

Where the rubber meets the sustainability road

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KALAMAZOO – WAL-MART and GRIFFIN PEST CONTROL could not be more divergent on the surface, but the firms faced similar issues in bringing sustainable practices into their business models and both have realized significant savings.

The two companies have taken two very different approaches to similar problems – how to rein in fuel costs, increase productivity and ease environmental concerns.

Whether the direction came from a top down directive by Wal-Mart CEO Lee Scott, or was generated by a Griffin Pest Control IT manager, the effect of sustainability initiatives has been to positively impact the triple bottom line, representatives of the two companies told business leaders at a recent SOUTHWEST MICHIGAN SUSTAINABLE BUSINESS FORUM meeting.

The nation's largest retailer has used logistical controls to maintain a competitive edge in the marketplace. Since 2005, Wal-Mart has worked to reduce its ecological footprint, decrease waste and increase its profits as part of the Sustainability 360 program instituted by Scott. For Edward Rodgers, general transportation manager at Wal-Mart's transportation center in Coldwater, Scott's

directive to decrease fuel consumption 25 percent by 2008 seemed nearly impossible.

"A lot of it comes down to changing conventional thinking," Rodgers said. "We are using our assets more efficiently through improved routing, ensuring we send out full trailers, and driving shorter, safer and smarter routes."

Rodgers, in charge of 192 drivers, 152 tractors and 1,200 trailers at the Coldwater center, explained that through initiatives such as installing auxiliary power units – small diesel engines that power and heat the driver cabin and eliminate the need to idle the truck's engine. The units use a tenth of the fuel of the main engine. The return on the investment company-wide was two years, saving \$50 million in fuel costs and reducing carbon dioxide production by 200,000 metric tons annually.

Getting experienced drivers to end the habit of idling the engine took time and continued conversations.

"Sometimes you need to over-communicate about the changes you are implementing," Rodgers said.

For a company such as Wal-Mart that drives nearly 1 billion miles per year, there are significant savings that can be made with incremental changes. But there are considerable savings for smaller companies as well, said Denise DeVries,

business development director for Griffin Pest Control in Kalamazoo.

The 80 year-old company has regional centers in Ann Arbor, Grand Rapids and Kalamazoo, and had its 37 service vehicles leave from each center. In 2005, Griffin began to look into increasing efficiencies and reducing its carbon footprint. With technicians driving in to Kalamazoo from as far as South Bend only to head back to the same area for service calls, management questioned the logic of all that driving.

"We asked how often do our technicians really need to restock vehicles – do

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they need to start the day at the office, where do our employees do most of their work? It turned out just once a week," DeVries said.

The return on "green" investments has been surprisingly short, said DeVries. The return on a \$25,000 investment in routing

software was expected to be 26 to 28 weeks. Griffin realized savings that paid for the software in just six weeks. It has reduced the amount of wasted miles driven by Griffin's technicians, condensing their routes. Combined with routing technicians from their homes, the firm has moved to a 4-day workweek for its technicians, who now work four, 10-hour days a week.

"The techs love these changes. The employees save money on gas and wear and tear on their personal vehicles. Customers like having the same service technician on a regular basis," DeVries said. "It has had a positive impact on a turnover. People find it very hard to leave a 4-day workweek for a 5-day-a-week job."

The firm is also in the midst of replacing service vehicles, traditionally pickup trucks, with more fuel efficient Scions. While a pickup gets 17 mpg in the city, the Scions get 22 mpg in the city. The company has saved \$23,000 in annual fuel costs in 2008 over 2006.

The Scions have a larger cross section, which Griffin has plastered with graphics.

"The side benefit is that it is a mobile billboard," DeVries said. "As we try to move into the Detroit area, I have advertising I couldn't otherwise afford in that market." TBL