



MARK AND MIKE DUDEK,
OWNERS, LKCS

© BRETT KRAMER

GRU T HREEN

How your small business can help save the environment—and reap the rewards **By Shannon McRae**

Peru, Ill., isn't exactly a hotbed of environmental activity. Almost 2,000 miles from the West Coast—where the shift to “green” thinking began decades ago—this small town of fewer than 10,000 people in the Illinois Valley just started a recycling program a few years ago. Yet, surprisingly to some, Peru is home to one of the most energy-efficient buildings in the state, thanks to the foresight of one family-owned small business.

Last summer, brothers Mark and Mike Dudek moved their marketing services business into a building more than three times larger than their old facility. But when the cold Illinois winter settled in, the Dudeks didn't feel the sting of higher heating costs typical with such a jump in square footage. That's because halfway through the construction of their new building, the brothers made a risky decision to install a geothermal system to heat and cool their 57,000-square-foot plant.

“Hurricane Katrina hit when we were about to install our conventional gas and electric heating and cooling system,” says Mark Dudek, who, along with his three siblings, owns LKCS (www.lk-cs.com), the business his parents started in 1961. The natural disaster set off a nationwide energy scare and left the brothers worried about the stability of utility prices in the future.

After researching alternative systems, the Dudeks initially planned to burn corn to heat their building. But through more investigating, geothermal heat rose to the surface as a viable—though expensive—option. Learning more about the benefits, the brothers were intrigued by predictions of huge long-term savings in utility costs. Plus, a geothermal system would reduce the business’ greenhouse gas emissions—something the Dudeks felt good about.

The green trend is red hot among consumers. Most every major auto manufacturer now offers a hybrid model, Wal-Mart stocks its shelves with organic products, and San Francisco recently became the first city in the country to ban plastic grocery bags. Saving the environment is no longer exclusive to “tree huggers.” Average Americans are beginning to understand how their everyday actions greatly affect planet Earth.

But how much of a difference can your small business make? A big one, say owners who’ve taken up the cause. You don’t have to change your business model or donate all your profits to the Sierra Club to be effective. There are simple and affordable ways to go green in your business.

Though the Dudek brothers consider themselves “conservationists” more than “environmentalists”—Mark says there are two SUVs in his family—there’s no doubt their choices are good for the planet. Yet Mother Earth isn’t the only one who benefits; so does their business.

While up-front costs for their geexchange system were nearly double those of a conventional system, and it took more time to finish construction, the long-term projections forecasted huge savings, especially as energy costs continue to track higher.

“During the first four months in our new building, our utility costs were up just 30 percent, even though we were heating and cooling an area three-and-a-half times bigger than our old facility,” Mike says.

“We estimate it will take us eight to 10 years to recoup the extra expenses. But as gas prices continue to go up, it’s going to give us a

competitive advantage,” he says. “Our bills won’t have the spikes that our competitors’ will have. Over a 20-year period, our costs won’t climb that much. And having this system makes us unique.”

Once the Dudeks settled on the geothermal system, other green ideas for their new building began to emerge. Daylighting—installing more windows to cut down on the need for artificial lighting—was incorporated into the design. At any given time, only half the building’s overhead light fixtures (which all use energy-efficient lightbulbs) are on. Rather than using normal steel panel walls, builders installed Styrofoam panels in the walls throughout the plant area to boost insulation.

In addition to its facility, LKCS also set out to reduce the amount of waste it produced. “At every employee’s desk, there are two garbage cans—one for recycling and one for regular waste,” Mark says. “The garbage trucks pick up about half of what they did when we were in our old building.”

GROUND CONTROL

The Dudeks installed a geexchange system to heat and cool their Peru, Ill., facility. Here’s a quick explanation of how a typical system works:

Geexchange taps the earth’s natural thermal energy (a renewable resource) to heat and cool a building. Though temperatures fluctuate from season to season on the earth’s surface, just a few feet below, the temperature remains fairly constant. Fluid circulating through a system of pipes carries the heat from underground into a building where duct fans distribute it from room to room. During the summer, the process is reversed. Warm air is collected and absorbed into the ground, much like the way a refrigerator works. Systems can be installed in commercial or residential buildings. For more information, visit www.geoexchange.org.

LEAVING LESS OF A FOOTPRINT

Reducing waste was just one idea on Peter Lineal’s 20-point plan for how to make his printing business in the Chicago suburbs more environmentally friendly. Though he had recycled soda cans at his office for 20 years, Lineal vowed to do even more when his college-aged son challenged him last year.

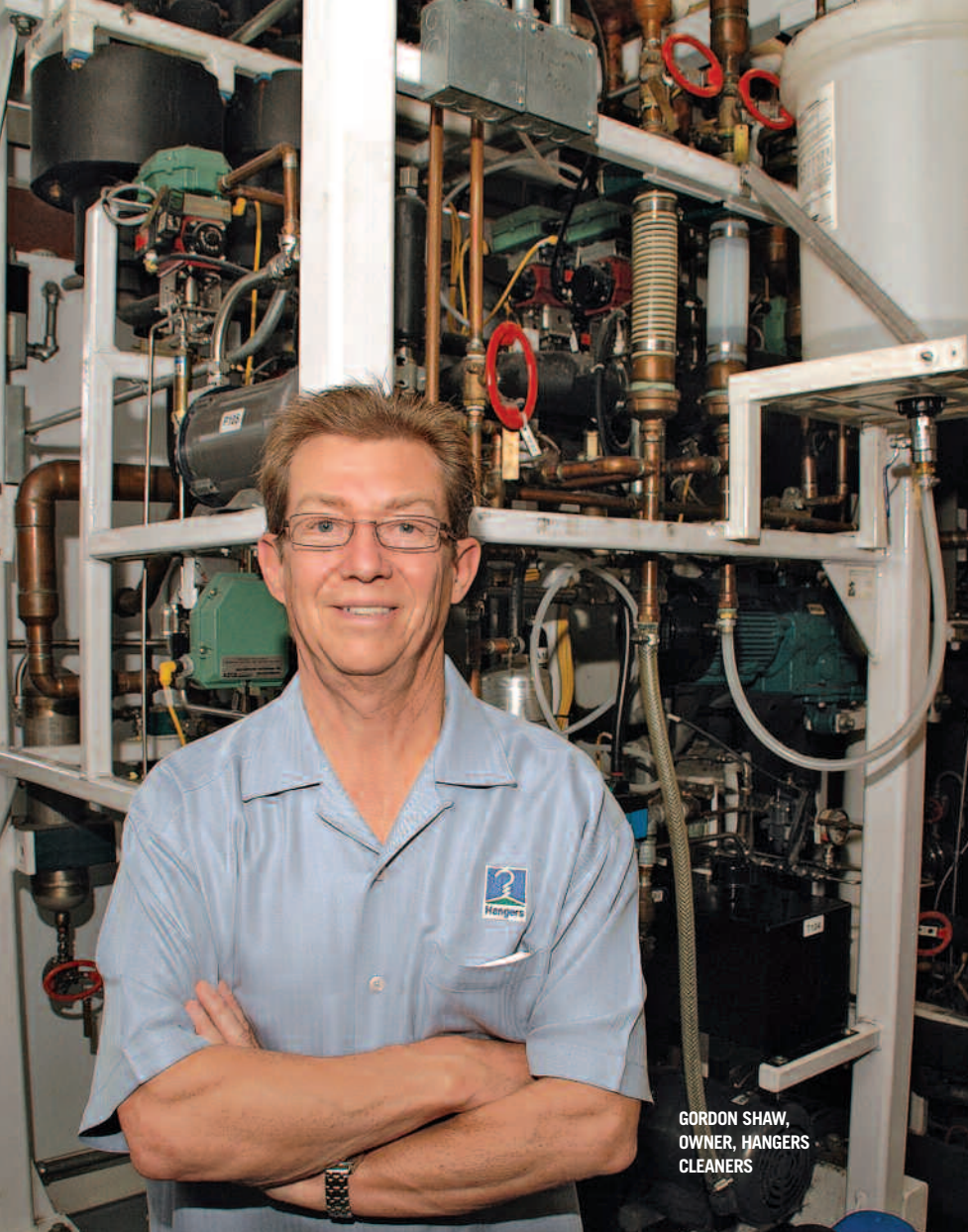
“My son is really involved in environmental stuff at school,” says Lineal, who started Plum Grove Printers (www.peterthepainter.net) 27 years ago. “Through conversations with him we made a deliberate decision. We said, ‘You know what? We can do more—we can do better.’”

With input from his son, who developed a summer internship around creating an extensive green-friendly program for his father’s company, Lineal started examining every aspect of his business. The exercise was a welcome one for Lineal, who says he’s always felt a nagging guilt about how he makes a living. “I was always a reader—I love the written word,” he says. “I own a printing company. It’s a great concept, but it kills trees!”

One way Lineal kills fewer trees is by purchasing recycled paper whenever possible (though he says he’ll use regular paper before

“WE ESTIMATE IT WILL TAKE US EIGHT TO 10 YEARS TO RECOUP THE EXTRA EXPENSES. BUT AS GAS PRICES CONTINUE TO GO UP, IT’S GOING TO GIVE US A COMPETITIVE ADVANTAGE. OUR BILLS WON’T HAVE THE SPIKES THAT OUR COMPETITORS’ WILL HAVE.”

— Mike Dudek, owner of LKCS



GORDON SHAW,
OWNER, HANGERS
CLEANERS

sacrificing quality for his customers). Despite what many think, recycled paper isn't a lot more expensive, he says.

"We've seen less than a 2 percent cost increase," says Lineal, who pushes his vendors to carry more recycled paper stocks. "The paper industry is quickly moving to become more green-friendly. Mills have universally responded to the demand, and in most cases, the pricing is almost identical. But you have to push your vendors. Many don't carry the stock because it's inconvenient. But if you don't ask, and you let them get away with not offering the options, then shame on you."

In addition to using recycled paper, Plum Grove Printers also donates a portion of profits to preserve natural forests in Canada. And instead of using traditional ink, which is oil-based, the company opts for soy-based ink.

In what some might consider an unusual business move, Lineal helps his direct-mail customers cut the quantity of pieces they print. He created a Web site that allows customers to scrub their mailing lists for free, and he suggests customers use it before each mailing. "It's a total waste of paper if 20 percent of the people on your list have moved," he says.

Not all of the green-friendly practices on Lineal's list are exclusive to printers. One recommendation that came from his son's project aimed to reduce waste among the business' 35 employees.

"We threw away all the Styrofoam in our kitchen," he says. "We purchased some coffee cups and silverware, and we all take our turn scrubbing dishes." Small moves like that one helped Plum Grove reduce its waste stream greatly. "We're basically a factory, and

yet we only produce the equivalent of three garbage cans a week."

Focusing more on the environment wasn't a big leap for Lineal, an outdoor enthusiast. "We backpack in the mountains on our vacations," says Lineal, who has always considered himself green-minded. But when he and his son started examining practices, he saw how much he could improve. "If you just work on it a little bit, you can be a whole lot greener than you thought you were before," he says.

But have all his changes brought more business? It's hard to measure, he admits, but increasing your bottom line can't be your sole motivation for going green. "The general reaction to our new plan is great, but it's not why people buy from us," Lineal says. "It does help them feel better about who we are and about doing business with us."

And by being a careful steward of the earth's natural resources, Lineal feels like he's leaving less of a footprint than he might otherwise as a printer. "If we do things the right way, it has very little impact on our environment," he says. "It really doesn't cost that much to do the right thing."

CLEAN LIVING

For Gordon Shaw, doing the right thing has come at a price—initially at least. After 22 years in the dry-cleaning industry, Shaw was bored. Because his business was practically running itself, he spent a lot of time on his sailboat. While it might sound like a dream to some, Shaw yearned for a challenge. So he sold his business and one year later opened San Diego-based Hangers Cleaners (www.hangersandiego.com), which uses a more environment-friendly process than traditional cleaners, most of whom use a toxic cleaning solvent called perc.

For years, Shaw had noticed booths about all-natural liquid carbon dioxide cleaners when he attended trade shows. It piqued his interest mainly because he was always looking for ways to be innovative. Plus, as the owner of a traditional dry cleaner, Shaw was having a harder time securing leases in new shopping centers because developers were worried about perc getting into the soil.

"Within the industry, ill winds have been blowing for years—perc has been a hot-button issue for real-estate people for a long time,"

says Shaw, who saw his CO2 facility—one of about 35 in the country—as a way to differentiate himself from competition and start fresh.

Excited about the chance to be a pioneer within an industry he loved, Shaw also felt better about the new cleaning process. Like Peter Lineal, Shaw's profession always tugged at his conscience. "Frankly, I had always been a little concerned—I felt bad about using the chemical," says Shaw, who now has three locations in the San Diego area. "But it's what I did for a living—and I liked my career."

Making the transition has been a learning process for Shaw. While real-estate developers used to send his calls to voicemail when he inquired about leasing options in new retail centers, high-end developers now seek him out. He routinely turns down invitations from developers. Even though Hangers is the second-highest priced of San Diego's 300 cleaners, customers drive from around the city to his facilities because they like that the gentle cleaning process doesn't give clothes a chemical smell.

Shaw feels good about the switch, but he hasn't relied on customers to use him just because his process is better for the environment. "Environmentalists don't pay the bills," says Shaw, who doesn't focus on the green process in his marketing materials. "When new customers come in, we go into a song and dance about what our facility can do. We've found that the environmental angle of the story is nice, but what has the biggest effect on customers is the lack of chemical smell and no fading of their clothes."

Though his revenues rose from \$1.12 million in 2005 to \$1.65 million in 2006, Shaw's new business still isn't earning what he did with his perc facilities. "I haven't made much money," he says. "But I do believe I've put myself on the right path. The rest of the industry just hasn't caught up with me yet."

California recently passed a law banning perc, with a 15-year phase out period. As Shaw looks toward an exit strategy, he knows he'll be

"THIS NEW CO2 PROCESS HAS GIVEN ME A CHANCE TO REVOLUTIONIZE MY INDUSTRY. I CAN DO THIS AND MAKE A POSITIVE DIFFERENCE IN MY OWN LITTLE SEGMENT. HOPEFULLY OTHERS WILL LEARN FROM WHAT I DO."

— Gordon Shaw, owner of Hangers Cleaners

better positioned to sell his business than he would have if he'd hung onto the perc facilities.

He also views himself as a change agent of sorts. Since opening Hangers five years ago, he's given facility tours to hundreds of people from all over the world who are interested in learning more about the CO2 process.

"This new CO2 process has given me a chance to revolutionize my industry," he says. "I can do this and make a positive difference in my own little segment. Hopefully others will learn from what I do."

★WEB EXTRA *Serious about going green? Learn more about sustainable business degrees (also known as green MBAs), which teach you how to make money and help the planet at the same time. Go to the "Web Extras" section of www.NFIB.com/toolsandtips.*

THE ACCIDENTAL ENVIRONMENTALIST Easy ways for your business to start making a difference today:

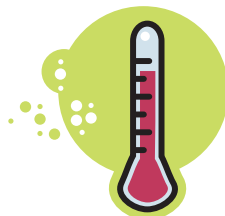
1. RECYCLE AND REUSE. If you want to start small, purchase a few extra garbage cans to place around your office, warehouse or plant. Encourage employees to recycle whatever your city allows. The best way to ensure success? Make it easy for people, says Peter Lineal of Plum Grove Printers. "If you have one place to recycle cans in the entire shop," he says, "it's not going to happen. They're going to end up in the garbage." When shopping for office supplies, look for products with less packaging and consider buying items in bulk when possible.



2. TURN OFF THE LIGHTS. Your father was right. When you leave the office at night, turn off the lights (and the copier and computers while you're at it). Lighting accounts for 22 percent of all electricity consumed in the United States, according to a recent study funded by the U.S. Department of Energy's Efficiency and Renewable Energy Office. Most offices use overhead fluorescent lights. Make yours more efficient by replacing T12 bulbs with T8 ones. In areas of the office where you use regular bulbs, switch to energy-efficient light bulbs, which use two-thirds less energy than standard bulbs and last up to 10 times longer.



3. CONTROL THE TEMPERATURE. Stop the temperature wars in your office by installing a programmable thermostat, which allows you to set up to four pre-programmed temperature settings. Why keep the office comfortably cool at night when no one is there? Besides reducing greenhouse gas emissions, these programmable units can save you up to \$150 annually in utility costs, according to Energy Star.



4. GO PAPERLESS. The dream of a completely paperless office is probably far from reality, but you and your employees can use less paper. Send e-mails instead of distributing memos whenever possible. Encourage employees to think twice before printing every page of that 42-page document. And instead of throwing away used copier paper, cut it into smaller sections and use the back of the paper for scratch notepads. It'll save trees—and money—at the same time.

