

Werbach at Wal-Mart?

Ex-Sierra Club head Adam Werbach is busy "greening" Wal-Mart. Some former friends and colleagues say it's rearranging deck chairs on the Titanic, but is it possible he's onto something?

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To say that Adam Werbach cultivates controversy is like pointing out that a roll in the grass pleases a dog. Already a budding environmental provocateur as a second-grader in Los Angeles, the young Werbach drew up a petition to get rid of James Watt, Ronald Reagan's troglodyte Secretary of the Interior, who never met a strip mine he didn't like. As the precocious 23-year-old president of the Sierra Club, he faced down a board of senior members to implement radical changes to attract a younger constituency. A few years ago, he gave an incendiary talk at the Commonwealth Club called "Is Environmentalism Dead?" which flagellated the green movement for its failure to conjoin the causes of social and economic justice with that of ecological activism. The speech prompted a raging debate among his peers that reverberates still.

But nothing in Werbach's short, iconoclastic life could compare with the tumult he engendered in 2005 when his San Francisco environmental consulting firm, Act Now Productions, took on Wal-Mart as a client. Excuse me, Wal-Mart? The sprawling retail behemoth that is reviled beyond all other corporate entities by the greenies? If Werbach had deliberately set out to enrage, one cannot imagine a more volatile consummation. "Adam has sold his soul!" blared the activist cadres. "It's the death of integrity!" thundered Werbach's erstwhile confreres, who lined up to condemn him for what was viewed as an act of craven hypocrisy, if not outright betrayal.

And, really, who could blame them? Hadn't Werbach for years served up Wal-Mart as the very simulacrum of predatory evil? In his 1997 book, "Act Now, Apologize Later," the company is mentioned derisively on the first page, and scathing rants about its colossal depredations follow. Wal-Mart is "a new breed of toxin," that could "wreak havoc on a town," he writes. Megastores such as Wal-Mart "bottom out prices, muscle out local businesses and eradicate local culture." He denounces the gargantuan empire for sucking

money out of communities, for paying employees poverty-line wages and for despoiling the environment. He quotes rabid anti-Wal-Mart agitators, one of whom calls the company a "disgusting" purveyor of low-quality junk, scornfully adding, "There's more to life than a cheap pair of underwear."

And now this dedicated young idealist, whose brilliant organizing talents had earned him leadership status in the battle to save the planet, goes and jumps into bed with the most despised enemy of all? "I have no idea what Adam believes anymore," fumed one community organizer. "It sounds like an Adam Sandler movie or something."

Today, Werbach is, if anything, less contrite than when he made his infamous alliance. Wal-Mart, he maintains, is not only sincere in its efforts to attain sustainability, but is uniquely innovative in its pursuit of that goal. Moreover, because of its size, even the most incremental improvements the organization makes result in enormous benefits for the environment. "But it's not just the small stuff they're doing, like changing the lightbulbs to CFLs," he says. "They've made vast engineering changes inside the company, and doing things like reducing packaging sizes, and enclosing the cheese displays to save energy. When you're the largest buyer of electricity in the country, that's a big deal."

But isn't that just bottom-line stuff? If Wal-Mart saves on energy, they make more profit. "Sure," says Werbach, "but the point is, they've committed themselves to the proposition that sustainability is profitable. For instance, these guys know more about the technology of fuel use in trucks than any environmentalist I know, because they know that if they save fuel, they save money - that's their calling. But if they're saving fuel across their entire fleet, think how they're shrinking their carbon footprint."

Werbach says he took on this challenge to have the opportunity to implement change on a scale few environmentalists will ever experience. "When Wal-Mart became the largest retailer in the world, they didn't understand the responsibility that came with it, or the attention they'd get by being that symbol. But now they've reinvented what is possible. Whether you love or hate Wal-Mart, it has done more for sustainability than any environmental organization I've ever worked for."

If that sounds like someone who has drunk the Kool-Aid, Werbach says his move to the Dark Side came only after an excruciating process of soul-searching. It all started when an energetic young Wal-Mart executive named Andy Ruben, who runs the company's sustainability program, called and asked him to lunch. Curiosity drove Werbach to accept, he says, even though his defense antennas were vibrating furiously.

"There was no question on my part that I'd ever take any money from them, but I had a good rapport with Andy, and he asked me some of the best questions I'd ever been asked, really challenging me. It was clear that he had kind of abstracted the whole environmental canon, and could talk the talk. He mentioned that they were already working with people like Paul Hawken and Jib Ellison, guys that I admire on the ecology

front, and he assured me that Lee Scott [Wal-Mart's CEO] was totally dedicated to the concept of sustainability."

Despite his resolve, he found himself intrigued. "Andy asked me things like, what would I do to make organic produce popular for their customers? Or if I thought there was a way to make sustainability something the whole organization cared about? I had no answers, but I began to think of the possibilities - even the scraps from the table would be huge. The Sierra Club's annual budget is \$90 million. One Wal-Mart store grosses \$100 million, and there are 4,000 stores! When you add up all the employees and the customers, somewhere between 10 percent and 20 percent of Americans have an intimate connection with Wal-Mart."

Still, when Ruben asked if he would work on a project to raise environmental awareness among the millions of Wal-Mart "associates," Werbach turned him down. He was suspicious that the company might try to exploit his reputation for PR purposes, and there were still areas where he felt Wal-Mart's record was reprehensible. "I said, you can't be sustainable if the people who work for you aren't treated well. And Andy said, I agree, we can do better, but go talk to them. Don't judge from San Francisco, go see for yourself. He said most of the associates were proud to work for Wal-Mart. And he said we'd also be reaching out to that huge customer base, since the customers look just like the people who work there."

To Werbach, there was a note of synchronicity in Ruben's line of reasoning. For years, he and his colleagues had lamented their failure to enlist the broader population in the fight against global warming. And now here was this Wal-Mart guy offering a perfect vector with which to penetrate the red states. And the numbers were staggering! Wal-Mart not only has more than 1.4 million employees on the payroll, the company gets some 127 million customer visits per week.

And so Werbach went to the hinterlands to see for himself, and the experience, he says, was transformational. "I was a typical San Franciscan, very disconnected from Middle America, and, I tell you, now I'm turned off when I hear people use the expression 'fly-over states.' I mean, I love my little Bernal Heights neighborhood, I love having Progressive Grounds Coffee right up the street, and all those things. But the thing that was most educational to me is that this isn't the dream everyone has. Democrats, Republicans, conservatives, it is America out there, and right now what they want is to have parking to do their shopping all in one place, to have strawberries for \$2 in February. And if the public demands, a retailer will provide. You say you hate Wal-Mart? Well, the American public has chosen this place; they like Wal-Mart a hell of a lot."

A further revelation awaited when he visited the company's headquarters in Bentonville, Ark. "There's definitely an ethos of frugality there, and they feel personally about saving people money, but the big surprise to me was that it's not just about money. In fact, if you want to get someone at Wal-Mart excited, talk about service. It's always part of the conversation there, being a good steward, rendering service."

So, he took on the job, and, predictably, all hell broke loose. "I got e-mails telling me that I'd put the final nail in my coffin, even warnings to, you know, watch my back. And then a few of our nonprofit clients quit us in protest. I was kind of disappointed in the personal way some people turned on me, but I remembered when I was at the Sierra Club that [former Sierra Club executive director] David Brower would always chide me to have courage, and that helped to push me through."

The first time I dropped by the offices of Act Now Productions, located in a renovated pie factory deep in the Mission, a field day was in progress. No phone calls or Black Berrys were allowed, so everyone could goof around and engage in some leisurely long-range thinking. "Adam had this day to sort of force us to relax," an Act Now "strategist" named Jamie Ostrov told me. "We work so hard, so many hours, that I guess he felt we'd never take any time off unless it was planned for in the schedule."

Ostrov had just returned from a trip to Wal-Mart headquarters, and she told me an amusing story about her first visit there. "I wasn't sure if there was any recycling in Bentonville, so when I was packing my suitcase to come back, I put in all the recyclable stuff that I had used there to bring back here to dispose of," she said. "You can imagine the reaction I got going through security when they found all this stuff. Now, when I go to the airport, they all recognize me. They call me 'Miss Recycling from San Francisco.'"

When I pointed out that transporting your dirty containers across the country might be considered, you know, extreme, she readily agreed. But it was an example of how everyone at Act Now tries to live the game they preach, she said, because it's so important to be a model for their clients. "We're painfully aware of the pollution caused by all the flying we do," she added, "but we do all we can to be carbon neutral, like staying in green hotels whenever we can, things like that."

I attended a meeting where team leaders made reports on current projects. Everyone sat on the floor or leaned against the walls, and it had the feel of a dorm party where all the smart, motivated kids showed up. In-jokes abounded. When somebody read off a list of potential clients - FedEx, Monsanto, the U.S. military, the evangelical movement, the trucking industry, yerba mate growers in South America - some of the suggestions got big laughs. Yeah, for sure, yerba mate, one guy said. We'll caffeinate the world.

Werbach sat on the floor with everyone else, saying little. But he was clearly the power center, and you could feel his hand on the tiller as he subtly guided the meeting. After hearing so much about the strong reactions he generates, I was surprised at how soft-spoken and low-key he is. There's no swagger to him, none of the slickness you might expect from someone who's accustomed to being the focal point of every room he's in. Still, he possesses a sort of muted charisma that clearly inspires those that work with him.

"His demeanor was one of the first things that drew me to him," says Andy Ruben. "At that first lunch we had in San Francisco you could have cut the tension with a knife, but he's a very respectful person, so it didn't get contentious. There's a quality of leadership there that you've just got to experience in person, and it has a lot to do with courage. At

some point I said, 'Adam, if we're going to work together, we can work it out so you get paid through some other consultancy to protect your anonymity.' He said, 'No, if I'm going to do it, I'm going to be out front. I do things I believe in, and let the chips fall wherever as long as I think it's right.' "

I asked Ruben if he'd been aware of all the derogatory things Werbach had said and written about Wal-Mart. "No, I really wasn't, I knew very little about that background," he said. "But, truthfully, it didn't matter. All I care about is getting the right people who can help us now. I had read his 'Environmentalism is Dead' speech on a plane from Bentonville to Chicago, and then Paul Hawken's book, 'The Ecology of Commerce,' from Chicago to London, and I thought, I've got so much education, and I have no idea of these things, what am I not seeing? And at about the same time Wal-Mart was having a similar wake-up. We realized that the most important business strategy we could be engaged in right now is going for full-time sustainability."

In "Act Now, Apologize Later," which was published in 1997, Werbach recalls that as a kid in the San Fernando Valley, he had to check the smog reports to see if it was safe to go out and play T-ball. When he later read that merely by growing up in Los Angeles he would suffer as much lung damage as a smoker, he knew something was terribly wrong.

His grandparents were emigres from the Soviet Union, and although his family wasn't particularly observant, he says he grew up culturally Jewish. He remembers being inculcated early on with the Hebraic maxim "tikkun olan," which means "repair of the earth."

In high school, he caught the activism bug by working to pass an environmental initiative called "Big Green," organizing some 300 fellow students to canvass door-to-door and man phone banks. When Big Green got trounced at the polls, he was crushed. But then his phone started ringing, with dozens of his recruits asking "What's next?"

What was next was a leadership training program for activist kids, which he persuaded the Sierra Club to fund. It was so successful that it was morphed into the Sierra Student Coalition, which eventually grew to a national membership of 30,000. While at Brown University, Werbach developed an SSC tactic called the "dorm-storm," which generated mass e-mailings in support of environmental bills in Congress. But the SSC was unsanctioned, and the Sierra Club became alarmed. Werbach was called on the carpet, and the group was threatened with disbandment. In a dramatic turn of events, the honorary president of the board, a Sierra Club icon named Ed Wayburn, stood to speak on Werbach's behalf, and the opposition crumbled. It wouldn't be the last time he'd be taken under the wing of an illustrious mentor. Two years later, when he successfully ran for Sierra Club president (the first one, as he says, for whom Pong was a life-changing event), it was the old "archdruid" himself, the legendary David Brower, who provided crucial support.

During his tenure, Werbach undertook the task of revitalizing the moribund grass-roots of the Sierra Club, criss-crossing the country constantly to visit local chapters. The

organization played an active role in such environmental actions as saving the American River from damming, preserving millions of acres of wilderness in Utah and securing funds for the restoration of Yosemite. Werbach also managed to skew the membership toward youth, reducing the average age from 47 to 37. For all that, when his term ended he was frustrated and depressed. "I thought I hadn't even made a dent, that the world is so despoiled what hope do we have?" he says. "I'd been outer-directed for so long that when I finally had time to mull over the state we were in, it really started to gnaw on me."

Later, he would pour his discontent into his seminal Commonwealth Club speech, but for the present, he had to make a living. On a rafting trip he'd met Todd Gold, the West Coast editor for People magazine, and together they decided to start a green-oriented consultancy.

Act Now Productions was not an immediate success. The field was new, and prospective clients assumed that what they did was essentially public relations. Werbach eventually attracted such corporate clients as General Mills, Proctor & Gamble and G.E., as well as nonprofits like the World Wildlife Fund, but it wasn't until Wal-Mart came lumbering through the door that the equation changed radically.

Almost overnight, Act Now grew from fewer than 10 employees to more than 40. "We made one hire for every 20 applicants," Werbach says. "The profile we were looking for was smart, committed people who were willing to drop everything and take a chance with us. Everyone we hired knew they could make a lot more money somewhere else.

One of the new hires was Lauren Van Hamm, whose resume includes being both a performance artist in New York and an ordained minister. Van Hamm was working as a chaplain at St. Mary's Hospital when she heard Werbach speak at the Commonwealth Club, and got excited by the vision he was articulating.

"The question Adam was asking was, 'What's behind Door Number Three?' " she told me. "He was saying that there is another way of accomplishing change, which is not based on which side you're on, because when you get down to it, these issues are things that all of us care about. The work I was doing before made me feel less connected to a solution, and I felt he was very much invested in finding solutions. I wanted to come work here because I saw it as an opportunity to do ministry on the level of planet care."

The new team members underwent an intensive "boot camp" where they learned how to run seminars and retreats. The crux of the program was a concept Werbach and a few others had created called "PSP," or "Personal Sustainability Promise," the goal of which was to get every Wal-Mart associate to commit to a behavioral change that would benefit the earth. It could be the decision to carpool, to plant trees, to eat organic food, to recycle - anything that might reduce pollution and waste and raise environmental awareness.

After testing the concept in 120 stores, Wal-Mart gave Act Now the green light to take PSP companywide. By now, virtually every employee has been approached, and the

response, Werbach says, has been remarkable. But the campaign has not been without its bumps.

"When we started we knew we'd come smack up against a perception barrier - all these bubbly young San Francisco environmental types coming in to teach the Wal-Mart people a thing or two. But our approach was to be very humble and open to ideas, and one of the things we had to learn is that sustainability is about the things that matter the most to them. I mean, when they're telling you what works for them, don't keep telling them no. That sort of became my theory of the year - the theory of the obvious. We go in there to teach, and we keep learning."

One miscalculation was a decision to separate the employees from the managers in the seminars. "We were sort of viewing them as oppressed workers, but they completely rejected that. Yes, they had complaints with management, it wasn't all beer and skittles, but they certainly didn't see themselves as oppressed, and it was a real comeuppance for us. We were dealing with interesting, complex, wise people, and they broke us open that way."

There were also pockets of resistance, places where the PSP idea simply failed to play. "Some store managers have been hesitant and balky," says Judah Schiller, one of the co-creators of the program. "And if they don't buy in, the word never trickles down. But you have to appreciate that each one of them is running a multi-million-dollar business, with 600 or 700 associates, and they've got a bottom line to deal with. They're under a lot of pressure, and when something new like this comes at them, it's like, 'What is this?'"

Schiller, who holds a law degree from UC Hastings College of the Law, says they knew they'd encounter people who couldn't be bothered with what they were selling. "There was always going to be that guy who says, 'I've got my cheeseburger, I just want to drive my truck,' but a lot of these people have Depression values - you just don't waste, you don't throw stuff away - and we found you could make it resonate with them on that basis. Also, a lot of them connected it to their religion, the idea that they're stewards of the earth. There were a lot of 'Aha!' moments where somebody would go, 'So *this* is sustainability.'"

Some environmentalists I talked to scoff at the PSP idea, arguing that Wal-Mart and Adam Werbach are fiddling while the globe burns. But, according to Andy Ruben, the program is having such a positive effect other large corporations (as well as Wal-Mart's suppliers) are beginning to follow suit.

"It's been awesome," says Ruben. "The awareness is definitely there now, and I'm so inspired by what our associates are doing. I wouldn't have believed that in two and a half years they would be talking about parts-per-million carbon counts, but so many of them are informed and deeply concerned. We never said we're trying to be the greenest company, just that we're trying to do better, and I think the associates are leading the way."

Still, many of Wal-Mart's critics regard all the company's talk of sustainability as little more than feel-good PR.

"Adam says that Wal-Mart is dedicated to making themselves sustainable, but he means they are in his little realm," says Carl Pope, president of the Sierra Club. "The real issue is the supply chain and the business model. How does a powerful business organization like that end up with shelves full of leaded toys from China? They announced a while ago that they were greening their supply chain, but the jury is in, they haven't done it."

So, does this make Werbach a hypocrite? "No," said Pope. "He's just putting his energies into an insignificant part of the problem. What good is it to change the consciousness of the associates if they're selling poisonous toys? Look, I give them points for their energy-saving efforts; it's good business sense to have efficiency, and it's admirable to reduce waste. But the supply chain is the most important issue, the low-price business model. I consider Adam a friend, but what he's doing is frivolous; it's rearranging the deck chairs on the Titanic."

For Al Norman, head of an outfit called "Wal-Busters" in Greenfield, Mass., the question is, why engage with Wal-Mart at all? "Adam wants to cage the beast, but I just want to slay it," says Norman, who's been fighting the company since 1993 when he campaigned to keep a store out of his town.

"I think Wal-Mart uses these environmentalists as tokens to shield themselves from criticism. They talk sustainability, but it doesn't mean walking with a light footprint to them, it means increasing their profits. These guys are an environmental tsunami; they're addicted to sprawl, and that can never be altered by changing the lightbulbs or recycling their aluminum cans."

But Werbach has his supporters, among the more prominent of whom is the noted author, environmentalist and entrepreneur, Paul Hawken. Hawken, who co-founded the successful gardening tool firm Smith & Hawken, acts as an occasional advisor to Wal-Mart, albeit an unpaid one, and he feels Werbach is getting a bad rap.

"For people to criticize Adam for working to bring the idea of sustainability to the heartland of the country, it's just not helpful," Hawken says. "What if he got 1.4 million people to really care deeply about global warming? What would you say then? I'm not trying to invalidate all the criticism Wal-Mart gets, but in this crisis we collectively face, being negative is not a winning strategy. The whole system is broken, and we've all got a moral charge to fix it. You say Adam Werbach is a sell-out? He's the opposite of a sell-out. He's right in there doing his work, and I say, Hurrah."

As for Werbach, he's certainly not unaware of the irony inherent in his becoming a Wal-Mart booster. "I think if you're going to solve the biggest problems on earth, you're going to have to embrace the apparent contradictions," he says. "I find myself now trying not to be so judgmental about what things should look like. Is Wal-Mart going to lead us to the Promised Land? Well, I see them offering the American consumer the opportunity to go

in that direction. This Fortune 500 company says we're going to build our business model around sustainability, and we're going to work hard to get our customers involved in it, and pretty soon, because of their scale, they've changed the whole idea of what the word means. Once we committed to this work, we found a lot of inspiration inside ourselves, and I think it's possible that many, many more people will, too."

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