



It's getting easier "bein' green" in industries from food service to manufacturing to everything in between

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With apologies to Kermit the Frog, it's a whole lot easier being green these days than it used to be. In industries from food service to manufacturing and everything in between, small and mid-sized companies are finding more reasons to adopt green initiatives of their own. The payoffs range from reduced costs and (potentially) increased profits to good PR and a boost to community goodwill. In some cases, no doubt, it's simply a matter of conscience on the business owner's part.

On a purely dollars-and-cents basis, oil prices flirting with \$100 a barrel in late 2007 provided incentive enough for many companies to get serious about energy conservation. Higher oil prices have a ripple effect that tends to push up costs for other energy sources, including electricity.

Business owners are getting additional encouragement on the legislative front, such as that from the Renewable Energy and Energy Conservation Tax Act of 2007 passed by the House in August (and awaiting Senate action at press time). Among other things, the bill increases development loans to companies for projects designed to reduce energy consumption by at least 10% and authorizes grants up to \$300,000 under the Small Business Sustainability Initiative to provide support to smaller and medium-sized businesses to improve environmental performance.

So far, giant companies, such as Wal-Mart, DuPont and BP, are getting most of the press in this area, and trend watchers such as Environmental Defense say that's helped push business, in general, past the tipping point when it comes to embracing green strategies. But make no mistake about it, going green is first and foremost a business decision for those companies. "We don't do things just to be good," Hewlett-Packard's vice president for Social and Environmental Responsibility stressed in a recent presentation. "We do things that make business sense."

It's easy for big companies to see benefits accrued from even small changes in energy usage, thanks to the economies of scale involved. The numbers may be less impressive on an individual basis for small and medium-sized companies collectively; however, the savings can add up quickly, since it is estimated that smaller companies consume more than half the commercial energy produced in the U.S.

Going green means different things in different industries, and various organizations have sprung up to help businesses take the plunge. For example, the U.S. Green Building Council (www.usgbc.org) provides research and guidelines for making buildings more environmentally friendly. The economic benefits include reduced operating costs, enhanced asset value and profits, improved employee productivity and satisfaction, and optimized life-cycle economic performance, the agency says. Companies in the food service industry can tap the Green Restaurant Association (www.dinegreen.com) for similar guidance, while IT companies can turn to the Green Grid (www.thegreengrid.org).

Making Your Business

Environmentally Friendly

So what does Alcan, BP, Continental Airlines, GE, Goldman Sachs, Honda, H-P, SC Johnson, top British retailer Tesco and Wal-Mart all have in common? Each of these leading corporations has made significant investments in programs designed to benefit the environment. And, they've all seen payback through lower energy costs, increased operational efficiency and reinforcement of their image as solid corporate citizens.

If you're considering taking steps to reduce your environmental footprint, here are several ways to start:

Assess your "energy hogs"

Talk to your people, especially those who manage your facilities, about the equipment, processes, supply chain and functions that represent the key energy users in your business. In the restaurant business, for example, refrigeration units are notoriously under maintained, which makes them energy inefficient.

Compare your sites

If you operate a multi-facility operation, a simple analysis of your sites' energy consumption on a square footage basis will yield valuable information. Dramatic differences in usage are telling. For example, it might be time to examine your lighting fixtures or perform maintenance, two of the most significant energy drainers for any business.

Do your homework/establish a baseline

In many states, it is likely that municipalities will lead the charge regarding the green regulatory environment. For example, you might expect to see city regulations come out stating that your emissions need to be reduced by 15% over a 10 or 15-year period. To get there, you'll need to track current emissions, which your utility may be able to help determine. Statistics on the emissions profile for any kilowatt used in an area are generally available. Direct Energy, for example, can match those to your usage history and determine your emissions. Talk with your local government and trade associations about potential regulations and what you should be prepared for in your region.

Talk to the experts

If you know what you want to do, talk to people who have done it before. They can recommend the best way to make smart changes, including the following:

- * Reducing emissions and creating sustainability through cost-effective measures such as adjusting thermostats by a degree or two, lighting and HVAC upgrades, and preventive maintenance on equipment.
- * Changing your energy mix to include renewable energy sources.
- * Developing a carbon footprint strategy that purchases high-quality offsets from verified projects geared specifically to reducing emissions. Becoming ecofriendly means different things to different businesses, but benefits are available for every company, and Direct Energy can help.

Stephane Kirkland is the vice president, Strategy and Marketing, for Direct Energy, Stamford, Conn.