

Setting up a Successful Corporate Sustainability Plan

By Jay Zoellner & Bruce McLeish

ACCORDING TO THE UNITED NATIONS COMMISSION on Sustainable Development, sustainability is defined as: “meeting the needs of the present without compromising the ability of future generations to meet their own needs.” The online Merriam-Webster dictionary defines it as either “of or relating to, or being a method of harvesting or using a resource, so that the resource is not depleted or permanently damaged;” or “of or relating to a lifestyle involving the use of sustainable methods.”

With the threat of global warming and a potential world energy crises on our hands, sustainable methods are, perhaps, more important than ever before. Efforts to conserve energy and reduce, re-use, and recycle aren’t just happening in many homes and residences to lower electricity bills and to help better the environment, but are also becoming commonplace in many workplaces.

Commercial and industrial organizations, however, often face challenges when formulating and implementing a corporate sustainability plan of their own. These challenges can include cultural, informational, and resource barriers. Proven best practices, such as large-scale enterprise energy management systems, can help to overcome these obstacles and support the effective implementation of organization-wide sustainability plans.

Cultural barriers

Large-scale organizations already stretched thin on time and resources can experience conflicts between corporate and plant-level objectives. At the management level, increasing energy efficiency, reducing greenhouse gas emissions, complying with regulations, and measuring and reporting to approved standards may very well be priorities. Conversely, at the plant level, where maintaining production schedules and quality are paramount, the additional time and resources often required to meet sustainability objectives can present a dilemma.

To overcome these challenges, top performing companies understand the importance of focus, culture, and organization with regard to implementing sustainability programs, and they take specific steps to address them.

Companies formulating a sustainability action plan can benefit from implementing the following measures...

- **Communicate wisely.** If energy is to be viewed as a vital resource, one that’s to be managed for a return on investment, this message of sustainability needs to be a clear one—so everyone in the company is well-versed and on the same page.
- **Goal set.** To ensure efficient use of energy and resources remain a priority, successful companies make it a core business strategy, establishing realistic, quantifiable goals.
- **Develop a plan.** Involving both parties (headquarters and plant-level personnel) in the development of a Corporate Sustainability Plan, allows for the alignment of objectives from both sides.
- **Allow for differences.** It’s important to understand that goals must be set up individually for different plants as formalized metrics, with sustainability tied to performance and operations objectives at all levels.
- **Track progress.** Include a common measurement metric that’s understood throughout the organization, and that ties back to the bottom line (such as energy cost-per-unit or production).
- **Reward success.** Not only should a system for consistent monitoring be implemented, but also one that acknowledges progress and rewards success.

Informational challenges

Comparable to any corporate-wide initiative, a sustainability plan requires careful and thorough planning to be executed effectively. Creating a good plan that delivers significant and ongoing energy reductions requires a solid knowledge base, as well as:

- A centralized view of energy usage, enterprise-wide, down to the sub-system level;
- Upfront financial data on what efficiency projects will cost, and the projected return on investment (ROI);
- An automated structure to measure, track, and maintain energy savings; and
- An ability to quantify payback.

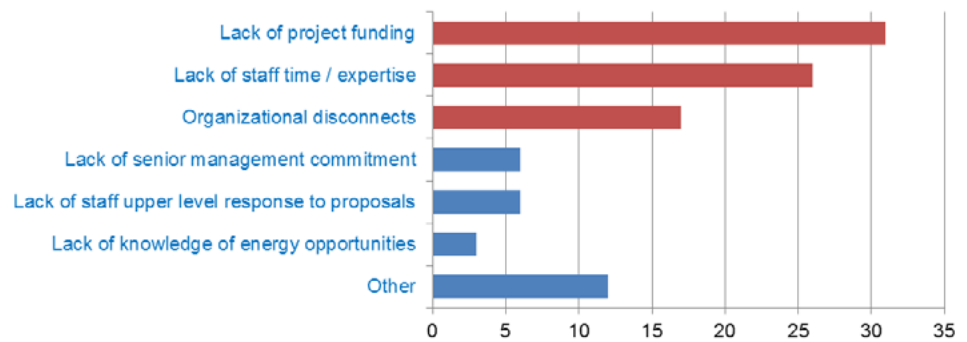


Figure 1. A survey of manufacturers demonstrates the greatest challenges to implementing energy efficiency strategies (Source: Pew Center on Global Climate Change; www.pewtrusts.org | www.c2es.org)

Companies should already be collecting and auditing the available data on their utility bills. However, the typical data contained in these bills doesn’t help with quantifying energy usage at the sub-system level, or in real-time. Even basic information systems, tied to individual rooms or pieces of equipment at a plant, don’t usually provide enough information to properly calculate a company’s bottom line.

Three keys for overcoming informational barriers are to: 1) Develop a common corporate energy language as part of a Corporate Sustainability Plan; 2) Know where energy is used across the entire enterprise; and 3) Understand how to calculate or translate it into the corporate energy language.

Implementing these best practices include:

- The use of an automated energy data collection system to provide visibility throughout the enterprise, enabling users to easily compare usage across systems and plants;
- Automated data collection that strengthens continuous monitoring capabilities, allowing companies to maintain and enhance their energy efficiency and savings programs over time; and
- The use of tools within an energy and carbon management system, such as dashboards, alerts, event management, and analytics is another common practice. These features permit organizations to understand and act on critical information to reduce energy usage and carbon emissions in real time.

A quality, enterprise-wide energy management system goes beyond just information. It provides “Energy Intelligence,” by transforming a broad spectrum of data into targeted, functional information. It further offers a real-time view into energy usage, cost, and carbon emissions during different production shifts at different times and days, across the enterprise, and down to the sub-system level. With the right information, companies can impact process relationships, more optimally allocate resources, and make better energy management decisions to achieve maximum efficiency—and achieve their sustainability goals.

Resource management

Many companies cite a lack of funding for projects as the greatest challenge they face when attempting to implement energy efficiency measures. Almost as prevalent is the lack of time or expertise within the organization to develop projects.

One solution is to outsource this process. A third-party provider can provide a macro-level or targeted understanding of monthly energy costs and usage, as well as recommendations for conservation. Additionally, they should be able to offer a number of additional services, such as bill payment, budgeting, accrual reporting, utilities-based carbon reporting, and technical solutions.

Installing automated energy and carbon management systems is also a means of tracking energy consumption, greatly reducing the amount of time required to oversee and implement sustainability programs. Intelligence energy solution can even identify the projects with the highest potential of energy savings, quantifying the ROI and payback period for these projects.

From addressing cultural and informational barriers to finding and allocating resources for proper energy management, ultimately, a combination of practices and solutions are required to develop a successful sustainability plan—especially one that everyone in a company buys in to. From the perspective of the environment and future generations, however, it would seem such efforts are well worth the time and resources.

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