

EID ToolBox Quick User Guide

Profitable Environmental Management (PREMA[®]) for Companies

Brief description of the tool

The PREMA[®] approach can be used to introduce an integrated, effective, profitable management system in companies. It is designed for owners and managerial staff of micro, small, medium-sized, and even large companies, as well as for enterprises within supply chains or industrial areas. As the programme can be offered simultaneously to groups of companies (6-10 at a time, within or across sectors), it can lead to a broad application in a great number of companies. PREMA[®] helps beneficiaries identify “blind spots” in their operations where Non Product Output (NPO) can be reduced, leading to a triple win improvement in terms of enhancing economic efficiency, environmental performance, and organisational learning.

Aim of tool

PREMA[®] aims to ‘hook’ companies into pursuing an improvement path that results in a “triple win” related to simultaneously:

- Reducing production costs
- Reducing environmental impacts (vis-à-vis water, energy, air, soil)
- Enhancing internal organisational abilities to implement change and make improvements.

PREMA[®] focuses companies on identifying weaknesses that are frequently overlooked because managers are focussing on other operational aspects and simply do not see or value them. PREMA[®] changes attitudes and ideally triggers a general hunt for “blind spots”, which represent improvement opportunities, throughout their operations. This promotes a continuous improvement process, which extends from the immediate implementation of limited changes to the introduction of complex management systems in the fields of quality, environment, and workplace safety. In this respect, PREMA[®] can lay a foundation for achieving certification according to international standards, e.g. ISO norms on quality, environment, health, safety, and social issues – with substantially less work, time, and cost.

Content of tool

Understanding the Non Product Output (NPO) concept. Participants learn how to identify and quantify material, energy, and water inputs that are used in the production process which do not end up in the final product. These non value-adding, often unnecessary costs are not revealed by traditional accounting systems and have a negative environmental impact in the form of solid waste in landfills, wastewater in sewage systems, and air emissions. Typically, NPO constitutes 10-30% of a company’s production costs. By reducing NPO, a company can substantially reduce its costs and environmental impacts.

Utilising the Good Housekeeping Guide to identify optimisation potentials. This Guide contains 6 checklists each summarized in a 1-page mind-map, which participants use to identify improvement opportunities regarding the efficient use, storage and handling of materials, water, and energy; the reduction and treatment of waste, as well as workplace safety and occupational health. Sector-specific guides are available for agricultural production, bakeries,

construction materials, furniture/wood working, food processing, garages, hotels, laundry/dry cleaners, printing, rubber industry, schools, shoe-making, and tanneries. These Guides are available in several languages.

Following the cycle of change to ensure effective improvements. Based on observations and data-collection during a site visit, and by using the NPO lens, participants elaborate a list of a company’s strengths and weaknesses. For each major aspect where NPO is observed, the material flows are analysed; the costs and environmental impacts of *not* making any change are examined; the causes for the NPO are identified; and then improvement measures are identified, implemented in the company, and assessed – setting the stage for a next cycle of learning and improvement.

Enhancing organisational capabilities to support implementation. PREMA[®] trains participants in using the presentation, visualisation, moderation, and team-building techniques that are required to effectively implement change in organisations, to enhance existing knowledge and problem-solving capabilities, and to promote effective networking amongst companies.

Most important steps

PREMA[®] is comprised of training sessions carried out in the form of interactive workshops (2-3 days) for owners and/or managerial staff, which are conducted by qualified, authorised PREMA[®] trainers – interspersed with “networking meetings” of the participants (lasting 1 day), that provide a forum for peer consultancy, problem-solving, and general support for the change process.

Description of steps

PREMA[®] trains ‘change agents’ in communication, presentation, visualisation, moderation, conflict management, and team-building techniques alongside the technical competences concerning the NPO concept, cost calculation, and environmental analysis. Together, these competences are crucial for quick action, sustainable implementation, transfer of know-how, strengthening of problem-solving capacities, and effective networking amongst the involved actors.

Sequence of application to achieve tool’s goal

1. Introduction to the PREMA[®] approach and its key methodological elements (triple win, NPO, cycle of change) through a mix of presentation and hands-on exercises, in an interactive workshop designed according to experiential learning principles. Participants learn how to develop a material flow chart for a company, work with mindmaps, and prepare observation in the company using the NPO lens.
2. Site visit to identify ‘blind spots’ in the company, i.e. opportunities to reduce NPO
3. Step-by-step evaluation of the site visit following the “cycle of change”; under this framework, observations from the site visit are first analysed regarding their effects/impacts (economic,

environmental, organisational, social, and safety) and their respective causes. Easy-to-implement improvement measures for major NPOs are then developed and their possible costs and benefits are assessed in elaborating and refining suggested improvements.

4. Development of an Action Plan, including objectives, indicators, activities, responsibilities, and deadlines, which is used as a framework for discussion and implementation in the company.
5. The Action Plan is also the basis for follow-up consultancy and ideally leads to new learning cycles, which typically result in more complex and mid- to long-term improvement measures and ultimately leads, step-by-step and bottom-up, to a management system oriented towards continuous improvement, including certification.
6. Participation in 1-2 “network meetings” facilitated by an external moderator where a counselling technique, Action Learning Set (ALS), is used to elaborate profitable, environmentally-sound solutions, and action strategies for problems that occur within a company’s routine operations.
7. Documentation of improvements in the form of a 1-page case study/success story that illustrates the problems and its consequences, the improvements undertaken (together with photos showing the *before/after* situation), and information regarding economic benefits, reduction of environmental impacts, and improvements in organisational capacities and occupational health and safety. Such case studies can be used for promotion, verification, and data-gathering vis-à-vis indicators/objectives.

Estimation of required resources

Time

Participation in:

- An initial 3-day training workshop (including site visit and step-by-step evaluation taken through to an Action Plan)
- Follow-up discussions onsite at the company, to support the change process

- 1-2 network meetings (lasting 1 day) to review the implementation process, identify case studies from successes, identify issues where peer consultancy can help

Participation in a final workshop (1-2 days) to evaluate the experience, showcase successes, catalyse further action by participating companies, motivate new companies to join

Funds

Companies are expected to pay a training fee that allows the PREMA[®] programme to be run on a cost-covering basis. Improvement opportunities identified using the PREMA[®] approach involve no-cost or low-cost investments with payback periods typically in the range of 0 up to 18 months.

Expertise

PREMA[®] allows for inexpensive implementation in companies with an indispensable minimum of external input offered by local consultants trained on the PREMA[®] approach, who are members of PREMANet e.V., a non-profit association that represents the global network of licensed PREMA[®] trainers. Through a Cooperation Agreement signed with GTZ (which sponsored the development and extensive verification of the PREMA[®] training/consultancy approach in over 40 countries), PREMANet e.V. disseminates PREMA[®] methodologies, develops further applications and materials, and assures the quality of the training that is provided, including the licensing of competent trainers. See www.premanet.net for qualified PREMA[®] trainers in Asia (China, India, Indonesia, Sri Lanka, Thailand, Vietnam), Africa/Middle East (Algeria, Egypt, Ghana, Jordan, Morocco, Nigeria, Tunisia, Zimbabwe), South America (Bolivia, Brazil, Chile, Colombia, Costa Rica, Mexico, Peru, Uruguay, Venezuela), and Europe (Bulgaria, Croatia, Germany, Macedonia, Montenegro, Romania, Spain, Switzerland, UK)

Documentation

Visit www.premanet.net to learn more about PREMA[®] tools and to view the extensive case study collection *PREMA[®] in Brief: Methods and Instruments, 2010* (available from Joyce.Miller@premanet.net) *Profitable Environmental Management: A Best Practice Approach from Consultancy in International Cooperation*, by Dr. Edith Kürzinger (KuerzingerEdith@aol.com) and Dr. Joyce Miller, published in **Consulting for Business Sustainability**, edited by Dr. Chris Galea. Sheffield, UK: Greenleaf Publishing Ltd (2009).

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