

## **The global SMALL Initiative: Think Big - Act Small**

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**Sustainable Management for All Local Leaders**

### **I. The necessity for a global SMALL Initiative**

Human civilization is only capable of surviving in the long term if all key areas of society work for sustainability. These key areas include agriculture, industry, energy production, the banking system, public administration, and the educational system.

In all these key areas, small actors in their totality can contribute more to a sustainable society than larger actors. Therefore, future-shaping measures must focus in the first instance on the smaller actors, that is, the small farms, small businesses, small decentralized energy producers, local specialists for small credits, small administrative bodies, and small decentralized educational institutions.

The priority of small actors as a target group must become anchored in the consciousness of all sectors of civil society. The SMALL Initiative shall take on this task. A very important part of this initiative is the SMALL Company Initiative, which INEM will carry out in cooperation with other organisations.

### **II. The global SMALL Company Initiative**

The promotion of small and medium-sized enterprises (SMEs) is one of the most vital responsibilities of the business community, governments, society and international institutions. Therefore, we support the initiative: **Sustainable Management for All Local Leaders (SMALL)** of companies.

#### **1. Encourage small and medium-sized enterprises**

Taken as a whole, SMEs contribute substantially to the well-being of the economy and society. They are the most important producers and service providers and are the basis for continuity and stability in social life. They provide the most job training and employment. They are flexible and innovative, anchored in their communities and local cultures. Collectively, their environmental impact is immense. **SMEs shall be encouraged and assisted to make their contributions to sustainability.**

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\* Dr. Georg Winter launched his concept for the SMALL Initiative at the international conference, "Cities, Companies, Environment" in May 2002 in Badalona, Spain

## 2. Support entrepreneurs of SMEs

The entrepreneurs of the hundreds of millions of SMEs and micro-enterprises worldwide manage all areas of their company's operations. Typically, they are rooted in their sector and location and have a strong bond with their employees. Their personal livelihood is linked to the success of their business, and they often make short-term sacrifices for the long-term success of the company. The entrepreneurs are busy with running their companies. Therefore, their voices are not heard in international institutions and fora and in the media. **The entrepreneurs of SMEs deserve much greater official recognition and stronger support. The cause of SMEs shall be championed by representatives of SMEs in international institutions, development agencies, and other structures.**

## 3. Help SMEs strive for sustainable management

The sustainability performance of a company depends on its management. Environmental management improves the economic, environmental and social performance in all functional areas (e.g., strategy, marketing, product development, production, purchasing, personnel, finance) and levels of the company. **Owners and managers of SMEs shall be assisted in their implementation of environmental and sustainable management.**

## 4. Spread environmental management tools to SMEs

Environmental management tools adapted to the needs of SMEs comprise such tools as ecomapping and environmental good housekeeping, environmental performance evaluation, do-it-yourself environmental information systems, coaching projects for self-implementation of environmental measures, and incremental environmental management qualification schemes. **SME-friendly environmental management tools shall be widely disseminated and increasingly employed.**

## 5. Show economic benefit of environmental management

The application of environmental management tools can increase profits and ensure the long-term survival of a company through cost-cutting, improved reputation, increased sales, reduced risks and motivated employees. Actions, such as pilot projects and dissemination of case studies, must be undertaken to convince SMEs that they can benefit economically from implementation of environmental management.

## 6. Foster catalyst schemes for environmental management

The success and rate of implementation of environmental and sustainable management can be further enhanced by catalyst schemes, e.g., use of the purchasing power of local authorities and large companies (green purchasing), large companies helping their suppliers (greening of the supply chain), co-operation between local authorities and companies (private-public partnerships), motivation by public recognition of environmental achievements (award programmes and environmental merit schemes) and the use of the creativity of staff and employees (employee suggestions scheme). **Catalyst schemes shall be consequently promoted.**

## 7. Create more business associations for environmental management

The creation and strengthening of national business associations for environmental management is a proven and very efficient method for disseminating environmental management to SMEs. **The goal of the International Network for Environmental Management (INEM) to increase the number of such associations from currently 30 to 50 by the year 2012 merits support.**

## **8. Complement the Global Compact with the Local Compact**

**Parallel to the Global Compact of the United Nations, a Local Compact should be created.** This Local Compact should facilitate an annual evaluation of the advances of the global SMALL Company Initiative. National business associations for environmental management and national chambers of commerce are invited to report yearly, in a standardised form, on progress in the introduction of environmental management tools in SMEs.

## **9. Build co-operation among facilitators**

**The significant actors of civil society are called upon to support the global SMALL company initiative.** Among these actors are multinational companies, chambers of commerce and industry, sectoral industry associations, local authorities, governments and intergovernmental organisations.

## **10. Expand the global SMALL initiative to additional areas of society**

The many millions of small and medium-sized actors in other areas of society shall also have the opportunity to shape the economic frameworks of their national and the world's economies, and make their contributions to sustainability. Therefore, **the global Sustainable Management for All Local Leaders (SMALL) initiative shall also be a goal for SMALL farms, SMALL local authorities, SMALL decentralised energy suppliers and other actors. It shall be assessed into which areas, with what resources, and with which co-operation partners the SMALL initiative shall be expanded.**

## **III. INEM activities in the context of SMALL**

INEM has always recognized the importance of small companies, and has developed numerous tools and initiatives to assist them. The Ecomapping tool has helped thousands of small organizations, from a catering company in Belgium to a small jungle village in Vietnam, assess and improve their environmental impacts. INEM's ECO-BALTIC programme focuses on assisting especially small companies in the Baltic States.

In 1998 – 2000 INEM carried out the POEMS programme in the Czech Republic and Hungary, under which SMEs were assisted in simultaneously implementing clean productions measures and environmental management systems. The EMAS Toolkit for SMEs, which INEM developed for the European Commission, provides a simple, effective web-based tool to help smaller organizations implement an environmental management system that meets the requirements of EMAS.

The recently completed EPICENTRE project developed a coaching methodology ideally suited to supply chain management. Parallel to EMS implementation, the methodology also helps companies develop internal environmental performance indicators to help them focus their efforts on quickly and efficiently improving their environmental performance. More than 250 companies in five European countries participated in EPICENTRE. INEM is now planning to replicate the project in other parts of the world.

INEM in the Internet: [www.inem.org](http://www.inem.org)