



20th session of the *INSME Academy*

Strengthening Sustainability through Resource Efficiency 18th of November 2014

Sustainable Development is an economic system that fulfills the needs of the present generations without impacting on the resources of future generations and it can be understood through what Mr. Batra, CEO at STENUM Asia, called the **3Ps concept**:

- 1- **Planet** – if people were able to put the planet into a decision-making process and considered the environmental options and impact of their decisions, a step towards sustainable growth could be made;
- 2 – **Profit** - regarding the economic success;
- 3 – **People** - regarding the stakeholders involved.

Traditionally, whenever waste is generated, the question arises as how enterprises can deal with this problem. According to Mr. Batra, a change of mindset should be encouraged by examining where the waste comes from and what can be done to avoid and/or reduce it. This is a fundamental issue for SMEs given the fact that if enterprises reduced the amount of waste, material or energy they need in the process, the cost of the operations as well as the cost of treating waste would go down. Unfortunately this change of mindset is difficult to be put into practice and is not that popular in small and medium enterprises.

Generally speaking, **Resource Efficiency (RE)** is considered high when all raw and auxiliary materials are transformed to **saleable products**. Small and medium enterprises can take advantage of the resource efficiency approach:

- 1 – by reducing production costs;
- 2 - by reducing maintenance costs;
- 3 - by improving work conditions for employees;
- 4 – by enhancing cooperation with authorities.

Building on some case studies, Mr. Batra showed that just by introducing a few simple operations in everyday processes, small and medium enterprises were able to increase their savings and reach the breakeven point for their investments in a very short time.

Unluckily, common obstacles have been observed: the majority of the obstacles come from the mind (attitude problems are responsible for 80% of the obstacles); non-availability of technology as well as financial problems account for only 10% of the obstacles respectively.

To overcome those bottlenecks and encourage small and medium enterprises to make a step further into sustainable growth, Mr. Batra also shared recommendations to implement RE in SMEs:

- 1 – raise awareness by promoting business cases or success stories for RE;
- 2 - building capacity within an SME and get in touch with consultants able to provide support services;
- 3 - incentivize pollution prevention rather than pollution control;
- 4 - make small loans more easily available for SMEs that would help them to invest in RE.