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It's Not Easy Being Green

Richard Young

Determining Foodservice Cost Savings

Con$ider the Big Picture Before You Buy Looking at the cost to operate your new foodservice machine

What are the three things you consider when buying a car? Most people will start with the size, style and functionality of the car and determine whether it fits their needs. Then there's the price tag and some consideration about how much financial pain this purchase will cause. Finally, there is the miles-per-gallon (MPG) rating, from which one can calculate how much your stylish purchase will cost to operate.

Whether you sit down and calculate your estimated fuel costs or just compare one MPG rating to another, you have moved beyond simple first-cost analysis to a bigger-picture lifecycle cost analysis. Very few people —Hummer owners excluded—choose to ignore the MPG rating. Everybody understands that the purchase price just gets the car off the lot and that it costs lots of money to keep that car on the road.

The Blind Spot

Now, let's consider what happens when you buy a piece of foodservice equipment. Most people will check out the size, style and functionality of the appliance. Then they negotiate a good purchase price and...that's it. Because there is no MPG sticker on the appliance, the cost-to-operate gets glossed over. Considering that the lifetime cost to operate for most appliances is several times higher than the first cost, the missing MPG information really leaves an awful blind spot in the purchasing decision.

Making an Informed Decision

Fortunately, you can easily get to the MPG information for many appliances and do a simple cost-to-operate analysis using online equipment lists and cost calculators. The Food Service Technology Center has a simple acronym that will guide you through the process: F.S.T.C. Here's how it works: Find the information, Simulate the cost to operate, Transfer the answers to a spreadsheet, Compare the answers and make a fully informed purchasing decision.

Find the information. You can locate energy-efficiency and performance data for a variety of appliances on the ENERGY STAR program's Commercial Food Service page. Located at www.energystar.gov/cfs, this page lists all of the ENERGY STAR-qualified equipment and includes a rebate finder that can point you to incentives nationwide. An even more comprehensive set of equipment lists can be found on the Food Service Technology Center's website at www.fishnick.com/saveenergy/ rebates. These lists include all the technical information that you will need for the next step, along with the rebate dollars available to California customers.

Simulate the cost-to-operate. Take the energy-efficiency, production-capacity and idle-rate info that you found in step one and plug it into the appropriate slots in the FSTC cost calculators located at www.fishnick.com/saveenergy/tools/calculators/. You will also want to customize the calculators based on your hours of operation and estimated pounds of food cooked. You can even add in the purchase price of the appliance and total years you expect to own it and cook up a total lifecycle cost of ownership. The beauty of these calculators is that they are both simple and powerful. They also include default values for low-efficiency appliances, so you can make a quick assessment of the dollars saved by purchasing efficiency.

Transfer the answers to a spreadsheet. Each time you run the calculator, you will generate one answer for the appliance you are considering, one default answer for the low-efficiency fryer and one default answer for a

minimum energy-efficient appliance (usually the baseline for ENERGY STAR qualification). If you are comparison-shopping, you will need to run the calculator more than once and transfer each of the answers to a simple spreadsheet so you can organize your thoughts.

Compare the answers. Now comes the good part. With all your cost-of- ownership data neatly organized in your spreadsheet, you can step back, look at the big picture and make a truly informed purchasing decision. This is also the ammo you will need when you talk to whoever is going to pay for this equipment. In their world, first-cost is king and lowest first-cost wins. As you will quickly find, by doing this lifecycle costing, the truth is that the cost to operate is the real financial driver in the cost-of-ownership equation.

Why settle for a guzzler when you can have a high-efficiency, high-performance top-of-the-line appliance? A few minutes spent on the Web and a little comparison shopping is all it takes. Remember that initial cost can’t be the only variable used when considering total cost of ownership.

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