

Save Energy Now LEADER Web Conference Replication Seminar Series

**Determine and Communicate
the Value of Replication**

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July 26, 2011



Agenda

- Seminar Series **Overview**
- **Recap** Replication Session #3
- **Determine and Communicate the Value of Replication**
- Fred Schoeneborn - **ORNL** team
- Ken Roden - **Nissan**
- **Questions/Future Seminars**



Replication Series

- Presents **5** one-hour Webinars assisting *Save Energy Now* LEADER Companies
- Scheduled monthly - **fourth Tuesday** at 2:00 p.m.
- Focuses on **real-world** examples and solutions
- Offers practical **tools**
- Includes **peer** *Save Energy Now* LEADER participants



“Just do it (replicate)”

- Create a compelling **vision and roadmap**
- Build robust **tracking** into the system
- Establish clear **accountability**
- Address **Training** requirements
- Gain a “**seat at the table**”
- Follow up with a replication **scorecard**
- Establish an **energy fund**
- Lower “**hurdle rates**”
- Utilize **manpower resources**



Sharing by ArcelorMittal

- Establish an **Energy Team**
- Schedule monthly **conference calls**
- Plan annual **Summits** or roundtables
- Identify Plant Energy **Champions**
- Develop an energy **roadmap**
- Support **Capital Projects**
- Address **Training** requirements
- Track with a Best Practice replication **scorecard**
- **Communicate** efforts



Determine the Value of Replication

- **Describe** Best Practices to be replicated
- Highlight the **benefits**
- Show me the **Money**
- Calculate the total **PRIZE**
- **Track** implementation



Show the PRIZE for Replication

"PRIZE"

To get senior management's attention, you should identify the "PRIZE".

- This will answer the question "**what's in it for me?**" (WII-FM: management's favorite radio station)
- The following describes a method to identify the "PRIZE". Use the space in the **green** boxes to plug in the values for your company and calculate your "PRIZE".

STEPS:	INPUT:	EXAMPLE:
1. Determine the annual energy expense (\$/yr)	\$100,000,000	Assume energy expenses total \$100,000,000/yr
2. Set a long term energy expense reduction goal & click on the drop down menu in the green cell (e.g., % reduction in 10 years)	25%	2.5%/yr usage reduction for 10 years means usage will be 25% lower in year 10
3. Multiply the annual expense by the cumulative goal to get the \$ savings in the last year (\$/yr)	\$25,000,000	$\$100,000,000 * 25\% = \$25,000,000$
4. Determine the company's annual revenue or sales \$. (\$/yr)	\$5,000,000,000	Assume \$5,000,000,000
5. Determine the company's net profit (\$/yr)	\$250,000,000	Assume \$250,000,000
6. Determine the company's margin on sales \$ by dividing the profit (step 5) by the revenue (step 4) (%)	5.0%	$\$250,000,000 / \$5,000,000,000 = 5\%$
7. Divide the savings (step 3) by the margin (step 6) to identify equivalent sales \$ for the same impact on the "bottom line" (\$/yr)	\$500,000,000	$\$25,000,000 / 5\% = \$500,000,000$
Optional (equivalent unit sales)		
8. Determine price per unit (\$/Unit)	\$0.5	Assume \$0.50 per unit
9. Divide equivalent sales \$ (step 7) by unit price (step 8) to identify equivalent unit sales (Units)	1,000,000,000	$\$500,000,000 / \$0.50 = 1,000,000,000$ units

Communicate the Value

- Share **lessons learned** openly
- Show the **benefits** in real company language
- Determine the **root cause** to start the project
- Use PR experts to share the “**feel good story**”
- Highlight **successes** so they can be replicated
- Use **scorecards, posters, newsletters**, etc.
- Conduct Energy **Summits**



Realize and Hold the Gains

- Fight return to the **old ways**
- Use **life-cycle** costing
- Conduct "**announced**" periodic reviews
- Issue status **reports**
- Identify an **Action Plan**
- **Recognize** & reward key contributors
- Include **management** when celebrating success



Utilize Enablers

- Reference the **PRIZE** repeatedly
- Form teams and a **network**
- Develop a **scorecard**
- Meet with top **management**
- Make **presentations**



Champion of Replication

- **Ken Roden**
- Nissan
- Energy Team Facilitator
- Focus is on Replication



Communicating Replication



Ken Roden, C.E.M.
Energy Team Facilitator
Nissan North America

2011 Replication Webinars
DOE Save Energy Now LEADER
FCS Consulting
July 26, 2011

Nissan Motor Company, Ltd

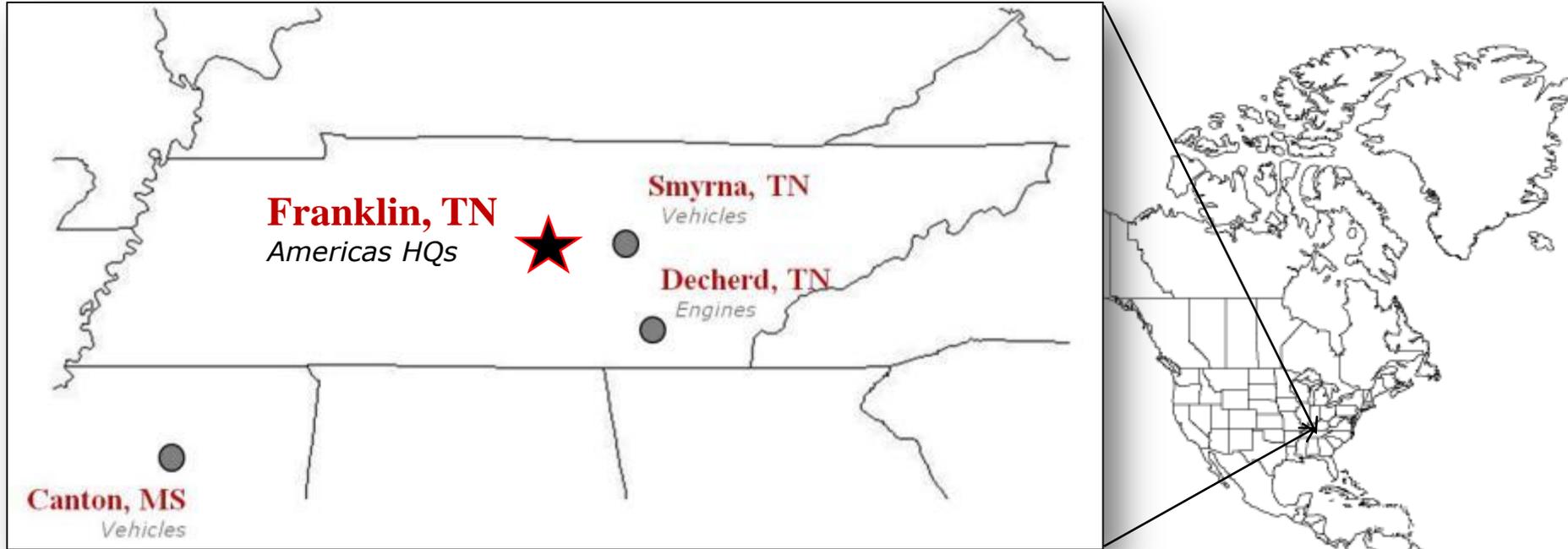


20 Production Sites
160 Countries (Sales)
160,000 Employees

U.S. Manufacturing Plants



Americas Region Headquarters



Nissan LEAF™



Zero Emission



100% electric
zero emissions
no tailpipe
no gas!



Corporate Commitment to Sustainability

CEO Statement

Carlos Ghosn

President and Chief Executive Officer
Nissan Motor Co., Ltd.



A company's sustainability is generally viewed from the perspective of its prospects over the long term. Achieving sustainability requires hard work every step of the way. For Nissan, this means taking steps in the short term that build and reinforce sustainable business objectives over longer periods. Our work in zero-emission mobility is an important pillar in our sustainability strategy. We remain on track to bring new electric vehicles to the Japanese, U.S. and European markets in 2010 and to mass-market our zero-emission lineup globally two years later.

Nissan's foundation for sustainable business has evolved over many years. In good times and bad, our desire to create attractive, appealing products and to contribute to society has never wavered. We are always working toward the future.

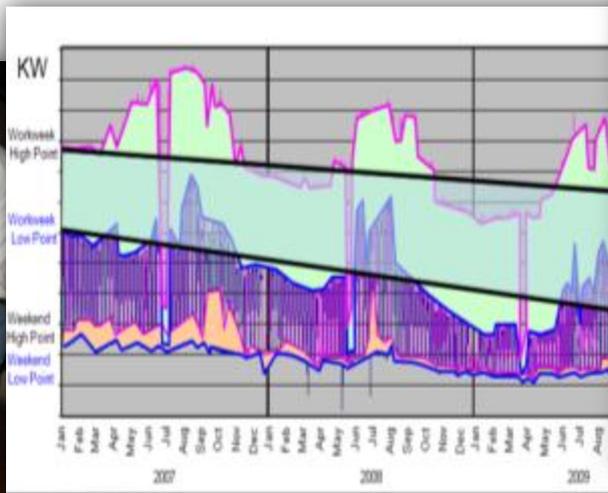
Communicating Energy Efficiency Replication

- What is energy efficiency replication?
- Why is it important?
- What should be communicated?
- Methods for communicating
- Communication challenges



What should we communicate?

- Energy projects and procedures
- Performance measurement and data
- Programs and initiatives
- Best Practices, case studies and success stories
- Challenges and lessons learned



U.S. DEPARTMENT OF **ENERGY** | Energy Efficiency & Renewable Energy | **INDUSTRIAL TECHNOLOGIES PROGRAM**

Nissan North America: How Sub-Metering Changed the Way a Plant Does Business

At its largest U.S. auto manufacturing facility in Smyrna, Tennessee, Nissan discovered a wealth of savings opportunities through the plant's sub-metering efforts. The process of connecting all of the plant's large, energy-consuming pieces of equipment to sub-meters and a central software system was initially met with some reservation by plant staff because it was viewed as a time-consuming project. However, once the plant was fully metered and reports of end-use energy consumption profiles were generated, the value of the new system and its capabilities were immediately

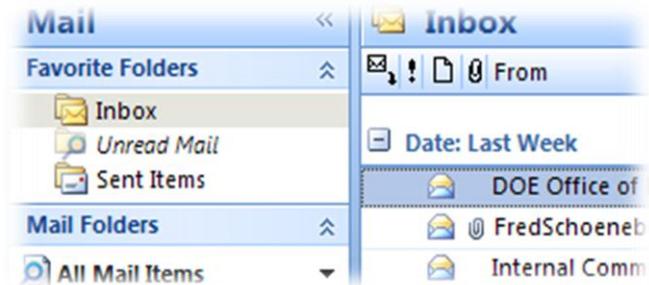
toward achieving the company's energy efficiency goals, the energy team recognized the essential need to measure how much energy the plant

Nissan Plant in Smyrna, Tennessee. Photo courtesy of NissanNews.com

NISSAN

Methods to communicate replication:

- Conversation
- Emails, instant messaging, phones, etc.
- Employee bulletin and message boards
- Internal TV networks and newsletters
- External press release
- Meetings and teleconferences
- e-Rooms
- Conferences, exhibitions and summits
- Webinars and webconferences
- Intranet and internet websites
- Professional organizations, agencies



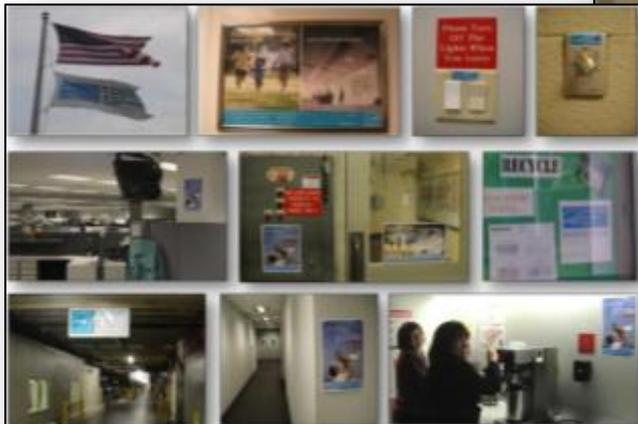
Excerpt from TWAN newsletter)....

ENERGY SAVINGS TIP

When shopping for a new clothes dryer, look for one with a moisture sensor that automatically shuts off the machine when your clothes are dry. Not only will this save energy, it will save wear and tear on your clothes caused by over-drying. Look for appliances with the ENERGY STAR label.

Communication Challenges

- Resources:
 - competition for time and opportunity
 - budget, cost and expenditure
 - materials and/or technologies
 - communication overload
- Corporate focus and/or support
- Knowledge and training



Questions...



Next Seminar in the Series

- **August 23, 2011**
- **2:00 p.m. Eastern**
- **Build Replication into the Corporate Culture**
- **Guest Speaker from 3M**
- **Please register**



Feedback

- **Welcome** comments regarding Seminar Series
- Seminars are **your** sessions
- Make seminars **meaningful** for you
- Feedback aids **continuous improvement**
- Send **comments to** Lindsay Bixby at:
lbixby@bcs-hq.com

