



Five steps toward getting your environmental strategy green-lighted

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So you've decided to go green. Good choice, because with the vast majority of corporate America expecting to engage in green, it's a safe bet your peers and competitors are either doing likewise or about to. And considering the level of scrutiny real estate companies receive from investors, building occupants, lawmakers and consumers - not to mention the \$24 billion price tag on annual commercial real estate energy consumption - it makes sense to incorporate Earth-friendliness as a core business strategy element.

So how to get started? Here are some quick and easy steps:

Find out what you need Many real estate owners and managers don't know about such things as high-efficiency lamps with reduced mercury content, day-light harvesting ballasts, or green janitorial products. So, the sensible first step is learning how to develop green purchasing strategies. A qualified team of procurement experts, including those with LEED accreditation, can evaluate portfolio-level product usage. Building owners and managers gain alternative suggestions for lighting, janitorial and other supplies and their potential energy, waste and cost reductions through such assessments.

Revamp your purchasing process A common misconception about going green holds that upgrades involve tremendous capital expenditures with a relatively long payback period. Actually, plenty of green initiatives' payback periods are relatively short. Large capital expenditures aren't always necessary; simple approaches, such as building commissioning, which involves tuning the heating and air conditioning systems to operate in sync, might do the job. Other relatively small yet productive changes include obtaining high-efficiency lamps and roll towels.

Go paperless The days are numbered for the traditional costly, manual process of copying, mailing, and storing paper invoices associated with accounts payable and other functions. That's because top-line platforms available on the market automate the receiving, entering, coding and approval of invoices by converting them into electronic data and images. Cycle time improvements of 80% have been documented, and just imagine how much paper is saved.

Enlist your CIO As commercial real estate companies seek advantages amid intense global competition and rising stakeholder expectations, chief information officers have become catalysts for adopting leading-edge technologies that improve processes, attract prospects, enhance efficiencies and cut costs. Green strategies are no exception.

Continuously reevaluate Evaluating solutions and quantifying performance is a challenging but essential part of the green process. The key to success lies in continually benchmarking, evaluating, implementing, and reassessing. The best methodology for this process is a system of continuous incremental improvement. While most commonly applied to manufacturing environments, the philosophy of small incremental changes is easily applied to a green purchasing program as well.

The green payoff

In five years of higher-efficiency product selection purchases through opportunity assessments and online catalog purchases, a select client base reported energy savings of 283,694,325 kWh, energy cost savings of \$28,369,433, and carbon dioxide emission reductions of 394,902,500 lbs. - equivalent to planting 53,853 trees or removing 34,161 cars from the road - have been achieved over five years. These savings are just a fraction of the potential.

A few examples:

- * The relatively simple steps of installing longer-life lamps and ballasts in a large corporate banking company's branch locations produced \$8 million in savings over four years, plus a \$1 million annual net cost savings in energy and maintenance. Recycling old lamps and ballasts also prevented mercury leakage into the environment.

- * By realigning fixtures and reducing foot-candle levels from 100 foot candles to accepted IES standards, a 213,000 s/f manufacturing facility in Texas anticipates saving \$180,000 in electricity costs with a payback in 15 months.

- * By retrofitting their T12 lamps to high efficiency T8 lamps and upgrading their Mercury Vapor Technology, a 93,228 s/f multiuse facility in Illinois expects savings of \$26,000 with a payback in 10.5 months.

- * Swapping paper towels for hand dryers in an 83-floor, 2.6 million s/f Chicago building's 332 restrooms will keep 48 tons of physical waste out of landfills and save \$350,000 over five years.

Implementing a green strategy offers a compelling way to improve economic, social, and environmental sustainability across your entire portfolio. And it doesn't have to be difficult - just make some relatively simple changes to the procurement process, and you'll reap immediate and ongoing benefits. You'll have plenty of expert help as you continue your green journey, and the results may amaze and delight all of your stakeholders.

Tom Forshee is director of sustainability and project operations for SiteStuff, Inc., Austin, Tex.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540