



A Guide to Creating an Environmental Travel Program

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Introduction

There is an increasing desire and external pressure for organisations to reduce their carbon footprint. The motivations to do so are both from internal stakeholders, employees and in many cases customers and suppliers that are requiring a carbon neutral supply chain.

About this guide

This guide briefly explains the actions and initiatives that a company can undertake to reduce its travel related Co2 emissions. The processes it needs to make in order to implement and review a responsible environmental travel policy. This document whilst briefly covering some of the many initiatives is designed for those within an organisation that are responsible for the companies environmental targets, board of directors or anyone involved in managing the companies corporate travel policy.

This is by no means a conclusive guide and only serves to highlight the main points of discussion for internal stakeholders.

Introduction

CO₂ and business travel: is your company doing enough? Public concern about climate change is mounting – indeed, many people now believe it to be the most serious challenge facing the planet.

The demands for coordinated action from governments are getting louder. Companies are feeling the pressure too, because customers are starting to look critically at the products and services they buy, and choosing those with the best environmental credentials. Companies that fail to acknowledge customers' concerns risk losing business to their more environmentally-responsible competitors. Customers are not the only stakeholders who care about a company's carbon footprint. Shareholders and employees also want to know that their company is taking positive action – and if not, why not.

The challenge for companies is to identify ways of reducing their CO₂ impact while not impacting negatively on the business. Business travel is a prime target for reduction, not only because of its high environmental cost but also because employees often make journeys that may not be completely necessary. An effective policy for responsible travel may well result in lower costs, greater productivity as well as lower CO₂ emissions.

To reduce travel effectively a company needs to provide an alternative to travel that meets the employee's initial objectives for travel and makes them as productive or more productive when using the alternative. One of the key alternatives to travel are collaboration tools such as audio, web or video conferencing.

About C2C

C2C is a consultancy group dedicated to providing its clients with impartial advice and guidance for an effective rollout of a collaboration strategy. C2C consultants have in-depth experience in the collaboration industry through their previous work within vendors and service providers across Asia Pacific.

C2C cuts through the vendor hype and provides its clients with a clear and concise collaboration roadmap that fits within their IT budget and meets the overall business objectives.

With speed of adoption of new collaborative technologies and the maturing of traditional collaborative technologies such as conferencing, there is a need for organizations to take a more holistic and strategic approach to collaboration within their organization.

Although collaborative technologies simplify communications, the expanded requirements, different technologies available and need for customization, make collaboration planning for any organization much more complex.

Now more than ever, companies require impartial and strategic advice on what collaborative technologies to implement based on how those technologies will be used and who within the organization will be using them.

C2C has recently been working with an internationally recognized travel management consultancy group to design a travel policy that ensures adherence to policies and guides users through a series of alternative meeting mediums before finally endorsing the use of travel.

Does Business Travel Have an Impact on the Environment?

Air travel is big business, and it is getting bigger. According to IATA, passenger numbers now exceed 2 billion annually, and kilometres traveled are projected to reach 4.2 trillion in 2007. Aircraft generate high levels of CO₂ emissions – a fully laden Airbus A380 is equivalent to a nine-mile queue of road traffic.

Yet aviation as a whole accounts for between 2 and 5% of total global emissions, depending on which analysis you take and business travel is responsible for less than 50% of this – so why should we worry? Because action needs to be taken now – if present trends continue, global CO₂ emissions from aviation are likely to double in 20 years.

Responsible companies are therefore reviewing their business travel practices – if they haven't already – and are taking appropriate steps to reduce emissions. Travel policies are shifting from focusing on company wide costs savings that enforce certain air and ground suppliers. To a policy that enforces the use of collaboration as an alternative to travel and balancing costs savings with green initiatives to reduce and compensate travel related greenhouse gases.

What are the Strategic Considerations for Corporations?

Once an organisation has decided to take the steps and implement an environmental travel policy, these are some of the strategic considerations that need to be reviewed:

1. Does the company have the right tools in place to determine their current CO₂ emissions and then determine their CO₂ emission reduction goals? What analysis and structure needs to take place in order to define the goals and then ultimately report on them.

Finding the right set of tools to calculate your companies' carbon footprint is the first step to implementing your reduction program, there are several methods all of which will provide differing results.

For example:

The calculation of mileage, emissions and fees varies substantially e.g.

- Long haul CO₂ per person for LHR-JFK return = 1.22 to 2.50 tonnes
- Long haul fees for offsetting LHR-JFK return = \$ 23.48 to \$ 61.28 AUD

Emissions measurement across a number of tools varied by up to 40%

2. Can the company provide an alternative to travel such as collaboration? Has the company developed a collaboration strategy and implemented that strategy? Examples of a collaboration implementation supporting alternatives to travel would be a company-wide conferencing booking system or on-demand conferencing numbers for each employee. Ultimately a view needs to be made on how easy it is for an employee not to travel.

The challenge here is to create a bottom up approach where employees become actively engaged in the arguments for reducing travel beyond cost controls. Experience shows that most employees will embrace the issues of the environment and act responsibly in trying to reduce emissions.

Small reductions in travel volumes of 3-5% are usually easy to achieve by cutting out unnecessary journeys. Many companies are capable of achieving much more without disruption to business performance. Because cutting travel also reduces costs, companies have compelling reasons for taking a tougher approach to travel authorisation.

Employees are also requesting alternative means to travel, in order to reduce the amount of time spent away from the families.

Nearly 50% of male senior executives say they're more likely to ask for less travel during their job negotiations than they were five years ago, according to a 2007 study by the Association of Executive Search Consultants, a New York-based trade group.

Increased use of video, web and audio conferencing can also save substantial sums although this must be in conjunction with a customized travel policy designed to maintain employee flexibility but all ensure that the investment in collaboration tools is maximized.

3. Will the company need an incentive program to encourage employees to choose collaboration over travel? If so, how should the incentive plan be implemented?

Employees will embrace the need to reduce CO₂ emissions far more than they would if the motivation was simply to save the company money. Developing an incentive plan that further encourages this behavior and fosters a team based competitive environment with recognition for using alternatives to travel is just one program that has been utilized.

For example:

The business unit which has used collaboration tools and demonstrated a measurable reduction in their travel related emissions is recognized and rewarded.

4. Is there a way for the company to provide measures of Co₂ emission reductions, if an employee chooses not to travel?

This relates to the first point in establishing the correct method for measurement of your current footprint and breaking this down into measurable sub sets.

Like any incentive program, knowing upfront what a flight sector produces in terms of CO₂ emissions, the cost to off set these emissions and what alternatives can be used is essential to measuring the savings produced by any business unit or individual.

5. If travel is deemed necessary and collaboration is not an option, does the company recommend or standardize on vendors that have their own CO₂ offsetting programs and does the employee contribute to their offsetting programs when they travel with those vendors?

Removing travel related emissions entirely is extremely unlikely and the company should be considering which vendors in their supply chain are also consciously aware of the emissions related to travel and provide their own offset programs.

For example Virgin Blue is making a financial commitment of about \$2.5 million over the next five years to minimise the greenhouse impacts of its own crew and all team members travelling on company business. Furthermore travellers can purchase offsets credits for all of the flight sectors, the funds are then channelled to a number of abatement programs.

If you choose to contribute to abatement programs other than those offered by vendors, it is essential that you establish the credentials of these programs and potentially offer a series of alternatives such as energy efficiency measures, waste diversion and recycling, generation of renewable energy, tree planting and avoided deforestation projects.

6. How does the company want to promote the policy internally and externally?

Before embarking on a “We are Green” campaign it is imperative that the previous five steps are implemented and endorsed at all levels. Any social kudos gained from proclaiming that your organisation is carbon neutral can be lost through poorly researched footprint calculations or aligning your business to a misleading carbon off set program.

Caution should also be taken when setting publicly available carbon reduction targets. You will need to be certain that these targets are achievable and more importantly will stand up to public scrutiny.

Tackling these six strategic initiatives can be a daunting task. This will take quite some time and resource to ensure that the benchmark analysis is correct and the initiatives flow through to measurable outcomes. CzC analysis has developed many of these tools already and engaging our analysts to assist with these initiatives will reduce the time from discovery through to promoting your policy.

The four steps towards a responsible business travel policy

- Assess your company's attitude to climate change across the business and capture key corporate objectives.
- Define requirements.
- Create the new program and revise existing travel policy.
- Implement the program.

Creating, implementing and managing an environmental business travel program need not be complex or costly, but it does require a structured approach. As with all culture change initiatives, success will depend on strong leadership from senior management and a willingness by employees to embrace the overall objectives. A well thought out and effective communication program is a key ingredient for a successful program.

Assess your company's attitude to climate change and capture key corporate objectives

Your business travel policy should be aligned with the company's overall position on environment issues and climate change. Some questions to ask:

- How will this program fit with our overall strategic goals?
- Is there a person on the senior management team responsible for the environment?
- Is the subject being taken seriously at board level?
- How supportive are your colleagues likely to be?
- Do you report on environment targets in your annual report?
- What portion of your company's emissions arises from business travel?

You may well find that your company as a whole has a positive attitude towards CO₂ reductions. According to one survey, 75% of staff prefer to work for a company that has an emissions policy. But if you are not confident of support, do not attempt to introduce a program – you must first change your company's attitude.

If you need external support, talk to a specialist who can help you build a business case for action.

Define requirements

The second step is to define the requirements for the new program. There are two essential pre-ingredients:

1. Obtain management sign-off for the program – is senior management fully committed and prepared to invest in the program?
2. Gain early commitment and support from staff.

You will need to define a high-level set of goals and objectives, in line with your company's current environment policy, to include specific targets for reductions in CO₂ emissions from travel. Based on this high level set of goals and objectives,

establish department specific subsets e.g. sales and marketing is different from IT. In order to set these targets, you will need to:

- Review key suppliers and assess their contribution to your total emissions. Ask what contribution they are making to CO₂ reductions.
- Create a CO₂ reporting capability. This should cover air, rail, road, public transport and the contribution that major suppliers make to your CO₂ footprint. Consider setting personal targets. It may take time to develop a satisfactory reporting capability, according to the status and availability of data.
- Decide how and where your company can eradicate, reduce and/or compensate (as outlined in the previous section).

You can then calculate the potential reduction in total emissions. For example, in the first year you might target a 10% reduction, rising to 25% over a five-year period.

Create the program and revise your existing travel policy

The next step is to create the new policy for business travel. This will involve:

- Determining the best way to reduce CO₂ using feedback from employee sessions.
- Creating employee involvement and buy-in.
- Drafting a formal environment policy for business travel, and ensuring that it fits into the company's overall strategic goal and objectives for CSR.
- Revising the existing travel policy so that it supports the new environmental program. This may involve amending your pre-trip approval process and providing guidance on cost/environmental considerations.

Using collaboration and travel management specialists may help you to frame your policy effectively and obtain buy-in from employees.

Implement the program

The best environment programs have a high level of employee engagement. They succeed because highly motivated and committed employees make them work, not because of instructions from the top of an organisation. Effective communication, based on consistency, clarity, planning and attention to detail, is the key to obtaining employee engagement:

- Provide leadership and guidance from the top of the organisation, but ensure that the policy is communicated and supported through all levels of the organisation. Everyone in your organisation should be able to explain the features and benefits of the approach.
- Create environment champions to help drive key messages, and use focus groups and workshops to communicate and gain staff buy-in. Establish a project group to ensure that goals are aligned, successes are communicated to both internal and external stakeholders (especially suppliers), and outstanding individual achievements are recognised.
- Recognise supplier as well as staff achievements.
- Don't skimp on resources and be prepared to invest over a sustained period of time. An effective program should deliver financial savings as well environmental benefits.
- Take care to integrate and align new travel procedures to ensure business-as-usual.

The success of any program is based on the level of commitment and compliance to the program. Achieving high compliance rates will only come through maximising staff engagement, focus on motivation and recognition of success. Until a program is fully in place it will be difficult to 'enforce' an environment policy. Once established, compliance to policy can be treated in the same way as all other policies and programs.

Where to from here?

As mentioned earlier in this paper there is a large amount of disparate collaboration tools available for today's enterprise. The challenges for CIO's is to determine which solutions are right for their organisation to meet their immediate needs and to provide a scalable platform for the future. Choosing the right platform and integrating the various components of a collaboration suite is a complex task and carries with it a high element of risk.

Sorting through the vendors and service providers marketing hype along with staying ahead of the organisations short and medium term goals is a challenge worthy of impartial advice.

Why bring in outside help? Why use consultants when you can implement change yourself?

We have not yet come across a company that is seeking to improve, yet is not already making improvements.

Experience shows that:

- Every client recognises that the need for improvement is a constant, and opportunities to do better always exist.
- Every client has people within the organisation that are capable of implementing results.

So, why do clients not implement the results themselves and instead use us?

In looking at the most common reasons, you may recognise one that more appropriately fits your situation.

The overriding reason why clients use [C2C Analysis](#) to deliver step change improvements in performance is a **financial** one. Our extensive experience of **implementing** collaboration programs, coupled with our ability to focus on delivery of results without being sidetracked by everyday management issues ensures that we achieve results **quicker**.

- Carry out an objective **health-check** identifying opportunities for further improvement on current practice.
- Create and implement innovative solutions, at a time when people are beginning to **run short of fresh ideas**.
- Deliver solutions to specific problems. (This is most typically used when management of improvement is assigned consistently to a handful of the best people, who as a result are **constantly tied up** and unavailable, to take on additional initiatives).
- Deliver a significant, **measurable improvement** that goes beyond the clients' own capability for managing change
- Act as a **catalyst** to accelerate results from current initiatives.
- Implement improvements where we have **expert knowledge**, yet there is little experience internally.
- Provide a cost effective short-term resource to **transfer** knowledge or skills, without any long-term headcount, or payroll implications.
- Use our skills in **project management** to ensure an important program is delivered on time and to budget.
- Provide **objective mapping** of all internal initiatives to ensure they will deliver results in a consistent manner and in line with group strategy.
- Identify and implement best practice from a **wider experience base** than exists internally.
- Establish, implement and **mentor** self-directed teams - to generate innovative results internally on an ongoing basis.
- Provide an additional resource in **large-scale transformation programs** where more resource is required than internally available.

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