



Volume 2 Number 3

Business Enterprises for Sustainable Travel

# BEST

P r a c t i c e s

## Aspen Skiing Company

Category Ski Resort

Ownership Privately Owned

Product Operates four ski areas (Aspen Mountain, Buttermilk, Snowmass, and Aspen Highlands) with year-round visitors to 15 restaurants and two hotels with close to 200 rooms.

Location Colorado

Awards 2001 Mountain Sports Golden Eagle Award for Overall Environmental Excellence in the Ski Industry; 2001 Colorado Pollution Prevention Champion Award; 2001 Commuter Choice Leadership Award (U.S. EPA and DOT) for Employer-Provided Commuter Benefits; 2000 TIAA Odyssey Award, Environmental Category; 2000 Times Mirror Silver Eagle Awards (for both energy and water conservation); 1999 U.S. Green Building Council Leadership in Energy and Environmental Design Certification for the Sundeck Restaurant; 1999 British Airways Tourism for Tomorrow Award for International Eco-tourism; 1999 Time Mirror Golden Eagle Award for Overall Excellence in the Ski Industry.

Practice Keywords Corporate citizenship, environmental and social accountability, community relations, green building, resource conservation, employee involvement.

## Aspen Skiing Company: A Multifaceted Approach to Sustainability

The challenges facing the Aspen Skiing Company (SkiCo) are huge. The destination attracts 1.3 million visitors each winter to almost 5,000 acres of skiable terrain. The company also operates two luxury hotels and 15 restaurants located in the hotels and on the ski slopes. At the peak winter season, it employs 3,400 people, and is the largest employer in the small Roaring Fork Valley, located high in the Rocky Mountains of central Colorado. As a result, as noted in the company's first annual Sustainability Report (1999–2000), its operations affect wildlife, traffic patterns, air quality, streamflows, and landfills—virtually every part of the local environment, from elk herds to the night sky.

In spite of these issues, SkiCo, one of America's largest ski resort operators, has adopted path-breaking environmental and social policies. The company demonstrates that the industry can be a real leader in promoting sustainable practices. Nonetheless, Pat O'Donnell, President and CEO of SkiCo, who has been the driving force behind its impressive efforts, candidly admits that there is a long way to go. He volunteers "Will we ever be sustainable? Probably not. But we will continue to make the best possible effort. It is the right thing to do."

The Aspen Skiing Company presents a compelling example of the pivotal leadership role that a committed executive can play in changing the mind-set of an entire company and, in the process, reduce pollution, empower employees, and set a continuous improvement standard for an entire industry. At the same time, SkiCo's experience also illustrates the impediments facing a company genuinely committed to taking aggressive action to enhance environmental and social sustainability.

In the three years since its Environmental Affairs Department was created, SkiCo has accomplished a variety of improvements. Among them:

**The Environment Foundation**—Almost 1,000 employees contribute annually to the foundation through a direct payroll deduction. In its first four years, the Foundation had contributed over \$360,000 to local environmental causes. In addition to the financial benefits, the Foundation is a vehicle for the employees, who have complete responsibility for its operations, to make decisions that improve the community and natural environment in which they live.



## Company Snapshot

Aspen Skiing Company is one of the world's best known high-end ski resorts. It serves a demanding clientele that expects excellence in all aspects of their vacations. One of the ways of demonstrating its excellence is by aggressively applying sustainability principles to all of its operations.

Pat O'Donnell joined SkiCo in 1994 as Chief Operating Officer, and became President and CEO of the company in 1996. Previously, he ran the Patagonia Clothing Company—an outdoor wear and equipment company that was already becoming well known for its environmental ethos—and was president of Whistler ski area in British Columbia before moving to SkiCo. In the 1970s, he was President of the Yosemite Institute, a nonprofit environmental education organization, which opened several new campuses and taught environmental awareness to 60,000 school children per year. Since his arrival at the company, he has developed a series of environmental initiatives, which have now been institutionalized through the formation of the Environmental Affairs Department and buy-in by company staff.

In 1996, the company engaged all of its employees in a process to develop guiding principles for the Aspen Skiing Company—a process that confirmed that environmental stewardship was a goal shared by both management and staff. In order to implement those stewardship principles, the company created the first Environmental Affairs Department of any company in the industry. In response to strong employee interest, SkiCo also created the Environment Foundation, a nonprofit organization staffed by employees and funded by employee contributions matched by the company (and by the Aspen Valley Community Foundation). Perhaps most importantly, the company is following the example of other responsible corporations by publishing an annual report on their progress toward sustainability. This report presents an inventory of their resource impacts, thereby providing an objective baseline for outside observers to measure their performance.

**Employee Awareness and Motivation**—In order to further encourage employee participation, SkiCo created the Eco-Star Performer awards, which recognize employees for outstanding environmental contributions. Winners receive gift certificates and letters of commendation.

**Hazardous Waste Reduction**—The company reduced hazardous waste generation from 1,180 gallons in 1997 to 427 in 2001. SkiCo is now implementing a zero hazardous waste policy that will make it the first ski resort to completely eliminate hazardous waste.

**Resource Efficiency**—SkiCo worked with Colorado State University to conduct a thorough energy audit. For example, CO<sup>2</sup> emissions were reduced by 150 tons just by retrofitting the lighting in the garage at the Little Nell Hotel. Water usage for snowmaking will be reduced by some 3 to 4 million gallons (also saving about \$15,000 in electricity costs) by building an earthworks for the snowboard half-pipe rather than creating a mountain of snow some 400 feet long, 100 feet wide, and 20 feet deep. SkiCo is also building additional reservoirs for snowmaking, which should cut energy usage for snowmaking by as much as 15 percent.

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## Guiding Principles of The Aspen Skiing Company

<b>Purpose</b>	Renew the human spirit
<b>Values</b>	Sustain the “Aspen idea,” based on the concept of the complete life where mind, body, and spirit are enriched
<b>Mind</b>	Support the concept of life-long learning Offer opportunities for personal and professional development Practice values-based leadership
<b>Body</b>	Inspire and celebrate athletic achievement Encourage our staff to experience the challenge of our mountains Promote physical and emotional wellness
<b>Spirit</b>	Uphold a company culture that fosters trust and rewards excellence Provide exemplary hospitality and superior guest service Remain responsible stewards of our mountain environment





**Green Building Technology**—The Company deconstructed and recycled the Sundeck Restaurant and the Snowmass Lodge and Club, keeping 84 percent of the buildings' materials out of the dump and extending the life of the landfill by three months. The rebuilt Sundeck Restaurant is one of the first ten buildings in the United States to be certified under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) program. The building makes extensive use of recycled materials, energy efficient design, on-site employee housing to reduce transportation impacts, and a variety of other measures to reduce its environmental impact.

**Natural Resource Impacts**—The Cirque lift at Snowmass is the only wind-powered ski lift in the state. SkiCo is purchasing windpower-generated electricity from the region's public utility, which reduces CO<sup>2</sup> emissions by 20 tons. To protect wildlife, the lift was built between animal mating and nesting periods; and to protect the delicate tundra, workers drove backhoes only on snow and carried equipment up the mountain (and dirt and rock off the mountain) only on foot. SkiCo has also launched a weed control program in coordination with state and local wildlife and land management agencies.

Perhaps the most significant long-term impact on the natural environment was the decision by SkiCo to support Alternative D in the White River Forest Management Plan. Alternative D emphasized biodiversity over development and extractive uses, and would have significantly constrained any expansion of SkiCo activities in the National Forest. The Aspen Skiing Company was the only ski resort in Colorado to support this course of action. This alternative would clearly limit SkiCo's development opportunities, but the company took a position (unique in the industry) in favor of a management policy that will protect the sustainability of the resource base upon which the long-term health of the industry depends.

## Being Green is Complicated

The impressive steps made by the Aspen Skiing Company indicate that substantial progress towards greater sustainability can be made quickly by a dedicated management team and committed workforce. At the same time, SkiCo's experience also demonstrates that companies face a number of challenges in implementing such programs, including:

**Measuring Performance and Impacts**—The company initially overestimated its solid waste generation by a factor of almost three, and thought that it had reduced electricity usage in 2001 by several hundred thousand kilowatts. Once their accounting system became further refined, it turned out that energy use had not dropped as much as initially conceived. It will take another year to get an accurate measure.

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## Benefits

To Aspen Skiing Company:

- Enhanced reputation among environmentally aware customers
- Improved profitability from cost-effective measures
- Higher staff morale by providing ways for members to improve their environment
- Improved ability to attract and retain quality staff in a competitive industry
- Expanded media coverage
- "License to operate," in the form of improved relationship with the community, local government, and regulatory agencies

To Local Communities:

- Improved local environmental conditions
- Opportunities to participate in decisions through the advisory group
- Reduced traffic congestion from private vehicles by providing bus passes to employees. Reduced impacts on local real estate prices via the provision of employee housing
- A potentially powerful partner in community sustainable development (i.e., SkiCo supports local affordable housing, mass transit, rail planning, etc.)
- An environmental resource for the community. (The Environmental Department gets many calls on a broad range of issues from the community.)

To Customers of Aspen Skiing Company:

- Better prospects for long-term sustainability of the resort as a desirable vacation destination. A good feeling about the company they are patronizing and a sense that they are doing the right thing themselves by coming to a green resort.



ASPEN SKIING COMPANY

For more information about Aspen Skiing Company, or for copies of their Sustainability Reports, contact:

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**Organizational Inertia**—Even in cases such as replacing inefficient light bulbs, which have a very high return on investment, managers may resist. For example, managers in the five-star Little Nell Hotel resisted replacing light bulbs in rooms because the light was not as flattering to guests. It took outside seed funding and careful applications in areas that would not adversely affect guest experience (such as lighting in the garage) to get management buy-in of the replacements.

**Difficult Tradeoffs**—The construction of the earthworks in lieu of building a snow mountain for the half-pipe clearly impacts the natural landscape. It is much less resource intensive over the long run, but some observers object to any modification of the natural landscape. Similarly, their exotic weed control program requires the judicious use of herbicides. Again, there is a net gain for native habitat, but some complain about any herbicide use. In short, much environmental progress falls in the “three steps forward, two steps back” category.

**Cost**—Not every environmental measure can be implemented at a profit. Some programs—such as environmental education, wind-power purchases, and use of recycled paper—simply cost more. It is sometimes difficult to create the political will for such programs in a challenging economic climate.

**Broader Economic and Social Context**—SkiCo has improved its environmental performance, but many of its impacts are essentially beyond its control. Many guests fly in from afar, consuming large amounts of jet fuel. By making Aspen a more attractive place to live and visit, the company also indirectly adds to pressures on housing prices and congestion. A fundamental question, therefore, is how SkiCo’s impacts would compare with alternative growth strategies, and how companies might mitigate some of these indirect impacts.



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#### About The Author

Ed Sanders is the Special Projects Director at the Center for Sustainable Tourism, Leeds School of Business, University of Colorado at Boulder. The Center for Sustainable Tourism advances the state of academic research on how to make tourism sustainable. It focuses and communicates the results of that research to make it as relevant as possible to businesses, planners, and communities in Colorado, the nation, and the world. It also helps students in the Leeds School of Business to better understand the challenges facing the tourism business in the context of broader sustainability issues, trains them for careers in tourism business management, and helps them find internships and jobs in the industry.

Photos: Rose Abello/Peter McBride/David Blehelt/Aspen Skiing Company

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#### About The Conference Board

The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. As a global, independent, public-purpose membership organization, we conduct research, bring executives together to learn from one another, convene conferences, publish information and analyses, make forecasts, and assess trends.

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#### About BEST

Business Enterprises for Sustainable Travel (BEST) is an initiative of The Conference Board, in association with the World Travel and Tourism Council. Support is provided by several foundations, including the Ford and Charles Stewart Mott Foundations.

BEST’s mission is to serve as a leading source of knowledge on innovative travel industry practices that advance community, business, and travelers’ interests.

*BEST Practices* highlights successful business practices drawn from BEST’s extensive and expanding database of the latest sustainable travel and tourism practices. If your company has practices that we should be aware of, please contact us.

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#### About the World Travel & Tourism Council

The World Travel & Tourism Council (WTTC) is the global business leaders’ forum for travel and tourism. Its 112 members are chief executives from all sectors of the industry, including accommodation, catering, entertainment, recreation, transportation, and other travel-related services. Its central goal is to work with governments to realize the full economic impact of the world’s largest generator of wealth and jobs—travel and tourism.

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