

GAIN BY REDUCING YOUR USE OF MATERIALS, ENERGY AND WATER



This is one of a series of +points on The Journey – a route map designed to help you build a business that people value. Check out other +points on www.smallbusinessjourney.com.

WHAT'S THE POINT?

You CAN cut costs, and contribute directly to your bottom line, by making better use of resources such as raw materials, energy and water.

WHY?

- Reducing resource use brings immediate cost savings and increases profitability.
- A 20% saving in energy consumption – easily achieved by many businesses – can have the same positive effect as a 5% increase in sales.
- Water bills and effluent costs will be reduced.
- Ineffective use of resources generates unnecessary waste which must be disposed of.

EXTRA BENEFIT TO YOUR COMPANY

- You will boost your commercial reputation.
- By 'thinking green' your business will become more attractive to customers.
- More and more investors also favour 'sustainable' companies or organisations.
- You will be ready for the legislative challenges of the future.

The Small Business Consortium is a group of organisations who share a common goal. They include AccountAbility, Arts & Business, British Chambers of Commerce, Business in the Community, CSR Europe, Federation of Small Businesses, The Forum of Private Business, Institute of Directors, Lloyds TSB and Scottish Business in the Community. Their work is supported by the DTI, www.societyandbusiness.gov.uk. These materials are created by Corporate Culture, www.cc-plc.com.

LIVING PROOF

ORMISTON WIRE

Based in Isleworth in Middlesex, and employing 16 staff, Ormiston Wire celebrated its 210th year of operation in 2002. Fittingly, this was the same year that the company received a Queen's Award for Sustainable Development.

This prestigious award recognised a series of sustainable business practices the company has adopted since 1991 in an attempt to save money. The first step was to implement energy efficient measures such as installing light bulbs with motion sensors that turn the lights off when no one is around. Plastic skylights were also installed to reduce the need for artificial light. Water is heated in a high efficiency condensing gas boiler that provides hot water for radiators and hand washing, and, in winter, simple measures such as shutting the heating system down at 4pm rather than 5pm reduces gas use while still keeping the staff warm.

THE RESULTS

These measures have resulted in a £10,000 per year saving for a company with a turnover of £1.4m. The company also avoids the Climate Change Levy because it sources its power from a company that provides renewable energy - this saves around £1,100 per year. Water reduction measures have enabled Ormiston Wire to cut its water bill to £150 per year.

WHO ELSE IS MAKING A POINT?

Many companies throughout the UK understand the real business benefits that can be gained by reducing resource use. Here are just two:

- **Clean Step Ltd** of Swindon in Wiltshire provides dust control mats for shops and offices, with the dirty or damaged mats returned for a revamp. In May 2002, a move to new premises sparked a decision to invest in efficient new technology and improved treatment processes.

The results: By cleaning all the water and re-using it for pre-washing and rinsing mats, water consumption was cut by 80%, producing big savings. Water heating efficiency was also increased by 99% through the introduction of new heating technology – the benefits offsetting the cost.

By lowering its costs, Clean Step has also improved competitiveness, while enhanced awareness of the potential benefits of new technology has added to the company's reputation for innovation.

- Redruth-based **Harman Pro Audio** introduced a series of no-cost and low-cost initiatives to reduce packaging and associated costs. These included the redesign of packaging to eliminate polystyrene, the use of bulk packaging instead of single packs, and the re-use of packaging for deliveries to a regular customer.

The results: This initiative delivered cost savings of over £37,000 with a total payback period of just 12 weeks for the packaging redesign initiative. In addition, more space was freed up in the factory for production.

WHY IS THIS IMPORTANT?

- Trials show that companies can reduce their energy bills by 10% without capital investment. Source: Envirowise
- The UK spends around £50 billion a year on fuel, of which 20%, the Government says, could be saved by investing in energy conservation. Source: Association for the Conservation of Energy
- Many companies pay for water three times; they buy it, pay to clean it up (to meet consent limits) and they pay to discharge it. Water savings can therefore reduce costs in three separate ways. Source: LearnDirect, 2003 www.ufi.com

HOW TO GET STARTED IN A SMALL WAY

- Identify the key resources used in your business, and how much they cost.
- Consider making someone responsible for resource management and savings.
- Involve employees in identifying how to cut resource use and win their support.
- Consult other similar businesses on the ways they save on energy.
- Check out grants for investing in renewable energy.
- Communicate and implement your plans.
- Measure the savings and re-invest in efficiency projects.

WHO CAN HELP YOU TO GO FURTHER?

Strengthening the performance of your business in the ways outlined here is really just a matter of common sense. But if you are committed to achieving major business benefits in this way, then help is available.

National Help

Action Energy helps businesses save money through energy saving. A starter pack is available. Call 0800 585794 or see **www.actionenergy.org.uk**.

The Envirowise Programme helps thousands of businesses across the UK improve profits. It has published more than 350 publications and runs around 200 events per year. They offer free consultancy service to SMEs. Call 0800 585794 or see **www.envirowise.gov.uk**.

The Federation of Small Business in Scotland produces an Energy and Environment Toolkit for small businesses. See **www.fsb.org.uk/scotland** or call 0141 221 0775.

Local Help

All UK regions have consultancies specialising in energy management. Your Business Link or local Chamber of Commerce can help or you can try the phone book. Some of the national energy conservation organisations have regional contacts.

The Energy Saving Trust promotes the efficient use of energy in the UK by domestic companies and small businesses. EST has set up over 30 Energy Efficiency Advice Centres around the country, to give free advice and information. Find your nearest one by calling 0800 512012.

Online Help

CREATE is a not for profit organisation working to reduce the effects of climate change. It offers training and advice on energy efficiency, water conservation and waste minimisation. www.create.org.uk.

The Energy Saving Trust website has links to energy companies, government departments and has advice specifically tailored for small and medium-sized organisations. Grants are available for installing green energy equipment. www.est.org.uk.

Reduce the Use offers a range of information on environmental issues for small business. www.reducetheuse.co.uk.

IT'S COMMON SENSE

This briefing paper is one of a series of +points that make up The Journey – a route map designed to help you build a business that people value. It doesn't have to be complicated or time-consuming. It's basically common sense. It's about doing what's right for your business.

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