

## Small Firm Case Study 2001 - Hot Pyjama Productions Limited

### *Introduction*

Hot Pyjama Productions Ltd is a small Christchurch graphic communications company offering design, print production and website development services. Hot Pyjama Productions works with a broad client base, the majority of which are based in the Canterbury region. As well as producing graphic art, printed material and websites for other businesses, many of whom share similar values, the Hot PJ team has completed and sponsored projects for a number of regional social and environmental organisations.

The company is located in an inner-city studio and has a full-time staff of three, plus associates and a network of suppliers who play a crucial role in producing the finished product.

Like most small owner-operated businesses, Hot Pyjama Productions grew out of the owner's desire to be the architect of her own destiny. "I wanted to make my own decisions based on the values that were important to me, rather than be subject to the traditional drive toward profit at all cost," says Hot Pyjama Productions founder Wendy Riley.

### *Aims and Objectives*

Hot PJ works for a wide range of clients, mainly small-medium enterprises in the Christchurch and Canterbury area. The company has a well-developed business ethic that values social responsibility, environmental values and community development. It identifies strongly with clients involved in non-profit activities, including social services, educators, charities and other providers of public 'goods'.



[Update 2002: Hot PJs have won the contract to redesign TNS New Zealand's website in 2002. Photo shows work in progress.]

It was the desire to cement these values, and to develop a plan of action, that lead the company to participate in the first Natural Step programme for small businesses. "New Zealand is dominated by small businesses, and the Natural Step programme recognised that SMEs could make a worthwhile contribution towards minimising our environmental impact, without compromising profitability and, therefore, our ability to provide employment".

The Company aims to become known as a responsible corporate citizen, through a range of business, social and environmental activities. The company joined the programme primarily to add to its understanding of environmental issues and plan how to make a contribution towards sustainability. The potential to increase business profitability was not a significant factor in deciding to join the programme, although the influence of the framework on the Company's costs turned out to be more significant than expected.

#### *Hot Pyjama Production's Main Activities*

The firm's main activity is creative services, delivered mainly through the production of printed documents such as brochures, reports, and marketing devices. The company also offers website development services. 'Raw materials' are high quality papers and ink, as well as chemicals and oil-based products used in the print-production process. Like other design-print agencies, Hot PJ works alongside a network of suppliers. These include printers, photo-lithographers, photographers, illustrators, paper merchants and delivery agents. All of these subcontractors play a key role in the production process. A key aim for Hot PJ is to build supply chain integrity through excellent relationships with its suppliers.

The Company's approach is to think the whole process through, from designing and choosing a production method that will minimise waste and the use of non-renewable resources, to how the job is packaged and delivered. It aims to do this without compromising quality, service or total production costs. "As each job is unique, we always try to find a solution for our client that will maximize their goals and get the most out of their budget, while minimising environmental impact," says the Hot PJ team. In working this way, the company has found it can add value to clients' activities and often save them money.

#### *Programme Delivery*

After each of the four TNS Workshops, Wendy and designer Abbie Pickrill met with TNS consultant Nick Early to develop the ideas that emerged in the workshop and look for ways to apply these to Hot PJ. The first session looked at the company's activities and current practices in more detail and addressed the need for vision-setting. A range of possible indicators were considered. The indicators now used by the company are:

- Measure volume of output on recycled paper versus virgin paper fibres.
- Measure direct energy consumption - in the studio and for transportation.

It was agreed that the initial set of indicators should relate only to the environmental costs and impacts incurred in the studio. The company aims to refine and monitor these before attempting to develop and introduce others.

#### *Setting the Vision*

Defining the Company's vision proved to be harder than the Hot PJ team anticipated. Several attempts were made, but on each occasion the Company stopped short of adopting the drafted Version. However Wendy believes they have a strong sense of 'who they are' and 'what they want to do'. "As the company is less than four years old we are happy to let the vision 'evolve organically' as we grow," says Wendy.

Key ideas, however, are that the company wants to be 'part of the solution, instead of being part of the problem.' This concept strikes a chord with all members of the team. The idea that flows out of this is that the company sees itself as an 'agent for positive change', through promoting fairness, opportunities for those who are disadvantaged, and through its own creativity. This has been captured in their new by-line "creatively working towards a better society".



### *Applying the System Conditions*

#### **System Condition 1:**

Mined materials used by the company include clay (paper coatings), aluminium for printing plates, and fossil fuels for transportation. Hot PJ had already checked with its suppliers to ensure that inks are vegetable based and waste materials, such as aluminium printing plates, are recycled (this was done prior to joining the TNS programme). The volume of digital printing is increasing, and while this eliminates the film and plates from production it tends to use high-gloss papers with an increased clay content and produces a final product (toner fused on to gloss paper) which is likely to be more difficult to recycle. Electronic print (such as a website) is used where possible to replace printed material, but this is still only 10% of the company's output. The company aims to increase electronic print to around 60% of total throughput.

Energy for the design studio/offices is supplied by Meridian Energy (a major hydro-power company) to reduce use of electricity from non-renewable sources.

The Company uses one vehicle for work purposes and arranges deliveries to reduce mileage. Cycle couriers are used wherever possible. Staff members use car-pooling and public transport to keep vehicle use to a minimum.

#### **System Condition 2:**

Printers have traditionally worked with solvent-based inks, and solvents for cleaning presses. Checking with the company's printers has shown that presses are cleaned with alcohol-free cleaning agents. Paper manufacturing uses a range of chemicals, and the company is investigating production methods of various paper companies in order to come up with a suite of papers that are Totally Chlorine Free (TCF).

#### **System Condition 3:**

The company specifies papers made from sustainably-harvested forests and prefers totally chlorine-free grades. Computer equipment, lights and other electrical devices are switched off when not in use. Emissions are from vehicle transport and, indirectly, from suppliers operating printing presses and producing paper, etc. Waste from the studio is negligible (mainly food wrappers).

The company is acutely aware that much of its end product will ultimately be disposed of. Where recycling facilities are not available this is most likely to be as waste-to-landfill. "Obviously we would like to promote the reuse and recycling of everything we produce," says Hot PJ designer Abbie Pickrill. "The idea of what we produce ending up as landfill, does not sit comfortably with us."



Photo: Abbie Pickrill puts out the recycling at Hot PJs design studio

Surprisingly, given the nature of their business, Hot Pyjama Productions is not a major user of paper. Delivering proofs, proposals and quotes electronically minimise the use of paper at the Hot PJ end, (but doesn't prevent these from being printed by the recipient). However this method does save time and eliminates the use of delivery methods such as couriers. "We still keep many of our records on paper," says Hot PJ accounts manager, Andrew Biddle. "We collect paper for reuse and when there is no room left on the sheet, even to use for telephone messages, it is shredded and collected for recycling. I can't remember when we last had to buy a ream of paper."

#### **System Condition 4:**

By creating awareness of environment/social issues, the Company is encouraging businesses to improve their own practices and performance. The company's work with non-profit organisations and charities improves the effectiveness of these organisations and delivers social benefits.

#### *Action Plans*

An action plan was developed by writing down a range of possible action points on Post-it labels and arranging these in terms of priorities. This was then transferred onto a more permanent chalk board which is to be displayed in the company's meeting room, and used to track progress.

Using the concept of picking the 'low-hanging fruit' first, the company identified a number of issues relating to waste and energy:

An electric water heater in the kitchenette was turned off. For hand-washing, hot water is provided in the adjoining (shared) toilets. Other hot water needs are now met with an electric jug. This is probably the most significant financial saving so far from a single action point.

A TNS workshop was arranged for the Company's suppliers "Like many businesses, we rely heavily on our relationship with our suppliers," says Wendy Riley. "If they understand our values, we are better able to deliver on our promise of service, pricing and environmental considerations."

Information was gathered about suppliers' environmental policies and practices, and used to influence selection and level of use of suppliers.

Lights and other electrical devices are switched off when not in use. Computer back-up systems were reviewed and a new system was installed to allow computers to be switched off overnight. Lighting has been assessed by the Christchurch City Council's Target Zero team, with a plan to clean the fixtures to increase efficiency, and to remove a selection of florescent tubes from over-lit areas.

The use of public transport has increased.

The company has investigated using EBEX21 (a carbon sequestration project of Landcare Research Ltd.), initially with a view to mitigate the carbon emission from fuel and electricity consumption.

A 'tree royalty' programme is being investigated to mitigate the effect of paper production. This is likely to be through Trees for Canterbury, a non-profit organisation that raises native trees for planting by community groups.

An assessment was made of the environmental policies of the four main fuel companies. As a result, the company has transferred its business to a fuel company with better environmental and social performance.

Other items on the action plan include the use of papers made from alternative (non-wood) fibres such as hemp and bagasse; and printing a reminder to reuse and recycle on all print-jobs.

### *Benefits*

The TNS framework has helped Hot Pyjama Production to make sense of many of the complex issues that surround environmental concerns and the wider goal of sustainable development. Often businesses can feel defeated by the scale of the problems, or doubt their ability to contribute to the solution. Wendy Riley believes the TNS framework has worked well for a company, by demonstrating that it can make a positive and on-going contribution to environmental, economic and social sustainability.

The concept of collecting the 'low-hanging fruit' first has helped to inspire the Company and prioritise its actions. Energy consumption has reduced, saving around \$500 a year. This is a significant saving for a small business and has already made TNS participation cost-effective. Carbon emissions have reduced through the frugal use of private cars, more efficient lighting and switching off computers at night. A number of new client relationships have been established, through the development of the company's network of environmentally-aware organisations.

Having made significant progress within their own business, particularly on waste minimisation and energy efficiency, the Company has created a platform for further improvement. These improvements are most likely to occur in partnership with major suppliers. The Company believes their initial workshop session for suppliers was a positive step, by raising awareness and exerting an influence on suppliers' policies and practices. Hot PJs is keen to be involved in additional training sessions for the wider TNS 'community' that is building in Christchurch.

**Contact the Natural Step NZ team through [natstep@naturalstep.org.nz](mailto:natstep@naturalstep.org.nz) or phone 03 325 6711**

Visit the HPJ website at <http://www.hotpj.co.nz> or phone them on 03 374 9929

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