

Building an Energy Reduction Plan

By Jason Bader, Managing Partner
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Every one of us has been inundated with the green movement. Clean diesel, hybrid, solar panels, oh my. We are seeing products from our manufacturer partners claiming to address the energy friendly environment of this decade. Many of these products are nothing more than the same items with a new marketing scheme. If they can fetch another nickel or two, who are we to complain? With many building sites shooting for the coveted Leeds designation, we will be seeing more and more products repositioning themselves as environmentally friendly.

The real question of the day is – how green are we? Many of us would like to find ways to improve our conservation practices, but we have to weigh the practical applications in a distribution environment. The distributors I speak to are interested in doing something. The problem begins with time. How do we carve out the time to come up with a plan to make our company more energy efficient and environmentally conscious? Where do we begin and who has the time to do the research?

As I travel around the country, I have the opportunity to view several different distributor operations. I have noted many interesting energy saving ideas, particularly around lighting, plumbing and HVAC. Many of them used sensor technology to monitor usage. The key is that these are not expensive new technologies. Many of the items have been available for the past decade. They have finally become mainstream enough for the investment to be reasonable.

The most obvious area is to look at your lighting usage. I have a client who recently changed the lighting in his 60,000 sq. foot warehouse. He was using the old high bay lights, that seem to take forever to warm up, that many of us have in our buildings. He replaced them with higher efficiency fluorescent lighting. In addition, he put motion sensors on the rows that receive less traffic. By the way, adding sensors to your bathrooms and other infrequently occupied rooms works very well. Essentially, his slower moving rows are only lit when someone is working in them. He figures that they will reduce their energy consumption enough to pay for the upgrade in a few months. Now there is little green for you.

Take a look at the plumbing side of the facility. Do we still need faucets that manually turn on and off? I have seen a few distributors add motion sensors to the bathroom faucets and other fixtures to help monitor water flow and promote a cleaner workplace. Again, none of this stuff is bleeding edge technology. Most contractors are very familiar with these devices.

Heating and air conditioning make up a significant part of your energy bill. Where can you make changes to reduce usage? Is your office area properly insulated? Think of that office like your home. Are your windows up to par? Many of us are still living with old single pane or poorly hung windows. Think of the escaping AC like dollars blowing out the window.

In my last article, I talked about the inefficiencies associated with branch transfers. Let's face it, fuel costs are not going down anytime soon. Yes, you may see a little token relief at the pump, but diesel at \$3.00 per gallon is a distant memory. Take a hard look at how we are operating our

own fleet of vehicles. Are we running the most efficient routes possible? Years ago, my company began running night deliveries. The highways were free of congestion and we were able to cover more ground in a shorter period of time. Think about your delivery vehicle stuck in traffic around 3PM today. How much fuel, and time, are they wasting?

Now that I have your wheels churning, how are you going to get started looking for ways to save energy in your company? Here is the kicker, you don't have to. If you are like me, I always think I have to be the change agent in my company. While that may be true to some extent, I don't have to do the heavy lifting. I just need to set the task in motion. In order to tackle this problem, you need to turn it over to the employees.

I was talking to my neighbor a few months ago about energy efficiency and warehousing. He is retired and I am a consultant. Needless to say, we have time to talk. He was a plant engineer in a mill and they ran up against rising energy costs. It got to the point that the owners were questioning the viability of remaining open. Rather than shut down the plant, and put a lot of folks out of work, they decided to come up with as many ways to save energy as possible. They simply held an employee contest. Everyone was eligible and the prize was something simple like a gift certificate to a local steakhouse. The owners really didn't expect much, but they decided to give it a shot. At the end of the contest, they wound up with over 50 viable solutions to save energy. When all the measures had been put in place, they were able to reduce their energy consumption by 40%. For those of you who know what it takes to run a lumber mill, we are talking about some serious coin.

Beyond the savings, the employees rallied around an idea where they could contribute. Once they saw the solutions being implemented, there was a renewed sense of pride in the facility that they helped change. Some of the solutions took a little longer to pay for, but a majority of them were low cost, high impact solutions. The owners of this mill were able to tap into the collective creativity of their employees.

I want you to come up with your own green facility challenge. Gather the troops and lay out the parameters of the contest. Run it for 30 days. I would like to see some form of recognition for everyone who submits an idea. The top 10 ideas get an additional day of paid time off. The winning idea may pick up an additional week of time off or a \$250 gas card, or both. Have fun with this one. The most important thing is to not let the ideas die on the vine. Implement the solutions as quickly as possible. Show the team that you value their work.

Beyond the reduced energy costs, you can also look into tax incentives. Many states, and the federal government, provide incentives to make green improvements to your facility. Talk with your contractors. Many of them will be familiar with the programs.

As distributors, we are challenged with rising costs and shrinking margins. We need to view our operating expenses as an untapped field of cash reserves. Comb through your operation and find the places where money is leaking out. Energy consumption is just one good place to start. Good luck.

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