Energy on the boardroom agenda

Making a corporate commitment
Energy on the boardroom agenda

Environmental pressures and new regulations are changing the way in which companies do business. Whilst the traditional motivator - cost benefits - still holds good, growing concern about climate change, air pollution and depletion of non-renewable resources has provided a new impetus for prudent management of energy consumption. Consumer discrimination on environmental criteria is driving far reaching transformations in industry.

Your response to environmental pressures could impose additional costs on your business. But leaders in environmental management have found that reducing the environmental impact of their operations creates significant savings.

Energy management and the benefits of a strategic approach

All organisations that consume energy have an impact on the environment, and contribute to global warming.

Energy consumption may represent one of your main environmental impacts, and effective energy management is an obvious priority for environmental improvement. Improving energy efficiency is most likely to provide you with one of the most visible returns on your organisation's investment in environmental protection - increased profitability.

Despite good intentions at the outset, many organisations find that their energy and environmental management initiatives or programmes soon falter or lose direction. Your management programmes will only succeed in delivering sustainable performance improvement if you give a clear sense of direction, and provide a strategic overview of the process of achieving improvement. The strategic approach developed under the Best Practice programme tackles energy and environmental management in five simple and logical steps, intended to keep your management process on track.

- Companies which succeed, in the new age of energy and environmental awareness, are those which prepare a strategic response to environmental challenges, and put environment on the boardroom agenda.
- Keeping up momentum with a strategic energy and environmental management programme will bring real benefits to business, through contributions to the bottom line, and to the organisation's all-round competitive advantage.
Five steps to effective energy management

The five step approach to energy and environmental management provides a guide to achieving your organisation's strategic goals

Top level commitment

Place energy management on your boardroom agenda, and emphasise your commitment by underlining the real contribution of energy efficiency to:

- Increasing company profits;
- Improved efficiency;
- Social responsibility and awareness;
- Total quality;
- Reduced environmental impact;
- 'Setting an example'.

Understanding the issues

Consider your current energy management performance, in its broad context:

- Obtain a full report with useful and concise key data;
- Analyse stakeholders' needs (customers, investors, tax payers, employees, the community); and
- Identify barriers to progress.

Planning and organising an effective programme

Develop an energy and environmental policy with objectives and targets. Use it to create detailed action plans and to allocate actions to the appropriate people. Build in monitoring procedures.

Implementing the programme

From your action plans:

- Give priority to actions which
  - yield a positive outcome
  - support long-term objectives
  - create a supportive climate to help programmes to flourish.
- Raise awareness of issues at all levels of the organisation and disseminate no more than simple technical summaries to:
  - build greater understanding of the importance of energy efficiency
  - focus attention on key issues
  - create a sense of ownership.
- Ensure that the different business processes and management functions are all involved.

Five key questions for your company's energy management report

How do energy costs affect your profitability?

Energy cost savings can increase profits substantially. What extra sales would you need to produce the same increase in profit as a 10% energy saving?

How 'green' is your organisation?

From local pollution to global warming, define the key factors affecting your environmental performance and the pressures this places on you.

How comprehensive is your energy policy?

Does it show the commitment of top level management, the broad objectives, the long-term goals, responsibilities for its implementation and procedures for review?

How is your energy management structured?

Energy management must extend beyond technical staff into routine managerial decision-making across your organisation.

What resources have you allocated?

Are energy management activities sufficiently staffed? Is investment in buildings or plant made at cost-effective times and in the most cost-effective manner?

Controlling and monitoring

Monitor your programme as part of the systematic approach to energy and environmental management to:

- review performance;
- identify further cost reduction opportunities; and
- achieve continuous improvement.
Your next steps

Step 1 Commitment

Put energy management regularly on your boardroom agenda, and join the Department of the Environment's Making a 'Corporate Commitment' campaign.

The campaign provides the ideal platform for demonstrating total commitment, asking you to:

Step 2 Understanding

Obtain a report on and review your organisation's current level of energy efficiency;

Step 3 Organising

Assign responsibility for developing an action plan and an investment strategy for immediate improvement of your energy performance;

Step 4 Implementing

Outline recommendations for the future development of your energy policy, detailing those responsible; and

Step 5 Controlling

Monitor progress by concise and clear reports for the regular energy management item on your boardroom agenda.

Further advice

The 'Corporate Commitment' campaign brings you closer to the free, authoritative and impartial advisory services available from the Department of the Environment's Energy Efficiency Best Practice programme.

The programme can help you to understand, organise, implement and control the energy efficiency strategy for your buildings or industrial processes, through literature, workshops and seminars.

If you would like one-to-one guidance, our regional energy advisers stand ready to make site visits at no cost to your organisation.

For further details, ring the numbers below

MACC campaign 0171 276 4613

Energy Efficiency Best Practice programme

Buildings BRECSU - 01923 664258

Industrial processes ETSU - 01235 436747

Regional advisers 0171 276 6200