

# Introduction

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**FLICK THROUGH ANY** newspaper or magazine and you will probably find a green supplement or “ethical living” column. As a nation, we have never been so interested in social and environmental issues, and it’s not hard to understand why.

Global warming is the single biggest threat to our planet. Climate scientists warn that unless we stop the rise in the world’s surface temperature, we will soon be facing an environmental catastrophe. The UK government wants a 20 per cent cut in carbon dioxide emissions by 2010. But levels have been increasing, not falling, in recent years. Deforestation. Unclean technologies. Pollution. We know what has to change – and it’s not just the planet we are worried about either. Despite years of promises by world

leaders, trade between rich and poor countries continues to be stacked in the wealthier nations' favour. For all the talk about ending poverty, the gap between the poorest and richest in society keeps getting wider.

This book is about how small business can make a positive difference. If you are thinking about setting up a company, or are spending every waking hour trying to make a young business succeed, you may feel it's a bit much to expect you to save the world as well. But doing business ethically doesn't require superhuman powers or divine virtue. Ask some of the country's most inspirational ethical entrepreneurs for their motivation, and they will usually shrug and say: "It's just the way we should be doing business."

This attitude is fast becoming mainstream. Ethical business is not about stereotypical, sandal-wearing do-gooders. Nor is it just about fair trade coffee beans. Whether you're an engineer, a farmer, a florist or a web developer, there are hundreds of practical steps you can take to make your business more community spirited and sustainable.

As with every kind of enterprise, ethical business is about giving and taking. Successful, socially responsible companies like The Body Shop have shown that principles and profits are compatible; and while charity will always have its place, often the best way to effect change – as the people at The Big Issue will tell you – is by giving hand-ups not handouts.

Nowhere is this trend being supported more than on the high street. As consumers increasingly shop with their heads and their hearts, so they are seeking out companies that give them more than just a good product. Just look at the stellar rise of ethical brands like Innocent Drinks and Cafédirect. These companies are market leaders, not niche traders.

How did they do it? While scores of books have been written about being better businesses, these are invariably aimed at vast corporations. Indeed, "Corporate Social Responsibility" has become a multi million-pound industry. But given that 99 per cent of all businesses in the UK are

small businesses, it is odd that the little people are almost always ignored; especially since from their ranks will emerge the big businesses of tomorrow.

It is true that many smaller companies are already deeply rooted in their local communities. And yet, according to the UK Environment Agency, they also generate about 60 per cent of commercial waste and are responsible for as much as 80 per cent of pollution.

These statistics alone are a good motivation to ensure your business's negative social and environmental footprint is as light as possible from the very start. But perhaps you'll have other reasons too. I have thought of dozens of ways to explain why ethical business is simply the right thing to do, but have never bettered the one given by Clare and David Hieatt, founders of organic fashion brand Howies:

"Every product we make has to pass the 'rocking chair test'. This is something we use to guide us along the path we are taking. So when we are old and grey and sitting in our rocking chairs, we can look back on the company we created with a smile. That's why we go to the trouble of using the best quality materials to make sure our clothing lasts longer. The longer our products last the less impact they will have on the environment, and the bigger our smile will be."

Whatever your idea, I hope this book gives you both the information and inspiration to help you succeed. Your Ethical Business isn't just another start-up book; it won't give you a line-by-line account of how to write "the perfect" business plan (after all, every business is different). Instead, it is a practical, hands-on guide to creating the kind of company that you want to run, packed with real-life stories from the people who have been there and done it. They reckon anyone can do it. So what are you waiting for?

**Paul Allen**