

Energy Saving Tip of the Month

2. Integrating energy into the accounts

One of the quickest ways to start to control energy use is to integrate the reporting into the accounts package (along with all the other vital business numbers). Energy usage and management is not a 'technology fix', it is a vital business measurement and tool and some of the most effective energy management efforts can come directly from the accounting function.

Accountants are familiar with calculating the total costs for a site from the fixed and variable components, where: Total cost = (Production volume x unit variable cost) + Fixed costs. The use of a similar approach for energy management will hold no surprises for most accountants. This allows energy management to be treated as with any other cost element.

The aim is to achieve cost-effective energy management. Integration of energy reporting into the accounting function allows energy to take its place on the management agenda as a part of the normal management of the site.

Action:

- Get the accountants involved in recording, verifying and publishing the numbers for energy use.
- Get the accountants to treat energy usage as a variable cost that can be allocated directly to the process and area involved.
- Energy costs can affect product profitability - make sure they are allocated correctly.
- Get the accountants involved in project assessment - they can help with the numbers.

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