Chapter 1 ~
Strategy: Building a Sustainability Plan

by Edie Fee
Partner, iNPOINT Advisors
We’ll discuss ….

• The purpose of a Sustainability Plan and its value to your organization
• How to implement a Sustainability task force within your organization
• Some quick tips on actions that you can take to get some short term cost savings
What is a Sustainability Plan?

- An approach for evaluating all of the activities in an organization based on their impact on the people in the organization, the profitability of the organization and the environment
- An enterprise-wide undertaking
- A living plan that’s re-evaluated annually
The Triple Bottom Line

Evaluate every decision by

- Its impact on the people in the organization
- The affect it will have on short-term and long-term profitability
- The ability to sustain or improve the global environment
What is the value to your organization?

- Decisions are not made in a silo
- Decisions are not based on short term
- Decisions support the long term sustainability of the organization
- Resources are allocated on a consistent basis
- The plan changes as conditions change
Model for developing your plan

Identify cost saving ideas
- Form a Cross functional team
- Get a management champion
- Define criteria for ideas
- Generate potentially cost-saving ideas

Evaluate Ideas
- Conduct first level evaluation based on quickest benefit to the organization
- Evaluate the business case

Develop Sustainability Plan
- Develop a “Sustainability Plan” based on the business cases
- Present recommendation to management
- Based on budget approval level, develop implementation plan
Your Sustainability Task Force

• Your role will be to facilitate the formation of a cross-functional team of people who “know” the organization

• Start with your own sphere of influence and expand as opportunity presents itself

• Select people who are “connected and engaged” within the organization – people will listen to them and give them feedback

• Select people from all levels in the organization – this is merely an advisory group
Who’s involved

Start with representatives of organizations who are willing to participate; add as interest develops
<table>
<thead>
<tr>
<th>Week</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1</td>
<td>Introductory Meeting</td>
</tr>
<tr>
<td>Week 2</td>
<td>First idea list, Brainstorming</td>
</tr>
<tr>
<td>Week 3</td>
<td>Continue brainstorming, Add ideas</td>
</tr>
<tr>
<td>Week 4</td>
<td>Evaluate ideas against criteria, Develop list of top XX, Assign ideas for evaluation</td>
</tr>
<tr>
<td>Week 6</td>
<td>Further review of ideas, Assign responsibility for business case development</td>
</tr>
<tr>
<td>Week 10</td>
<td>Review Business cases, Develop Cash Flows</td>
</tr>
<tr>
<td>Week 12</td>
<td>Review updated business cases, Develop preliminary Plan</td>
</tr>
<tr>
<td>Week 13</td>
<td>Develop Plan document, Circulate for feedback</td>
</tr>
<tr>
<td>Week 15</td>
<td>Review feedback, Update Plan</td>
</tr>
<tr>
<td>Week 16</td>
<td>Management champion presents plan to decision makers</td>
</tr>
</tbody>
</table>
Groundrules

Every project needs to be evaluated by a consistent set of ground rules

• Have a payback that exceeds the cost to implement
• Produce a payback in less than 2 years
• Up-front cost less than $10,000
• Continue to accrue benefits for more than 5 years
• Not violate any of your contractual agreements
• Have the approval of your landlord
• Have approval by all affected departments prior to implementation
• (for ideas related to energy/water usage)
Reduce the amount of energy/water usage from current levels
Evaluating projects by payback

<table>
<thead>
<tr>
<th>Idea 1 - Quick Payback</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$(2,000)</td>
<td>$(500)</td>
<td>$(500)</td>
<td>$(600)</td>
<td>$(700)</td>
<td>$(800)</td>
<td>$(5,100)</td>
</tr>
<tr>
<td>cumulative cost</td>
<td>$(2,000)</td>
<td>$(2,500)</td>
<td>$(3,000)</td>
<td>$(3,600)</td>
<td>$(4,300)</td>
<td>$(5,100)</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td></td>
<td>$4,000</td>
<td>$3,000</td>
<td>$3,200</td>
<td>$3,400</td>
<td>$3,600</td>
<td>$17,200</td>
</tr>
<tr>
<td>Cumulative Savings</td>
<td></td>
<td>$4,000</td>
<td>$7,000</td>
<td>$10,200</td>
<td>$13,600</td>
<td>$17,200</td>
<td></td>
</tr>
<tr>
<td>Cumulative benefit</td>
<td></td>
<td>$1,500</td>
<td>$4,000</td>
<td>$6,600</td>
<td>$9,300</td>
<td>$12,100</td>
<td>$12,100</td>
</tr>
</tbody>
</table>

Payback (years) | NA | 0.63 | NA | NA | NA | NA | 1.48 |
Payback (months) |     | 18   |    |    |    |    |      |

Where the cumulative benefit turns positive, this is the (cumulative benefit / cumulative savings) plus the number of prior years.

This is a better metric when the costs and savings vary each year; but reflects straight line costs and savings.
Initial Evaluation Matrix

<table>
<thead>
<tr>
<th>Implement Immediately</th>
<th>Consider for Future Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Worth the Effort</td>
<td>Forget about it</td>
</tr>
</tbody>
</table>

Effort to Implement
Savings
for each box, compare the idea with the top number to the idea with the lower right number. Circle the preferred idea of the two.

Item #
enter the number of times that the item # was circled

Rank: the highest number entered is #1, 2nd highest is #2, etc.

This becomes your priority list
Quick hit ideas: Low hanging fruit

- **Lighting** – change out all bulbs to T8
- **HVAC Maintenance**; change out filters; insert filter sensors
- **Faucets** – replace to low flow
- **Motion Sensors** – use for all lights
Quick Hit Ideas: Quick Payback

- Convert to daylight cleaning
- Change temperature settings; higher in summer, lower in winter
- Install Waterless urinals
- Recycle/shred to reduce waste hauling
Quick Hit Ideas – need to involve others

- Eliminate personal printers
- Adopt policy to turn off all equipment at night
- Use recycled paper
- Eliminate inventories of office supplies
- Eliminate warehousing
Quick Hit Ideas – for future consideration

- Implement Computerized Maintenance Management (CMMS)
- Outsource Landscaping
- Eliminate or Outsource Fleet
- Reduce building operating hours
- Increase number of HVAC zones; provide individual controls
Where should you begin?

- Start within your own organization
- Get management commitment
- Ask management to help you get a management “Champion”
- Invite other departments to participate
- Include others as projects affect them
  - HR will need to be involved with office hours
  - Legal will need to be involved in contracts
  - Finance may need to help with cost/benefit analyses
Challenges for tenants

• You are constrained by your lease related to CAM charges
• Discuss options with Landlord
• Use Model Green Lease* as model for future lease negotiations
• Meet with other tenants to apply pressure to landlord to introduce energy saving ideas

• [URL] www.squarefootage.net/TMGL.html
In Summary

- Start within your sphere of influence
- Get a management champion
- Add others as opportunity presents itself
- Track all metrics; promote successes
- Refresh the plan annually
This was just Chapter 1 – more great ideas in the book
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