



OWNER EQUITY BY [CHAD CRANDELL](#)
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GOING GREEN TO KEEP OWNERS IN THE BLACK

(THE VIEWS AND OPINIONS EXPRESSED IN THIS BLOG ARE STRICTLY THOSE OF THE AUTHOR.)

It's no question that generating incremental profits, even in light of rising revenues, is no easy feat in today's operating environment. Cost-saving initiatives that once were considered icing on the cake are now imperative to sustaining meaningful profit margins, and no initiative is too small.



In the past year, or so our asset management team has been focusing heavily on green initiatives at the properties we oversee. These initiatives have included everything from the purchase of new energy monitoring systems on kitchen equipment to participating in local energy programs, and everything in between, all of which have had a tremendous impact on cost savings. We often think big and calculate payback on many of the initiatives that we implement, which is all part of the job of creating value. However, a recent initiative at one of our resorts served as a reminder that even the smallest of changes can have a material impact, and those of the "green" variety often also can enhance the guest experience.



By offering a take-away reusable water bottle in the rooms at a cost of US\$1.39, versus the two standard plastic water bottles at a similar price, the resort was able to save upwards of US\$8,000 per month, or US\$96,000 on an annual basis. In this instance, savings came from a combination of a credit from vendor advertising on the bottle, plus labor savings, as the union charges for housekeepers to replace the water bottles (per bottle). These savings also are significant given that the average length of stay at this resort is four nights, so the housekeeper only puts the initial bottle in the room.

Generating the desired bottom line is more challenging today than ever before, but it can be done if you think outside of the box... or the bottle, in this instance. To go green, think big, and then think small, and you'll be surprised of all the opportunities owners can find to save.