



UNIVERSITY OF ARKANSAS

## The Problem

Sy Kessler Sales, Inc. is my father's distribution center in Dallas, Texas selling hearing aid and watch batteries, industrial electronics, and jewelry store equipment. Prior to my involvement at Sy Kessler Sales, the company had no focus on sustainability initiatives in which resulted in little to no recycling efforts, minimal environmentally friendly packaging methods being pursued, and the absence of any type of employee involvement on sustainability issues. Many of the employees were unaware of what sustainability is and it didn't come as a surprise considering how sustainability issues aren't top priority on a relatively small business level. The company's top management also did not realize the negative impacts to the environment our company is producing and will continue to produce if nothing is done to prevent it.

With only an aluminum can collector, the entire company was unable to recycle their paper, cardboard, chipboard, or plastics (1&2). The warehouse and shipping room employees were carelessly throwing away recyclable material and seldom reusing the Styrofoam from inbound shipments to be used in our own packaging. However, Sy Kessler Sales had been reusing boxes and had just incorporated efficient bulb and sensor lighting systems across the entire office including the warehouse. They didn't, however, understand the opportunities that lay ahead if we had a successful sustainability initiative. The competing distributors in our markets were already incorporating their efforts in sustainability issue to their websites. In order for Sy Kessler Sales or any small company to begin a sustainability initiative, they would need to incorporate sustainability in the company's culture. With a culture lacking any positive focus on sustainability issues, Sy Kessler Sales will need to improve their identity as a responsible and humane company than cares for global environmental issues.

## The Project

In order to identify the possible areas for sustainable development, I conducted initial evaluations of every section in the entire office. The sections included in this study are the company's break room, restrooms, warehouse/shipping room, and the office's departments (a combined section that includes the rest of the office). I then decided on which objectives were the most necessary, beneficial, and cost effective in order to distinguish which projects I could implement over the two-month long summer. Projects such as installing solar panels or a rainwater harnessing system were deemed as "long-term" projects and were not included in this capstone experience.

Each section was evaluated based on their level of sustainability in which they applied to all 4 of the following domains, the Social, Natural, Built, and Managed Systems. Each section was given a score between 1 and 10 for each of the four systems (being that 1 meant low level of consideration and needs improvement, and 10 meaning a high level of consideration and has little room for improvement). During evaluations, I spoke to many of the employees and had the privilege to hear their opinions on any project I was working on. I wanted to make sure that every decision I made did not negatively alter another domain of sustainability. After concluding my initial evaluation, I decided which objectives to be implemented first based on how well it improved its section of the company's sustainability domain score.

More specifically, I communicated with Joe Delatte, the warehouse manager, and Jim Davis, the chief financial officer, when proposing my reasons as to why we should make certain changes. Whether it was incorporating sustainable packaging methods or improving recycling effectiveness, I had to first speak with Joe Delatte (Warehouse Manager) to understand what he has already achieved, what he plans on achieving, and whether or not my ideas would impact the employees underneath him. When evaluating the effectiveness of each project, I would also speak to as many employees as often as I could in order to hear their opinions directly and avoid any conflict. When certain objectives call for it, I created proposals to show Jim Davis (CFO) how nearly every expense was going to be cost effective. I would also periodically speak to many employees from different sections of the company to hear their opinions so that I would not negatively affect another domain of sustainability.

## The Outcome Recycling had on Trash Output:

Prior to my initial evaluation, I had already provided the company with a recycling dumpster. During my initial evaluation, I was pleased to notice the warehouse and shipping room employees were placing an incredible amount of cardboard into the recycling bin. However, besides from the "office's departments" section of the company recycling their ink cartridges, the warehouse and shipping room department was the only department involved in recycling. I created a system in which every department was able to recycle their paper, cardboard, chipboard, aluminum, and plastics 1&2. With the entire facility recycling along with the warehouse and shipping room performing sustainable packaging methods and reusing more Styrofoam for outbound shipments, the company was able to reduce their trash by a weight of 12 pounds! The second I return to Sy Kessler Sales, I will reduce the size of the dumpster that will reduce the yearly expenses by \$180. I will continue to seek effective ways to make sure every employee in Sy Kessler Sales is recycling in order to continually reduce our trash output.

# SUSTAINABLE SY KESSLER, INC.

Vance Kessler

Walton College of Business, Business Administration



UNIVERSITY OF ARKANSAS

## The Outcome

The creation of a sustainability initiative led to a variety of improvements along with an ongoing commitment to improve the level sustainability in every aspect in which our business operates. Nine months prior to having started this capstone project I acquired a recycling dumpster for the entire facility. When summer started I arrived at Sy Kessler Sales and I was pleased to see that the warehouse and shipping room had already caught on by recycling many boxes that could not be used a second time. However, by providing accessible recycling stations and personal bins, every department within the entire facility has the option to recycle their paper, cardboard, chipboard, aluminum, and plastics 1&2. Every employee with a desk has been given a personal recycling bin along with a system created to ensure its proper maintenance.

All employees at Sy Kessler Sales have been informed why and how the company is now focusing on sustainability issues. The employees and upper management are now on board with our sustainability-related goals. The warehouse and shipping room employees are now instructed by their warehouse manager to perform sustainable packaging methods with every shipment. The comparison evaluations showing a reduction in trash output are completely reliable and will be used the minute I return after graduation to prove that we can reduce the size of the dumpster even further. Every step we take brings us closer to receiving sustainability-related certifications. Ultimately, the most important outcome of this entire capstone experience was the transition of the company's culture to become one that is environmentally conscientious and that understands our role as a company to perform day-to-day operations sustainably and socially responsibly.

### Dyson Hand Dryer Proposal

Paper Towel Expenses			Cost per use	
Currently:	Spent Per Month	Spent Per year	Paper Towels	Hand Dryer
Paper Towels	\$27.68	\$332.16	\$0.01	\$0.00037
*Cost/Paper Towel is based on Dyson's Website Data				
*Cost/ Hand Dryer Use is based on energy consumption per use multiplied by our electricity rate of roughly .08 kWh				
*Energy Consumption Per Use .00468kw -Based on Dyson Website				

### Dyson HD

Units	Cost per unit	Cost In total	Negotiated Price/Unit	Sales Tax (combined)	Initial Cost	First Installation Cost	Final Installation Cost	Total Costs
1	\$1,200	\$1,200						
2	\$1,080	\$2,160	\$1,000	\$165	\$2,165	\$60	\$500	\$2,725
3	\$1,060	\$3,180						

### Purchased 2 Units

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Initial Cost	\$2,725.00								
Amount Saved	\$332.16	\$332.16	\$332.16	\$332.16	\$332.16	\$332.16	\$332.16	332.16	332.16
Amount Left to Pay	\$2,392.84	\$2,060.68	\$1,728.52	\$1,396.36	\$1,064.20	\$732.04	\$399.88	\$67.72	-\$264.44

Aproximate years until paid off: **7 years, 2 months, and 12 days**

### Based On The Following:

Spending only \$332.16/ year (The amount spent on Paper Towels/Year)  
 Dumpster saving are not Included (see paper for details on why its not included)

### Initial Trash Analysis

(per 4 day collection period)

Collected on days= 6/18/12-6/21/12

Bag	Weight (Lbs)
1	12
2	16
3	6
4	12
5	7
6	21
7	3
8	5
9	2
10	3
# of Bags	87 lbs.

### Final Trash Analysis

(per 4 day collection period)

Collected on July 26, 2012

Bag	Weight (lbs)
1	8
2	10
3	7
4	11
5	10
6	10
7	9
8	10
<b>Total # of Bags</b>	<b>Total Weight of Trash</b>
<b>8</b>	<b>75</b>

## Sustainability

My capstone project consisted of improving Sy Kessler Sale's triple bottom line by improving their social, natural, and managed systems domains of sustainability. Unfortunately, I was unable to improve the company's *built* domain of sustainability. Perhaps if I were successful in acquiring the Dyson Hand Dryers for the bathrooms, I would have been able to improve the built domain. Utilizing the company's emailing system, I was able to accomplish the following 3 things; one, provided all employees with more knowledge about anything pertaining to sustainability, two, I was able to explain what and how sustainability-related decisions were being made, and three, I was able to hear a variety of their opinions regarding many sustainability-related matters. This provided me with plenty of employee insight from all departments so that I could better understand how each decision would affect their individual day-to-day operations. This incredible insight enabled me to take the *Social* Domain of sustainability into account with every decision I made. Every department within Sy Kessler Sales is now able to recycle their paper, cardboard, chipboard, aluminum, and plastics 1&2. This incredibly effective recycling program improved their company's overall *natural* domain of sustainability. The savings associated with the recycling, reduced the costs of supplies, along with the amount of times the trash dumpster was to be picked up, improved the company's *managed* system domain of sustainability.

## The Outcome of Hand Dryer Proposal:

We actually purchased two units for \$2,165 (including sales tax). However, the first electrician that came out to install the units claimed the bathrooms were not currently given enough wattage to power both of the units. In order to install a new breaker and electrical wiring, he wanted to charge us \$1000. We had to pay him \$60 for a service fee and then declined his offer. The second electrician offered to perform the installation for only \$500, however, the management decided that it was not cost effective to purchase the two units anymore. So they were returned, costing us additional restocking fee. A valuable lesson was learned here. First off, you should never assume you have thought something all the way through, and secondly, always make sure all serious information is sent to you in writing.

## Applied Sustainability-Related Course Knowledge

With the knowledge I've gained throughout many of my sustainability-related classes, I was able to grasp the real value of how sustainability can be applied to almost any company. Whether you uphold a sustainability-related career or not, take advantage of these courses and gain as much knowledge from your teachers as possible. We have entered the "sustainability era" in which many businesses and organizations are finding creative and innovated ways they can measure and report their social, environmental, and financial performances or the "Triple Bottom Line". Perhaps you will find a career within an organization where you will also be able to apply everything you have learned and improve the organization's Triple Bottom Line.

This entire experience would not have been possible without a understanding of how everything sustainability-related modification within one domain will impact another domain. Everything within the Social, Natural, Built, and Managed Systems Domains are interconnected. Just because a certain improvement or change reduced waste, energy, or costs, doesn't mean your coworkers will react to the change right away. Every single change that you make must be continuously monitored because there's always a chance that the true reaction from employees may not happen for weeks or even months.

With that being said, this capstone project introduced me to the real challenge of understanding the true difficulty involved in transforming nearly 30 employees' opinions towards accepting the concept of environmental sustainability. I came to realize that for any small company to be truly environmentally conscientious their employees would need to accept this concept. It became clear to me that I needed to confidently represent myself as a sustainability figure that could also represent the company and uphold their reputation. Ultimately, I adapted myself into the company's culture by getting the employees to respect me. As soon as the employees accepted me as a part of their culture, they were more than happy to talk about anything pertaining to sustainability as well as global environmental issues. All in all, I wanted to make "sustainability" seemed as "cool" as I could to my coworkers in order to ensure that Sy Kessler Sale's culture would be environmentally conscientious now and in the future. It may seem like these are all baby steps, but the real objective is creating a comfortable environment that allows the employees to willingly communicate their ideas in which to make the business can operate or develop more sustainably.