

BY MICHAEL LAWSHE

Environmentally sustainable options offer more than just feel-good benefits

## PROFITABLE GREEN REMODELS

*Water reclaim systems can save up to 90 percent usage saving 1,800,000+ gallons annually.*



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IT'S NOT OFTEN THAT WE SEE THE WORDS profitable and green in the same title. We have been conditioned to think that going green is expensive — that is one of the great myths of our time.

Sure, there are extreme examples of government mandated boondoggles that will never show a profit. We only have to look at Stage 2 vapor recovery to see that. Anytime the government gets involved for our own good we know it will be expensive and suspect as to the return on investment.

What if you were able to “go green” and increase your profitability? Not only is it possible, it is quickly becoming an important part of being competitive in the marketplace. Sustainability and the green movement are here to stay and are increasingly influencing consumers’ buying decisions on everything from the cars they drive to where they buy their gasoline and convenience items.

As we look to 2009, are you in survivor mode or growth mode? Those of us who have been around long enough have seen these economic cycles come and go. It seems that some people come out as winners whether the economic situation is run by the bears or the bulls. When the markets are good, people tend to invest in opportunities and grow their businesses as a direct result of those business decisions. During bad economic times, people tend to hold off making those investments and are surprised when their businesses suffer.

It becomes a self-fulfilling prophecy. When there is no nurturing and re-investing in the business, sales are negatively affected. To put it in football terms, they implement a preven-

tative defense and hope they don't lose. Nothing frustrates me more than when I see my team go through three quarters of solid offense and defense and then stop everything that has made them successful and play not to lose for the last quarter.



Have you noticed how the other team is all too happy to take advantage of the “play not to lose” strategy and begins to gain momentum that all too often leads them to victory? The same is true in retail. It is a competition for every consumer dollar. We can either play to win or play not to lose.

I am not saying that we should overspend in pursuit of that consumer dollar. But we should pursue key strategies to win competitive wars. Most people tend to wait for economic recovery before initiating remodel strategies. By beating them to the punch and investing now, you will be in perfect position to take advantage of the economic recovery when it arrives.

I have come to look at myself as fiscally conservative and socially liberal. In short, I want to save the world as long as there is something in it for me. That is the great thing about the green movement.



*Utilized existing medical office; concrete vs. new construction reduces waste and saves money.*

As technologies advance, there are many opportunities to save our resources as well as our money. Remodels offer us a unique opportunity to cure some of the inefficiencies that we have built into our stores while utilizing sustainable methods and materials at little or no additional cost.

Let's say you have a store that has not been remodeled for ten years. Chances are there are numerous ways that you can introduce energy saving elements into the remodel process. The first step in any remodel is to gather your team and perform a project review. This review sets out the goals and expectations of the remodel. In addition to the standard goals of increased sales, increase our foodservice offering, increase customer impulse sales etc., we can add a desire to improve our green footprint.

An industry professional can perform a green review that will evaluate your current store from a sustainability perspective and help outline methods to go green. These methods can include a variety of areas such as systems, materials and operations.

Systems such as HVAC, water, sanitary and lighting are evaluated to determine how they can be improved and what the return on investment would be for that improvement. The latest technologies are so far advanced that the return on a 10 year old store might be as little as one year in many instances. Energy Star equipment, LED lighting systems inside and out, energy efficient HVAC systems, improved insulation, water reclamation systems and so many more systems are available that actually save you money from day one. It is often as simple as asking your professional to give you green options and looking at the improved operational costs.

When selecting materials to be used in your remodels, a little knowledge goes a long way. There are so many choices out there for sustainable products that we no longer have to pay a premium in many cases to make the right choice. Recycled products are being used in laminates, tiles, lumber, masonry and almost every area that you will be looking at in your remodel. Paint, adhesives, con-

crete and other construction materials can have varying levels of sustainability. Paint for example can be purchased with no VOCs. That stands for volatile organic compounds. This is emitted as a gas and is very harmful when inhaled. Every major paint manufacturer offers products where VOCs have been reduced or eliminated — it pays to ask.

Operationally, are you taking a proactive approach in your stores? What chemicals are you using? Are they environmentally the best they can be? Is recycling a viable option? Usually, an internal audit of policies and procedures will help develop a whole series of initiatives that can help in your quest to be green. You might be surprised how your managers and employees will embrace these initiatives. A very good time to initiate programs like this is simultaneous with the green remodel. By involving your people in the process and letting them know the decisions made and the positive environmental impact that you are making, the grassroots grapevine will quickly let your customers know how much you care about the environment and about them.

### **STRATEGIC REMODELS**

I call them strategic remodels because too many times I see stores being remodeled with no clear

*Natural light with glass block and skylights reduces electric bills significantly.*



## REMODEL RESOURCES

There are so many resources available from checklists to certification programs that can help in the design/remodel process. Here are just a few that may help in your pursuit of a sustainable future.

- [www.Dsireusa.org](http://www.Dsireusa.org) Government programs
- [www.buildinggreen.com](http://www.buildinggreen.com) Great publication with checklists and pertinent news
- [www.mbdc.com](http://www.mbdc.com) Cradle to Cradle certification
- [www.rfci.com](http://www.rfci.com) Flooring certification
- [www.fsc.org](http://www.fsc.org) Forest Stewardship Council
- [www.usgbc.org](http://www.usgbc.org) U.S. Green Building Council and Leed certification
- [www.sfiprogram.org](http://www.sfiprogram.org) Sustainable forest initiative
- [www.edcmag.com/greenbook](http://www.edcmag.com/greenbook) Great resource for materials and products

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strategy. It is not necessarily about making the store prettier, but making them more profitable. Focus on your key profit centers and develop a remodel strategy that will reach your sales objectives. Each profit center should be broken down and analyzed against demographic profiles, competition and current trends to develop the appropriate strategy. By utilizing this strategy, our remodels can return an increase in sales ranging from 10-65 percent. This increase in sales will not only soften the blow during recession but it will position you for explosive returns as the economic tides turn.

### GREEN REMODELS

Remodels can be strategic and green. Your design professional can help guide you in your choices to make sure you know the options.

Take advantage of government programs that are currently in place as well as new "stimulus" programs that are coming with the new administration. These green initiatives can defray a significant portion or even the entire cost of some parts of the remodel.

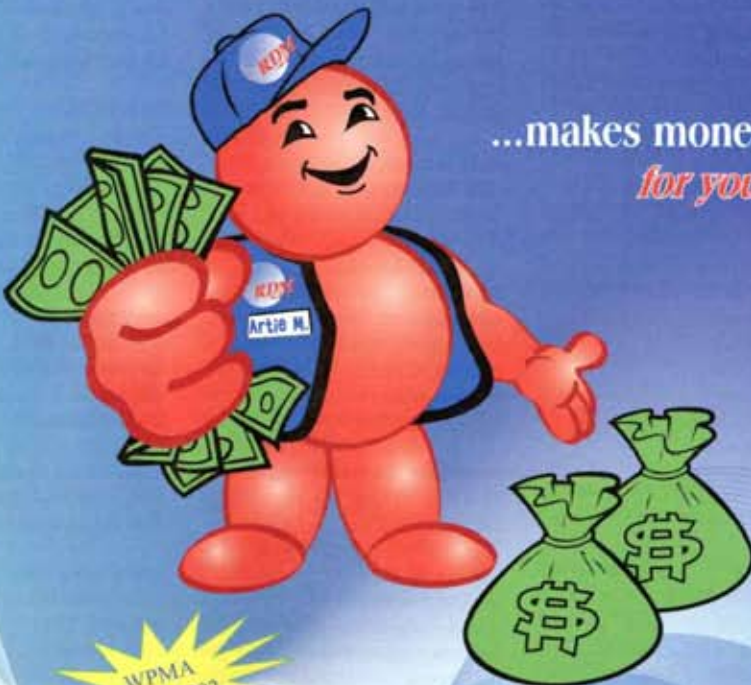
During Paragon's "Green Review" of a store, we can often find programs that will pay towards the remodel. One significant resource is [www.Dsireusa.org](http://www.Dsireusa.org). On this site, you can check for programs that may apply to your area. Programs that address lighting upgrades, insulation upgrades and water reclamation systems can often qualify for government programs.

The good news is that the remodel continues to pay dividends as the sales go up and the utility bills go down for years to come. The pursuit of a certification such as LEED (Leadership in Environmental Design) can be a good thing, but the most important part of the green remodel process is doing the right thing while improving the bottom line. These organizations do an excellent job of creating benchmarks and goals to strive toward. However,

the goals of these organizations may not exactly coincide with your objectives. It really does not have to be a big convoluted process with certifications. It can be as simple as making more money through a strategic remodel and saving money by going green. What's not to like? **NPN**

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