

## Serving up \$5.5M in Annual Energy Savings opportunities for Arby's Restaurant Group, inc.

Energy represents Arby's third largest controllable expense. Faced with rising energy costs, Arby's realized it needed to devote more attention to improving operational efficiencies. Though some effort had been expended on specific efficiency projects, the company lacked a comprehensive energy management plan and needed further evaluation of their cost drivers.

To address this issue, Arby's picked ENGIE Insight as their efficiency partner of choice. Steeped in strategic planning, efficiency engineering, and holistic organizational engagement—along with extensive foodservice industry expertise—ENGIE Insight's Blueprint™ Framework would be the guide by which Arby's would plan and implement their efforts in search of a cost-effective and sustainable energy management solution.

Building on Arby's history as an ENGIE Insight Expense & Data Management partner, the restaurant chain began work with Ecova's strategic planning professionals to engage their executive team and other organizational leaders through a series of stakeholder interviews. Arby's COO, George Condos shared the following about ENGIE Insight's approach, "We brought together a cross-functional team, and helped identify opportunities that all parties could benefit from. This was a critical factor in obtaining the appropriate buy-in." Coupled with analysis of Arby's historical utility expense data, this initial exploration allowed ENGIE Insight to create a current-state assessment of Arby's energy management efforts that clearly identified real and perceived barriers, as well as opportunities, in pursuit of an effective energy efficiency program customized to their organizational needs.

With organizational "readiness-to-change" efforts well underway, ENGIE Insight then deployed its engineering experts to conduct energy and water audits of a representative sampling of restaurants. These audits identified a target list of eleven distinct low-cost energy efficiency measures and capital investment opportunities with a collective payback of less than two years.

Arby's leadership team met regularly with ENGIE Insight, using the ENGIE Insight Blueprint for total energy and sustainability management as a guide for best practice planning. The Arby's/ENGIE Insight team dug deep into each of the five Keystones—Data, People, Infrastructure, Marketing & Reporting, and Continual Improvement—in order to develop a strategic plan that would ensure energy management would become a norm of the culture and standard operating procedures throughout Arby's organization.



### At a glance

#### Scope:

ENGIE Insight supported Arby's finance team in developing a multi-million dollar capital expense proposal that generated an Internal Rate of Return of 97%.

#### Results:

With 80+ clients in the foodservice industry (including California Pizza Kitchen, CKE, Inc., and Burgerville), ENGIE Insight was able to prove that they had the expertise and vast experience to manage energy management solutions for a foodservice company of any size.

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Scott Boatwright, Arby's Senior Vice President of Operations, remarked, "ENGIE Insight's unique approach to strategic planning engaged Arby's leaders across different functional groups to help us develop an energy strategy that was truly built for our success—considering the unique strengths, needs, concerns and constraints of our organization. Excellent execution of this process has led to broad organizational understanding of energy management priorities, executive endorsement, and operational and capital allocation to support program success. Working with ENGIE Insight, we identified over \$5.5 million in potential annual savings for our energy program, adding bottom-line success to the process."

### The Results

Arby's work with ENGIE Insight resulted in a strategic energy management plan heavy on both bricks-and-mortar efficiency investment opportunities and initiative management recommendations to ensure that savings would be immediate, impactful and lasting.

Regarding infrastructure investments, ENGIE Insight supported Arby's finance team in prioritizing opportunities and developing a multi-million dollar capital expense proposal that generated an Internal Rate of Return of v97%. The proposal was approved by Arby's board, and rollout is now underway.

Other planning results included:

- Projected annual energy savings of over \$1M+ from modifications to equipment on/off schedules
- Elevated attention to energy risks and opportunities at the executive level
- Specific, measureable, corporate-wide energy reduction & cost savings goals
- Detailed energy management plan for achieving determined goals
- An energy policy supported by the entire executive team
- Organizational alignment and clear role/responsibility definition for initiative management and accountability
- Employee buy-in through early stakeholder engagement and cross-department representation in program design
- Defined employee education and communications plan to develop greater organizational understanding and enthusiasm for changes

Perhaps most importantly, Arby's strategic planning process resulted in a clear, data driven, actionable roadmap. This provided the business case to gain executive approval of capital expenditures required to support energy reduction goals. "The benefits of what we are doing is being seen from the boardroom to the restaurant level." Arby's COO, George Condos continued, "Our strategy was clearly articulated, and gave visibility to empower team members all the way down to the restaurants, where the general manager has the ability to improve his/her store profitability." Additionally, this roadmap will explicitly guide Arby's through the challenges that may arise as Arby's continues the process of continual improvement.



#### See More

Gain visibility into your organization's current energy and sustainability management practices while simultaneously establishing a clear path to your desired energy, resource, and sustainability transformation goals.



#### Save More

Reduce resource expenses by building a culture of energy and sustainability champions throughout all layers of your business and by implementing prioritized resource management initiatives with attractive investment returns.



#### Sustain More

Build long-term advantage for your business and the environment by developing organizational alignment and executing strategic energy and sustainability programs that drive lasting results.

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