

# Green for the Environment and



## Green for Your Bottom Line

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The word of the decade is “**GREEN.**” Almost every article we read in trade pubs today has words such as sustainability, green, eco-friendly, locally grown, environmental responsibility, landfill-safe, recyclable, ENERGY STAR®, etc. We are now in the era of conservation. Restaurants are getting on the landfill management bandwagon, and are becoming aware of the positive implications of managing resources penny by penny. Plus, they are discovering that improvements in efficiency go straight to the bottom line. Society is becoming more environmentally conscious, and now it makes good marketing sense for restaurants to be seen by their patrons as good stewards of the environment. Many restaurateurs today are busy finding or creating solutions for eliminating landfill waste, improving efficiencies, and creating sustainable operational practices. Greening the globe is a good thing, but greening your bottom line at the same time is even better.

The National Restaurant Association (NRA) has launched several initiatives that will aid in making the shift to a more eco-friendly world and will promote sustainability in the restaurant and hotel industry. It is the goal of the NRA to:

- Assist restaurants in identifying environmentally responsible solutions that work for the restaurant business
- Help restaurateurs identify practices that can reduce operational costs for restaurants while conserving energy, water and other natural resources
- Increase recycling practices, and encourage the creation and use of sustainable materials and alternative energy sources

NRA President and Chief Executive Officer Steven C. Anderson says, “Sustainability and conservation are important and timely issues, and we hope our new initiative(s) will inspire the restaurant industry to explore business solutions that are both eco-smart and business-smart. Developing environmentally friendly practices is good for the industry, good for consumers, and good for the country.”

These are transformative times where an entire industry is in a state of change. New rules of the game are being crafted every day. Obviously, the quality of the food product is the most important consideration; however, in addition to food quality, patrons want to know that the restaurants they frequent are community-oriented. In a recent survey completed by the National Restaurant

Association, it was found that 62 percent of consumers are likely to choose a restaurant based on its environmental friendliness, and nearly one-third of restaurant operators plan to allocate a larger part of their budget to such efforts in 2008. In addition, the Association’s survey of more than 1,200 chefs shows organics, local produce and sustainable seafood are among the hottest menu trends right now. Finally, the survey indicated that kitchen equipment that saves water and energy and equipment that serves multi-purposes are top priorities.

There are no simple solutions, as the problems are extremely complicated. A solution in one area creates new cascading changes in other areas. As an example of this, gasoline prices have recently been on the rise, which has enticed farmers through the Midwest to sell their corn to ethanol producers, getting a higher price for their crops. Because so much corn is being diverted to ethanol, it has created shortages, hence rising prices for feedstock which has created higher prices for dairy products, beef and chicken. Farmers wanting to get in on the ethanol craze have been converting their crops from rapeseed and soy (used in the production of cooking oils) to corn, which has caused cooking oil prices to increase by more than 40 percent. All of these pricing forces are causing inflationary pricing for the consumer. Compounding the pressures on food prices are supply chain vendors raising transportation and distribution costs due to rising diesel prices.

Going green is the only solution. One of the pioneers, early adopters, and champions for environmental stewardship in the restaurant industry is Georgia native and communications industry mogul, the renowned Ted Turner, founder and owner of Ted’s Montana Grill. Ted and George McKerrow Jr., president/CEO, are leading the charge in rethinking every aspect of their business operationally, from waterless urinals to recycled paper tablecloths. They are a living example, a laboratory, if you will, for rewriting these rules for enviro-operational efficiency. Not only have they reduced their environmental footprint and reduced their distribution reach, they, at the same time, have improved their food quality and their net income. Net income from operations is the other green that is good. All of their green initiatives make excellent environmental and economic sense, in that they all provide a payback to the restaurant.

Because Ted's Montana Grill is deeply committed to the environment, they have undertaken many initiatives to reduce their environmental footprint. It was their goal to be 99 percent plastic and styrofoam-free. That's why they re-introduced the paper straw, (not produced in the United States since 1970) and use it in all of their restaurants. Their tablecloths are recycled brown butcher paper. Menus are printed on 100 percent recycled paper. Their to-go cups are made of cornstarch that bio-degrades in landfills in just 50 days. Soft drinks are served in recyclable glass bottles. Take-away food is placed in Bio-Plus Earth® containers, which are high-quality, bio-degradable containers that are micro-wavable. These containers have been endorsed by the Green Restaurant Association. Ted's has also focused on conservation initiatives of energy and water. They installed 66 solar panels at their restaurant in Tallahassee, Fla., and low-voltage lighting in all of their restaurants. They are currently looking into wind generation. Many of their restaurants feature water-efficient toilets in order to help conserve water, and biodegradable powder Boraxo® soap in restrooms. Nearly all of the paper, plastic, aluminum and glass products used in the restaurant are recycled, and Ted's is currently measuring the impact of this effort in landfills. Mr. McKerrow says, "Will all of this change the world? Maybe, maybe not. But it's the right thing to do." Adds McKerrow, "Being ecologically and environmentally responsible has always been at the heart of Ted's Montana Grill, and we want to be a role model for other restaurant companies and operators. We also want to give our customers an experience they can feel good about – a place where they can 'eat great and do good.'"

As alluded to earlier, the other green benefits are the savings to the bottom line. As an example, Ted's is installing low-watt bulbs in all 51 restaurants. This initiative will push costs down from more than \$22 per socket to less than \$3 per socket per year. While the new bulbs are more expensive – almost \$10 instead of \$.50 each – they pay for themselves in six months and will end up saving the company more than \$12,000 annually. "The new bulbs maintain the same warm look and feel of Ted's while lowering their energy costs. They also further our commitment to reduce energy consumption," said McKerrow. "We're continually working to make every aspect of our restaurants as eco-friendly as possible."

There are 945,000 restaurants operating in the United States, and all should be seeking ways to improve their eco-footprint through improved efficiencies in their cooking equipment. Energy is a precious commodity and should be used wisely. There are many equipment items offered for sale today that can cook the same amount of food as you now cook with half as much energy. More operators need to invest in ENERGY STAR® rated equipment. Even though the initial purchase price may be higher, the net cost of ownership is lower. It is a matter of education and understanding that low first cost equals high ownership cost. High equipment efficiency is the answer to high productivity and

low operating and ownership cost. Economy model gas fryers, for example, have efficiencies as low as 32 percent, with low productivity. These are bad for the environment, bad for operator productivity, and bad for the bottom line. Standard model gas fryers have efficiencies of between 40 – 47 percent, and high efficiency gas fryers 50 – 65%. Electric fryers from economy to high efficiency have an efficiency of 80 – 85 percent. Gas or electric high efficiency ENERGY STAR or "CEE" rated equipment is good for the environment and good for the operator.

ENERGY STAR and the California Consortium for Energy Efficiency (CEE) have developed standards of efficiency for commercial cooking equipment through ASTM (the American Society for Testing and Materials). Fisher-Nickels, Inc. ([www.fishnick.com](http://www.fishnick.com)), which tests equipment for efficiencies and productivity, publishes a list of qualifying equipment for rebates offered in California, with all of the particular information on efficiency and water consumption. Equipment on this list is the best in class and is in the top 25 percent of efficient equipment offered for sale. You can find this list at: [http://www.fishnick.com/saveenergy/rebates/complete\\_list.pdf](http://www.fishnick.com/saveenergy/rebates/complete_list.pdf) (note that rebates are offered in only a few states in the country and are the prerogative of each state's Public Service Commission.)

Whether you embrace the green movement for environmental reasons, for sustainability reasons, or to improve your overall bottom line, we owe it to future generations to be good stewards of the resources we have, and to minimize unnecessary waste. There are pioneers leading the way who have benefited by their environmental proactivity. By doing the right thing, you will be rewarded with improved efficiencies and **GREEN** bottom line.