



HARDWOOD INDUSTRIES IS ON BOARD FOR SAVINGS

STRATEGIC ENERGY MANAGEMENT ALIGNS WITH LEAN, REDUCING ENERGY USE

Hardwood Industries, Inc., headquartered in Sherwood, Oregon, is a value-added wholesaler and distributor of quality hardwood lumber and related products and services. Hardwood is committed to maintaining profitability to protect the company's future and guarantee jobs for its employees while continuing to serve customers. Hardwood's interest in identifying and reducing energy waste led to its participation in Energy Trust of Oregon's Strategic Energy Management (SEM) offering.

Energy Trust's SEM offering helps organizations identify significant cost-saving opportunities and capture energy savings with continued learning and support opportunities. Coaches employ organizational and technical support practices to identify and implement energy-saving projects through a holistic approach that engages employees at all levels of the organization. In some cases, SEM aligns with a facility's existing Lean or continuous improvement initiatives. Enrollment in SEM is free to eligible customers and introduces an opportunity to earn cash incentives based on future work.

Treasure hunt launches SEM engagement

Hardwood began its SEM engagement in late 2018 with a "treasure hunt," in which a group of Hardwood employees and their SEM support team scoured Hardwood's Sherwood site to find areas of energy waste, after which they prioritized the identified energy-saving projects.

Hardwood's SEM treasure hunt yielded 53 energy-saving opportunities. As of July 2019, 20 of the 53 projects have been completed; more will be addressed as resource availability—largely maintenance staff—allows.

Lean practices pave the path for SEM

Through its Lean and continuous improvement work with Oregon Manufacturing Extension Partnership (OMEP), Hardwood has eased into SEM, especially when it came time for the energy treasure hunt. "It went really well, partially because OMEP had run a similar event for production and process improvements," said Mike Koch, Hardwood's SEM coach. "We were actually able to use some of the OMEP tools to help make it easier and more familiar for them."

"Anything you can do to bring your leadership staff and their team to look at the process together, in the flesh, is invaluable," said John Hunt, senior consultant at OMEP. "Energy Trust gives companies a framework to think about energy. Then employees are out on the floor with this mental model, and the energy coaches guide them through really looking at what's going on. That is where continuous improvement happens."

Chad Bentley, operations manager at Hardwood, appreciates the parallels between Hardwood's new SEM work and its existing work with OMEP.



"We've been working with OMEP since 2012 I believe, getting the employees involved and listening to the guys that actually do the work," said Bentley. "Once we started SEM, it was like everything that Energy Trust was saying was exactly the same for our workflow that we established with OMEP but just on an energy level. That was an eye-opener in itself."

Shift alignment yields substantial energy savings

Although its SEM engagement is still underway, Hardwood's willingness to embrace Energy Trust's SEM recommendations have already led to notable changes—driving energy savings. Bentley, Koch and Hunt agree that the most significant savings have come through process changes based on findings from the treasure hunt, with all three identifying shift alignment as the key process change.

"Shift alignment has probably been the biggest impact for us," said Bentley. "Now everybody starts and ends at the same time. We've also implemented a lunchtime shutdown, and that has made a tremendous impact."

Bentley lauded the value of SEM in helping Hardwood improve its energy efficiency. "Through SEM education, we could see clearly through our energy data that shutting down equipment and starting it back up actually saves us energy and dollars," he said.



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Reinvesting savings where it counts most

Not only is Hardwood accruing significant energy cost savings through SEM, it is also on track to receive cash incentives. Hardwood plans to turn its SEM savings and incentives into employee rewards to acknowledge their efforts in identifying and implementing SEM changes.

Energy Trust's SEM coaching is also bolstering Hardwood's existing commitments to employee engagement. "Our employee engagement workshop allowed us to focus on getting our employees involved in knowing that they have potential to help us save money and energy," said Bentley. "While that's a difficult task, there's lots of tools that we learned in our last workshop. We're working on implementing all of those."

Koch praised Hardwood's commitment to the SEM program. "Hardwood has been really engaged the whole time and really driven to get energy savings," he said. "A key part of SEM is being on-board to put in the time. They've been dedicated."



All the savings that we're getting back from the SEM program, plus our energy partner program, we're just going to reallocate those dollars to something that benefits our employees.

**Chad Bentley, operations manager
Hardwood Industries**

