Secrets of Success: What Your Green Business Needs to Know

As we move forward in the twenty-first century, more people than ever are concerned about preserving the environment and our natural resources. This concern has been carried over into the world of business, which means that an increasing number of businesses are going green in a variety of ways.

Running a green business is similar to running a traditional business, though there are a few additional perks and pitfalls for eco-friendly owners. Here are a few secrets to make your green business even more successful.

1. Look for government incentives for green businesses.

Whatever your motives for running a green business, the U.S. government wants to sweeten the deal by offering a variety of incentives for businesses to use renewable and more efficient energy.

The Database of State Incentives for Renewables and Efficiency (DSIRE) offers a complete list of incentives available to business owners. Here are a few highlights:

- **Corporate Tax Incentives:** If your business invests in eligible renewable or energy-efficient equipment, you may be eligible for special tax deductions, credits, and exemptions. The exact incentives vary by state, and some states have a minimum requirement before the incentive can be applied.
- **Green Building Incentives:** Chances are you have heard of LEED certification, but other organizations can also issue green building certifications that qualify your

business’s building for a government incentive. Typically this incentive applies to proposed buildings and, if approved, the permit fees are greatly reduced or even waived. Green businesses that are erecting new buildings should capitalize on their environmental efforts with this incentive.

- **Sales Tax Incentives:** Businesses that purchase a renewable energy system or other energy-efficient goods can have the sales tax from such a purchase waived or refunded. If your business is thinking about getting a new energy system, then don’t overlook this valuable opportunity.

2. Choose green power for your business.

During the twentieth century, businesses had little choice but to use the energy supplied by the local electricity company. Now, however, most businesses can choose to get their energy from a green utility company.

Depending on your business’s location, it could be feasible to switch your power supply from traditional sources to more eco-friendly sources—such as a green electricity company.

You can look on the U.S. Environmental Protection Agency’s website to locate a green power center near you, after which you have to take a few simple steps such as identifying your annual power usage and signing a Green Power Partnership agreement.

Once your business is identified as a Green Power Partner, the EPA will provide you with tools, expert advice, and certifiable credibility for the green nature of your business.

3. Apply for grants and loans for your green business.

Depending on your business's product, you may qualify for a government grant. Listed below are several types of industry-specific grants that may apply to your green business.

- **Energy Development:** Whether your business is working on developing renewable energy or more efficient energy production methods, there are grants available to support your mission and minimize your costs. The Department of Energy and the Environmental Protection Agency both offer grants for these types of businesses.
- **Real Estate:** Developers who improve polluted real estate qualify for Brownfields Grants for their eco-friendly efforts. These grants can also be applied toward assessing polluted property, cleaning it up, and training staff on environmental matters.
- **Pest Management**: Traditional pesticides wreak havoc on the environment, which is why the Environmental Protection Agency partnered with PestWise to promote Integrated Pest Management programs. Businesses and schools that focus on developing more eco-friendly approaches to pest management qualify for grants to support their work.

4. Use caution when advertising your eco-friendly ways.

While the previous tips are potential perks for green businesses, one pitfall to avoid is falsely advertising the eco-friendliness of your business. Since many consumers tend to prefer doing business with a green partner, it is important that you do not falsely advertise your business, lest you draw the wrath of consumers or law enforcement.

If your advertising is false or misleading, consumers can take actions such as submitting a complaint to the Federal Trade Commission or filing a chargeback against your business. The FTC can start an investigation on or even issue sanctions against your business, which will hurt your reputation. Consumer chargebacks can put your credit processing privileges in jeopardy and hurt your business's bank account as well.

The bottom line for green businesses is that there are many more potential benefits than costs associated with doing business in a more eco-friendly way.

If you currently run a green business, tell us some of your insider secrets—we'd love to hear them!

Sources:

- *Environmental Grants & Loans*, by U.S. Small Business Administration
- *Advertising FAQ's: A Guide for Small Business*, by Federal Trade Commission
- *What is a Chargeback?,* by Chargebacks911
- *Guides Against Bait Advertising*, by U.S. Government Publishing Office