



**How can ISO 14001
help your business grow?**

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INTRODUCTION

It is widely accepted that environmental issues are increasingly influencing the future strategic direction of every business around the globe. Being aware of environmental impacts that humanity is experiencing, such as climate change and biodiversity loss, in addition to the growth in demand of natural resources as vital as water, drive some organizations to incorporate this “environmental thinking” into their activities. These so-called “green companies” go this direction not just to contribute to environmental protection, or to help their companies to survive in the market, but to grow in this relatively new and adverse situation.

Having said this, what role can ISO 14001:2015 play in a company’s environmental thinking? An Environmental Management System (EMS) can be used for managing the impact of a company’s activities on the environment and, in consequence, contribute to the continual improvement of its environmental performance. This white paper will help you to understand how your business can grow through implementing an EMS.

WHO IS ISO 14001 APPLICABLE TO?

Many companies wonder if ISO 14001 can be applied to their specific activities or type of industry. In fact, an Environmental Management System can be used in any kind of organization to enhance its environmental performance regardless of its size, sector, legal form, geographical location, or the product or service that it provides.

The flexibility that the standard allows an organization in relation to the implementation of its Environmental Management System requirements makes ISO 14001 the best option for demonstrating the company’s contribution to the protection of the environment. For instance, because the organization decides where to implement the standard, it can implement it in the whole business or just in a part of it – for example, just one location if it is a multisite company, or just one product or one department (e.g., production). However, your company will need to comply with all the applicable ISO 14001 requirements to claim conformity to the standard.

See this [List of ISO 14001 implementation steps](#) to learn more about implementation of ISO 14001.

WHAT IS AN ENVIRONMENTAL MANAGEMENT SYSTEM?

An Environmental Management System is a framework used by organizations to achieve their environmental aims throughout consistent assessment, monitoring, and improvement of their environmental performance.

It consists of a set of policies, processes, procedures, and records that determine the internal rules that a company follows to protect the environment. Each organization tailors the Environmental Management System to its own needs and objectives. This means that every company decides about the level of environmental performance that it wants to achieve. In this sense, ISO 14001 gives you the guidelines to follow for a correct implementation and creation of an Environmental Management System.

The most widely used standard for the development of an Environmental Management System is ISO 14001, and it is part of the family of ISO 14000 standards dedicated to environmental management. According to the International Organization for Standardization (ISO), more than 300,000 companies have been certified against ISO 14001 in 171 countries.

For more information, see: [What is an Environmental Management System \(EMS\)?](#)

The importance of the PDCA cycle

ISO 14001 is a proactive tool based on a continual improvement approach in regard to environmental issues. This is accomplished through a Plan-Do-Check-Act (PDCA) cycle that consists of four steps, including:

- Plan: establishing the plans for improvement of environmental performance
- Do: implementing the processes that have been defined in the plans
- Check: reviewing the processes regularly to make sure they are being followed as originally planned
- Act: taking the necessary actions to achieve the continual improvement of the system

This PDCA cycle should be implemented in every aspect and process of your organization so that it can help your organization to increase efficiency and contribute to the growth of your business.

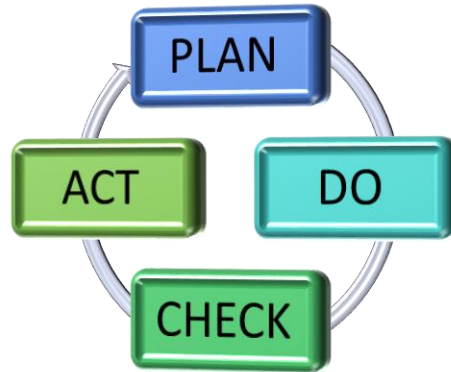


Figure 1
Plan-Do-Check-Act cycle

To learn more about PDCA cycle, read the article [Plan-Do-Check-Act in the ISO 14001 standard](#).

MYTHS AROUND ISO 14001

When deciding whether to begin the process of ISO 14001 implementation or not, you will probably find a great deal of contradictory information about the pros and cons related to such a project. Let's try to clarify some of the myths related to Environmental Management Systems:

1. Only companies in the manufacturing industry can implement ISO 14001.

As previously discussed, any company can choose to implement an Environmental Management System in its business, no matter its size, industry, or sector. The standard offers the guidelines to assess your business interaction with the environment and to integrate environmental elements into the strategic direction of the company.

2. Companies do not need to implement ISO 14001 if they are legally compliant.

ISO 14001 goes beyond regulatory and statutory compliance, although it is a relevant part of the standard. Many other requirements of the Environmental Management System need to be applied to the business processes in order to reduce a company's impact on the environment.

3. Environmental Management Systems apply just to "green" companies.

You do not need to be green already to implement ISO 14001. Actually, it can be the first big step to incorporate this environmental thinking in your company, and really see the benefits of using the systematic approach of an Environmental Management System.

4. ISO 14001 requires an overwhelming amount of documentation.

Much effort has been made by the International Organization for Standardization in the last version of the standard to get rid of unnecessary documentation. In fact, companies have a lot of freedom to choose which documented information should be incorporated into their systems to become as efficient as possible.

5. Getting certified in ISO 14001 is costly.

Although you always need to evaluate costs and benefits arising from the implementation of a project, many advantages will result from the successful implementation of an Environmental Management System, including cutting off irrelevant costs, improving waste management, etc. You can check out some of the most important benefits in the next section.

6. Innovation is not compatible with an Environmental Management System.

Flexibility is one of the most significant factors when implementing ISO 14001. This means that even though there are many requirements within the standard, ISO 14001 does not prescribe how to accomplish them. For instance, one of the main requirements is addressing risks and opportunities, but it is left up to the company to decide how to perform the analysis of the risks and opportunities and the necessary actions to address them.

For more information about the myths around ISO 14001, see: [Six greatest myths of ISO 14001](#).

WHAT BENEFITS DOES ISO 14001 BRING TO YOUR BUSINESS?

It might be surprising, but many benefits can arise from implementing the standard in your company – and not only the obvious one of contributing to protecting the environment. These benefits are the main reasons to implement the standard and, therefore, to improve the environmental performance of a company. Below you will find some of the most remarkable benefits that can apply to your organization:

1. Improve your reputation

Today's organizations need to address environmental expectations from stakeholders, including customers, non-profit organizations, neighbors, and others, if they don't want to be at risk of losing their position in the marketplace. A good way to demonstrate commitment to environmental protection is by implementing an Environmental Management System, which will improve your corporate image and reputation among all these interested parties. In addition, because ISO 14001 is an internationally recognized standard, many contracts or tenders require companies to be certified in ISO 14001, so it can also be seen as a marketing tool to enhance your image and credibility and gain new contracts.

2. Comply with applicable statutory and legal requirements

Implementing an Environmental Management System in your organization will definitely help you to comply with statutory and legal requirements. It will also assist you with monitoring your compliance in a systematic way and to identify new legislation with enough time to make the necessary adjustments in the business. As a consequence, on the one hand you will improve your corporation's image, while on the other hand, you will avoid costly fines coming from a legal breach that may occur.

3. Reduce your costs and improve efficiency

One of the main benefits of incorporating an Environmental Management System in your business strategy is avoiding risks related to any environmental incident, thereby reducing costs related to fines or reparations. Also, improving the efficiency and performance of your business activities, in terms of reducing the use of natural resources (i.e., water), energy, and waste, will significantly lessen related expenses.

4. Assure a continual improvement culture

Being one of the most remarkable ISO 14001 principles, adopting a continual improvement culture will help the company to gain more efficiency in its processes, increasingly cutting costs and reducing the recovery time when problems arise. This continual improvement can be achieved thanks to gathering accurate data, which can be used to track any change and compare different situations that may happen in the organization.

5. Gain new customers

In response to a growing green supply chain, many suppliers are asked to comply with an environmental standard. In this sense, ISO 14001 certification is definitive proof of managing and mitigating environmental impacts in a business.

In addition, when applying for a new contract, sometimes companies are asked to be ISO 14001 certified, so implementing an Environmental Management System means a clear competitive advantage in the actual marketplace.

6. Engagement of employees

Getting employees involved in the improvements of the activities that they perform in their work contributes to their engagement in the business, positively influencing employee morale and reducing turnover. When people feel happier in their work, they are more productive in their position. As a consequence, there is an important impact in the company, reducing expenses related to hiring new personnel who need to be trained.

For more information about benefits, see [6 key benefits of ISO 14001](#).

HOW CAN ISO 14001 HELP WITH AN SME'S CHALLENGES?

Many larger corporations and multinational organizations incorporated ISO 14001 into their businesses a few decades ago, knowing that accreditation not only enhances environmental performance within their organizations, but is considered a marketing tool. In this sense, implementing an Environmental Management System can be used to attract new customers with an increasing environmental awareness and to demonstrate a company's responsibility for the natural environment and its impact on other third parties, such as local communities or non-profit organizations. If we translate this issue to smaller companies, micro companies, or startups, some concerns regarding financial and time resources may arise.

Read the article [How micro businesses can benefit from ISO 14001](#) to find out how micro business goes with ISO 14001.

Is it possible for a small or medium-size company to deal with such a complex project?

As we have already mentioned, ISO 14001 can be applied to any size of organization, as it provides the flexibility to adapt every requirement to a particular business. So, it is clear that the standard can be achieved in a small company, but is it really worth it? The answer is yes, because smaller companies are not expected to address environmental protection issues on the same level as a larger company, and they will reap greater rewards in the marketplace.

To learn more, read the article [How can a startup benefit from ISO 14001?](#)

THREE OPTIONS FOR THE IMPLEMENTATION

When your company starts thinking about implementing ISO 14001, you can analyze different possibilities. The most expensive approach is to choose to hire a consultant that will do everything for the company and will ensure its certification. Although this is an easy option, the truth is that many small and medium-size companies cannot afford such an investment. So, is there any alternative for them?

Actually, there are some alternatives that can even be more beneficial in the long term. The do-it-yourself approach is one option, where the company does all the work. If you choose this option you will need the time and resources – that is, money – to gain the necessary knowledge to implement the standard, and there will still be no guarantee that you will pass the certification audit.

The third option, in between the previous ones, is considering online tools that provide support and deal with the standard technicalities. In this last case, you will not have to spend so much time with training, the knowledge will stay in your organization, and you will be confident about the certification audit results.

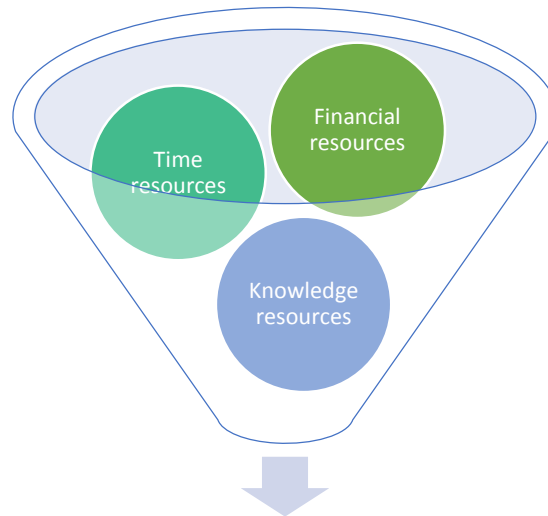


Figure 2
ISO 14001 Implementation

According to the research paper “Sustainability of positive relationship between environmental performance and profitability of SMEs: A case study in the UK” (by Mohammed Shahedul Quader, Md. Mostafa Kamal, and A.B.M. Enamol Hassan in 2014), conducted in the retail and manufacturing sector, if SMEs desire to achieve a sustainable positive relationship, cost is not the only factor that they have to examine. Therefore, you will need to analyze other factors, such as the time and knowledge resources needed, to decide which one of the above three options works better for your organization.

To learn more, see [ISO 14001 implementation options: Comparison matrices](#).

ENSURING PROFIT-MAKING WITH ISO 14001

Profit-making is a consequence of the successful integration of the Environmental Management System into the strategic direction of the organization. The following aspects related to different clauses of the standard are the key to increasing profits in the company:

1. Identification and evaluation of the company's risks and opportunities

Determining which are the significant risks and opportunities in your company will greatly drive the organization to improve the system and, therefore, to increase their profit-making. Fixing or repairing is always more expensive than preventing possible risks, so you will avoid unnecessary costs derived from unexpected incidents arising from environmental aspects.

2. Planning the necessary resources

Consider the resources needed for the implementation, certification, and maintenance of the Environmental Management System in terms of financial resources (consultant fees, audit costs, etc.) and time dedicated by personnel. Also, estimate the timeframe to finish your implementation, which will help you to define a project plan for establishing milestones and responsibilities. You can be guided by similar companies that have already implemented the standard.

3. Providing training and ensuring environmental awareness

Training your employees to perform the processes in compliance with the ISO 14001 requirements is crucial for the successful operation of the Environmental Management System. At the same time, environmental awareness is necessary from the top management all the way to the shop floor to ensure their engagement and cooperation with the implementation and maintenance of the standard.

4. Applying continual improvement

This principle remains one of the most relevant when it comes to profit-making. Following the Plan-Do-Check-Act cycle will help to improve the activities carried out in your company and, therefore, the organization will be able to see the positive results regarding cost and return on the Environmental Management System investment.

5. Conducting performance evaluation

Performance evaluation will ensure profits for the organization. Using key performance indicators (KPIs) that can be measured to assess how your company is doing will help your company to check if the organization is making real signs of progress and achieving what it has already planned.

This profit-making has been demonstrated through some formal studies. According to the already-mentioned research paper about sustainability of positive relationship between environmental performance and profitability of SMEs, there is a positive relationship in small and medium-size companies between their environmental performance and their profitability.

For more information, see [How to ensure your ISO 14001 implementation is profitable](#).

CONCLUSION

The main concern in relation to ISO 14001 certification in organizations is the cost of the implementation. Many expenses need to be considered during the implementation, such as training for the employees, updating the equipment, etc. However, implementing the standard can have many advantages that greatly outweigh the challenges faced by the organizations. Some studies have demonstrated that the companies that have successfully integrated ISO 14001 into their operations see a positive impact in their financial situation, showing that an EMS can help organizations to grow and increase their competitiveness in the marketplace.

ISO 14001 should be considered a proactive and powerful tool that responds to an increasing demand for green company behavior, turning challenges into opportunities, such as cost savings, operational efficiency, legal compliance, and waste reduction.

USEFUL RESOURCES

These online materials will help you with ISO 14001:2015 implementation:

- [Checklist of Mandatory Documentation required by ISO 14001:2015](#)
- [ISO 14001:2015 Implementation Diagram](#)
- [ISO 14001 Documentation Toolkit](#) – full set of documents with expert support
- [ISO 14001 Foundations Course](#) – free online training that explains the basics of the standard, and the implementation steps

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ABOUT THE AUTHOR



Iciar Gallo has more than 10 years of experience in business consulting, training, and auditing, including a number of management systems such as ISO 14001 and ISO 9001. She has worked for several international companies and prestigious universities, leading projects in Spain, Panama, Venezuela, England, and more recently in the USA. She has also worked as a teacher of several courses on environmental standards and at AENOR and Advisera. Iciar holds a MSc degree in Environmental Management and Control from the Technical University of Madrid and is certified as an auditor of ISO 9001 and ISO 14001.



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