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Executive on a Mission: Saving the Planet

By [CORNELIA DEAN](#)

VININGS, Ga. — What Ray Anderson calls his “conversion experience” occurred in the summer of 1994, when he was asked to give the sales force at Interface, the carpet tile company he founded, some talking points about the company’s approach to the environment.

“That’s simple,” Mr. Anderson recalls thinking. “We comply with the law.”

But as a sales tool, “compliance” lacked inspirational verve. So he started reading about environmental issues, and thinking about them, until pretty soon it hit him: “I was running a company that was plundering the earth,” he realized. “I thought, ‘Damn, some day people like me will be put in jail!’ ”

“It was a spear in the chest.”

So instead of environmental regulation, he devoted his speech to his newfound vision of polluted air, overflowing landfills, depleted aquifers and used-up resources. Only one institution was powerful enough and pervasive enough to turn these problems around, he told his colleagues, and it was the institution that was causing them in the first place: “Business. Industry. People like us. Us!”

He challenged his colleagues to set a deadline for Interface to become a “restorative enterprise,” a sustainable operation that takes nothing out of the earth that cannot be recycled or quickly regenerated, and that does no harm to the biosphere.

The deadline they ultimately set is 2020, and the idea has taken hold throughout the company. In a recent interview in his office here overlooking downtown Atlanta, Mr. Anderson said that through waste reduction, recycling, energy efficiency and other steps, Interface was “about 45 percent from where we were to where we want to be.”

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Use of fossil fuels is down 45 percent (and net greenhouse gas production, by weight, is down 60 percent), he said, while sales are up 49 percent. Globally, the company's carpet-making uses one-third the water it used to. The company's worldwide contribution to landfills has been cut by 80 percent.

"He bet his entire company," said Bob Fox, an architect who specializes in "green" buildings and who, like Mr. Anderson, is a member of the advisory board of the Harvard Center for Health and the Global Environment. "It worked out probably better even than he hoped. He has set the mark for every other corporation in this country."

And in the process, Mr. Anderson has turned into perhaps the leading corporate evangelist for sustainability. He had a head start, he acknowledges, because he ran his company and controlled its voting stock. But he can make the case effectively, he said, because his Interface experience teaches that sustainability "doesn't cost, it pays" — in customer loyalty, employee spirit and hard cash. He says Interface sustainability efforts have saved the company more than \$336 million since 1995.

In fact, sustainability has been such a successful strategy that Interface established a consulting arm last year, to market its methods to other companies.

As befits an evangelist, Mr. Anderson, a trim 72-year-old, has taken his message on the road, preaching the sermon of sustainability in at least 115 speeches around the world last year alone.

Since last year, when he turned operating responsibilities over to Dan Hendrix, his successor as chief executive, selling sustainability has been "pretty much my full-time job," Mr. Anderson said, and several people on the company payroll work more or less full time on it too, handling his schedule and fielding inquiries. "I think he was a typical corporate executive: the bottom line was everything," said Eric Chivian, director of the Harvard Center. "He really did not think about the impact of his work."

But today, Dr. Chivian said, Mr. Anderson is "a model of creative thinking about sustainable business

practices.”

When Mr. Anderson began his crusade, there were those who thought it was quixotic, and some in the company worried that he was a bit too intense about it. Others thought carpet tiles — squares of nylon pile glued ubiquitously underfoot in offices, classrooms, hospitals, airports and elsewhere — were an unlikely focus for an effort to change the way business does business.

“Well, he won us all over,” said Jo Ann Bachman, one of Mr. Anderson’s assistants.

And for him, carpet tiles were an inspired choice.

For one thing, he is a carpet tile enthusiast. After a short stint at Procter & Gamble, Mr. Anderson, a Georgia native and 1956 graduate of [Georgia Tech](#), was working in the carpet division of Callaway Mills when he discovered carpet tiles on a trip to England that he also describes in his book “Mid-Course Correction” (Chelsea Green, 1998).

It was the early 1970s, he said, and “the office of the future was just then emerging,” with more and more electronic equipment fed by more and more wires running under the floors, as walls gave way to cubicles. Carpet tile allowed businesses to move equipment at will, and the tiles could be replaced individually as they wore out. “It just made so much sense,” he said.

So he put together the necessary financing and started Interface in 1973. Today, the company says it has about \$1.1 billion in annual sales and 38 percent of the global market for carpet tiles.

But when it comes to the environment, he eventually realized, carpet “is a pretty abusive industry.”

Carpet makers use lots of petroleum and petroleum derivatives, both as components of synthetic carpet and to power its production. Dyeing carpet is water- and energy-intensive. And when people are finished with the carpet, “it goes into landfills where it lasts probably 20,000 years,” Mr. Anderson said. “Abusive.”

So he challenged his employees to find ways to turn all of that around. And he forestalled objections from his own stockholders, he said, by making the elimination of waste the first target. “We saved money from Day 1,” he said.

He acknowledges that some of the advances the company has made so far are relatively obvious and easy, and that some of its claimed progress relies on steps, like carbon credits, that are far from ideal. For example, the company pays to plant trees that, in theory, take up enough carbon to compensate for the greenhouse gas generated by airplane flights on company business.

“All you are really doing is inventorying the carbon for 200 years,” Mr. Anderson said of the company’s tree-planting efforts, which it subcontracts to a company in the carbon credit business. “It’s better than nothing, but it’s temporary.”

In the future, he said, progress will come “in a lot of little steps and a few very big ones.”

Developing recyclable nylon — “that’s a big step,” he said. (Whoever does it will get all his company’s

business, he has said.) Substituting “carbohydrates” — using corn dextrose instead of petroleum — would be even bigger. Renewable energy at a reasonable price would be another big step. Transportation remains “a huge issue,” in spite of the carbon credits.

Even so, customers responded to the campaign, he said, noting that it was questions from customers that prompted the sales force to ask for his environmental views in the first place. “In the aggregate, our products are not costing any more,” he said, and customers do not seem to resist those that are more expensive. “Our profit margins are up, not down,” he said.

One key to the effort’s success, he said, was its comprehensive, across-the-board approach to the entire company. “If you begin with a company and say, ‘We are going to green this company by bolting on these green programs,’ you are going to end up with costs up, not down,” Mr. Anderson said. “We stepped back and said, Let’s look at the whole system.’ ”

The audiences for his speeches are changing, too, he said. In the beginning, he often found himself preaching to the choir, he said, but in the last five years, his audiences have more often been business groups.

“I always make the business case for sustainability,” he said. “It’s so compelling. Our costs are down, not up. Our products are the best they have ever been. Our people are motivated by a shared higher purpose — esprit de corps to die for. And the goodwill in the marketplace — it’s just been astonishing.”

Mr. Anderson, who has two grown daughters from a first marriage, commutes to his office in a Toyota Prius. He and his second wife, Pat, also have a home on 86 acres in the mountains near Highlands, N.C. It is off the grid, its landscaping designed to minimize environmental disruption.

And after an argument with the landlord, Interface’s office space here is now illuminated with low-energy, long-life light bulbs.

Mr. Anderson is also proud to say that as a member of an advisory council at Georgia Tech, he persuaded the institution to modify its mission statement to proclaim the goal of “working for a sustainable society.”

But there is a lot that even business cannot accomplish on its own, he said.

For example, he said, the tax code is “perverse,” in that it puts heavy taxes on good things, like income and capital, and leaves a lot of bad things, like energy use, relatively unscathed. And economists typically underestimate the true cost of doing business because they exclude “externalities,” like environmental damage from pollution.

If it were up to him, he said, he would reduce income taxes and raise the gasoline tax (with subsidies for the poor). But he conceded that the Clinton administration, which he served as co-chairman of the Council on Sustainable Development, could not get an energy tax through Congress.

“The country wasn’t ready for it,” Mr. Anderson said, adding that when the sustainability council had a cocktail party for members of Congress, only a handful of members showed up, some of them possibly drawn more by drinks than doctrine.

But since then, he said, environmental groups have been spreading the message. He gives them credit for the success of [Al Gore's global warming](#) documentary, "An Inconvenient Truth."

"Their work created a supersaturated solution," he said in the language of chemistry. "Gore drops his crystal in it, and the whole thing precipitates."

The movie was "fabulous," he added. And would he support Mr. Gore for president? "Oh, in a heartbeat!"

Mr. Anderson's schedule is only getting more hectic. He is on track to easily surpass last year's speech-giving pace, he said, "and I don't have to send an invitation, they just keep finding me."

But the effort is worth it, he said, not just for the opportunities he has to spread his message, but for its business-building effect. His favorite audiences are "rich in potential customers," he said, and among them the sustainability effort "has done more to lift the company's image than all the advertising we have ever done."

All of which makes him smile when he looks back on that sales meeting of 1994.

After the speech, he said, "I heard the whispers, 'Has he gone round the bend?'" Mr. Anderson recalls proudly how he confessed at once that he had. "That's my job," he said. "To see what's around the bend."

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