaden customer base to include like-minded organizations	Network with other environmentally sustainable Co's
Education		Educate our suppliers as to our new goals to get their buy-in -	Internal operations (staff, landlords, service providers (i.e. Pembina Institute Windpower)		Educate our customers as to our new environmental objectives through newsletter, e-mail blasts, website	Newspaper articles, education flyers for greater good, role modelling
Governance/CSR		Contribute globally(suppliers) and locally communities (Social & Environmental Dev. - % of profits)	←—————→			
Redefine Product	Start introducing better choice products. Review present products (re SC) and determine qualifying criteria for new products		Check off that each of our products leave a min. footprint (SC) Ensure traditional product line meets new standards for recycled content/biodegradability		Continue to meet customer's needs in a sustainable line of products	Educate customers as to where we are moving to re sustainability (as well as meeting their needs)
Policies - Greening of		Initiate relationships with lie-mided suppliers. Define minimal standards manufacturing, working conditions, "fair trade policies" Exclusive use of	Carbon Offsets for interim while cleaner freight alternatives become available and local suppliers found.	Transportation Of Our Goods - Best practice freight provider, local suppliers, low Impact		