Powerful Changes

An efficiency-minded franchisee is showing Subway how to save money.

How much money is leaking out of your business each day? Subway franchisee Steve Kaplan decided one day to take a look—and found $20,000 worth of wasted energy was escaping each year from his Subway locations.

But with the assistance of the EPA's Energy Star Small Business program, he was able to reduce his energy costs 30 percent. Kaplan's newfound energy efficiency has become a model Subway's corporate headquarters is now using to educate the chain's franchisees about energy conservation and its economic virtues.

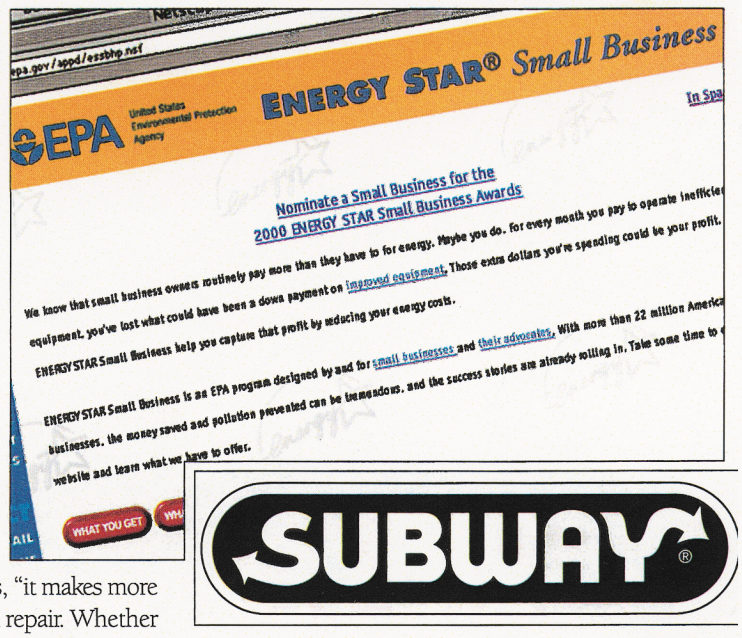
Making Kaplan's stores energy efficient required upgrading the lighting, installing energy-efficient air-conditioning units and ceiling fans, replacing electric water heaters with gas heaters, and purchasing more energy-efficient ice makers. The savings: 235,000 kilowatt hours each year.

It was installing new lighting fixtures a few years ago that first made Kaplan a true believer. "We cut our energy costs dramatically," he says, "and also had less maintenance. Before, every week we had to stop and replace a bulb. Now that we replace them on schedule, the bulbs burn longer. We can go two to three years without having to touch a bulb."

Kaplan wasn't the only one who noticed the changes in his stores. After the lighting upgrade, he says, many customers commented that the produce looked fresher—a direct result of having brighter, whiter lighting in the restaurant.

For larger equipment such as air-conditioning units, Kaplan continues to be much more careful about plowing forward with a major purchase. His locations are predominantly in leased spaces in the greater Oklahoma City area. He doesn't want to give a new AC unit to the landlord without reaping some benefits himself. "Sometimes," he says, "it makes more sense to replace than repair. Whether we replace it depends on how long we're going to be in a spot."

Although it seems saving energy dollars could be as simple as turning off lights, many small things add up to energy and money savings, according to the EPA's advice for small businesses. Some tasks might require spending a little money, but the agency says it's found



these improvements more than pay for themselves over time. And businesses don't have to upgrade all at once. Kaplan, for example, has spent several years making these improvements—first as a participant in an EPA program that was a precursor to Energy Star Small Business. With information provided by the EPA, operators can do a comprehensive energy audit themselves, as Kaplan did. It takes a little time and a few calculations. Finding inefficient appliances, upgrading HVAC or lighting, or making other energy upgrades might seem costly initially. Yet, the EPA estimates the return on investment for a $5,000 expenditure in such programs to be about 28 percent over a five-year period, based on $1,900 in cost savings annually. If you believe the estimates, that's a better return than investing in an SP 500 stock portfolio.

Energy Star Small Business is a voluntary program instituted by the EPA designed to assist business owners in cutting energy costs. The twenty-one hundred participating businesses nationwide include restaurants as well as offices, churches, gyms, and other facilities in a wide range of industries. **By Linda Dailey Paulson**

POWERFUL TIPS

The EPA's Energy Star Program offers simple tips like these for operators looking to save a few dollars in energy costs.

- Installing LED exit signs is more energy efficient than using fixtures with regular lightbulbs. A retrofit costs about $70 and the savings is about $24 per year, per sign.
- Adding motion-sensors in areas that aren't often used—such as bathrooms or hallways—allows lights to be turned on only when needed. This retrofit costs $25 to $80 and can save $40 or more each year.
- Replace older appliances with newer, more energy-efficient models—or conduct an inventory to determine if your location could use less refrigeration or freezer space more efficiently.
- Check the seals on refrigeration or freezer units to be sure they're keeping cold air in and hotter air out.
- Consider installing a vent to release heat from air-cooled ice makers outside the building to keep temperatures in the building lower and more constant.

For more ideas, contact the EPA's Energy Star program at (888) 782-7937. The agency also makes booklets available and publishes energy saving tips online at www.epa.gov/smallbiz. —LD