Module 2

Stakeholder engagement
Before we start our training, please find the keys below to our interactive PDF:
Learning objectives

In the previous module, Module 1 – Getting started with energy management, we provided an overview of starting an energy efficiency process. Once you complete this module you should:

• Understand the importance of stakeholder engagement.
• Understand stakeholders and their roles and responsibilities in energy efficiency project planning and implementation.
• Review content needed to engender stakeholder engagement in energy efficiency project implementation.
• Recognize stakeholder engagement is not a one-time event. It is woven throughout the energy efficiency implementation process, from planning and roadmapping to implementation, measurement and verification of results.

This module is followed by Module 3 – Opportunity identification which will explore the key processes involved with selecting energy efficiency measures for potential implementation.

Once you complete this module, you’ll have the following modules left:

- Module 1: Getting started with energy management
- Module 2: Stakeholder engagement
- Module 3: Opportunity identification
- Module 4: Roadmap development
- Module 5: Business case development
- Module 6: Energy efficiency in action
2. Stakeholder engagement

Terms to know

**Stakeholder:** For the purposes of this training module, refers to interested parties including executives (C-suite), asset managers, facilities and engineering teams, procurement, finance, event teams, marketing, legal, sustainability teams, landlord(s), supply chain, and vendors.

**Champion:** Serves as the energy efficiency lead and is responsible for getting ultimate approval from the CFO or other decision makers.
2. Stakeholder engagement

Importance of stakeholder engagement

Engaging key stakeholders in the energy efficiency planning and project development offers numerous benefits including:

**Consensus building:** Showing the value and potential benefits of energy efficiency opportunities can build consensus among stakeholders and promote alignment with overall company goals.

**Opportunities for collaboration:** Bringing stakeholders together can create connections between workgroups and develop collaboration beyond the specific project.

**Addressing common concerns:** Stakeholder engagement can help address common preconceived concerns regarding energy efficiency opportunities. For example:

- Finance departments may see sustainability initiatives as added costs and not understand the value energy efficiency presents.
- Facilities management may consider energy efficiency initiatives as additional work for their staff or a source of occupancy comfort issues.

**Idea generation:** Engaged stakeholders with diverse experience within an organization can help generate ideas for energy efficiency that facilities staff may never have considered.
2. Stakeholder engagement

Stakeholder identification

Energy efficiency planning and implementation typically requires:

- Identifying a primary point of contact, a “champion” that serves as the energy efficiency lead.
- Identifying and engaging stakeholders early and on an ongoing basis. These will include all who may affect or be affected by an energy efficiency program—including both internal and external personnel.
- Involvement from a group comprised of a core team as well as internal and potentially external support from personnel with:
  - Diverse subject-matter expertise.
  - Ability to engage and influence stakeholders throughout the company that:
    - Analyze energy use.
    - Oversee change management.
    - Negotiate deals.
    - Secure final approvals.
    - Manage contracts and projects on an ongoing basis.
- Having access to and obtaining commitment from the company’s key decision makers, as early in the process as possible. These can include the CEO, CFO, and the Chief Sustainability Officer (CSO).
- Involving departments for which energy efficiency energy decisions align with their responsibilities. This most commonly involves facilities management.
Communicate successfully with stakeholders

The champion is responsible for facilitating early and ongoing education and communication with stakeholders.

The involvement of and messaging to stakeholders varies depending on their role and responsibilities. (for example, providing comparison to current state, correcting misperceptions about energy efficiency). Key tasks for an energy efficiency champion will often include the following steps that will be explored further in this module:

• Obtaining leadership commitment.
• Facility management coordination and engagement.
• Finance coordination.
• Implementation partnerships.

Stakeholders are engaged throughout the planning and implementation stages!
Assign stakeholder roles

The RACI model is a useful tool for understanding and assigning stakeholder roles and responsibilities for energy efficiency.
### Stakeholder identification

Stakeholders’ roles and responsibilities are determined based on their interest and influence on energy efficiency goals, planning, implementation, and approval.

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<thead>
<tr>
<th>Approver</th>
<th>Accountable</th>
<th>Aligned functions</th>
<th>Level of influence</th>
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<tbody>
<tr>
<td><strong>High</strong></td>
<td>• CEO&lt;br&gt;• Board members</td>
<td>• COO&lt;br&gt;• Facilities Management&lt;br&gt;• Environmental compliance</td>
<td><strong>Low</strong></td>
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<tr>
<td><strong>Champion</strong></td>
<td><strong>Responsible</strong></td>
<td><strong>Supporting functions</strong></td>
<td><strong>Consulted / informed</strong></td>
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<tr>
<td>• Sustainability manager&lt;br&gt;• Facility manager</td>
<td>• Accounting&lt;br&gt;• Legal&lt;br&gt;• Vendors&lt;br&gt;• Landlords</td>
<td><strong>Consulted / informed</strong></td>
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<td><strong>Approver</strong></td>
<td><strong>Accountable</strong></td>
<td><strong>Adjacent functions</strong></td>
<td><strong>Informed</strong></td>
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<tr>
<td>• CFO</td>
<td>• CMO&lt;br&gt;• CCO&lt;br&gt;• Human resources</td>
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Obtaining leadership commitment

For a successful energy efficiency project planning and implementation process, the support, commitment, and collaboration of the leadership team is essential.
2. Stakeholder engagement

Facilities management collaboration

With leadership commitment secured, aligning with facilities management (FM) leadership and business group stakeholders is the next key step to establish energy efficiency (EE) program buy-in, identify opportunities for improvement, and incentivize engagement.

<table>
<thead>
<tr>
<th>Action</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>1. Identify and engage key FM and business group leadership</td>
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<td>2. Establish property and portfolio baselines</td>
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<td>3. Discuss ideas and opportunities, present to executive leadership</td>
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<td>4. Align on clear, measurable performance targets</td>
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<td>5. Develop efficiency performance policies to formalize mandates</td>
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<td>6. Formalize knowledge sharing processes</td>
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<td>7. Incentivize performance</td>
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</table>
2. Stakeholder engagement

FM site team empowerment

Engage site teams early and often often in order to gather valuable input, align on opportunities for improvement, and share best practices.

- Opportunity identification
- Awareness and accountability
- Guidance and training
- Incentivizes and recognition
- Ongoing support
2. Stakeholder engagement

**FM site team empowerment**

**Best practices:** Microsoft site engagement

Microsoft engages site teams **early and often**, using best practices to consistently meet or exceed annual resource reduction objectives. Best practices include:

- Opportunity identification
- Awareness and accountability
- Guidance and training
- Incentives and recognition
- Ongoing support
Finance coordination

**Identify and coordinate** the financial resources needed to meet EE objectives across business groups.

- Assess current financial resources and budgets:
  - Identify overlaps and align and/or reallocate

- Analyze outstanding funding/resource needs.
- Assess and pursue potential additional funding sources as needed.
- Allocate resources based on energy savings impact, ROI, and other considerations outlined in your business case.
Implementation partnerships

Developing implementation partnerships with vendors can reduce costs, speed up delivery, reduce the burden on FM teams, and improve outcomes.

Assess current vendors

Use networks

Utilize consultants

Consider energy as a service (EaaS)

Visit the Department of Energy's ESPC site for more information.
Congratulations! You’ve completed Module 2: Stakeholder engagement

This module provided a high-level review on successfully engaging stakeholders to empower them to implement energy efficiency measures. Key takeaways include:

- Gain leadership support with strong business cases.
- Collaborate with facilities management to identify improvements and implement EE measures.
- Incentivize on-site teams to meet energy efficiency objectives.
- Identify overlaps in energy efficiency budgets and compliance budgets to allocate resources towards EE measures.
- Develop partnerships with vendors to improve outcomes.

The following module will provide best practices on how to identify opportunities when engaging with various stakeholders across the organization.