

## Five steps toward getting your environmental strategy green-lighted

September 05, 2008 - Owners Developers & Managers

So you've decided to go green. Good choice, because it's a safe bet your peers and competitors are either doing likewise or about to. And considering the level of scrutiny real estate companies receive from investors, building occupants, lawmakers and consumers—not to mention the \$24 billion spent annually on commercial real estate energy consumption—it makes sense to incorporate earth-friendliness as a core business strategy element.

As with any business activity, instilling environmental sensibilities into your product purchases requires gaining a clear understanding of what's needed, measuring results, and seeking continuous improvement.

Here are some quick and easy steps to get started:

**Find out what you need:** Many real estate owners and managers don't know much about high-efficiency lamps with reduced mercury content, day-light harvesting ballasts, or green janitorial products. So, the sensible first step is learning how to develop green purchasing strategies. A qualified team of procurement experts, including those with LEED accreditation, can evaluate portfolio-level product usage and offer suggestions.

**Revamp your purchasing process:** A common misconception about going green holds that upgrades involve tremendous capital expenditures with long payback periods. Actually, plenty of green initiatives pay back in three years or less. Large capital expenditures aren't always necessary; simple approaches, such as obtaining high-efficiency lamps, are also effective. A standardized offering of green operating supplies also eases the purchase of eco-friendly maintenance, repair and operating supplies.

**Go paperless:** The days are numbered for the costly, manual process of copying, mailing, and storing paper invoices associated with accounts payable and other functions. That's because top-line platforms available on the market automate the receiving, entering, coding and approval of invoices with a central processing facility that converts them into electronic data and images. Cycle time improvements of 80% have been documented, and just imagine how much paper is saved.

**Another paper-free option,** portals, supports green initiatives by letting you eliminate costly storage and distribution of property management documents. Lease-specific documents can be uploaded securely for access by authorized users; tens of thousands of investors can receive financial reports online.

**Enlist your CIO:** Chief information officers have become catalysts for adopting leading-edge technologies that drive green strategies. Uniting disparate property management systems, including those that minimize paper, will become an increasingly important part of their job.

**Continuously reevaluate:** The best methodology for this process is a system of continuous improvement. While most commonly applied to manufacturing environments, the philosophy of small

incremental changes also applies to green purchasing.

The green payoff: In five years of higher-efficiency product selection purchases through opportunity assessments and online catalog purchases, a select client base reported energy savings of 283,694,325 kWh, energy cost savings of \$28,369,433, and carbon dioxide emission reductions of 394,902,500 lbs., equivalent to planting 53,853 trees or removing 34,161 cars from the road, have been achieved over five years. These savings are just a fraction of the potential.

A few examples:

\*A large corporate banking company with more than 3,000 branch locations sought to reduce its multimillion-dollar utility expense tab. The relatively simple steps of installing longer-life lamps and ballasts produced \$8 million in savings over four years, plus a \$1 million annual net cost savings in energy and maintenance. Recycling old lamps and ballasts also prevented mercury leakage into the environment

\*By realigning fixtures and reducing foot-candle levels from 100 foot candles to accepted IES standards, a 213,000 s/f manufacturing facility in Texas anticipates saving \$180,000 in electricity costs with a payback in 15 months

\*Swapping out paper towels for hand dryers in an 83-floor, 2.6 million s/f Chicago building's 332 restrooms will keep 48 tons of physical waste out of landfills and save \$350,000 over five years

Implementing a green purchasing program provides a useful framework for achieving economic, social, and environmental sustainability across an entire portfolio of buildings. This course of action can be powerful yet uncomplicated—all it takes is the simple addition of a few product changes in the decision-making process, and the results will truly amaze your organization.

Tom Forshee is director of sustainability and project operations at SiteStuff, Austin, Tex.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540