



NatWest

ACCOUNTING FOR SUSTAINABILITY

ICAEW

2012 WINNER CASE STUDY

LESSONS IN DRIVING BUSINESS SUSTAINABILITY

STATIONERY START ACCELERATES TO SUSTAINABLE FUTURE

A traditional print business that has been transformed by an emphasis on sustainability, collaboration and innovation.

THE BUSINESS

Originally a stationery manufacturer, Easibind has diversified to produce a range of branded products for corporate stationery, packaging and promotions, managing to expand its operations through a sustainable business strategy. This is demonstrated through its integration of standards into management information systems – ultimately reducing business costs. The transformation of the business through an integrated quality and environmental management standard, with full certification and accreditation, is clear, with positive results against set targets. The company has been pro-active in the development of industry-wide standards.

THE IDEA

The inspiration for the company's strategy transformation came from an intensive one-week programme run by the Prince of Wales' Business & Sustainability Programme, which the company's Managing Director and Owner, Harry Skidmore, attended. He found it 'really inspiring' and that was 'the turning point'. The company became convinced that the transformation of people, how they work and how they think,



should be at the heart of the organisation. The company was not just to be a means of making a living. And being an SME (small or medium-sized enterprise) gave it an extra edge. It was seen as a springboard to see what the company could do. 'We prioritised a commercial view of sustainability', said Skidmore.

THE INNOVATION

The company decided to concentrate on building partnerships and collaborations. This is broken down into four specific areas of strength: spacial, economic, environmental and social. The first, spacial, meant creating the space and capacity for the economic, environmental and social building blocks. This, unusually for an SME, forced a focus on the long-term, looking, for example, at current and future

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legislation, how its influences are being implemented and how that would influence the company's supply chain. The second, economic, meant a focus on strategy, investment and meeting demand. The third, environmental, involved creating the company's own quality processes and standards and linking them to external accreditation. And this is also linked to the company's fourth area, social. The acknowledgment of the social strength of the business is developed through partnerships and collaborations with supply chains, local networks, professional institutes and associations and educational establishments. This had led, for example, to an extensive programme, in collaboration with local schools, to link design and production modules, and with local universities, facilitating graduate placements. It also led to the founding of a local management association to improve the business estate where Easibind is based, improving communications, investment and networks, with a strong business voice and patronage in the region.

FINANCE FUNCTION LEADERSHIP

The process of transformation required considerable investment to finance training for new skills. The financial strength of the business is based on consistent inward investment without being over-dependent on financial

institutions. There is great emphasis placed on the importance of long-term investment and that an SME should take advantage of the freedom it gains through an owner-managed model. Nothing has to be justified to a head office. Strong financial leadership is at the core. The financial controller has been with the company for twenty years.



A deep understanding of the company is embedded in the senior management team. 'Leadership is the important thing', said Skidmore. 'We always started from a very strong financial background'.

POSITIVE LONG-TERM IMPACT

Being in the print business over the last few decades has been tough. Demand is falling. The company points out that demand for paper has fallen by somewhere around 20% per annum for the last three years and that, without the emphasis on long-term development and sustainability, the company would simply be another casualty of economic trends. The main customer-facing part of the business is now 'Managed Services', which takes the business beyond the traditional ink-

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on-paper service lines and looks at, for example, how design engineering can reduce the cost of the work and also provide a much lower carbon footprint. There has been an emphasis on working with supply chains and maximising relationships. 40% of the company's turnover is spent on raw materials and the company has worked hard to improve efficiency in production, which in turn has led to improvements in pricing policy. The finance function works in partnership with administration and production to ensure this. This has been important in creating funding for research, development and capital investments. As an example of the company's partnerships with external organisations, the company runs a skills academy that is supported by global companies such as Kodak, Man Roland and Sun Chemicals. It runs successful partnerships with Nottingham Trent, De Montfort and Leicester Universities, providing graduate placements and further down the line, Knowledge Transfer Partnerships. These enable the company to recruit post-graduates for two-year periods, working on specific research and development programmes, with access to emerging technologies through

university research, and enabling technologies through the company's key suppliers.

The company also places an emphasis on producing locally. For example, it uses local recycling, avoiding the temptation to parcel it up to be separated and dealt with offshore.

And, at a local level, it has led efforts to unite all the companies working on the same industrial estate to bring about improvements. 'It is an old coal-mining area', said Harry Skidmore, 'and is most definitely not a science park'. But Easibind started an improvement programme, increasing safety and security and bringing in superfast broadband which, as Skidmore observed, 'is unusual in rural Derbyshire'.

The company puts a premium on developing local procurement and creating the right relationships with financial services and retailers.

The programme of partnering with universities and schools creates something which, in the company's words, 'works for everybody'.

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The company works hard at getting rid of material through recycling. For example, when they are producing display material or packaging for use in the retail store they will ensure that anything unused after a period of time is taken back when redundant then re-cycled and reused. The company sees this as 'a closed loop' scheme.

The company believes the most important benefit is a loyal and skilled workforce. With less than a hundred employees, the company ensures that everyone is involved with the business. This comes about through standard processes like team briefings, but also through a reputation that enables the company to recruit graduates and skilled operators who want to work within a secure environment and build their careers within a strong team culture.

LESSONS FROM THE CASE STUDY

'Sustainability comes out of being lean, mean and keen', said Harry Skidmore. 'Improvement has to be part of our DNA. The hardest thing is to survive'.

For a small business, achieving compliance and accreditation with internationally recognised qualifications makes it easier to be heard or listened to in the wider business environment. It also acts as a way of ensuring managers and shareholders can own and manage the changes required, manage the associated business risk, and be accountable for delivering a successful strategy.

Learn to punch above the company's weight, which is particularly useful for an SME. Easibind has reduced its carbon footprint year-on-year and is one of the few SMEs to have the Carbon Trust Standard, another example of external validation of the company's credibility and ambition.

The big motivation within the company is to ensure that they are improving local competitiveness, defined, as Harry Skidmore puts it: 'as Europe, UK, or Derbyshire'.