



GreenSTAR Web Site Launched with New Look and Features

A few weeks ago, MSCA flipped the switch on its new GreenSTAR Web site, www.mscagreenstar.org, which truly puts the spotlight on the value of hiring an MSCA GreenSTAR.



With the launch of the site, GreenSTARs now have access to a variety of qualified members-only resources to help them promote and enhance their GreenSTAR status including:

- ★ A Marketing Library which includes logos to add to collateral, e-mails, Web sites, and more; a sample press release to announce their GreenSTAR status; a customizable marketing brochure; and much more!
- ★ A GreenSTAR Store where GreenSTARs can order uniform patches, bumper stickers and a customizable DVD they can post on their Web site or take on the road with them when they go on sales calls
- ★ A Contractor Resources page which includes news and articles about providing energy-saving services
- ★ A portal to the MSCA's exclusive Energy Solutions Profile (ESP) software which allows GreenSTARs to import data from ENERGY STAR Portfolio Manager to create an attractive and useful report they can provide to current and prospective customers

Also on the site is information about the GreenSTAR program and the requirements to be met in order to meet the qualification. Companies considering applying will find forms and instructions to walk them through the process plus they have access to the Contractor Resources page with news and articles about how to provide energy-saving services.

Lastly, the new GreenSTAR Web site's "Find a GreenSTAR Contractor" page allows companies looking to hire an energy solutions provider for their HVACR and plumbing business to find a company by specialty and/or state. Each GreenSTAR profile includes a company description, link to the company Web site, contact details, and other important information. In addition, the "For Building Managers" page includes a host of stories, written by representatives of the GreenSTAR companies themselves, about how energy-saving services can benefit them.

Increasing Your Customers' Bottom Line

by Sharon Levin, MBA, CPA

Given the current economic struggles confronting businesses of all sizes, finding ways to increase revenues and decrease expenses has become an increasingly important goal for many organizations.

Historically, contractors who specialize in energy efficiency have been among the first to experience a decrease in work during tough economic times. This phenomenon appears counter intuitive given the high rate of return commercial customers receive from improved energy efficiency. Thus, the question arises as to what causes businesses to undervalue the services of energy consultants, HVAC contractors specializing in energy efficiency, and other related services focusing on reducing energy consumption.

A variety of reasons may be cited depending on one's position regarding energy policy, climate change, and related socio-political perspectives. Given that we cannot change customers' personal positions in these arenas, this article will focus on pure mathematical reasoning. Specifically, how you can prepare a compelling proposal using simple math to prove that investing in your services results in higher operating income.

Using the simplest of equations, revenues minus expenses equals net income, also referred to as the *bottom line*. Accordingly, \$1,000 in revenues minus \$800 in expenses equals \$200 in net income. Holding net income constant at \$200, we could also say that \$1,200 in revenues minus \$1,000 in expenses equals \$200 net income. The math is simple, but this lesson isn't about the math. Rather, it is to recognize that increasing revenues necessitates an increase in expenses. Typically, an increase in revenue is associated with an increase in marketing, labor, and or overhead costs. Thus, for each dollar increase in revenue, your customers' net income will increase by less than one dollar. Conversely, a one-dollar decrease in expenses, increases the bottom line one dollar. There is a direct *dollar for dollar* relationship between expenses and net income. While some companies continue to focus on increasing sales revenue as a means to increasing the bottom line, more prudent companies focus on decreasing expenses. This strategy is particularly effective when the economy is weak and the purchasing power of the dollar is low thus making sales even harder to come by.

A key element of your strategy is to show customers how investing in energy efficiency improvements increases the bottom line and value of their business. For example, assume a 100,000 square foot (sf) office building operating average hours per week has average occupant density and an average plug load. Further, assume the combined energy cost is \$2.20 per sf or \$220,000 per year. Given the *dollar for dollar* relationship between expenses and net income, a 10 percent reduction in energy consumption would decrease expenses and therefore increase your customer's bottom line by \$22,000. This \$22,000 is not a one-time savings; rather your customers will save \$22,000 year after year. Working backwards, if your customer has a maximum payback period of 3 years, you can sell products or services up to \$66,000 and be within the limits of their maximum payback period. In addition, your customers will earn a 33.3% return on investment, significantly higher than many investments in today's market. Obviously, energy cost savings are computed per square foot, thus the larger the building the greater the potential savings to the customer. Equally important, the larger the building, the more you can sell/service. A 200,000 sf building that reduces energy 10 percent would save \$44,000 per year (energy costs \$2.20 per sf), thus allowing you to sell \$132,000 of products/services and still provide your customer with a 33.3 percent return on investment. Thus, the low hanging fruit from your perspective is larger buildings.

Another consideration is the current energy efficiency of the building. It will be more

challenging to reduce energy consumption in a more efficient building. This is one reason it is wise to benchmark customers' buildings using the ENERGY STAR Portfolio Manager. Knowing the energy performance ratings of your customers' buildings will help you to identify buildings that provide the greatest opportunity for energy reductions. Buildings with lower energy performance scores indicate inefficiencies and provide the greatest opportunity for energy costs savings. Thus larger, less efficient buildings will experience the highest reduction in energy consumption and provide you with the biggest opportunity to sell more services/products.

Your job is to teach customers' how your services lead to improved energy efficiency, decreased energy costs, and a bigger bottom line.

Sharon Levin, MBA, CPA is the founder of ManageEnergy and a presenter of a number of webinars for MSCA. With over 20 years experience as a university professor of accounting, finance, and organizational science, and 10 years experience in the energy field, she is committed to teaching energy efficiency.

New GreenSTARs Get a Shout Out at MSCA LIVE 2012

During MSCA LIVE 2012, 17 MSCA member companies were recognized for having qualified for the association's GreenSTAR designation in the last 12 months. These companies were:

- AMI Services, Inc. - Waldwick, NJ
- Bruner Corporation - Hilliard, OH
- Campbell, Inc. - Northwood, OH
- Crockett Facilities Services - Bowie, MD
- Dunbar Mechanical - Toledo, OH
- W. L. Gary Company - Washington, DC
- McIntosh Services, Inc. - Tulsa, OK
- Noyes Air Conditioning - Gaithersburg, MD
- Peterson Service Co., Inc. - Medford, NJ
- Puget Sound Refrigeration Inc. Div. of PSR - Seattle, WA
- Ruyle Mechanical Services - Peoria, IL
- Smith-Boughan, Inc. - Lima, OH
- Soefker Services LLC - Memphis, TN
- South Coast Mechanical, Inc. - Anaheim, CA
- Stroh Corporation - Des Moines, IA
- University Mechanical Contractors - Mukilteo, WA
- Wolin & Associates, Inc. - West Des Moines, IA

Congratulations to all. If you would like to apply for the GreenSTAR designation, [click here](#) to access the forms and instructions for the application.

Conference Featured Many GreenSTAR-Focused Activities

MSCA LIVE 2012 was the place for GreenSTARs to really shine! The event kicked off with all GreenSTARs receiving a complimentary polo shirt to proudly wear during the opening session when companies that have met this unique qualification were recognized (See story below about how to order your GreenSTAR polo shirt today!) Interest in the program was also built through the Cigars and Cognac get-together in the hotel game room. GreenSTARs were given invitations to pass out to non-GreenSTARs who learned about the many advantages of acquiring the GreenSTAR qualification.

In addition, a number of educational programs and a roundtable session focused on the GreenSTAR program and the value of offering energy-saving services to customers. The optional program this year was *Taking Energy Solutions to the Next Level: Selling Efficiency Effectively*, presented by Mark Jewell. Jewell also presented an additional break-out session, *Selling Efficiency Effectively*, to which all attendees were invited. The roundtable session, GreenSTAR/Energy Services, moderated by Thom Brazel and Pete Smith, was well attended and added momentum to attendees' interest in the program.

GreenSTAR Polo Shirts Now Available

The new GreenSTAR polo shirt made its debut during last month's MSCA conference. Now GreenSTARs can also order these shirts for themselves or their staff by completing [this form](#) and submitting to MSCA. (Below see four GreenSTARs showing off their GreenSTAR polo shirts at MSCA LIVE 2012.)



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