“Business Drivers and the EnMS” Resource Sheet

|  |
| --- |
| **SOCIAL BUSINESS DRIVERS and the EnMS** |
| Social pressures can be as daunting as financial and legal issues for an organization. An EnMS can help address social issues as well as provide evidence of an organization’s efforts to do so. Many public concerns are related to environmental issues, but there are others that are important. Some of these may include:   * Climate change (e.g. emissions/carbon footprint/greenhouse gases) * Alternative energies (e.g. solar, wind, thermal, hydro, nuclear, biomass) * Natural resource depletion * Environmental stewardship * Energy conservation * Energy waste * Ethics, values, principles * Triple Bottom Line * Sustainability   Pressures can be exerted by local communities, trade associations, environmental groups, government entities and employees, just to name a few. An organization should identify the relevant issues and use their management system processes to minimize negative impacts and communicate the positive efforts being made to address them. |
| **EXTERNAL BUSINESS DRIVERS and the EnMS** |
| External drivers are typically outside the organization’s control. There are many external groups or stakeholders that could have an interest in the organization’s energy activities and help drive the organization’s direction. Their interest could be reflected through financial, legal or social drivers. The external groups that have or can have an impact on the organization can be identified, and appropriate procedures and communication channels installed to address the needs and interests of these groups relative to energy use and efficiency. An EnMS can help with addressing these needs and interests.  Some of the influencing groups could be:  **Stockholders** – Obviously, stockholders are interested in the profitability of the organization and in measures that reduce costs. They are also interested in the business operating legally and addressing relevant social issues, and they expect to be provided a measure of assurance of the business’ long term viability.  **Lenders** – Lenders want their money back with interest. An EnMS is a tool for the organization to address continual improvement thereby improving profits and efficiencies and enhancing long term existence.  **Customers** – Customers want the best return for their dollar. Reducing costs and improving efficiencies allow products and services to be offered at the lowest price with less waste, thus providing the best value to the customer and improving the organization’s competitiveness. The continual improvement component of an EnMS can help an organization improve efficiencies and reduce costs.  **Suppliers** – An efficient supply chain is important to competitiveness. An important component of supplier selection and maintenance is a commitment to continual improvement including energy efficiency. An EnMS can help with supplier selection. The presence of an EnMS would be one indication of a supplier’s commitment to energy efficiency improvement.  **Public** –The public in general as well as many public groups can be drivers for an organization’s operation. Both can provide pressure relative to emissions reduction, resource conservation, alternative fuels, and the like. Public utilities can impose requirements that must be addressed. An EnMS can help an organization address these issues and provide evidence of its efforts. Examples of public interested parties are:   * Neighbors * Community * Utilities * Schools * Environmental groups * Trade associations * Development organizations   **Government** – An EnMS can help an organization address existing regulations and plan for future government regulations. It provides the system to help the organization identify and address relevant government codes and laws. Some examples of governmental interested parties are:   * U.S. Department of Energy * U.S. Environmental Protection Agency * Department of Natural Resources * Building code enforcement offices * State Energy Office * International regulatory agencies |
| **INTERNAL BUSINESS DRIVERS and the EnMS** |
| There are also internal business drivers that impact an organization’s strategy and drive its business needs. Internal drivers are generally controlled by the organization and reflect the need of an internal stakeholder, but can be a response to an external driver. These drivers are identified to address internal needs and interests relative to energy use and efficiency.  Relevant internal drivers can include:  **Employee satisfaction** – Employees want to do a good job and operate in a good working environment. Improving energy efficiency makes the process more efficient and can result in an improved operating environment by reducing heat, exhaust and waste levels.  **Productivity** – As operations are improved and less energy is required, they become more productive. Productivity is output over input; as output increases or input decreases, productivity is improved. An improved working environment promotes higher employee morale, increased output relative to input, and improved operational control. Examples of energy efficiency changes that can result in improved productivity include:   * Efficient energy procurement practices * Improved capacity utilization * Process and equipment efficiency improvement * Fuel burning and utility equipment efficiency improvement * Combined heat and power * Waste heat recovery * Automated control systems * Monitoring equipment improvement * Reduced backup with better reliability * Improved employee environment   **Technology** – Advanced technologies are typically more energy efficient and may improve a process or operation. In addition to improving efficiency, advanced technologies can also result in improved operational flexibility and better control.  **Maintenance** – Regular maintenance is critical to maintaining equipment operating efficiency, which results in peak energy efficiency. It also promotes improved reliability, better schedule adherence, better utilization, and extended equipment life.  **Organization development goals** – Strategic goals by the organization to be the best, the first, the most efficient, the biggest producer, etc. drive the organization to include energy efficiency as a component of their management system. Financial, legal and social drivers all play into the organizational goals and the role energy efficiency plays in addressing those drivers should be addressed.  Identify the relevant internal drivers and determine how they interface with the organization’s energy management and energy performance. Use this information to support the business case for EnMS implementation. |