SUSTAINABILITY CONSULTANTS IN ACTION: Challenges and Achievements in a company sponsored project at the Swiss Energy Agency (Energie-Agentur der Wirtschaft; EnAW)

This report describes a ‘typical’ project team’s experiences, including some of the challenges, achievements and insights gained from working as a group of consultants on a sponsored sustainability project. The work took place over 10-months, during the Diploma in Sustainable Business program. It is based on real experiences reported by participants, but summarized in anonymous form in order to protect their identity.

Introduction to the Project

Our team was assigned to be consultants for a project at the Swiss Energy Agency, a collaboration platform between the Swiss government and Swiss companies. The EnAW promotes energy efficiency and the delimitation of CO2 emissions. Together with 2100 enterprises in all industries, sizes and regions, the agency formulates firm-specific goals and bundles these to a total objective: to combine profitability and commitment in favour of the climate. The EnAW has developed an Energy Management System (EMS), based on a target agreement, a definition of specific measures to reach the target, and a monitoring system assessing if the company is on track. The implementation of the measures is left up to the companies. The monitoring system is checked and approved by the Swiss Federal Office of Energy.

In 2012, in the midst of a changing policy landscape regarding CO2 and electricity, the EnAW stands to lose a large part of its customer base. An amended CO2 law, which takes effect in 2013, states that the largest emitters of greenhouse gases in Switzerland will be covered under a mandatory emission trading scheme and automatically exempted from the CO2 steering tax, thereby rendering EnAW’s service redundant to large emitters. All other users of fossil fuel will be subject to a CO2 steering tax. Beyond 2012, the Federal Office of Energy is planning to allow energy-intensive companies that have a target agreement (with EnAW) to get an exemption from the KEV tax (kostendeckende Einspeisevergütung) that is meant to subsidize renewable energy production. With this new plan, EnAW could play an important role. However, these plans have not yet been discussed in parliament.

The DAS project brief

Our consulting team was asked to do qualitative research, interviewing stakeholders in the field and writing empirical case studies. The goal was to compare the differences in decision taking and behaviours between energy intensive and non-energy intensive companies, and between EnAW clients and non-clients. The project period lasted 8 months, from September 2011 to May 2012.

The objectives were to develop and integrate insights from industry on the effect of the EnAW EMS on a company’s internal decision-making and implementation processes towards energy efficiency. The sponsor expected that our recommendations would:
1. Clarify how the EMS compares with a steering tax, in terms of its influence on internal decision-making and implementation processes in companies.

2. Identify further ways to improve energy efficiencies in companies.

We spoke to three types of companies: EnAW clients using the EnAW EMS, non-EnAW clients that have their own EMS / ISO system, and companies that are neither clients of EnAW nor have an EMS / ISO system. In addition, we differentiated between small and large companies in terms of CO2 emissions / use of electricity.

Main project results

In our research, we found that implementing the EnAW EMS process with the support of an EnAW moderator, does indeed have a greater and more positive impact on company internal decision-making than a mere steering tax. We also identified six key ways, used by the EnAW EMS and its moderators, to help ensure a positive impact on a company’s decision making and implementation processes. The main output was a 70 page report and a presentation of findings.

The consultancy process

Team member 2: Based on the given project task, we decided, in collaboration with our project sponsor, to complete qualitative case studies via personal interviews.

Team member 1: The project and its outcome benefited from the wide and diverse experience, knowledge and expertise of our project team. A detailed and thorough understanding of the energy and environmental markets of Switzerland as well as its regulatory landscape was available, as well as sound project management, operational reorganization and economic analysis skills. All of this enabled our team to provide EnAW with an unbiased and fresh outside perspective of its operations.

Team member 3: We had an interesting mix of experience in our group that the sponsoring company benefited from, including

- an in-depth knowledge of local and international policy framework which helped provide a world eye view of EnAW to our project sponsor;
- change management expertise which was useful to investigate how decisions where being made in a company and how EnAW could create greater change;
- project experience and consultancy backgrounds.

Team member 2: To be in a position to adequately address the assigned task, our team had to acquire the relevant background knowledge first, as it represented a new field of industry and policy to the team members. In a second step the main stakeholders were identified and their views and perspectives collected. Conversations with governmental officials as representatives of the authorizing bodies, with members of industry associations representing EnAW’s owners as well as with employees of EnAW were conducted thereafter.
Adding value as a consulting team

Team member 2: The project team supplied outside perspectives from multiple stakeholders on the self-understanding of the organization. This allows EnAW to work further on their service offering and client approach. These reflections also helped EnAW identify blind spots in their own operational routines, customer acquisition process and market presentation without being prescriptive.

Team member 1: I learned that it takes time to align a vision. Originally, our project team was expecting to apply a much more comprehensive methodology by creating a survey and using a much wider sample of 2200 EnAW clients. Over several weeks of discussions, however, we understood that EnAW was looking for only a few in-depth case studies. It took us a while to understand the benefits of these few case studies, and we sometimes struggled with the fact that the sample of case studies was too small to draw valid conclusions.

Team member 3: I learned that a project needs clear key milestones, timelines and checkpoints, which act as a guiding path throughout the project. Each team member’s responsibilities need to be clearly discussed and agreed. Depending on circumstances, an individual team member’s role may need to be may need to be adjusted. Most important is, that each team member’s individual strengths are utilized in the best way possible and that it is “allowed” to make mistakes.

Team member 2: I learned it is immensely important to stay in close touch with the project sponsor and to communicate often. Especially in the beginning, it is important to build trust and to make sure that the consulting team and the project sponsor have the same vision, the same goal and the same objectives. The following three key guiding principles may help future DAS consulting teams in their DAS project work:

- Don’t let the sponsor out of the door until you are sure what he wants (agree goals/objectives/scope)
- Balance the task and the relationship (interpersonal skills are just as important as subject matter expertise and project management skills)
- Synchronize often/communicate open and honestly with your sponsor (to coordinate things it helps to use a single point of contact; suggestion: put a standing alignment/team meeting into your calendars – e.g. 1h per week).

Embedding sustainability in business operations

Team member 1: There is a tension between the challenge of achieving sustainability on the one hand, and its potential benefit to the bottom line, on the other. It was particularly interesting to observe which factors were the most relevant for sustainability to gain a stronghold within a private organization. What I learned can be summarized as follows:

(1) Personal engagement was almost always the key factor. A people to whom it was important to incorporate the ideas of sustainability into the daily operations of the organizations and their individual motivations, are very diverse.

(2) All efforts by the EnAW must be able to withstand economic evaluations - at least in the long term. Altruistic reasons do not lead to a solid implementation of ideas into an organization.

(3) The integration of sustainability into an existing organization is a time-intensive and gradual process. A healthy economic situation of the organization and favorable economic
environment support the required change process. Crisis or restructuring phases do not exclude the opportunity to start off in a more sustainable way, but it is more challenging, because on top of the necessary culture change the survival of the company has to be insured.

Team member 2: The course of the project and the final results of the research give EnAW the opportunity to reflect more broadly on itself as an organization. This went beyond the original scope of the project. They will help EnAW going forward in understanding the strength of their offering better and to adjust for the challenges that are ahead for the organization.

Team member 3: We gained a colorful collection of insights to what motivates companies to take action on energy efficiency with differences depending on size and sector of a company. The team also benefited from meeting with companies that aren’t interested in energy reduction consumption, to understand more of their perspective and what could motivate them.

Thinking beyond the end of the project

Team member 1: Although the task of the project team was focusing on an outside client perspective the team had several opportunities to see how to improve EnAW’s internal operations. Stakeholder conversations combined with past experience of the project team led to a catalogue of potential actions for EnAW to develop and extend its service offering. A comprehensive list with suggestions was handed over to EnAW together with final project results.

Team member 2: In the end we equipped the sponsor with a specific portfolio of new activities that can help him in his efforts to bring the organization forward. The team addressed some important questions with project owners, including: How will your project continue after you are gone? What will take place? A research report should not sit on a pile but be used, and stay alive in the minds of the project sponsor and the stakeholders even once a project is finished. So as consultants we must be aware: how do we prevent a report from being put in a drawer and forgotten? How will the sponsor make your project fly after the program is over? Who in the organization should be the guardian of the project learnings to make sure it will remain alive?

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