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Sustainable business – a success story for small and medium sized enterprises?

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Sustainable business

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a success story for

small and medium sized enterprises?

**Paper presented at the 45nd Congress
of the Regional European Science Association (ERSA)
Amsterdam, 23 – 27 August 2005**

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Abstract

In the last years not only large companies orientated themselves towards the goal of sustainable development - which is called sustainable business in the economic field. More and more small and medium sized enterprises (SME's) discovered the field of sustainable business hoping to achieve economic advantages compared to their competitors. In order to become a company according to the principles of sustainable business, many businesses in Germany applied for an "ÖKOPROFIT"-certification.

The aim of this paper is to present the results of a conducted survey of small and medium sized enterprises, which achieved the ÖKOPROFIT-certification in the last four years. Questions that will be answered are for instance if these companies created more jobs than their competitors, or if the SME's gained a better image by their costumers and purchasers. Furthermore, it is intended to answer the question whether the ÖKO-PROFIT-certification and of course sustainable businesses have an impact on the economic development of the companies or if cyclical trends overlay these effects.

Keywords: Sustainability; Sustainable Business; SMEs; ÖKOPROFIT

JEL-Codes: Q56; Q51;

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1 Introduction

With the degree document, the agenda 21, adopted during the Earth Summit for environment and development in 1992, the societies of the earth were invited to transform their economic and social development into a sustainable development (BMU, 1997). The undamped economic growth of mankind which has led to an exploitation of the finite resources, pollution of the environment and increasing disparities between the societies was the motive for submitting this report. According to these negative terms and developments the "Club of Rome" made a statement that the survivability of the population on earth and the industrial capacity were in danger (Meadows et al., 1972). The main idea to protect the environment has led to the principle of sustainable development which can be considered as a model for the human behaviour in general.

To accomplish the principle of the sustainable development, the enterprises are also asked to make a contribution to ecological, social and economic fields (BMU, 1997, page 235). Primarily, the environmental achievements of the enterprises must be tested because they are responsible for the material flows in the society as well as the exchange of materials and energy with the environment (Krajnc/Glavic, 2003, page 279 p.). With respect to the degree document of the Earth Summit in Rio de Janeiro the "sustainable business" has gained in importance in the public and political discussion as well as by the entrepreneurs in the last years. More and more enterprises feel a certain responsibility with this principle.

With this paper results of an examination are presented, that has been carried out at small and medium sized enterprises (SMEs) which include the principles of sustainable development in their daily work. It has been analyzed, whether the orientation of the enterprises to the goals of the sustainable development has improved the economic situation of the companies and additionally if new jobs could be created simultaneously. Apart from that the question was addressed whether these SMEs could also improve their reputation toward customers, suppliers and the public administration.

2 Sustainable development

2.1 Development of the principle

Sustainable business is directly derived from the principle of sustainable development. Originally, the principle of sustainability dates from the forestry. The idea of the sustainability was written down for the first time in the forest order of the year 1144 in the cloister “Mauermünster” in the Alsace (Vorholz, 1995, page 20). The generally recognized origin of the fundamental idea of sustainability belongs to the German forestry industry in 18th century. It was fixed with the help of laws that wood was allowed to be lumbered in first of all defined wood areas to only so much as due to regeneration could grow again.

Although it has been lumbered sustainably since the beginning of the industrial revolution in Europe and North America, particularly the industrial countries have exploited the natural resources and reduced the "production fortune" of nature considerably in the context of the striving for an economic and social prosperity. The orientation of the behaviour at the guidelines of the economic principle “not living on the capital but on the interest” didn't receive attention primarily outside the woods. The educated society, which normally replaces the deduction of the capital stock by investments, has neglected this business principle at the nature capital over centuries (Vorholz, 1995, page 21).

The problem of regressing resources came into the limelight of the public and the politics for the first time in 1972 after decades of the exploitation of the natural life conditions. The “Club of Rome” represented with the report "the bounds of the growth" the finiteness of the global resources and the results of a commercial development that is aligned with purely economic growth. The report came among others to the following conclusion: "If the present increase of the world population, the industrialization, the pollution, the food production and the exploitation of natural raw materials will not change, the absolute growth limits are reached on the earth in the course of the next one hundred years. This leads to a sinking of the total population and the industrial capacity rather quickly that is not stoppable." (Meadows et al., 1972, page 17). At the same time, the report hypothesis that these growth trends are alterable and at the same time an ecological and economic balanced state can be established, too. The research group around Meadows reminds to start with this process of the social redesign immediately.

This report gave the starting signal for a number of meetings, reports and multilateral agreements under leadership of the United Nations which have dealt with environmental and development topics since then. The so-called report of the Brundtland commission can be regarded as a milestone in questions of sustainable development (Kreibich, 1996, page 21 pp.), just as the "United Nations Conference on environment and Development (UNCED)" in the year 1992 in Rio de Janeiro with the degree document of the agenda 21 and the world peak meeting in the year 2002 in Johannesburg (World Summit Sustainable Development -- WSSD).

Since the Brundtland report had pointed out some major issues about sustainable development for the first time, the question arose, what does sustainable development mean at all and which topics are connected to that. Some of the following questions had to be answered:

- How can a sustainable development become operationalised?
- Which rules must be adhered by the individuals, societies and protagonists that a sustainable development is performed?
- Are there guidelines and action instructions for a sustainable development?

The report of the "Club of Rome" to the bounds of the growth and the agenda 21 of the Rio conference delivers the base for the reply to these questions next to the historical roots of the idea of the sustainability.

Sustainable development can be seen as a global challenge which is determined by the global environmental changes, the threatening resource shortage and the development difficulties. A sustainable development is understood as a model to overcome these difficulties (Coenen/Grunwald, 2003, page 55).

An implementation of the model is missing at the same time, to be able to make rational political decisions derivably and realizably. Since the Brundtland report with its definition of a sustainable development, no approach could be found till nowadays to convert the model into a political behavior.

The German Department of the Environment contributes with the thesis to this discussion that a sustainable economy and society cannot be defined and operationalised with just the help of some indicators. Sustainability is an ongoing process of searching, studying and shaping the society which, however, also can stand out due to uncertainty by openness (UBA, 2002, page 1). With this given summary it is clear that sustainable

development doesn't have any aim but can be described as a "way", "principle", "concept" or "model".

The model of the sustainable development can also be described as a regulatory idea. Regulatory ideas help people producing a systematic combination of experiences and knowledge with normative elements. At studying and searching these regulatory ideas conduct us in a certain direction and protect us from an aimless search. People have an intuitive idea for what they are looking for over regulatory ideas (UBA, 2002, page 2).

The meeting of Rio de Janeiro in the year 1992 has for the first time said and given up in the degree document that a successful coverage of the global environmental, justice and generation difficulties is possible when it comes to a combination of the economic, social and ecological development (Quennet-Thielen, 1996, page 9 p.).

On the concept or the principle of the sustainable development Pearce and Turner (1990) as well as Daly (1992) have worked out action rules for the societies which can be considered a base for sustainable action. On the principle of the ecological sustainability which is regarded as a basis of the economic and social sustainability general principles were developed which nowadays are respected in all further work for the sustainable development as ecological management rules. With the so-called assimilation, regeneration, and substitution rule the mentioned authors notice the resource use and ecological load-capacity of the anthropocentric system. These rules are based on the historical use of the concept sustainability as well as on the report of the "Club of Rome".

Kopfmüller et al. bring the reasons which have led to the ecological management rules on the point (Kopfmüller et al., 2001, page 50): "The cumulative effects of human activities on the system earth have achieved an extent which shows the borders of its own capacity".

The social dimension of the sustainability contains all principles how social conditions can be designed on intra or inter generative in a suitable form. Social basic goods have to be justly distributed to make basic living conditions with equal rights possible. On the one hand you can count individual goods like the living himself, health or element political rights as one of these basic goods on one side. Also social resources like solidarity, tolerance or public welfare orientation belong to these basic goods on the other side.

These basic goods are needed to live a human individual or social life (Kopfmüller et al., 2001, page 67).

A social stability as a basic good is with regard to the increasing polarization in the so-called industrial nations and to north-south conflict indispensable for the individuals and the community. The nature of the social dimension of the sustainability lies in its protection function and in the putting into action of socially deterministic justice ideas (Deutscher Bundestag (ed.), 1998, page 49 p.).

The economic sustainability is in close connection with the satisfaction of needs. To be enough for the principle of the sustainability, the needs must be satisfied under the attention of the ecological limits. Which needs at all should be satisfied belongs to the scarcity of raw materials and valleys. Producers and consumers must therefore reflect which needs can be satisfied. The need of the consumers cannot be taken for granted by the enterprises. The human needs must become a reference system for every entrepreneurial behavior. There is a danger that considerable changes in the need expression fall back over the medium term on the entrepreneurial activity. The enterprises must make own thoughts about the changes of the need expression to safeguard the long-term existence of the enterprise (Müller-Christ, 1998, page 33 pp.).

You can hold tight summarizing, that the economic dimension of the sustainability paraphrases an aim primarily: It must be ensured, that the function ability of the free enterprise system (satisfaction of needs of the after-questioners and responsible behavior of the suppliers) under consideration of the ecological management rules remains unchanged (Kopfmüller et al., 2001, page 121).

To do justice to the principle of the sustainable development, the three dimensions of the sustainability may not be looked at individually. The complex connections of the three dimensions require a development “of a three-dimensional perspective from the experience reality” (Deutscher Bundestag (ed.), 1998, page 32). This means that the dimensions must be treated equally with equal rights.

2.2 Sustainable Business

The principle of the sustainability is not attainable without integration of the enterprises. Enterprises are responsible for the largest portion of material flows within the societies as well as the exchange of materials and energy with the environment at present. In the long run present industrial systems are not sustainable since these have an excessive

demand after not renewable resources. A sustainable development on the ecological side requires changes in the industrial process and, the type and crowd of resource use and the treatment of waste and emissions. This must flow into the corporate culture and had to be taken to the goods and services in all business management levels as in the case of the design, the production, at the sales and the utilization (Krajnc/Glavic, 2003, page 279 p.).

About the entrepreneurial production the enterprises manage the basis for the trade, the occupation and the existence safeguarding of the population which in turn forms the base for the prosperity. Aspects of the social and economic dimension of the sustainability are existence safeguarding of the population and prosperity for the society. Enterprises are not only an important protagonist in the economic processes on the earth but radiate an important mediation function simultaneously, too. As economic factors enterprises form the market and its rules and work as an important institution of the everyday life on social framework conditions. Furthermore enterprises have influence on political decision makers over associations and personal contacts. These points show that the integration of the enterprises into the process of the sustainable development and with that in the sustainable business is indispensable. (Ministerium für Umwelt und Verkehr, 2003, page 15).

Enterprises have a good look at the principle of the sustainability only, though, when this is in the specific organization or sales interest of the enterprise. In the market economy the enterprises are primarily interested to bind demand of spent money or to manage a new demand by innovations. To safeguard the enterprise a monetary profit must be gained from the activity of its own. That is the reason why one also must pay attention also at voluntary measures like in the case of the sustainable business. Sustainable business should increase the benefits or should lower the costs. Also not monetary effects like an image improvement in the enterprise or to the product must promise a sustainable engagement to justify the business management effort (BMU/UBA (ed.), 2001, page 15).

Different research facilities, public administrations, enterprise associations and service companies (Future e.V. (ed.) o.J., page 6 pp.) have taken first steps to delimit the action field of sustainable business and to operationalise this topic within the last few years. This process of discussion is not completed since the development of the principle of the sustainability is an ongoing process of searching, studying and forming (UBA, 2002,

page 1). Which steps an enterprise follows on the way to sustainable business shows the following list:

Ecological dimension

- Handling carefully and use of resources in the production process
- Reduction of the ecological damage by substance and waste entries
- Responsible dealing with ecosystems
- Minimization of the risks for man and environment in the production process
- Ecologically compatible products and methods with high recycling ability and long product life cycle
- Global ecological responsibility for ecosystems in development and fast-developing nations

Social dimension

- Securing of work and training vacancies as well as employee interests
- Support of work safety and health
- Equal rights of women and men
- Participation and information of the employees at the company policy
- Social consideration for foreigners and handicapped persons
- Cooperation and interchange with suppliers, customers, residents, authorities, scientists and enterprise
- Open information policy towards the broad public
- Perception of the social responsibility towards international governments and suppliers

Economic dimension

- Long-term enterprise safeguarding
- Suitable distribution of the creation of value
- Avoidance of ecological and socially dubious products
- Regional orientation and global responsibility at the acquisition of services and goods

3 Small and medium sized enterprises

Small and medium sized enterprises are defined by the European Union (KFW - Mittelstandsbank, 2005, page 1) as follows:

Midget enterprises are enterprises which less than 10 employees and at the same time reject an annual turnover or an annual balance from not more than 2 Mio. Euros. So-called small enterprises have a number of employees of less than 50 employees and an annual turnover or an annual balance of less than 10 Mio. Euros. Furthermore, medium-sized enterprises are described of the EU as enterprises with less than 250 employees and show an annual turnover of not more than 50 Mio. Euros or an annual balance of not more than 43 Mio. Euros.

3.1 Meaning of SMEs

Small and medium sized enterprises have a special meaning for the German national economy. Altogether 99% of all enterprises come under the concept SMEs (small and medium sized enterprises). This group produces almost half of the gross creation of value of the enterprise sector and employs almost 70% of all employees who are subject to social insurance contribution. Small and medium sized enterprises make approx. 80% apprenticeship training positions available in Germany at the same time (KFW Bankengruppe (ed.), 2004).

Within the years 1996 to 2003 the number of the employees has improved its performance by up to 1.5% into the SMEs while a fall in 15% could be recorded at the large-scale enterprises in the same time period (Institut der deutschen Wirtschaft, 2005). These figures show impressively which special meaning SMEs have to the German national economy.

Small and medium-sized enterprises represent a special potential for the implementation of innovations and technological progress at the same time. By small plant sizes process or product innovations can be realised faster or develop marketable products earlier. Furthermore, the very innovation joyful enterprise founders are also counted to the group of small and medium-sized enterprises (Deutsche Ausgleichsbank (ed.) et al. 2003).

Small and medium sized enterprises can react dynamically and innovatively to changing economic situations. They are an important protagonist in the regional, sectoral and in-

ternational structural change and occupy market niches with great success often as a world market leader (Kayser, 1999, page 37).

Furthermore this group of enterprises stand out very often due to a high innovation readiness and take a pace making function at the development and introduction of new and more efficient technologies for the German economy (ÖKORADAR, 2002, page 9). It gets clear with these statements which meaning and pre-complex function as well as potential this group of enterprises have for the attainment of the aim of the sustainable development.

3.2 SMEs and sustainable business

Small and medium sized enterprises have a high innovation potential for the sustainable business. The SMEs have a lack of financial and personnel resources to convert these potentials profitably. Studies have turned out that demanding environmental management systems like EMAS (Eco Management and Audit Scheme) or ISO 14001 (International Organisation for Standardization), that are a first step towards the sustainable business have been carried out by a very small group of these enterprises only (Hillary, 2000, page 18). The share of the enterprises with environmental management systems is far bigger in the group of the large-scale enterprises. Smaller and medium sized enterprises only have been able to realize EMAS or ISO 14001 if subsidies were existing or promoted pilot projects have been carried out.

An enterprise interview carried out by the (Institut für Wirtschaftsforschung) IFO-institute (IFO Institut (ed.), 2002) has still yielded other reasons which stops SMEs from an engagement to sustainable business. On the one hand, becomes the lacking finance equipment which is accompanied by the lack of employees when mentioned to one of the main reasons. Only smaller cost advantages which cannot be amortised fast enough can be attained in opinion of this group of enterprises at the same time. This reservation also arises from lack of information which also exist on the way to the sustainable business by the SMEs (ÖKORADAR (ed.), 2002, page 10).

The formal requirements which are not always compatible with the spontaneous and flexible management structure of this group of enterprises are another hindrance for environmental management systems for SMEs. This group is indicated by short and informal communication channels, by a multi-functional team, by education at work and the ability to react to changed framework conditions at short notice. Therefore a com-

promise is therefore necessary between the formal method and the flexible management for SMEs that can be managed easily every weekday. (BMU/UBA (ed.), 2001, page 84).

Schwarz and Ebinger (2002, page 9) demand for this reason that sustainable business should orientate itself on the strengths and weaknesses of small and medium sized enterprises.

To put the idea of sustainable business in concrete terms for the specific situation of the enterprise and finding operational starting-points means for the SMEs great uncertainties. It requires a new analysis of the enterprise to identify strengths and weaknesses. What makes a self assessment of the enterprise possible is for example the “ÖKOPROFIT” that is introduced in the next passages. (MUNLV (ed.), 2003, page 36).

The commandments of the hour are cheap and manageable offers like ÖKOPROFIT for small and medium sized enterprises to use the principle of sustainable business for the first time in the enterprise. Formal and cost-intensive environmental management systems like EMAS or ISO 14001 represent a high hurdle for the group since the cost use relationship appears to be worse than for large-scale enterprises.

The initiative ÖKOPROFIT (ecological project for integrated environmental technology) was developed in Graz/Austria at the beginning of the nineties. It has been an aim to introduce small and medium sized enterprises to integrated conservation technologies and to a sustainable business at a municipal level. Until this time large-scale enterprises had taken first steps towards sustainable business primarily with certifications according to EMAS or ISO14001.

ÖKOPROFIT is a cooperation project where authorities, enterprises, chambers of industry and commerce, trade corporations as well as associations and advisers cooperate to give SMEs comprehensive scientific instructions and financial support to go into action with environmental management systems (Grothe-Senf; Ludwig, 2002).

The advice and information is carried out in different phases and within a constant group at a municipal level. The group membership of the different businessmen is considered a special advantage of ÖKOPROFIT because a communal spirit of the businessmen, an increased motivation and different synergy effects are accompanied by that (Wirtschafts- und Beschäftigungsförderung Dortmund (ed.), 2003).

Besides the group advice a specific individual advice offered by the municipal that contributes in particular a lot to the resources and cost saving with special measures. The advisory services of the municipal ÖKOPROFIT-initiative are promoted in Germany by communes and federal states in the context of their Agenda 21 programs.

First evaluations have shown that possible investments have already amortised themselves approximately on enterprise side after three years. Cost savings are valued predominantly at up to 5% of the sales volume in the enterprises (Grothe-Senf; Ludwig, 2002).

4 Sustainable business – a success story?

As first studies point out, due to the conducting of the principles of sustainable business at enterprises, a variety of positive stock exchange securities can be triggered at them. The improvement in the entrepreneurial result about cost reductions as well as a positive image development with customers and suppliers or the increase in productivity of the employees with the help of a higher work satisfaction are only some points which can be mentioned in this place (Ifo-Institut, 2002). It is definitely possible that enterprises can reach a "Win-Win situation" which can secure the long-term existence for the business. A great importance is attached particularly to this circumstance due to the grown economic yield pressure among enterprises within the last few years. Enterprises therefore strive for an increase of efficiency in all areas of the production and distribution so that resources and waste reductions as well as secondary effects like image questions or competitiveness have moved into the limelight of the enterprises (BMU/UBA, 2001, side, 18).

At the previous scientific examinations to the topic field of the sustainable business no comprehensive distinction has been carried out between large and respectively small and medium sized enterprises yet. Furthermore the findings have primarily been dominated by the large-scale enterprises which could use far larger financial and personnel resources to implement the principles of the sustainable development internally. In doing so the effortful environmental management systems like EMAS or ISO 14001 have primarily been used.

For this reason a scientific examination has been carried out by the author in fall 2004 to the economic effects of sustainable business at small and medium sized enterprises. The following questions were focused in the examination which particularly concerns the development after the introduction of sustainable business:

- Do enterprises who implemented sustainable business have to record occupation increases?
- Can these occupation increases be explained by the effects of sustainable business or general economic effects?
- How has the competition situation of the enterprises developed after the introduction of sustainable business?

- Has the innovation culture changed in the enterprise in the course of sustainable business?
- In which way has the image changed towards customers, business partners and the public administration?
- Is the sustainable business way of the enterprises released?

4.1 Methodology of the survey

The German enterprises which have received an ÖKOPROFIT-certification within the last few years form the parent population of the examination. As already represented, the ÖKOPROFIT enterprises have yet taken a first step towards the sustainable business with the certification. At the same time the examined group of enterprises can be labelled small and medium sized enterprises, so that statements concerning the relationship between this group and the principles of sustainable business can be done for the first time.

For the execution of the interview a standardised questionnaire which corresponds to the rules of the empirical social research has been prepared. For example a simple and interesting way to enter the questionnaire has been chosen at the beginning which arouses the interest of the person asked for the further reply to the questions. Difficult questions are in the middle of the questionnaire so that the people who were asked could familiarise themselves with the questions and the contents. The conclusion of the questionnaire formed an open question in case of general impressions and assessments to the economic effects of the ÖKOPROFIT-certification that were not already covered with the questionnaire. To obtain a high rate of return, different supplementary measures were carried out. A stamped addressed envelope which made a cost-free return of the questionnaires possible was enclosed in the questionnaire besides the assurance of absolute anonymity. Furthermore, a memory postcard had been sent to the enterprises two weeks later. On the postcard an Internet address was indicated, on which the enterprises could download the questionnaires free of charge again.

Altogether, 817 enterprises have been addressed in Germany. The addresses were allocated by the Arqum Unternehmensberatung GmbH, which supported SMEs on their way to the ÖKOPROFIT-certification in the last 5 years.

Altogether, 237 full questionnaires were sent back, this corresponds to a rate of return of 29%.

4.2 Findings of the survey

The questioned enterprises have been incorporated into 27 lines of business due to the classification of the economic sectors of the statistical Federal Office (Statistisches Bundesamt, 2002). The following economic sectors took part with a large number of returns in the survey:

- Diet trade and tobacco processing (7.3%)
- Metal production and processing, production of metal products, steel processing (5.9%)
- Production of office machines, data processing equipment; Electrical engineering, precision engineering and optics: (5.1%)
- Building and construction trade (6%)
- Retail trade; Maintenance and repair of motor vehicles and consumer items (5.6%)
- Property and housing, lending of mobile things, Supply of economic services: (5.1%)
- Education and lessons: (6.0%)
- Health, veterinarian and social affairs: (12.0%)
- Supply of other and public and personal services: (13.7%)

The public sector is strongly overrepresented. This is connected to the fact that hospitals have carried out hardly a certification according to EMAS or ISO 14001 for example (Grothe-Senf; Ludwig, 2002, page 45). These enterprises have chosen the uncomplicated ÖKOPROFIT-certification unlike the EMAS and ISO 14001 certification to conclude first steps towards the sustainable business. Furthermore a variety of public enterprises have taken part in the ÖKOPROFIT rounds because they were easy to acquire by the municipal maintenance of ÖKOPROFIT.

Since the ÖKOPROFIT certification which has taken place within the years 2000 to 2004, 33.3% of the enterprises have created new jobs. Another 40% of the people asked haven't carried out any changes of the operational employment situation.

Positive or negative changes in the area of the employee numbers are primarily connected with the internal developments of the enterprises the respondents answered. Two thirds of the questioned enterprises indicate these as reasons for the change of the employee number. The economic development follows on the second place. ÖKOPROFIT

plays only a very subordinate role compared to these economic effects. The creation of jobs by the enterprises due to the general economic development as a main reason conflicts with the weak economic situation with nearly five millions unemployed which can be recorded in Germany within the last few years. These results point out, that enterprises that work sustainable create jobs but this is however not connected by the respondents to the ÖKOPROFIT certification.

The results of the survey about the employee situation stand in close connection with the economic situation of the enterprises. The economic situation is assessed by 75% of interviewed enterprises is evaluated as good or satisfactory. Almost 60% of the ÖKOPROFIT-enterprises even assess their situation as very much or well in proportion to the fellow applicants. This is mirrored again in the answers to the question how the competition situation has developed opposite competitors. 18% of the small and medium-sized enterprises report of an improved competition situation to opposite competitors. The competition situation has remained unchanged for 73.5% of the enterprises.

These findings show that enterprises who work with principles of sustainable business create or secure new jobs and act successfully towards the direct competitors on the market. Although this statement is not supported directly by the interviewed enterprises in regard to the ÖKOPROFIT certification, it can be pointed out that ÖKOPROFIT and therefore the sustainable business have a special significance for the enterprises.

On the question whether ÖKOPROFIT has changed the innovation culture in the enterprises 30% of the questioned enterprises determine a strong change. After all, another 50% of the enterprises still talk about a less strong change. Furthermore, more innovations are realized in 30% of the enterprises than before the ÖKOPROFIT certification. Particularly organization-related innovations are realized. Product innovations are realized more and more only of approx. 15% of the enterprises. These statements indicate that the improvement in the innovation culture by ÖKOPROFIT also has contributed to an improvement in the economic situation of the enterprises.

The change of the enterprise image or reputation has also contributed to the improved economic situation of the enterprises. Approximately 30% of the questioned enterprises report of an improved image opposite to customers and business partners after the ÖKOPROFIT certification. Even 60% of the enterprises talk about an improved image towards public administration. Significantly only 50% of the enterprises have expressed

the participation in ÖKOPROFIT towards customers and clients. This underachieved potential gets clear if you look at the active enterprises more considerably. In this survey only the enterprises can report of an image improvement, that have communicated sustainable business with the help of ÖKOPROFIT to the public.

Normally the communication of the participation in ÖKOPROFIT takes place only over information booklets respectively flyers or about a personal address towards the customers and business partners. Only 10% of the enterprises use posters or advertisements as means of communication. Although the enterprises may use the ÖKOPROFIT logo after the certification free of cost for a year, the logo is used on communication media only by 40% of the enterprises. The logo is used particularly on flyers and advertising brochures. Since the communes establish a cost-free booklet after conclusion of the ÖKOPROFIT rounds for the successes and measures of the participating enterprises you can assume at the reply to this question, the municipal booklet is meant primarily. The logo is placed only by 10% of the enterprises on letter paper or into advertisements. These statements show the potential, that ÖKOPROFIT enterprises leave completely unused by the missing communication of the sustainable business attempts. To communicate the participation in ÖKOPROFIT positive effects can develop regarding the image of the enterprise among customers, business partners and the public administration. Cost reductions in the production processes, reduced use of resources and the stronger integration of the employees in the entrepreneurial development of the business are occupied with positive attributes which can contribute an improvement in the image and therefore for an economic improvement in the enterprise also.

The interviewed enterprises had the possibility to take a stand for further effects of the ÖKOPROFIT certification on the company at the conclusion of the questionnaire with the help of an open question. Some enterprises use ÖKOPROFIT to take further steps in the field of sustainable business. So ÖKOPROFIT builds a base for the further-reaching environmental management systems like EMAS and ISO 14001. Furthermore, the employees were sensitized for questions of the environmental protection and the work safety. In connection with this, the innovation readiness by employees could be promoted and profitably used for the enterprises. Some enterprises also stated that after expiry of the public support for this project of the sustainable business, no financial and personnel resources is donated by the corporate management to implement secondary

environmental management systems in the business. In principle, ÖKOPROFIT is considered a positive approach for the entrepreneurial development by all enterprises.

5 Conclusion

A main reason which speaks for the implementation of the principle of sustainable business into enterprises is the fact that the environmental consequences of enterprises can be improved continuously about the integral approach of the sustainability and an economic advantage arises simultaneously. The economic advantage can be reflected by increasing occupation, dropping costs and/or in a higher competition and innovation ability of the enterprise. Sustainable business therefore doesn't cause any additional costs but can lower operational costs and open new business fields to the welfare of the enterprise.

This thesis has been confirmed by ÖKOPROFIT-enterprises to a great extent. The enterprises have recorded occupation profits and assess their economic situation also opposite competitors as very good. These statements are not brought up by the enterprises directly with sustainable business in union, but might have an impact. The examination has already explained potential for a positive improvement in the enterprise image. An improved innovation culture is discussed about by the enterprises at the same time. In the near future, particularly a comparison of the survey results with the economic frame data of the examined branches and supplementary interviews will give further information and perceptions for the question whether the sustainable business represents a success story for small and medium sized enterprises. These first examination results show in parts, that there can be a success story for this kind of entrepreneurial group.

6 Literature

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