

Andersen Corporation Focus Group Results

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May 2, 2001

1. **Purpose of Focus Group:** Verify product purchasers' preference for sustainable products and responsiveness to communications to increase sustainable products sales and market penetration. Sustainable products are those products providing environmental, social, and economic benefits for the needs of future generations, while protecting public health, welfare, and environment over their full commercial cycle, from the extraction of raw materials to final disposition.
2. **Background:** Federal Trade Commission and University of Oregon Business School surveys validate many years of environmental surveys showing that over 90% of consumers prefer sustainable products if price and quality are equal to conventional products. Further, there is much "greenwash" and market confusion over what is a sustainable product and how you identify them. MTS has identified 12 sustainable products standards or metrics that reduce this confusion, and is developing a *Sustainable Textile Standard*.

MTS and its sustainable products manufacturers are promoting sustainable products to greatly improve global health and environment and profits. Sustainable products are market and not government driven, thus the traditional ways companies increase product market penetration apply. Examples of sustainable products are *FSC Certified Wood*, Design Tex Fabric, Patagonia Organic Cotton clothing, and certified organic apples.

3. **Questions for Andersen Purchasing Officials:**
 - What would motivate you to buy sustainable products?
 - What factors would be important in your buying decision?
 - What messages about the product are important to convey?
 - Would sustainable products be important to you and if so, why?
4. **Results:** The Focus Group was convened so its findings would be delivered to MTS Members, prospective Members, and interested parties to help in sustainable products' communications:

Jay Mattsfield, Manager of Technology, Andersen Corp. Jay is responsible for setting purchasing specifications for Andersen products.

- What would motivate you to buy sustainable products? Andersen wants to buy as much and many sustainable products as possible, and where there is substantial value derived from a product, price can be secondary to quality. Andersen wants to eliminate chemicals having adverse environmental effects. This helps Andersen's reputation and good will. But more importantly, Andersen wants to help the environment. Andersen's customers care about sustainable products, and want to look out their windows and see a beautiful environment.
- What factors would be important to your buying decision? Important factors are quality, viability of supply, pricing, options – multiple suppliers, and technological developments of the product. More sustainable products allow us to spend less time on compliance and increase our worker productivity.
- What messages about the product are important to convey? Metrics must be identified: what is quality, strength, treatability, how easily milled, viability of source, product design life? Will the product be around for a number of years so Andersen can rely on it?
- Would sustainable products be important to you, and if so, why? They are important because Andersen wants viable product mixes. Less embodied energy or ability to reutilize products and components creates more efficiency and incurs less overall cost. Also, we're not using up valuable natural resources. This has been an Andersen priority for many years.

Mike Liles, Minnesota Office of Environmental Assistance, Office of Environmentally Preferable Purchasing. Mike said government product purchasing has a high public responsibility to the environment and social welfare. However, this has not yet been fully translated to a priority for government purchasing officers, and incorporated into purchasing decisions. Price, performance and quality are key criteria. All copy paper purchases for the State of Minnesota must be 30% post consumer content unless the price is 10% more than conventional copy paper; quality must be equal or better.

Mike indicated that life cycle assessment (LCA) is very important for government purchasing decisions because it discloses all environmental benefits and impacts of a product from raw materials extraction to final product use or reuse. The State needs to know LCA benefits and impacts about products to reduce, through State purchasing decisions, the "external" or societal costs of pollution borne by taxpayers.

Tim Proulx, Manager, Strategic Sourcing, Andersen Corp. Tim works in the purchasing group, and conducts strategic planning and sourcing with suppliers ensuring Andersen selection of dependable, competent, and cost effective suppliers. He also managed the wood buying group. In his current position, he determines if there are new suppliers meeting Andersen requirements for:

- price,

- quality (20 yr. warranty),
- service (10 day maximum delivery time), and
- technical support and capability (better processes, better performance, providing a competitive advantage).

An Andersen customer is the home builder with a primary concern on price and first cost. Tim stated that Andersen has socially responsible values. If there is a better quality product, Andersen has adjusted its price for improved quality providing greater economic yield.

- Does Andersen take actions avoiding the risk of adverse public exposure for not buying Forest Stewardship Council (FSC) Certified Wood? How does risk management get factored into purchasing decisions? Reducing risk is an interdisciplinary decision where marketing, legal, and public affairs have joint responsibility with the purchasing department. Evaluation criteria for suppliers include environmental, economic, stability, dependability.
- What would motivate you to buy sustainable products? Both price and quality are important. Andersen's customers care about the environment.

Chris Mathis, Andersen Corporation.

- Does Andersen ever take environmental action beyond what is required by law? Every day. It benefits our workforce, communities where we have facilities, customers, and competition. Andersen is participating in the international decisions defining metrics to avoiding purchasing wood from endangered forests.

Andersen assesses suppliers just like a mutual fund evaluates companies to include their stock in the fund. Andersen literally puts its name on every window, thus publicly assuming the responsibility for quality. Andersen's *Awareness of Wood Program* eliminates wood waste.