SME Journey to Net Zero: where do we start?

At the WMG SPIN 2021 | Industrial Decarbonisation: net zero manufacturing event our panel of experts and industry guests discussed how to get started on the road to net zero, what particular challenges face SMEs on that journey and how to overcome them.

The race to net zero is on! SMEs make up most of the UK workforce and turnover, and are responsible for 57% of industrial emissions. Clearly the SME sector as a whole has a huge role to play in achieving net zero emissions in the UK.

However, the SME sector is a vastly complex one of many small parts, so working together in a coordinated decarbonisation programme will be no mean feat. Indeed when we polled our audience of SMEs, the most prominent perceived challenge was knowing where to start on this complex question:

Fortunately, our panel of expert speakers were there to share their experiences and advice for tackling this problem:

Get some data, any data!

It may sound obvious but the first thing to do is get some idea of the carbon intensity of your business, whatever sector it may be in. It may be that your manufacturing processes are very energy demanding, or the materials you use are very carbon intensive. It could be the logistics of moving your product is emission heavy, or that your products and/or services produce the most emissions when they are with the customer. Your building could be your main source of emissions. Whatever it is, it is vital to know. Increasingly OEMs are conducting value chain assessments, and it seems likely as more large companies declare their targets for net zero, they will be minded to use suppliers who can provide detailed emissions data, and demonstrate how these emissions are being reduced. The SME Climate Hub has advice on resources on how to start measuring and importantly reporting your businesses emissions: https://businessclimatehub.org/tools/

Make a plan and break it down

Armed with your data you can now see which aspect of your business is the most carbon intensive, and begin making targets for reduction. Set a target date for your business to achieve net zero, and then map out what may be what is possible in the next 1, 2, 5 and 10 years. You may be purchasing equipment and plant now that will last 20 or more years, so it pays to think ahead! The Supply Chain School has lots of information on how to set targets and what to consider when doing so: https://www.supplychainschool.co.uk/

Prioritise and target actions for best impact…but also make the easy gains

Changing materials in manufacturing could help your emissions the most, but may not be feasible or even possible currently. Changing your energy supplier however is very easy, and many companies now offer options for renewable energy tariffs at competitive prices.
Life Cycle Analysis must become part of your decision-making

It is important to understand the emissions over a product or services lifetime to make genuine carbon reductions. For example, a piece of machinery may be old and less efficient than a newer model, but scrapping it before the end of life may not be environmentally sound, to say nothing of it being an expense for the business to carry! By using life cycle analysis, unintended negative consequences can be avoided.

See it as an opportunity, and advertise your wins!

Increasingly customer of SMEs are seeking an environmentally sound product, material or service and both a handle on emissions and a plan to reduce them will not only help retain customers but should also win new ones. Businesses in the West Midlands can join the West Midlands Net Zero pledge, demonstrating to customers their commitment and giving them a competitive edge.

Change begins at home

All employees no matter what their role should be coached in low carbon behaviour. Cultural and behavioural changes can often have the biggest impact.

Talk, share and collaborate!

Talk to your suppliers, customers, other SMEs and universities. Net Zero is not a competition and the more experiences and information is shared, the easier and more efficient the journey will be! By talking to customers you can gauge what the expectation is, are based your targets around that. There are many schemes and initiatives to help SMEs measure and reduce their carbon footprint, so please make use of them!

SME resources for achieving net zero

<table>
<thead>
<tr>
<th>Local Enterprise Partnership Region</th>
<th>Organisation</th>
<th>Website</th>
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</thead>
<tbody>
<tr>
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<td>Low Carbon SMEs</td>
<td><a href="https://www2.aston.ac.uk/aston-business-school/research/departments/oim/low-carbon-smes">https://www2.aston.ac.uk/aston-business-school/research/departments/oim/low-carbon-smes</a></td>
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<td>Green Belle</td>
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GET IN TOUCH WITH US:

If you would like to find out more about the opportunities please contact:

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