

INFLUENCING FINANCIAL DECISIONS ON ENERGY EFFICIENCY

SIX KEY STRATEGIES TO BUILD MANAGEMENT SUPPORT

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ACEEE Summer Study

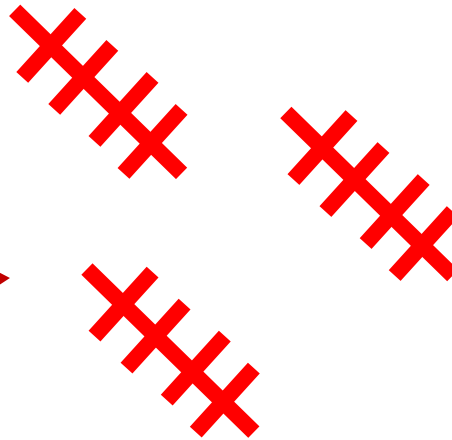
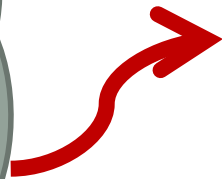
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Paper co-authored with Dr. Helen Lewis, Adjunct
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**The journey from
'energy efficiency idea'
to
'approval to implement'
can be challenging !**



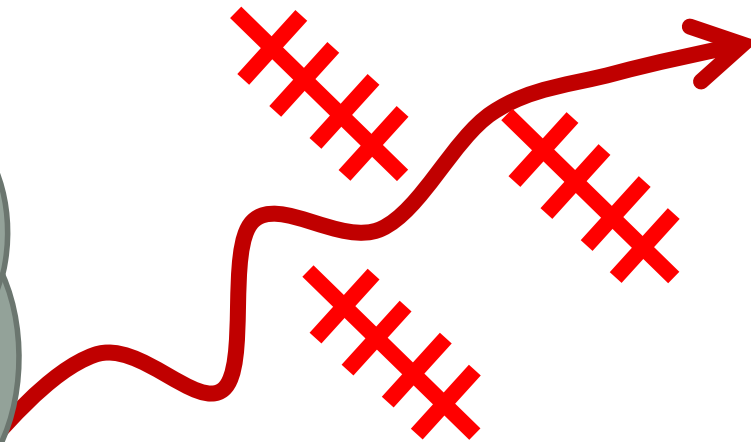
We've got
a great
energy
efficiency
idea



We've got
management
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What can we learn from successful practitioners that will help others?

We've got a great energy efficiency idea !



We've got management support and resources to implement our project

Background

- The Business Case and Beyond Project was funded by the Australian Government in 2011
- Project Aim - Create case studies and resource material to support development of practitioner skills in developing & presenting business case proposals for energy efficiency projects
- Bigger Picture Goal - get more energy efficiency projects 'off the shelf' and implemented.
- Rationale - Skills gap identified in the National Training Strategy for the Development of Energy Efficiency Assessment Skills (Lund et al. 2010)

Practitioner involvement is critical

Stage 1: Industry input at national energy efficiency workshops

Stage 2: Invite participation by businesses

Stage 3: Write up case studies

Stage 4: Analyze case studies and develop support materials



<http://eex.gov.au/energy-management/the-business-case-and-beyond/>

Early insights

- Technical skills reasonably well developed and support material available
- Challenge: To develop resources that support training and development for skills in organizational change analysis, influencing and communication
- Response: Process-based approach – case studies that describe *how* practitioners have developed their business case proposals – highlighting the interactions with people and decision-makers which are often hidden

1. Link your project to business priorities

- Piggyback on whatever is 'hot' in the business right now
- Solve an existing problem through your 'energy efficiency project'
- Use compliance requirements to drive change

2. Involve the right people

You can't work in silos. Get the right people with different expertise involved. It is the only way to build a credible business case for a project.

3. Communicate with decision-makers early in the process

- Use existing communication forums such as management meetings
- Use the right 'business speak'
- Use clear and focused messages and questions

4. Identify and manage projects risks

Thinking about a project from a risk perspective helps you reduce the chance of unforeseen things happening...it demonstrates that you have thoroughly thought the project through.

5. Consider all business costs and benefits

- Tenant comfort
- Cost reduction
- Salvage value
- Maintenance benefits
- Deferred capital expenditure
- Product quality
- Greenhouse gas reductions
- OH&S
- Corporate reputation

6. Identify funding options

- Research & Development tax breaks
- Government funding
- Energy performance contracting
- Internal energy funds

The importance of influencing 'the system'

- Monitor, verify and promote success
 - Leave a legacy
 - Prove your contribution
- Regularly brief management
 - Business drivers, risks and opportunities change – keep managers informed
- Adapt project approval processes
 - Don't assume that processes are 'set in stone'
 - Ask questions and challenge the status quo with rationale and evidence

Resources developed



The bottom line on energy efficiency

A joint initiative of Australian, State and Territory Governments

 / Energy Management / The Business Case and Beyond

The Business Case and Beyond

- **Planning your business case – a summary**
- **Developing your business case – six strategies**
- **Writing your business case – a summary**
- **Influencing company culture, systems and processes**
- **Industry case studies**
- **Checklists & Tools**

Application examples

- Workshopped at National *Energy Efficiency Opportunities* workshops

<http://www.ret.gov.au/energy/efficiency/eo/etac/wrk-shops-sep-2011/Pages/workshops.aspx>

- Incorporated into and further developed as part of the University of Technology Sydney and Ernst & Young Leadership & Change for *Energy Efficiency in Accounting & Management* project

<http://www.business.uts.edu.au/energyefficiency/>

- All material is available on the Australian Government's *Energy Efficiency Exchange* website

<http://eex.gov.au/energy-management/the-business-case-and-beyond/>

Thanks!

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