

# Multiple Benefits of Energy Efficiency in SME Sector

Roundtable on Industrial Productivity & Competitiveness

Rod Janssen, Chairman of EEIPFin, Energy Efficiency in Industrial Processes (EEIP)

[www.ee-ip.org](http://www.ee-ip.org)



**ENERGY EFFICIENCY**  
in Industrial Processes



# EEIP... about us

- **Launch:** at the European Commission in April 2011.
- **Unique:** B2P ('business-to-policy) platform: a **not-for-profit**, market orientated, technology neutral, cross-sectoral.
- **Everywhere:** we 'go-where-people-are', connecting over 35,000 industrial energy efficiency professionals and companies (users & suppliers).
- **Goal:** improve EU policy. Supporting DG Energy and DG Enterprise on industrial energy efficiency including SMEs.
- **Focus:** functioning of the industrial energy efficiency market.
- **Working together:** companies, fairs (Hannover Messe) and specialist media (ThomasGlobal Media).



ENERGY EFFICIENCY In Industrial Processes

Themes Calendar EnergyPages Community

## EnergyPages

Visibility at biggest industrial energy efficiency network  
Promote your energy saving products and services  
at the right time, at the right place

Sign Now

2197442

Energy efficiency 3.0: connecting business

Support sustainable energy access Europe

Who should start energy efficiency?

Energy 2030: No Business as Usual

By Susan EBBOP | @cbbosman

It is not only me that has an impression that the European Commission is setting its priorities straight in the dark tunnels. We have already seen Energy Efficiency Directive (EED) details being effectively pulled under the surface and down by a single force, binding together. With the same voice.

Most Discussed

Energy 2030: No Business as Usual

Energy efficiency 3.0: connecting business

Join the Discussion

- Energy Management: Sustainability Software - which one is the best?
- Energy Management: Tools, for energy efficiency and cost reduction
- Energy: Seven fundamental facts for your model

EEIP Partners

FINNFORD, EIkem, THOMAS, Schneider Electric, cp pump systems, leif, ENERTEC, emergent

EEIP MAGAZINE

July 2012

## energy efficiency

From Strategy to Implementation, from People to Technology  
A systematic approach to industrial Energy Efficiency

The industrial sector has a great role to play in the transition to a low carbon economy. It is the largest industrial sector. The industrial sector is responsible for 25% of the world's energy consumption. The industrial sector is also a major source of greenhouse gas emissions. The industrial sector is a key player in the energy efficiency market. The industrial sector is a key player in the energy efficiency market. The industrial sector is a key player in the energy efficiency market.

EEIP MAGAZINE

ENERGY EFFICIENCY In Industrial Processes

## Energy Recovery in Industry:

Optimizing energy efficiency

Analysis of your results

Next Step

Energy Recovery Knowledge Hub



Meet to EEIP

Who to follow

EnergyPages @energypages

FutureEngineers @futureengineers

EnergyPages @energypages

EEIP @GreenOpsEU

Energy Recovery in Industry: Optimizing energy efficiency

EnergyPages @energypages

FutureEngineers @futureengineers

EnergyPages @energypages

ENERGY EFFICIENCY In Industrial Processes

EEIP

Don't waste energy.

Join ER>ER

Energy Efficiency in Industrial Processes

Don't waste energy.

Join ER>ER

EnergyPages @energypages

FutureEngineers @futureengineers

EnergyPages @energypages

ENERGY EFFICIENCY In Industrial Processes



EEIP Multi-Channel

# SMEs in the market

## As Users:

- SMEs account for over 95% of private sector firms in most industrialized economies.
- SMEs' cumulative environmental impact is that they contribute up to 70% of all global pollution.
- SMEs that are considerable energy consumers (e.g., in Italy they cover about 60% of the industrial consumption).
- Energy and resource efficiency costs are often not transferable to customers.
- Motivations on two levels (business performance (micro) and business model (macro)).

## As Suppliers:

- SMEs form the majority of the energy efficiency market as suppliers of products and services.

# SMEs' motivations

## Business performance:

- Narrow operations' level (energy costs, maintenance, health and safety, staff retention, .

## Business model:

- Broader perspective (owner-manager values, customer perceptions, societal influences or coercion)
- Emerging as the stronger driver than business performance.  

Some surveys (i.e. Netregs, 2007, UK) found that, although SMEs saw the main benefit of addressing environmental issues as reduced risk of prosecution and good customer relations, the most important driver of reform remained owner-managers' concern for the environment.
- The smallest firms are most likely to be motivated by environmental concern; they were also far less motivated by commercial benefits or legislative pressure.

# SMEs' the value-action gap

- Business performance level: A high percentage of owner-managers are actively involved in supporting recycling, energy efficiency, responsible buying and selling, and efforts to reduce their carbon emissions.
- Business model level: Studies show that SME owner-managers have strong altruistic feelings towards the environment, with environmental issues seen as an important issue by 80–90% of respondents (Schaper, 2002, 'Small firms and environmental management,' *International Small Business Journal*).

BUT, the same studies highlight a significant 'value-action' gap, where owner-managers generally positive environmental attitudes rarely translate into concrete action.

# SMEs' non-energy benefits

- For SMEs, nearly all energy efficiency benefits are 'non-energy benefits'.
- The key driver is owner-manager values and competitive advantage
- Non-energy benefits include:
  - Staff commitment and retention
  - Products quality improvement
  - Marketing advantage
  - Local community support
  - Maintenance and safety
  - Customer satisfaction

# The barriers

- The obstacles to energy efficiency underline uncertainties in the SME sector :
  - Low diffusion of technologies
  - Market risks
  - Difficulty in acquiring needed skills
  - Lack of interest in energy efficiency
  - High initial costs
  - Hidden costs
  - Imperfect evaluation criteria
  - Lack of sharing the objectives
  - Low status of energy efficiency
  - Divergent interests
  - Lack of internal control
  - Problem in identifying the inefficiencies
  - Lack of awareness



# Beyond energy: The conclusions

- Inclusion of non-energy benefits is the bridge for significant uptake of energy efficiency at SME sector.
- Raising awareness and sharing information of non-energy benefits of energy efficiency is the first step. Changing behaviour.
- Government SME support schemes and regulation help already with 'energy benefits' (meters, light, boilers, insulation).
- 'Bottom up' approach. Public communications, media campaigns on energy efficiency translate into customer pressure.
- The best action is local, community based.

# Partners and Supporters



MAN Diesel & Turbo

