

## **Courageous Decision Making**

Nothing was certain, yet there was a conviction.

From the moment Ray Anderson founded Interface in 1973 to the present – where Interface has become the world's largest manufacturer of modular carpet for commercial and residential applications while also setting the pace for environmental sustainability in the industrial sector – the Interface story has been molded by moments where nothing was certain, yet there was a conviction.



It's this courageous decision making that the audience at the February 14<sup>th</sup> BELIEVES session got to learn about first hand from John Lanier, Executive Director of the Ray C. Anderson Foundation, and Jaime Lanier, Trustee of the Ray Anderson C. Foundation.



Jaime, a member of St. Joseph's Catholic Church, started his career with Interface as a commissioned sales rep in Florida in 1981.

He and his wife, Mary Anne, who is the oldest daughter of Interface's founder Ray Anderson, have been married for 37 years and have three sons, one of whom is John.

Since even before he joined Interface, Jaime was able to witness first-hand the challenges that Ray faced as he built his company, and how much Ray had to turn to faith and prayer throughout.

"Ray didn't lead with his Methodist faith, but it was there."

In 1973, Ray made the bold decision to found his own company, risking his and his family's life savings in the process. Leveraging his network, Ray secured additional investments from a number of outside partners. By mid-March, Ray was ready to move forward.

However, Jaime shared, "Within two weeks of everything being finalized, one key funder backed out right before the deal was ready to close."

What was Ray to do since the founding of Interface was dependent on the partner's capital?

Fortunately, some unexpected investment from a namesake family in the region got lined up in just days, and Interface was launched.

## "It was a God thing," Jaime declared.



Throughout the 1980s, Interface continued to grow in the commercial carpeting industry, including through the ups and downs of the global oil market.

Why is the global oil market relevant to the commercial carpet industry? Commercial carpet products are 100% petroleum-based because both the nylon and backing are from oil not just the nylon.

"By 1994, there was a lot of pressure building in the interior design space as 'the environment' kept coming up more and more," John said. "Interface decided to form a small task force to determine what Interface's environmental commitment should be, and Ray was asked to give his thoughts to the task force. Ray didn't want to give 'the talk' on being environmentally-conscious to his company, but he knew he had to."

As if by fate, Ray had read *The Ecology of Commerce* by Paul Hawken a few weeks before and was never the same after reading Hawken's views on how "business must clean up its own mess."

"It was Ray's spear in the chest moment," declared John.

From that moment on, Ray was convicted that all of business had to change its practices and that Interface would become a sustainable company – one that does no harm.

"Originally it was a moral decision for Ray, as he realized that business and industry was plundering the Earth at the expense of future generations," said John. "He then came to realize that it was good for business as well."

What did being a sustainable company mean to Ray?

Ultimately, it came to be defined by a company that would address the seven fronts of <u>Mt. Sustainability</u>:

- Zero Waste
- Benign Emissions
- Renewable energy to run all processes
- Closed Loop Recycling
- Use Resource Efficient Transportation
- Sensitize Stakeholders
- Redesign Commerce

Since Interface began tracking the savings of its sustainability efforts in 1997, the team has determined that the efforts have generated several hundreds of millions of dollars in savings versus its old way of doing business – savings that have fully financed all of the company's sustainability efforts.

"Interface's goal is to 'do no harm by 2020," John said.

Unfortunately, due to his passing in 2011, Ray will not personally be able to witness this goal being met. However, unbeknownst to his family, Ray had put things in place for this goal to be met and more.

John, one of Ray's grandchildren, a husband to Chantel, and father to the couple's six-month-old son, said that prior to Ray's passing, he had no conversations with his daughters or wife about what's next.

"When Ray passed away, his family was thrilled to learn that the majority of his estate was left to this Foundation, empowering us to give to others in his name," said John. "Moreover, Ray left no instructions on what to do with the Foundation, so we've had the freedom to explore what are the best ways to carry Ray's legacy forward."



John ended up joining the Foundation as Executive Director after practicing as a federal tax attorney for a couple of years. During that time, John gained experience in the law of tax-exempt organizations.

"At some point, my mother and aunt asked me, 'We'd like our lives back, could you run this?" said John. "It's been one of the greatest honors of my life."

Ever since, the Foundation has continued to have impact in Atlanta and beyond by:

- Funding innovative ideas and projects that promote visionary change in society.
- Educating the public and business leaders alike in meaningful ways that propel revolutionary, sustainable change.
- Inspiring a new generation of leaders and consumers to be good stewards of the planet's resources, igniting action that radically impacts the way we live, work and play.
- Connecting thinkers, builders, innovators and idealists to a shared, ethical responsibility to the environment.

It does this primarily through the:

- Creation of the <u>Ray C. Anderson Center for Sustainable Business</u> at Georgia Tech, Ray's alma mater;
- Funding of a global design challenge around biomimicry; and
- Creation of <u>"The Ray"</u> a section of highway being created to be the "sustainable highway of the future" from Exit 1 on I85 near West Point, GA (where Ray was born) to Exit 18 on I85 near LaGrange, GA (where Interface was started).

The audience members were all very intrigued and impressed by what was shared.

Lee Shaw, whose family was also in the commercial carpet industry, having started Shaw Industries, the world's largest carpet manufacturer, had this to say.

"The Interface story is great. We're in the family carpet business too. No one else was thinking about post-impact until Ray did. To be in the industry and have that type of impact is remarkable."

"Thank you, Lee," Jaime responded. "Those are kind words."

Others such as CTK parishioner Maureen Becker were curious to learn more about the ties between faith and focusing on sustainability.

"Pope Francis is a leader on the environment. How is this having an impact?" asked Becker.

"Pope Francis's *Laudato Si* encyclical is game-changing," John replied. "He has a deep understanding of the environment. As Catholics, I hope we'll take action because sustainability is a social issue too. The people who are harmed most are the poorest among us."

John and Jaime both agree that they are aware of the tension between faith communities and environmentalists.

"The Foundation Board is committed to our work because of our faiths, but it is diverse with two Catholics, a Presbyterian and two Baptists. We don't talk about faith much in the work, but all at the Foundation are united in 'doing this work for the Lord.'"

The audience members then turned the dialogue back to some of the specifics around sustainability at Interface.

"I am curious about climbing Mt. Sustainability at Interface," asked Chadwick Smith, a frequent BELIEVES attendee. "I am assuming it unfolded over time. Can you explain?"

Jaime commented that he wasn't in the room when Ray announced his decision for the company to focus on sustainability, but he knows people who were.

"Everyone thought he had lost his mind," said Jaime.

That didn't deter Ray though.

"Ray led by not saying he had all the answers," Jaime added. "Instead he would say 'I don't know how we'll do it, but we have all the knowledge in the room to be able to.'"

So the efforts began first with a focus on improving efficiencies, but then it went from there.

This included the creation of QUEST – Quality Using Employee Suggestions and Teamwork – to drive improvements internally first, then giving them the opportunity to go to suppliers and ask them to do the same in order to get Interface's business.

"Ray made a point in all this that the business needed to survive financially," said Jaime.

John stated that when Ray got everything started in the mid-90s, he thought they could get to full sustainability by 2000. Though this wasn't the case, what was foundational in the efforts was the ability to measure impact.

Now in 2017, the company is confident they will reach their Mission Zero<sup>™</sup> goals by 2020.

"78% of Interface's emissions are from drilling the oil to produce the fabric for the carpet," stated Jaime. "Carbon is intended to be in the ground as a life source, not in the air. That's the core of Interface's next mission – to be a carbon negative company."

Eric Maust, business banker at JPMorgan Chase, asked John and Jaime what resources they would recommend for smaller businesses wanting to embrace sustainability.

"Ray's two books – <u>Business Lessons from a Radical Industrialist</u> and Mid-Course Correction – first come to mind, but no one book does it all," said John. "Each business must embrace how business interacts with nature's systems. If culture hadn't changed on the factory floor at Interface, nothing would have happened and no impact would have occurred. Within Interface, Ray realized that the culture change involved changing one mind at a time."

Jaime concurred, also speaking of the company's decision to use biomimicry as a design tool, Interface's products are the best they've ever been because nature is at the heart of what the company does.

For consumers, he said it gets at "what do you believe in."

For businesses engaged in commerce, it gets at "can we simultaneously collaborate and compete, rather than just compete."

"Mindset and culture is the biggest thing."

