

save your energy

National Restaurant Association research shows that for the average restaurant, utility costs represent 3-4% of sales. Kathleen Seelye, partner/president foodservice division, Ricca Newmark Design, puts it in a different context – about \$160-200 per seat, per month. “There’s a direct relationship between energy costs and profits, so when you implement strategies that reduce energy expenses, there will be some dramatic impacts,” she says. EnergyStar, a joint program of the U.S. Environmental Protection Agency and the Department of Energy, estimates that restaurants that cut 20% from their energy costs can increase profits by as much as one-third. So, where to begin?

buy energy better

Gary Markowitz, founder/president, Kilojolts Consulting Group, says it’s important to look at energy costs on both the purchasing and the usage sides of the equation. “One step to take is to buy energy better,” he says. “It’s important for restaurateurs to understand that energy is a commodity and they may have options. Are you in a de-regulated state that allows you to buy electricity competitively from third-party suppliers?” (Some of whom sell alternative energy such as biodiesel and wind energy. For a list of states, visit briefingnewsletter.com and click on “more resources.”) “Go to your utility company’s Web site – they are required to list alternative suppliers. Your public utilities commission also has experts who can answer your questions,” says Gary.

If you buy energy from the utility company, Gary says that it’s imperative to understand how they charge and to confirm you’re being billed accurately. “The onus is on customers to make sure they are being charged the right rate or tariff,” he cautions. “You should also confirm that the meter is working properly and that it is being read by the utility company, not just estimated. Electricity and natural gas meters should always be read. If not, call the utility company immediately and go read the meter yourself.” (Gary notes that if usage was estimated, the utility company is required to indicate this on the bill.) For operators being billed for utilities by their landlords, “make sure that you aren’t being charged for someone else’s usage and ask the landlord for the meter readings – landlords can also be charged incorrectly by utility companies. Your lease should clearly state that the rate you pay your landlord does not exceed the rate which you would pay the utility company.”

use energy more efficiently

“We see a future where energy is more expensive – we’ve got to become more efficient about how we use it,” cautions Gary. “And energy conservation/management can save energy without impacting the customer experience; it can even improve it.” He advises restaurants to “first look around for the low-hanging fruit, such as lighting in the front and back of the house.” New technologies such as LED and compact fluorescent bulbs can almost immediately reduce energy use. “More efficient lighting in the front of the house can be both aesthetically pleasing and have optimal efficiency,” says Gary. “And we’re not talking about changing your lighting design, just switching from halogen or incandescent lighting sources and using different quality bulbs.” Increasing energy efficiency includes regulating ventilation, refrigeration, and temperature – making sure you accurately measure and control their use. “It can be as simple as having the right digital thermostat in the right place – usually near the return air, not opposite the front entry door or over a



green to go

“Takeout accounts for 50% of our business, and, as our goal is to have Sweetgreen be as sustainable as possible, we use biodegradable packaging made from corn. We also sell reusable ‘salad blaster’ bowls with our logo to help reduce disposable trash and cut our packaging costs. To encourage customers to reuse their bowls, we give them a free topping (50 cents value) each time they bring in their bowl, sometimes two or three times a week. We’ve sold over 2,000 bowls at \$6 each and cut our packaging costs in half. The bowls are also a fun way to brand the restaurant and create loyalty.”

– Nicolas Jammet, owner, Sweetgreen, Washington, D.C.

“Because it’s become routine to throw condiments, utensils, and napkins into every takeout order, we’ve added a section on our to-go order page that says ‘Go Green – Reduce Waste.’ Customers can click: ‘Please do not send me 1) plastic utensils and paper napkins; 2) condiments (such as ketchup or salt & pepper packets).’ A large percentage of customers check both. It’s such an easy way to reduce waste, and our restaurant clients tell us they are saving money as a result.”

– Paul Geller, founder, delivery.com

“I helped start The Green Chicago Restaurant Co-op (buygreenchicago.com), which gives our 200 members a chance to pool their buying power on such items as biodegradable packaging, which is expensive when purchased in small quantities. As a result, my restaurants shifted from using hundreds of thousands of black plastic containers and cups to corn-based compostable ones. I subsequently learned that, because Chicago doesn’t have a commercial composting program, these items are going into the landfill, taking longer to decompose than if they were being composted. Until we can compost (we’re helping create a citywide compost program), I’ve decided to switch to recyclable takeout containers for my restaurants, which I think are the best sustainable option for now.”

– Dan Rosenthal, president, The Rosenthal Group, Chicago, IL

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coffee pot,” says Gary. According to Flex Your Power, California’s energy efficiency campaign, every degree of cooling increases energy use by 4-5%; an Energy Star programmable thermostat that automatically controls temperature settings can save in some cases as much as 70% on heat and cooling costs. Deeper efficiencies may require upgrading to pieces of equipment that don’t use as much energy and water. “This probably means tapping in to capital costs, but there are all kinds of grants, utility rebates, awards, and financing options. Chances are you can use somebody else’s money to soften the initial financial commitment,” says Gary. (To learn more, visit dsireusa.org)

waste less energy

According to Kilojolt’s research, restaurants need to earn \$20-25 in revenue to recover every \$1 of energy cost they waste – and at least 10% of a restaurant’s energy cost center is attributable to waste. “It’s entirely possible to do what you do and use less energy,” says Gary. Experts agree that an energy audit – an assessment of your energy use – is a great place to start and essential to identify areas where you can save money and to benchmark your progress. It can range from a quick walk-through of your operation to look for major problem areas, to a thorough analysis. Utility companies frequently provide audit options, both online and on-site, and often at no charge; they can also refer you to professionals. In its guide to energy audits, padosa.com, an online resource to help companies with sustainability efforts, recommends that businesses visit business.gov/expand/green-business/energy-efficiency/state-local for links to state programs and assistance for small business owners to conduct energy audits.

A simple walk-through can provide opportunities to quickly correct obvious problems, prioritize energy efficiency projects, and determine the need for a more detailed audit. Checklists can help you know what to look for. (Visit nppd.com/My-Business/Commercial_Services/Additional_Files/restaurant.asp). With or without a checklist, Gary advises restaurateurs to “look at your operation with a fresh pair of eyes and start asking questions.” (See page 3 for some things to look for as you walk through your restaurant.)

“There are crazy things that employees do and correcting them is transparent to the customer,” says Gary. “Learn how long it takes to get equipment up to temperature and when to turn things on. Don’t heat the oven prematurely, don’t turn the hood on at 6am, and turn off idle equipment. Control temperature with sensors instead of manually, and restrict changes – the digital night-set thermometer should have a

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Many steps towards operating a more sustainable business may seem challenging in this economy, however even small improvements at no or low cost can produce significant results. “You may be able to do only a few small things like change out a \$20 light switch or a \$50 spray hose, or join a recycling program,” says Dan McGowan, president, Big Bowl, headquartered in Chicago, IL. “But all of these things have a positive impact on the environment and your bottom line.” Andrea Dulle, owner, Epic Casual Dining and Tiburon Fine Dining, Midvale, UT, agrees. “I started this year with three easily attainable goals – eliminating one garbage pickup a week and cutting both electricity and water consumption by 10%. The installation of motion light switches, combined with training staff on energy saving techniques, resulted in immediate savings.” Some low-cost, eco-friendly ideas:

Recycling. “Recycling is a must,” says Holly Ellmore, director of Atlanta’s Green Foodservice Alliance. “It makes the biggest environmental impact, and there’s no incremental cost. If you recycle your glass, plastics, metals, paper, and cardboard – which are your bulkiest items – you can reduce your garbage by 50-70%.” For example, Ray’s Boathouse, Seattle, WA, now recycles approximately 75% of the 350,000 pounds of waste the company produces each year, saving \$25,000 annually in disposal costs. Holly warns there are economies of scale – large operations typically save the most, with smaller restaurants being more cost-neutral. Some are also recycling cooking oil. Cliff House, San Francisco, CA, used to pay to have used oil taken away, but now their oil supplier picks it up and gives them credit for it. Finz Seafood & Grill, Dedham, MA, re-purposes its cooking oil with a specially-designed 5 kw biodiesel generator (Vegawatt) that uses 80-100 gallons of cooking oil/week, resulting in \$1,000 per month savings in electricity. George Carey, owner, says the generator (6 x 5 x 2 feet) sits outside his back door, is filled twice a day, and runs 24/7. “There’s no by-product, 100% of the oil is recycled.” (Ben Prentice, v.p. sales, Vegawatt, says that the generator is viable for a restaurant using a minimum of 50 gallons of oil a week and can be leased for about \$450/month.)

Composting. According to Holly, while it is typically cost-neutral for a small operation to compost and recycle (both the organic matter and the recyclables still need to be hauled away), composting has the most positive impact on the environment after recycling. Not all cities have permitted composting facilities, but she says that because the diversion of food waste from the landfill is a top priority of the EPA, she envisions more commercial composting programs around the country. Ecco, Atlanta, GA, has gotten rid of its garbage dumpsters altogether by recycling and composting. “We literally have no more garbage,” says Lindsey Battle, sous-chef. “We’ve got compost bins in the prep areas, and small containers at all hand sinks for things like coffee grounds.”

Converting lighting. “Our energy provider - Nstar - gives an incentive to convert to compact fluorescent bulbs, which we discovered working with the Green Restaurant Association,” says Jim Solomon, owner, The Fireplace, Brookline, MA. “The GRA helped us crunch the numbers, plus they recommended an electrician, and even set up the appointment to change out a few fixtures.” Research is key. When Ted’s Montana Grill, headquartered in Atlanta, GA, wanted to convert to low-wattage compact fluorescent bulbs that could be dimmed, George McKerrow, ceo, was told they needed to buy new fixtures, which was cost prohibitive. “We contacted bulbs.com, and they created a ballast for the bottom of the bulbs, allowing them to fit into our existing fixtures,” says George. “The cost was \$111,000 to replace approximately 100 light bulbs at each of our 50 restaurants. We reduced our utility bill by \$185,000 and in the first year had a net gain of \$74,000.” Some are moving to LED lighting, especially for new restaurants and renovations, as they use less energy and last considerably longer. Brett Andersen, senior designer, Focus Lighting, uses LED fixtures when designing new restaurants but cautions, “Although there are many LED solutions available, you have to be careful. LED’s can carry a significant upfront investment, and you need to ensure they will work for your specific application. Take the time to test the LED – check the LED’s brightness, color of light, ability to dim, and of course cost.” If LED’s are retro-fitted into older light fixtures, Brett recommends getting a guarantee from the LED manufacturer. He says, “The concern is overheating – which could significantly reduce the LED’s usable life.”

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password,” he cautions. Preventative maintenance is also in the category of clear cost savings that don’t impact the customer experience. “Setting up a preventative maintenance program sounds mundane, but it has a huge impact,” says Kathleen. “You’ll save anywhere from 12-17% if you just take care of your equipment. And remember that, if you buy EnergyStar equipment and you don’t replace parts with authorized ones, you’ll lose that certification.”

It’s one thing to identify obvious areas for improvement and another to execute consistently. “Wasting less energy means making employees aware and teaching them how to use equipment more efficiently, such as turning things on just in time instead of all the time,” says Gary, who is a firm believer in the power of incentives. “Measure energy use and reward employees for improvements; make it part of your managers’ compensation formulas. That makes it tangible.” (Note: Because managers typically don’t have the expertise to design and implement a complete energy conservation program, Kilojolts has created the Restaurant Manager’s Energy Toolkit, a turnkey, comprehensive program that covers the front and back of the house. For more information, visit kilojolts.com/toolkits/restaurant-managers-energy-toolkit.php. ■

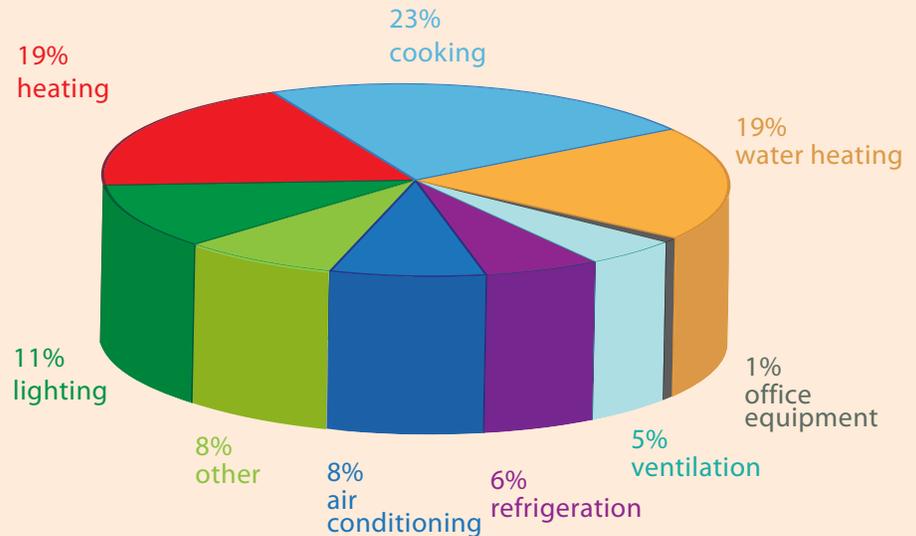
walk through your restaurant and ask:

- Are the cleaners leaving lights on all night after they finish? Is the light left on in walk-in coolers? Are your people turning on all lights before you open?
- Is the hot water left running and why is the dishwasher maintaining 160 degree water in the reservoir in the middle of the night?
- Do refrigerator and oven doors fit tightly? Why is the cooler door left wide open when loading and unloading? Is there a milk crate left in front of a walk-in door? Is the back door open more often than not so employees can smoke?
- Is the hood fan on when nothing is cooking? Is the steam table on when it doesn’t need to be and/or the soup warmer on all day with the cover off – and sometimes with the air conditioning way down? Is the air conditioning or heat on full blast when you aren’t fully occupied or at night?
- Is any heat-producing equipment next to equipment that needs cooling – such as a pizza oven right next to an icemaker, a reach-in freezer next to a dishwasher?

baby steps (cont'd)

typical energy use in restaurants:

Restaurants are intense users of energy but the EPA’s EnergyStar Guide for Restaurants points out that it’s not just the cooking equipment – heating, air conditioning, lighting, and sanitation each account for a large portion of the average restaurant’s electricity and natural gas consumption. The EPA underscores that this provides numerous opportunities in many areas of a restaurant’s operations where even small changes can make a big difference.



Source: U.S. Environmental Protection Agency

Saving paper. Among the many initiatives that Jose Duarte, chef/owner, Taranta, Boston, MA, has implemented is replacing paper towels with energy efficient hand-dryers (\$400-450 each) in its bathrooms, saving \$1,300 per year.

Reducing water consumption. George advises walking around your restaurant with a wrench and fixing loose connections and replacing worn washers. “Make sure you are running a tight ship to begin with,” he says. The Crow’s Nest, Santa Cruz, CA, added low-flow pre-rinse nozzles in their dishwashing area, cutting water usage by 50% and saving the restaurant about \$2,200 per year. (Some cities like Salt Lake City and Dallas offer restaurants free low-flow pre-rinse spray nozzles. To find out more, check with your local public utilities department.) “Water is a particularly prized commodity in the Santa Cruz area,” says Mike McClellan, facilities manager. He adds that they have installed five water-free urinals (\$400 each), saving 300,000+ gallons of water and \$1,500 per year. Next, they plan to replace toilets with dual-flush toilets (\$300-500 each) that will also result in reducing water usage and savings.

Cutting electricity usage. Phil Gagne, HVAC specialist, The Ninety Nine Restaurants, headquartered in Woburn, MA, says managers use a checklist to remind them when to turn equipment, lights, etc. on and off. “The checklist reminds managers of their responsibilities and ensures that they turn things on and off properly, which results in lower electricity bills.” It also shows them how to program thermostats. “I’ve found that programmable thermostats can result in unnecessary service calls, partially because they’re complicated and challenging to program,” says Phil. Andrea put together a checklist for Epic Casual Dining and Tiburon Fine Dining employees, reminding them what to turn off or on, and installed motion-sensor light switches for \$25 in places where staff tended to leave lights on – those two things resulted in an immediate savings of \$200 per month. . . . The Fireplace restaurant installed a film on the restaurant’s windows that blocks out UVA and UVB rays, trapping heat inside during the winter and keeping it out in the summer. Jim says the cost of the tinting was \$5,000 and his electric bills have decreased 12%. “I’m often so busy treading water that I don’t have time to do the cost analysis and quantify savings,” adds Jim, “But I know this is better for the environment, and I’m either saving money or am going to be very soon.” ■

Coping with Increasing Energy Costs and Declining Sales – Sept/Oct 2008.

Restaurateurs are looking at inefficiencies that are transparent to the customer, including reducing any kind of waste – energy, food, labor, dry goods, etc.

Saving Energy and Expenses –

July/Aug 2008. The Food Service Technology Center estimates that as much as 80% of the energy consumed by cooking appliances never makes it into the food being cooked and served – every dollar saved is profit.

Talking Trash - May/June 2008. Managing restaurant waste means the opportunity to reduce costs, stop throwing away profits, and contribute to environmental sustainability.

Green Cleaning Goes Mainstream –

May/June 2007. As viable non-toxic cleaning products become readily available, more restaurants are seeking them out and discovering they can do the job.

Composting: The Next Eco-Frontier –

Sept/Oct 2006. With food waste accounting for over 50% of a restaurant's garbage, restaurants are composting, creating their own sites, collaborating with each other, or having food waste picked up and delivered to a commercial composter.

Coping with Increasing Energy Costs –

July/Aug 2006. As energy costs increase along with concern for the environment, restaurateurs are purchasing energy-saving equipment and updating refrigeration, air conditioning, and heating systems.

For these articles, visit the archives of briefingnewsletter.com.

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In addition to saving money and reducing an operation's negative environmental impact, "green" has the potential to provide competitive marketing advantages.

According to 2007 National Restaurant Association research, 62% of adults said they likely would choose a restaurant based on its environmental friendliness; 44% of adults surveyed by the NRA late last year said they are likely to make a restaurant choice based on an operation's practices in the areas of energy and water conservation. Yankelovich data also indicates that for some consumers, "green" may be the added value that is likely to motivate purchases in a tough economy. Plus, a company's environmental practices can help attract and retain good employees, who increasingly want to connect with greater meaning in their work.

But for those restaurants "walking the walk" – working in earnest towards sustainability goals – "talking the talk" is another challenge. **To attract increasingly aware consumers (and staff), sustainability efforts must be made visible, but doing so inappropriately can backfire.** The fear of perceived "greenwashing" (misleading consumers and exaggerating claims about environmental commitment and practices) has become so great that many operators shy away from talking about their efforts at all. While it is better to err on the side of more action than talk, and important not to appear to capitalize on initiatives that are perceived by consumers and employees as having a higher purpose, there are some basic strategies for getting the word out.

Companies whose efforts to operate sustainably are part of their core values have an advantage.

"When it's a matter of course and integrated into their businesses, companies can say 'This is what we're doing'" instead of 'We're great,'" says Jacquelyn Ottman, founder, J. Ottman Consulting, Inc., and the author of "Green Marketing: Opportunity for Innovation." Even for those restaurants getting started, says Jacquelyn, "The good news is that so much can get through to the consumer without tooting their horn too much." **Simple messages, like identifying local ingredients on the menu or servers talking about new lighting, are likely to be noticed by consumers, who are increasingly aware.**

According to EnviroMedia Social Marketing, consumers are also increasingly savvy and able to see through what it calls a "green screen," so it is essential not to overstate the depth of your commitment or the scope of your efforts. Don't position your company as having a comprehensive environmental strategy if it doesn't. Before promoting any aspect of sustainability efforts, Jacquelyn advises restaurateurs to look at the lifecycle of their operation for disconnects – everything from raw materials coming in the door to what goes out (including take-out packaging, which Jacquelyn says "seems to be getting more offensive"). Green marketing experts often underscore the power of third-party certification, which, for restaurants, includes Green Seal; the Green Restaurant Association; and regional options such as Thimmakka, a San Francisco Bay Area non-profit that provides environmental auditing, "green" consulting services, and third-party certification to restaurants. In addition to the credibility they provide, the process of certification itself shines a light on all aspects of an operation.

"You might want to position whatever you're doing in steps, as part of a process," advises Jacquelyn. "Set some goals and be seen as working towards them. For example, we're now composting abc and our goal is to xyz. Making these goals known shows true commitment. Having said that, you can't do one little thing and stop the process."

Consumers seem to be accepting of incremental progress when it comes to environmental goals. According to TerraChoice Environmental Marketing there is no such thing as a perfectly green product – "greener" but not "green." Their point of view is that marketing products as "greener" is entirely fair and consumers should and will reward this incremental progress. Bottom line, "People don't expect businesses to be perfect," says Jacquelyn. "But they do react when they feel businesses are trying to get too much credit about what they've done, particularly when it's not a lot. **You may not be doing it all or doing it perfectly – just be honest about it.**" ■