

Wisconsin Initiative Showcases Profitable Sustainability

- **Innovative Pilot Program to Promote Sustainable Manufacturing to Generate a \$54 Million Economic Impact Over Five Years**
- **Sustainability Fuels Savings, Growth and Competitive Advantage for 45 Participants**
- **Environmental and Financial Impacts Exceed Expectations, Program Delivers Substantial ROI for Manufacturers, State of Wisconsin**

MILWAUKEE — An innovative program to promote sustainable manufacturing in Wisconsin is projected to generate a five-year \$54 million economic impact and significant environmental benefits, states a report released today by the [Wisconsin Manufacturing Extension Partnership \(WMEP\)](#) [1].

Forty-five state manufacturers are participating in the Wisconsin Profitable Sustainability Initiative (PSI) pilot program launched in April 2010 by WMEP and the Wisconsin Department of Commerce. Over the past year, WMEP and a team of expert partners have worked with the manufacturers to identify and implement 87 high-payback projects targeting energy, logistics, product and process innovation and environmental improvements.

The financial and environmental benefits exceed expectations, and present a compelling case to continue the program, the report states.

“These findings demonstrate the power of sustainability to drive savings, growth and competitive advantage for state manufacturers — while at the same time reducing their environmental impacts,” said Buckley Brinkman, WMEP’s executive director and CEO. “This is a win for everyone. It’s great for business, great for our economy and great for the communities where we live and work.”

Five-year financial and environmental impacts for 87 PSI projects currently underway or planned include:

- \$26.9 million in savings
- \$23.5 million in increased/retained sales
- \$3.6 million in investment
- \$54 million total economic impact

Environmental impacts include reductions in:

- Electricity: 17.3 million kilowatt hours
- Carbon dioxide equivalents: 45.6 metric tonnes
- Transportation: 10.8 million miles
- Solid waste diverted from landfills: 11,245 tons
- Air emissions: 83.7 tons

The financial and environmental impacts are based on rigorous cost-benefit and data analyses completed by WMEP and its partners, BT Squared, Inc., LogiServe® and Baker Tilly Virchow Krause, LLP in consultation with PSI participants.

Success Highlights

1. Lannon-based **AFW Foundry, Inc.** will not be trucking 1,920 tons of sand per year to the landfill as a result of its participation in PSI. The company produces non-ferrous sand castings for various commercial applications. Although AFW had invested in a reclamation system to reprocess the sand used in its air-set production, 30 percent of that sand could not be re-used, was designated as waste and destined for a landfill. PSI provided engineering expertise that secured regulatory approval to allow the remaining sand to be used for roadbeds, embankments and other uses. The project has led to significant savings in landfill fees, transportation expenses and raw material costs.
2. **Quick Cable** manufactures battery and electrical connectors, cable, tools and accessories for commercial and industrial equipment. The Franksville-based firm utilized PSI assistance to overhaul its die cast operation, where metal is injected into molds to create battery connectors. A labor-intensive process that involved workers removing excess metal from parts with a grinder was replaced with a trim process, a metal shearing operation. Benefits to the company include a 14 percent reduction in waste, two percent reduction in raw materials costs and a 20 percent increase in throughput. The company estimates a six-month payback on the project.

Visit www.wmep.org [1] for more success highlights or to view the report.

Wisconsin Leadership in Sustainable Manufacturing

The Profitable Sustainability Initiative is projected to generate a 31-to-1 return on investment (ROI) for the State of Wisconsin over five years, and provides a unique opportunity for Wisconsin to become a national leader in manufacturing sustainability, officials said at a June 23 news conference in Milwaukee. Grants and services provided through the PSI program were funded with a \$1.75 million investment from the Wisconsin Department of Commerce and State Energy Program.

“None of this would be possible without the visionary support from the Department of Commerce,” Brinkman said. “We applaud their steadfast efforts to put Wisconsin on the map as the most sustainable manufacturing state in the U.S.”

“The success of this pilot program has enormous consequences for economic growth and job creation,” Brinkman added. “We’ve barely scratched the surface when you consider the potential of replicating these gains over the state’s more than 9,000 small and midsize manufacturers. This is a game changer.”

Unique Public/Private Partnership Fuels Success

The PSI program — the only one of its kind in the U.S. — wins accolades from business and sustainability leaders for its multidisciplinary approach to sustainability and reliance on expert partners to drive improvements.

Under the program, a team of energy, environmental, logistics, lean and finance experts were dispatched to take a 360-degree view of the participants’ business enterprises to diagnose, assess and implement improvements.

A key reason for the success of the pilot program is that PSI is flexible and customer-driven, officials said.

“The program absolutely encourages manufacturers to prioritize sustainability projects based on business needs, fast payback and high ROI — there are no cookie-cutter solutions here,” said Randy Bertram, WMEP’s PSI program manager.

PSI partners include:

Northwest Wisconsin Manufacturing Outreach Center (NWMOC) provides business assistance and management expertise to small and midsize manufacturers and is part of the NIST Hollings Manufacturing Extension Partnership (MEP). NWMOC served as project manager for Northwest Wisconsin PSI participants.

BT Squared, Inc., a Madison-based civil, environmental and energy engineering firm, developed the diagnostic tool and spearheaded the energy and environmental projects. PSI energy projects targeted inefficient lighting, aging HVAC units, heat recovery and leaky compressed air systems. Environmental projects reduced solid waste and hazardous materials.

LogiServe®, a logistics management firm with offices in Wauwatosa and Rome, Ga., led the eco-transportation and logistics projects, which include the consolidation of inbound and outbound freight, use of EPA Smart Way carriers, continuous logistics improvement and electronic processing of freight orders and payment.

Baker Tilly Virchow Krause, LLP, one of the nation’s largest accounting and advisory firms, created the ROI template used by the program, documented participant results and provided services in the areas of green product development and financial forecasting.

A final report on PSI will be released in spring 2012.

About WMEP

WMEP is a private, nonprofit organization committed to the growth and success of Wisconsin manufacturers. Since 1998, WMEP has helped to generate more than \$1 billion in economic impact and create and save more than 13,000 state manufacturing jobs, according to results documented by customers. WMEP receives financial support from the Wisconsin Department of Commerce and the NIST Hollings Manufacturing Extension Partnership. WMEP also partners with many public and private organizations to serve Wisconsin manufacturers. For more information, visit www.wmep.org [1].

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[1] <http://www.wmep.org>