

Coming Clean On Green

There are legitimate green products and services and many people willing to pay for them. To reap the benefits of that market strategy, stay on the right side of the line when promoting your company and products. **BY MARK EVANS**

Are you green? Our industry focuses on technical solutions and products or systems as opportunities to improve efficiency. But are we in fact the answer? We should ask: What has more impact: selling green products in a non-green way or being green and selling green products?

Think of how you conduct your business. Do you recycle, use bio-diesel or alternative fuel in service vehicles? Have you gotten rid of the bottled watercooler in your office in favour of a renewable filtration system? If you are green now, how can your actions change your customers' perceptions as they consider your credibility and the validity of the claims made by the green products or services you are presenting?

If you do not "live green" it is harder to sell something to someone you cannot identify with, or conversely who cannot identify with you. What do you think about green consumers? Do you know who they are and how to effectively communicate with them?

POLICING THE PROCLAMATIONS

It seems like every product now purports itself to be green? Do you sometimes see something presented as a green alternative that seems suspect? Many companies try to apply green concepts and perceptions in the absence of substance. This phenomenon is known as "green washing."

What is Green? The Merriam Webster online dictionary defines the often capitalized Green as: **a)** relating to or being an environmentalist political movement. **b)** concerned with or supporting environmentalism. **c)** tending to preserve environmental quality (as by being recyclable, biodegradable or non-polluting). It is the third definition that captures the essence of greening a product or service.

RESOURCES

There are contractor affiliate groups with programs to help you manoeuvre through the Greenery:

- » Mechanical Service Contractors Association "GreenStar"
- » GreenPlumbers
- » Green Mechanical Council "GreenMech"
- » Esco Institute "Green Mechanical Awareness"
- » Business and Sustainable Development: A Global Guide—an action plan for Greening your business.

bsdglobal.com/markets/green_action_plan.asp

When you read an ad, how do you know if it is a greenwash? Well, believe it or not you can check the ad out at the Greenwashing Index (greenwashingindex.com). Jointly promoted by EnviroMedia Social Media and the University of Oregon, the index is described as "an automated tool that scores your response to five statements about the relevance of marketing claims in an ad." The general public can rate ads they have seen in the media. Each score is included in the ad's overall score and individual's comments are added to the tally. Scoring is similar to golf in that high scores are undesirable (for the advertiser).

REASONS TO MAKE THE SHIFT

Do green buildings generate higher rents, occupancy rates and sales prices? A recent study written by real estate professors Gary Pivo of the University of Arizona and Jeffrey Fisher, the director of the Benecki Center for Real Estate Studies at Indiana University, examined the effects of investing in energy efficient, transit-oriented and urban regeneration office properties in the U.S. over the past decade. An article on the study was published by the Bethesda, MD based CoStar Group. It said, "Like other recent studies, Pivo and Fisher found that energy efficient properties with the government's Energy STAR label performed better than non-labeled properties. Energy STAR properties exhibited 13.5 per cent higher market values and 5.9 per cent higher net

incomes per square foot, a result of 10 per cent lower utility costs, 4.8 per cent higher rents and 1 per cent higher occupancy rates.”

Another study written by Norm Miller, a professor at the Burnham-Moores Center for Real Estate at the University of San Diego, and co-authored by Andrew Florance and Jay Spivey both of the CoStar Group, produced similar findings. The study analyzed more than 1,300 LEED and Energy STAR buildings representing roughly 351 million sq. ft. in the company’s commercial property database.

The article stated, “LEED buildings are achieving rent premiums of \$11.33 per sq. ft. over traditional peers and enjoy 4.1% higher occupancy rates. Energy STAR buildings are commanding rent premiums of \$2.40 per sq. ft. with occupancy rates of 3.6% over peers. On the sales front, LEED buildings are achieving \$171 more per sq. ft. while Energy STAR buildings are selling for an average of \$61 per sq. ft. more than comparable non-Energy STAR buildings.”

“The information we’ve discovered is very compelling. Like all good science, we discovered it by accident,” said Florance. “Green buildings are clearly achieving higher rents and higher occupancy, they have lower operating costs and they’re achieving higher sale prices.”

LOOKING AHEAD

In considering your green evolution, look for things that will impact your business, such as the recent announcement that Panasonic plans to market home fuel cells in 2009 (in Japan initially). If you are a gas fitter, or an oil burner tech, for example, this should be of interest to you. **HPAC**



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