



## 1 on 1: BetterWorld Telecom for a better world

**W**hen new comer BetterWorld Telecom claimed to be the first telecommunications operator in North America to be certified carbon-neutral, it was achieving more than a slogan to take advantage of the recent fashion for all things “green.”

According to company president, Matthew Bauer, BetterWorld Telecom was founded on a platform of environmentally-aware and socially-responsible principles that dictate how it operates, the systems it puts in place, the management and employee culture, going as far as a pledge to donate 3% of its top-line revenue to causes supporting social justice and the environment.

In the process, the company is looking at a US\$209 billion market segment with the support of 16% of the US adult population known as LOHAS (Lifestyles of Health and Sustainability).

In this exclusive email interview with Green Telecom, Bauer talks about the systems, policies and processes that was put in place to get BetterWorld Telecom where it is today, and future initiatives to further reduce the company’s impact on the environment.

### **Green Telecom: What actions did BetterWorld Telecom undertake to achieve its carbon-neutral status?**

*Matthew Bauer:* In 2007, BetterWorld completed its certification and program implementation with Zerofootprint, making BetterWorld the FIRST carbon-neutral telecom carrier in North America. In addition to our other initiatives, we have now achieved our Environmental Impact goals for 2007 and are embarking on Phase Two of our plan, which will be completed in stages by 2009. Here are the highlights of Phase One:

- **Carbon-Neutral:** Zero Footprint carbon-neutral certification completed and offset program implemented
- **Website Powered by the Wind:** BetterWorld website moved to wind powered/offset provider — SustainableHosting.com
- **Environmentally Efficient Corporate Design:** By design, we won't ever have a large footprint, all back office and customer/partner systems are Web based, which is powered by the wind!
- **Paper Reduction:** We have significantly reduced our paper output, over 80% of our customer revenue is now eBilled per month, and all paper bills are 100% recycled, as well as all of our marketing materials, which also use soy inks
- **Tree Planting:** We are now planting 1,000 trees every month through our partner Trees for the Future, in the tropics where it is most effective...we've planted over 30,000 to date
- **Donations:** Continuation of our 3% of top-line revenue donation to causes supporting social justice and the environment
- **Volunteerism:** Each person donates on average one-half of one workday per month to causes that support children, education and the environment
- **Products:** We are introducing and selling new VoIP and unified communications products that use less power and have less equipment and wiring footprint

**GT: What were some of the challenges in achieving carbon neutrality? What practical recommendations do you have for other companies looking to reduce their carbon footprint?**

*MB:* In addition to high quality solutions, personalized service and pricing below the market average – a significant part of our value proposition is our commitment to social justice and the environment. To create a meaningful and authentic program takes time and is different for each organization. We are not AT&T and obviously do not have the same infrastructure burdens – we purposefully set up our company to take advantage of the fact that there is plenty of network and infrastructure out there in the telecom world. So the challenges relate to a deep corporate soul search as to what impact we are having, what meaningful steps can be taken now and in the future, what can we physically do now and what can be offset.

Establishing one's corporate footprint takes some time but it is a scientific process that produces hard numbers and answers. A good beginning is evaluating the footprint, then determining what physical actions can be taken, then purchasing offsets for what cannot be changed right now. The second phase is to then lay in a plan and/or identify the items that can be physically changed over time, with the goal of reducing the offsets with tangible programs and changes.

To create an even deeper sense of commitment, we also have a donation and volunteerism program within the company. From the first day and through all five years, we have committed to and honored our 3% donation of top line revenues to causes for social justice, the environment and fair trade. In addition, each employee donates one day per month (at least) to causes in these same areas. This holistic approach, when taken with the steps above, creates buy in and commitment across the board from our management, employees, customers and suppliers.

**GT: Does BetterWorld Telecom rely mostly on offsets through carbon credits, or have you implemented measures such as renewable energy?**

*MB:* It is a mix right now, probably 60% to 40% in favor of offsets. Both offsets we use (through Zerofootprint and Trees for the Future) are certified operations that concentrate on reforestation to produce their offsets, one in the virgin rainforest in Western Canada, the other at the Equator in Africa and South America. Our offsets cover everything from paper, mail transport, air/car/rail travel and commuting, power, etc. Physical actions we have taken include moving a strong majority of our customers to eBilling and payment, replacing our paper quarterly newsletter with a monthly eNewsletter, introduction of new enterprise communications products such as VoIP and virtual PBX which use less equipment, wires, and hardware. From the beginning, we setup all systems and processes to be web based so that 100% of the company's back office is efficiently hosted on the web, with a provider that offsets all of its power and footprint with wind credits (Later in 2007 we will be moving AISO, which is a webhosting provider that is physically powered through its own solar array). Our offices are located in shared executive office facilities and we are in the process of working with our suppliers to convert their respective providers to renewable energy (part of our Phase II Environmental Impact Plan, which focuses more heavily on our suppliers).

**GT: Do these practices add more costs for your customers?**

*MB:* Currently, our customers do not bear the cost of these efforts – the cost is built into our financial models as overhead from the beginning. Instead of wasteful advertising or promotion – we spend a significant percentage of our top line on these programs (approx. 3-4 percent) and less on marketing, but the authentic example we set creates more word of mouth and like-minded mentality with our prospects and customers, which lowers the cost of acquisition, while helping to create a stickier customer experience.

**GT: I understand that BetterWorld Telecom has a very strong CSR commitment, is this fact a competitive advantage in the telecommunications space? Are your customers demanding green credentials when looking for a supplier?**

*MB:* BetterWorld the only Telecom carrier in the US tested and certified as a For Benefit company by B Corporation™, as donating at least 1% of revenues to environmental causes by One Percent for the Planet, and as the only telecom carrier in North America to be carbon neutral by Zerofootprint. Over 90% of BetterWorld's customers have confirmed in a recent survey that doing business with a socially and environmentally focused partner is important to them.

Our main "niche" businesses that serve the LOHAS (Lifestyles of Health and Sustainability) market, which describes an estimated \$209 billion U.S. marketplace for goods and services focused on health, the environment, social justice, personal development and sustainable living. The consumers attracted to this market have been collectively referred to as Cultural Creatives and represent a sizable group in this country. Approximately 16% percent of the adults in the U.S., or 35 million people, are currently considered LOHAS Consumers. In addition, we target hundreds of thousands of mission-based non profits focusing on the environment, children, education and fair trade.

In addition, BetterWorld has struck partnerships with a number of sustainable membership organizations nationwide such as the Social Venture Network, the Fair Trade Federation and Appalachian Voices where we utilize communications services to create an additional significant revenue base for the Affiliate. We help organizations raise funds by marketing and selling BetterWorld's products and services into their base of stakeholders, delivering additional value for their members is the highest priority.

To approach this market, it is essential for us to be walking the talk and talking the talk – otherwise, we would not be able to attract this increasingly sophisticated and growing market for telecoms. In the coming months and next few years, we will be actively promoting innovative telecom practices as a way for organizations to improve their footprint.

**GT: Does being environmentally friendly impact the quality of services that BetterWorld Telecom offers?**

*MB:* BetterWorld Telecom provides a broad array of telecom carrier services including interstate, intrastate, and international switched and dedicated long distance calling, switched and dedicated local calling, toll-free/800 services, calling cards, conference calling, dedicated Internet, VoIP, and Unified Communications services at highly competitive rates.

60% of the Fortune 500 use BetterWorld's network partners for their voice and data needs. BetterWorld has fully operational and integrated operational support systems: Customer Relationship Management (trouble ticketing, workflow, customer service, billing), and Sales Force Automation (SalesForce.com), which are all 100% web based. BetterWorld is technology and partner agnostic - adapted to cover the entire communications services vertical, from traditional local calling to VoIP and unified communications, BWT filters multiple service and data inputs through the BetterWorld technology platform to create a superior customer experience, where each customer receives one bill and one call does it all support. Over 90% of BetterWorld's customers have confirmed in a recent survey that doing business with a socially and environmentally focused partner is important to them, as well as over 95% customer satisfaction rate for our services – contrary to average industry figures well below this level.

Proof of our high quality of service, BetterWorld Telecom is the only carrier in the US to offer a 100%, no questions asked money back guarantee every month of service, in contract or not.

**GT: You mentioned something called "telecom offsets," what do you mean by this and what are the drivers behind it?**

*MB:* As part of our Phase Two plan, we will be offsetting our customer's usage – we have not determined if this will be borne by BetterWorld, our customers or a combination of both. Most likely, it will be an elective program that our customers can participate in and BetterWorld will cover the rest. The driver would be towards our final goal of becoming an environmentally neutral provider.

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