



BSR Conference 2009

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Environmental Performance for Consumers: Green Product Design

Breakout Session Summary

Thursday, October 22, 2009 | 3-4 p.m.

Speakers

- » **Michael Kirschner**, President, Design Chain Associates
- » **Ralph Reid**, Vice President, Corporate Social Responsibility, Sprint Nextel Corporation
- » **Raj Sapru**, Director, Advisory Services, BSR (moderator)

Highlights

- » Green product design is not radically different from any other product design. It uses the same process but just requires the consideration of a different set of environmental parameters and specifications.
- » With many manufacturers still in the process of figuring out which substances are in their products, the ability to design green products is limited but available resources are growing.
- » Green products should be designed to maintain competitiveness on the basis of their features and functions. Beyond that baseline, environmental benefits provide an added advantage.

Memorable Quotes

"Manufacturers are seeing an onslaught from regulators and from [brands that] are directly interfacing with consumers. They're getting a lot of questions they have no clue how to answer."
—Michael Kirschner, Design Chain Associates

"What we learned is that we need to take our existing process and overlay an environmental process." —Ralph Reid, Sprint Nextel Corporation

"This is not over and done. We are looking at additional green phones, and we are looking to make sure that green criteria are included in all of our phones." —Ralph Reid, Sprint Nextel Corporation

Overview

Earlier this year, Sprint and Samsung partnered in the launch of Reclaim, the first green phone of its kind. (It contains 80 percent recycled content.) Sapru kicked off the session by inviting Reid to speak about Sprint's motivations to create a green phone. Reid recalled that, looking at the marketplace and gaining traction of green product purchasing, it was essential and obvious. The main driver, however, was an earlier materiality analysis that informed their current CSR strategy. This strategy defined four priority areas, one of which was looking at green product innovation opportunities. Focusing on green product development allowed Sprint to connect and communicate with the consumer not only about what the company is doing, but how consumers can make greener choices every day.

Kirschner commented on the broader pressures that manufacturers are facing today. Manufacturers across sectors are fielding questions from both regulators and consumers about



the environmental impacts and substances used to create their products, and the majority of companies do not have all the answers. What's more, for most companies, the first hurdle is understanding which substances and processes are involved in the manufacturing of the product.

Companies have largely been in a reactive position in responding to chemical bans and new scientific findings. Kirschner noted that there need to be standards and guidance for companies seeking alternatives to certain harmful substances. Without guidance, companies could be switching to substances that are, in fact, as bad or even worse.

While there is a growing interest in using more environmentally responsible materials, Kirschner also commented that resources and capability still lag behind. For example, conducting a product materials assessment often results in needing to redesign the entire product, rather than simply substitute one material for another.. This further requires a more comprehensive understanding of chemical impacts than most companies have. However, companies interested in the materials assessment process can start with a number of tools, such as the one offered by Clean Production Action.

Reid and Kirschner emphasized that the process of developing this phone was exactly the same as any other product ideation process. There was nothing inherently different about the process; just the set of parameters and specification taken in to consideration, for example energy efficiency and recyclability. Reid noted Sprint's plans to integrate these environmental specifications into the design process for other products.

Internally at Sprint, the link between green product development and the overall CSR strategy strengthened the business case and helped gain executive support. Reid noted that convincing the marketing department was the greatest internal challenge. However, after focus groups and collecting benchmark data, they were confident that, as long as the phone was competitive with others on the basis of its functions and features, its green factor could only be an advantage.

Looking ahead to the future, Reid and Kirschner anticipate that environmental performance will only increase as a competitiveness factor among their industry peers and suppliers.

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