



How-To Guide

Connecting Efficiency and Sustainability Teams

Life Is On



6 STEPS

to better collaboration

Energy and sustainability are inherently linked. Energy efficiency pays dividends by trimming consumption and costs. According to the International Energy Agency (IEA), implementing energy efficiency initiatives is the best way to act on climate change as it can reduce CO₂ emissions by 38 percent. Companies that operate efficiency and sustainability initiatives in tandem improve productivity, maximize impact and see a greater return on investment.

However, silos often exist in companies between global and local teams as well as across different departments, preventing them from reaching their sustainability vision. For example, nearly half of the 236 professionals who weighed in on The State of Corporate Energy & Sustainability Programs in 2018 said that lack of coordinated project and strategic planning is a major challenge. Becoming an efficient, sustainable business requires a collaborative effort from almost all parts of an organization. This How-To Guide provides 6 steps to break down silos of efficiency and sustainability teams, and unlock greater opportunities.

6 Steps Overview

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1 Build a joint governance plan
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2 Define common and meaningful targets and KPIs, and track performance jointly
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6 Increase transparency: internally and externally




1 Build a joint governance plan










Forming a joint governance board that develops shared protocols for working together and decision-making can fast-track planning and implementation of initiatives.

Quick tips:

- Start program ideation by understanding and outlining how efficiency and sustainability goals support overall corporate goals. This helps everyone understand the big picture of how sustainability impacts overall business performance.
- Explore the challenges of working together. Identify and address potential issues early in the process to help accelerate implementation and performance during a company-wide roll-out.
- Appoint strong global process owners from each business unit who can drive collaboration across the organization.
- Involve local operational leaders in the cross-functional team and get support from the initial planning stage through implementation. This step will ensure that efficiency and sustainability plans do not conflict with local operational plans.
- Incorporate existing energy efficiency initiatives into the expanded program scope. Experiences and performance from these existing projects can add credibility to the expanded business case and motivate the larger team to engage.
- Voluntary or mandatory standards and certifications, like ISO 50001 or CDP reporting, may seem like one more “to do” for an already busy team, but they accelerate momentum by providing a proven framework to boost efficiency and sustainability performance.

 **Discover Albéa’s joint governance approach towards sustainability targets.**

Stakeholders	Motivators
 CEO	Profitability and growth, future competitiveness, employee motivation
 Sustainability Manager	Stakeholder satisfaction, sustainable target achievement, visibility
 Plant Manager	Production throughout, reliability, maintenance costs, conversion costs
 Energy Manager	Continual improvement/energy savings, resiliency and reliability
 Finance Manager	Clear evidence of savings, attractive investments, profitability, growth, time to payback
 Facility Manager	Cost reduction, supporting operations, maintenance costs and time
 Procurement Manager	Price volatility, risk, costs

Give each person an opportunity to understand what the goals are and to provide input from their own perspective.



2 Define common and meaningful targets and KPIs, and track performance jointly



Developing common targets, key performance indicators (KPIs) and baselines ensure teams are working toward the same goals. One method is to host workshops with attendees from each department to agree on goals and performance tracking. The participation of energy, sustainability, supply chain, operations, facility and finance teams is crucial. Once the system is approved, everyone will understand how they can affect performance.

Quick tips:

- Keep it simple. Choose four to five KPIs that describe energy and sustainability performance in a sufficient way. More details will add complexity and minimize common understanding.
- Total energy consumption isn't sufficient to track progress. Develop a joint agreement on how consumption will be normalized based on influencing factors such as production, occupant loads, weather, etc.
- Connect CO₂ and energy efficiency targets in a meaningful way. For example, layering green energy sources on top of standard energy conservation measures can have a compounding effect on CO₂ metrics.
- Energy services consultants with segment expertise can add value to a KPI discussion. Sharing common industry KPIs to benchmark against and best practices from peer companies can help jumpstart performance.

What **efficiency teams** need to know about **sustainability teams**

Sustainability teams think globally and are driven by corporate commitments. Energy is only one of their responsibilities and may not be their top priority. Their job is to think holistically about the organization's impact on the environment, resource consumption, supply chain practices, employee engagement and society at large. When working with this team, keep the larger perspective in mind and don't get bogged down with too many technical details. They will be open to any contribution that helps achieve overall targets.

What **sustainability teams** need to know about **efficiency teams**

Efficiency (aka energy) teams manage the use of electricity and other utilities at company sites. Typically led by engineers, they are highly technical in their approach to problem solving. And they work closely with local operational teams, putting a strong emphasis on daily routines and production processes. When working with these teams, it is essential to understand and respect their practical expertise. These teams usually operate on very strict, and often lean, budgets. Additional dollars from the larger sustainability program may allow them to implement efficiency ideas that they have had for years, but couldn't fund.



3 Incentivize cross-functional staff to work as a team



Cross-functional teams have the greatest impact on performance, but only if they truly work together. By this point in the process, the corporate governance board will have announced company-wide targets and KPIs, and established a common performance tracking process. Now it's time to assign clear roles and responsibilities, and roll-out an incentive program that rewards progress toward those common targets.

Quick tips:

- Embed efficiency and sustainability goals into the annual review and bonus process for all team members. For example, just like each business unit has revenue goals, include a common sustainability goal (e.g., 10 percent year-over-year CO₂ reduction).
- A scorecard is a perfect tool to create friendly internal competition. Compare and share the performance of sites, brands, countries, etc., and keep building momentum toward committed targets.
- Establish ongoing communication with cross-functional teams to share best practices, and celebrate successes to keep engagement and motivation high.



4 Implement a single source of data



Global teams working on cross-functional efforts often run into organizational complexity, such as different currencies, metrics and units of measure. To foster collaboration, global data needs to be accessible, aggregated from all facilities and normalized into the right context.

Quick tip:

- A single energy and sustainability platform is a must-have to collect, aggregate and track enterprise sustainability metrics, and facility and energy data. This tool will help track progress towards shared goals and facilitate best practices through shared reports.

Turn resource data into action

Learn more about EcoStruxure™ Resource Advisor, an industry-leading, enterprise-level platform that manages all energy and sustainability data, at resourceadvisor.com.



The right data at the right time helps Marriott make the right decisions.



5 Establish a joint budget for efficiency and sustainability initiatives



When faced with publicly disclosed sustainability goals such as science-based targets, organizations need a way to fund projects and maintain momentum. Creating a holistic investment strategy that connects efficiency and sustainability initiatives has several advantages for planning and performance.

Quick tips:

- Create a global opportunity matrix to map out project investments, savings and payback schemes over multiple years to identify funding gaps and bottlenecks that may slow down performance.
- Use low-hanging operating expenses (OpEx) efficiency projects with quick paybacks to help fund capital expenditure (CapEx) projects with longer paybacks. For example, use savings from optimizing heating and cooling equipment to purchase new chillers or even investment in renewable technologies. Mixing and matching OpEx and CapEx projects can often self-fund portions of some initiatives, allowing a company

to make progress even when capital may be reprioritized to other business needs.

- Reinvest efficiency savings into onsite renewables or Energy Attribute Certificates (EACs) to make immediate progress toward greenhouse gas reduction goals.



[Learn how Rolls-Royce used savings from efficiency and energy supply OpEx initiatives to expand its onsite solar program.](#)



6 Increase transparency: internally and externally



Many organizations report results on sustainability initiatives for external stakeholders, including investors, customers in the supply chain and the public. But internal communications are just as critical to any successful sustainability program. Employees must understand how this initiative affects their organizational functions to “buy-in” to the strategy. A clear explanation of the sustainability program is necessary not just for efficiency teams, but also for groups such as human resources, purchasing, sales and marketing to ensure success of initiatives. Internal gatekeepers—those trusted employees with strong credibility in any given business unit or department—play a key role in company-wide participation and external communications that impact brand, employee recruitment and business development.

Quick tips:

- Just like revenue and stock valuation, include sustainability metrics as a part of standard internal and external reporting on performance.
- It is important that employee engagement is a priority as that too impacts external communications.
- Include the sustainability vision and progress regularly in emails, digital displays or internal newsletters to remind employees of the bigger picture to which they contribute.
- Bring the sustainability program to life. Share pictures and videos from sustainability events such as solar panel installations and planning workshops. Create visual graphics to showcase progress on KPIs.
- Internal communications can help to motivate hidden champions. Give all employees a channel to provide feedback, to motivate others and to offer up new ideas.

Many companies face internal barriers such as siloed departments or expertise that prevent them from reaching their energy and sustainability potential. To clear these hurdles, organizations are starting to integrate how they buy and use energy with sustainability initiatives, an approach that maximizes investments, delivers greater returns and builds more robust, viable operations. At Schneider Electric, looking at energy and sustainability as a cohesive strategy is called **Active Energy Management**.

Schneider Electric delivers end-to-end services and software that enable companies to design Active Energy Management strategies.

Learn more www.schneider-electric.com/ess

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