

CAN GOING GREEN BE PERSONAL AND PROFITABLE?

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TEAM

Is the movement toward sustainability something distributors should look at from a profitability standpoint, or does it really just fall into the realm of corporate altruism? Can both goals be met? I recently had the opportunity to sit down with the president of a supply company catering to the commercial construction market. Jordan Bader, who is president of Acme Construction Supply, recently built a new facility with sustainability in mind. He had his eye on obtaining LEED building certification from the U.S. Green Building Council and chose a contractor who was able to guide him through the process. With the guidance of his contractor, and several investments in sustainable products, his new building was awarded LEED Silver status.

In the interest of full disclosure, the fact that I share the same last name at the subject of this article is no coincidence. Jordan Bader is my brother and runs the family business that we both grew up in. This article is a brief recap of our interview.

Why did you decide to go for LEED certification on this new building?

It was primarily a personal choice. It reflected my interest in sustainability and I was given the opportunity to do something different. Another motivation was to learn about the sustainable construction process. Since we cater to the commercial construction market, our customer base will be asked to provide sustainable options to their clients. By personally participating in a sustainable project, I had the opportunity to see what type of products and services our company should be investing in.

What are some of the features that enabled your facility to earn LEED Silver certification?

The LEED certification process is very complicated. There is a new construction checklist available from the U.S. Green Building Council that outlines all the possible ways you can accumulate points. The point totals are what determine your certification levels. They cover site features, water efficiency, energy optimization, material content and jobsite recycling, indoor environmental quality and design innovation. The building owner has to weigh the cost / point ratio when making decisions on what sustainability options to invest in. The most visible feature is a large solar energy array. Some of the minor features were low water use fixtures, fluorescent lighting and signage for fuel efficient vehicle parking.

Is the solar energy production system a significant offset, or more of a feel-good investment?

We purchased a 16 kilowatt solar array designed to cover about 20% of our usage. Any more would have been cost prohibitive. Even in the cloud-covered Pacific Northwest, the system produces about 20-22% of our power usage. At the current rate of return, it will take about 9 years for the system to pay for itself. As power prices go up, that time line should diminish.

Have there been any positive or negative comments from your customers?

If there have been any negative comments, I haven't heard them. It

is kind of funny that the contractors avoid the spaces designated for "Fuel Efficient Vehicles" or "Carpool." I would have expected them to disregard the signage. That tells me that there is a certain amount of awareness and respect that resonates with the contractor market. Most of our customers really like what we are doing. Most of our customers see the market for sustainable building practices. They see the opportunity to charge more for their services when catering to owners interested in LEED certification. We get a lot of questions about the process and some of the features we invested in. By far, the solar energy project has attracted the most attention. Our customers have brought potential clients over to look at the installation. We are very open. The local fire department actually spends time on our roof studying ways that these solar arrays can cause fire hazards when they are poorly installed.

What about the employees? Have there been any negative reactions?

Since the new building did not produce a significant bump in operating expenses, there have not been any negative reactions. They got a bigger building with about the same rent. Most of the employees like the fact that the company is on the forefront of the sustainability movement. They are proud of the certification. The people who work in the building are more than willing to talk about all the cool features in the building.

Do you use the LEED label or "green" designation in any marketing or branding?

On our website, we have a "Green

Initiatives” section that talks about all the ways that we support sustainability. We market our knowledge of solar power building structures. The LEED certification plaque is prominently displayed at our new facility. Perhaps we don’t leverage it enough. As I mentioned earlier, our real marketing comes from being open with our customers and inviting them to bring their prospective customers in to our facility. That open philosophy has given us a solid reputation in the markets we serve.

What advice would you give other distributors or building owners who want to get involved with sustainability?

If you are going after LEED certification, pay attention to cost per point. There are some items on the checklist that will not give much of a return on investment. Seek out guidance from a contractor or developer who specializes in sustainable building practices. If you want to upgrade an existing facility, seek out specific contractors who have experience in energy or water reduction. Roofing contractors can recommend ways to reduce cooling costs through different roofing materials. Start with a lot of research and visit some LEED certified sites in your community.

The sustainability movement is not a passing fad. Distributors can learn a great deal about the needs of their customers by doing some investigating. If you cater to the building industry, in any form, the products going into these projects will likely provide higher gross margin dollars. Think about what “organic” produce did for the grocery industry. Whether your motives are financial or altruistic, you will be well served to dip your toe in the water.