

CKE Delivers Extra Value Through Comprehensive Resource Management

Holistic energy and sustainability program addresses stakeholder expectations, gains organizational buy-in and identifies cost saving opportunities.

Motivated by a growing level of investor demand to illustrate an organizational commitment to improved environmental performance, CKE Restaurant Holdings, Inc., a national quick serve restaurant chain, partnered with ENGIE Insight to develop and implement a strategy for effective resource management.

The program requirements were high. The industry average pretax profit margin is 6 percent, so any investment to improve environmental performance also required a keen sensitivity to bottom line costs. To be successful, the program needed to be comprehensive, support varying interests, and reduce operational costs.

A Recipe for Success

CKE and ENGIE Insight collaborated to develop a long term strategy that addressed CKE's specific goals and needs. The comprehensive plan leveraged the ENGIE Insight Blueprint and 5 Keystone approach to evaluate existing systems, current operational structure and processes to identify areas of opportunity. Since creating the plan, the team has partnered to execute on the energy and sustainability plan.

As a result, CKE has successfully integrated resource management into standard operating procedures and employee training while decreasing both costs and environmental impacts.

Key factors of success include:

- Secured internal buy-in through formal and ongoing stakeholder engagement
- Prioritized implementation of program components
- Quantified savings opportunities to reduce energy, and water use and costs

The Key Ingredients

Data

At a strategic level, CKE's executive Green Team conducts a quarterly review of key performance indicators to continue program performance. On a tactical level, CKE leveraged a combination of benchmarking tools and analysis to evaluate energy and water consumption across its portfolio and identify sites using more resources than their peers. This activity has identified an average of \$1,400 or 3 percent in annual utility savings per outlier site.



AT A GLANCE

Results:

CKE has successfully integrated resource management into standard operating procedures and employee training while decreasing both costs and environmental impacts.

“ENGIE Insight is truly a trusted advisor to CKE in issues of energy and sustainability – providing guidance and program management supporting areas as diverse as energy management, waste and recycling, and the invigoration of our systems to manage sustainability related issues in our supply chain.”

– John Dunion
Executive Vice President of
Supply Chain Management, CKE



CASE STUDY

People

For a complex and multi-resourced program to succeed, all levels and departments of an organization must support it. CKE's key organizational leaders instituted policies and projects that involved a cross-functional peer group.

The teams generated an internal communications and training plan that engaged both restaurant and corporate staff, leveraging familiar CKE communications channels such as newsletters, webinars and educational materials. According to Juliann Rogers, energy manager at CKE, "ENGIE Insight brought a lot to the table by developing our strategy and driving our implementation plan. I used to think, 'Oh, that will never work at CKE – there are too many different people needed to sign off on initiatives, and our employee base just doesn't know where they can contribute!' But now I realize it is our job to ensure organizational alignment, to help our staff care about this and drive prioritized actions – and we are doing it successfully!"

Infrastructure

Energy and water audits were conducted at select restaurants, which identified electric savings of 8 to 14 percent, plus additional water and natural gas savings, based on a package of projects meeting a 2.5 year payback period. The result was a total of over \$1.6 million in potential annual savings across the portfolio. The operations team has already instituted a new opening and closing checklist that could drive an additional \$1.2 million in resource savings annually.

CKE is also managing energy and sustainability risks in its supply chain by incorporating measures to proactively monitor supplier performance. Recently, the team revised the company's supplier code of conduct and questionnaire to include clear business expectations and standards for ethical, social and environmental practices, all of which better positions CKE to manage supply chain risks in the future.

Marketing and Reporting

Communicating effectively and accurately with stakeholders enhances an organization's brand and mitigates potential risk. CKE has updated their corporate values statement to include energy and sustainability, and shared details on its website, resulting in positive media coverage. Detailed program results were also included in CKE's annual corporate social responsibility report for the benefit of stakeholders.

Continual Improvement

In an environment of ever-changing technology and an evolving marketplace, it is critical to regularly review and modify strategies to identify areas for continued improvement. This continuous review cycle will ensure that CKE delivers continued value to stakeholders.

Chip Seigel, CKE's senior vice president, legal and chief compliance officer, said, "ENGIE Insight has architected and implemented a sustainability program that has helped us reduce costs, gain a greater understanding of our resource consumption, engage the right people to take action, and ensure we have a roadmap for future success."



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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