## B.4 Motivating SMEs to participate

| | |
|---|---|
| Short description | You get to know the SMEs and highlight how the services and activities offered answer to the specific challenges and business values of the individual SMEs that you contact. The multiple benefits of energy efficiency are crucial selling points. |
| Tools provided | Checklist for energy maturity (Appendix B.1)<br>Guidelines for collecting SME energy profile (Appendix B.2)<br>Guidelines for collecting information about energy and environmental consciousness in SMEs (Appendix B.3) |

The activities and services mentioned above aim at benefitting the SMEs, but it is not self-evident that the SMEs are interested in receiving those services. As a Trusted Partner you, therefore, need to find out what would motivate the *individual* SME to participate. How much effort this takes depends on the relation you already have with the companies and if the companies already have an interest in energy and environment. In any case, be aware that it often takes more time than you expect. Earlier initiatives have shown this to be the most challenging part of all.

One advice is to start out with the companies that show an interest in the energy collective. Maybe there are SMEs involved in your Energy Working Group, or maybe you have received input from SMEs when you developed your impact ambition and offered services and activities. Alternatively, you could start with SMEs that are large energy users. Once you have a small group gathered, the motivation of additional companies will be easier. Good examples of how other SMEs have acted can have greater influence on environmentally friendly behavior than pure information.[1]

As a Trusted Partner, you may already have active contacts with a cluster of SMEs in relation to other issues, i.e. the SMEs are already part of a collective. This is, of course, an advantage, since then you do not have to initiate the energy collective from scratch but instead introduce an energy focus in an existing collective. If you are setting up the collective from scratch, engaging the SMEs is likely to require more effort.

[1] See e.g. Abrahamse, W., and Matthies, E. (2018). Informational Strategies to Promote Pro-Environmental Behaviour: Changing Knowledge, Awareness, and Attitudes. In Environmental Psychology (pp. 261–272). John Wiley & Sons, Ltd. https://doi.org/10.1002/9781119241072.ch26

**Example: Motivating SMEs by building on experiences and relationships from successful examples of other local energy projects**

In one business park, the Trusted Partner was a park manager, who already had a strong relation to the companies. Here, the collaboration around energy aspects was initiated through an initiative by a smaller group of companies to collectively invest in solar panels. This concrete action was used as a starting point for continued and further work with energy efficiency and the recruitment of other SMEs in the park.

**Examples: Introducing energy aspects in existing SME collectives**

In the Roveri industrial district, companies are affiliated to one of the industry associations operating in Italy. The Trusted Partner is a member of one of these industry associations, and already acts as an advisor for all her affiliated companies for matters concerning safety and the environment. Once the "Roveri energy collective" project is started, and the Trusted Partner has started drafting the value proposition, she starts mentioning the project to individual SMEs during routine calls. The Trusted Partner introduces the value proposition and gathers feedback about how it could be improved and tailored to the needs of the SMEs in the collective.

In another example, the local energy advisor planned to initiate a local energy collective addressing all the SMEs within the municipality. At the municipal level, there was also a local SME association, which had regular meetings. The local energy advisor, who acts as a Trusted Partner in this example, asked to present his idea at this meeting and brought along one SME he knew worked actively with energy efficiency and that had achieved great improvements. To the meeting he brought a simple one-pager of his idea and all participants could sign up if they were interested to receive more information. After that, he contacted each SME that had signed up individually. Since he had already established an initial interest, he could then add a short questionnaire to ask about their main interests and adapt the focus of the energy collective to these.

Figure 1 shows the main areas of importance for the process of engaging SMEs to participate in the activities of the local energy collective. They are explained in more detail in the following sections. You can, of course, use "collective" approaches (such as newsletters, group emails and invitations to information meetings) to inform the SMEs on the energy activities planned. However, to motivate them to actively participate, one-on-one contacts will be needed. Below, the main focus is on these contacts.

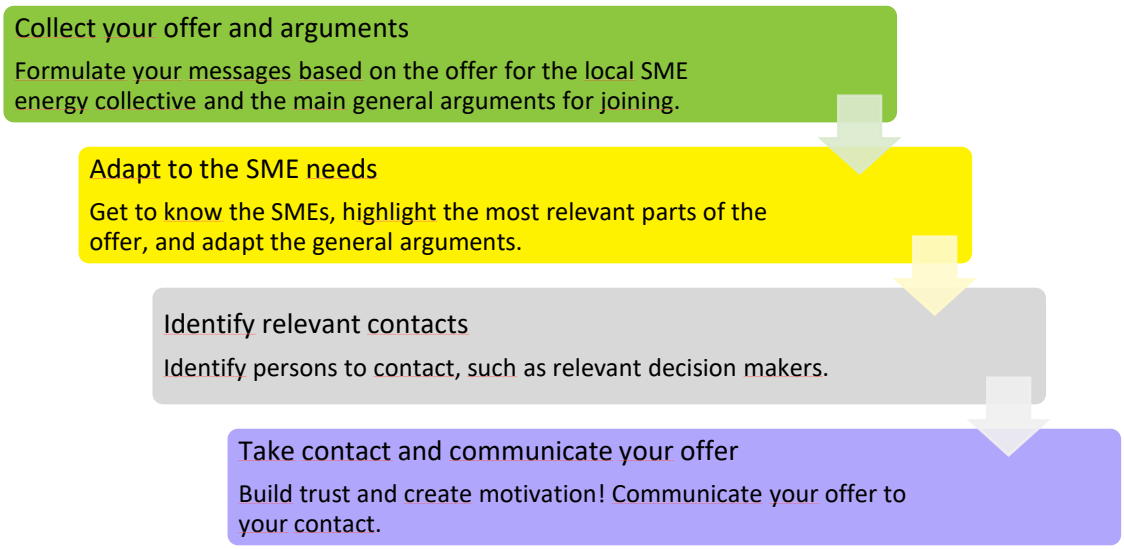


*Figure 1. Main steps of the process of involving SMEs in the local energy collective.*

Note that this is an iterative process – communication will be enhanced by each contact you are taking. A successful motivational strategy may be to, early on – before the collective is fully formed – offer an activity to the SMEs that you are contacting, such as a seminar on energy management or regulatory aspects or preparations for energy scans. For inspiration for this type of activities, see Chapter C.

The table below lists a summary of approaches that can be used to motivate the SMEs to get involved in the local energy collective.

| A local energy collective with a value proposition focused on coordinating energy efficiency improvements in the individual companies | A local energy collective with a value proposition focused on collective energy projects |
|---|---|
| Show examples of similar companies, which successfully implemented energy efficiency measures.<br><br>Highlight the multiple benefits of energy efficiency. Provide examples – tailored to the needs of the individual SME.<br><br>Offer the first activities without requiring formal commitments from the SMEs. | Build on experiences and relationships from other collaborative projects in the business park.<br><br>Show examples of successful collective energy projects from other business parks.<br><br>Ask about results from previous work with energy efficiency in the company and what the plans for their next step are. Find connections to the ambition for the collective project.<br><br>Highlight the benefits of a collective approach to reduce time, resources and risks for the individual SME. |

### B.4.1 Offer and general arguments

Before you start contacting the SMEs, you should have developed your value proposition, so that you can describe the services and activities you offer and why (see also Section **Error! Reference source not found.**). Additionally, it is useful to define general arguments for the SMEs to take part in the activities, to be communicated at the same time. Examples of such arguments can be found above in the tables in Introduction and are linked to:

- the potential multiple benefits for the SMEs from saving energy, including reduced energy costs and contribution to climate mitigation,
- the additional benefits from doing this with a collective approach, including for example that the SMEs can support and learn from each other, and may benefit from collective energy projects.

Try to present concrete, good examples from other ongoing or earlier local energy collectives (see examples included in this Handbook). If you have access to examples with a local connection, this is even better.

**Example: Recruiting SMEs to Energy Efficiency Networks in Sweden**

For the Energy Efficiency Networks (EENet) in Sweden, a short brochure describing the concrete offer was available to the Trusted Partner from start. The coordinators (Trusted Partners) then recruited companies by direct contacts via telephone, email and – in many cases – visits to the specific companies. The contacts focused on asking questions to the companies about their interests, challenges and ambitions. The coordinators had also prepared material, beyond the brochure, on all the strong points and multiple benefits associated with the planned network and could refer to this directly in the dialogue with the companies. For these networks, recruitment might have been an especially challenging step, since in most cases the link between the coordinator and the SMEs beforehand was not very strong.

### B.4.2 Company information

To motivate SMEs for energy efficiency work, you need to identify why joining certain activities of the local energy collective would be especially relevant to the individual SME. To do that, you need to know each company well enough. Start with what you already know about the company, collect information that is openly available at the company's website, and ask questions in your contacts with the company. The type of information that you are interested in is summarized in Table 1. However, your knowledge will of course develop gradually, when you work with the collective and the SMEs longer-term.

*Table 1. Type of information that is relevant for you to know about the individual company.*

| Facts and figures | Description | Further guidance |
|---|---|---|
| The business segment of the SME | What products/services are they offering, and what does the overall economic situation look like for this segment. | Appendix B.2 can be used as support for collecting information. |
| Company size | Provides a background relevant to understanding their capacity to address aspects related energy efficiency improvements. | |
| Total energy use / energy intensity | A rough estimate, including main type of energy source and use of renewables. SMEs having high energy intensity may be easier to motivate. For SMEs with lower energy intensity the "multiple benefit" concept may be especially relevant and attractive. | |
| What energy is mainly used for | For instance, is energy used in production processes, for buildings (e.g. ventilation and lighting), and/or for transport. | |
| **Energy maturity** | **Description** | **Further guidance** |
| Overall maturity in terms of energy management practices | To what extent do they already have experience of energy efficiency actions, defined responsibilities and planning processes in relation to energy use. | Appendices B.1 and B.2. |
| Existing 'energy culture' among the staff | | Appendix B.3[2]. |
| **Values and drivers** | **Description** | **Further guidance** |
| Dominating values and drivers | Examples can be security for employees, profit maximizing, environmental consciousness, or to be a force of innovation. | Appendix B.3[2]. |
| The core business and which KPI:s that are monitored | Contributes to identification of the SMEs specific benefits of energy saving, e.g. positive effect on productivity, working environment, customer satisfaction or company image. | See also Table 1 in Introduction. |

[2] Note that Appendix B.3 mainly addresses the aspects of 'energy culture' that relate to environmental consciousness.

If it is difficult to find information about the individual company's energy use, it may also be possible to find relevant information in public sources, such as the online 'Energy Efficient SME' portal. You can also search the internet for information about energy efficiency for the specific sector or activity of interest, whether it is offices, textile manufacturing, or restaurants. This may also provide you with good examples of successful energy efficiency projects that can serve as motivation and inspiration.

Based on your knowledge about the company, highlight the parts of your offer that are most relevant for this company. Also, use the company information to adapt the general arguments from the previous section (B.4.1).

The purpose is to make your information about the energy collective as relevant as possible for the specific company. Tailored information usually encourages behaviour change more effectively than general information.[3] For example, if you know that a company mainly uses energy in the form of transportation fuels for their vehicles, you can focus your questions and information on energy efficiency in transportation and logistics, while an office company is likely to be more interested to hear what can be done about heating, ventilation and appliances in their premises.

This task might seem daunting, considering that there may be hundreds of SMEs in the local cluster that you are addressing. Then remember to start with a few companies, and with some information, and develop the group and your knowledge gradually. For instance, you might want to save issues relating to values/drivers and core business for later (but do not forget it since it can help you both to discover what is important for the specific company).

### B.4.3 Persons to contact

You also need to figure out who to call at the company. Who is making decisions, and especially decisions that relate to participating in a local energy collective? Maybe there are several people, and maybe at different organizational levels. It is usually a good idea to start by contacting people you already know at the company. Otherwise, try with the best option you find at the company's website. Ask questions during the call (see Section B.4.4) that help you get the whole picture.

To create a broad engagement for energy aspects at the company, you might also need to contact persons who especially would benefit from an energy collective, that is, persons that need the support of such a collective (for example the energy or production

[3] See e.g. Abrahamse, W., and Matthies, E. (2018). Informational Strategies to Promote Pro-Environmental Behaviour: Changing Knowledge, Awareness, and Attitudes. In Environmental Psychology (pp. 261–272). John Wiley & Sons, Ltd. https://doi.org/10.1002/9781119241072.ch26

manager). Another aspect is who can contribute with relevant company information (see the lists above).

### B.4.4 Contacting the SMEs

In the direct contacts with the company your primary aim is to communicate the offer and arguments for participating, especially the aspects you think are most relevant to the specific SME (see Section B.4.2). Almost as important is to ask questions to find out more about the specific SME and what would motivate it to take part in planned services and activities. This means that you continue in all contacts to tailor your information to what is most relevant for the specific SME. Also, try to find out if there are more persons you should contact for specific questions (for example energy related) or regarding the decision process. Strive to end all contacts with an agreement regarding the steps to follow. What you are able to agree upon may vary, but at least you need to decide on how to continue your dialogue.

In your contacts, adapt your information as much as possible to the one you are talking to – based on the person's role and expertise as well as on the answers and reactions you receive on your questions and information. For example, if a person is driven by environmental concern, failure to recognize this may result in that the motivation for participating in an energy collective will risk to fade out due to one-sided attention to, for example, cost savings, or vice versa.

The first activities offered are not likely to require any formal commitment from the SMEs. You might want to ask them to sign up for a newsletter or accept to come to a first meeting. But at an appropriate, later stage in the process, it might also be relevant to formulate and make commitments between you and the SME (see Section **Error! Reference source not found.**). Formal commitments can give a stronger base for collaboration.

As noted above, there may be other types of information channels that you can use, for example, to reach several companies at the same time. However, personal contact is important for building trust as well as for creating and capturing motivation. Keep in mind that to build trust, you not only need to get to know the SMEs, but they also need to get to know you. Two-way communication via calls or meetings gives the possibility for them to ask you questions and to develop their trust and confidence in the initiative.

# APPENDIX B.1: Checklist for energy maturity

This tool is meant to function as a starting point for a small company's journey to a more structured and systematic way of working with energy efficiency. It can be used as a self-assessment tool, or as a support tool for Trusted Partners who want to understand the level of maturity for the SMEs in the local energy collective.

**********

## Level 1

| Question | Comment | Check |
|---|---|---|
| Do you know the size of the company's energy use? | For all different energy carriers such as electricity, oil, district heating, etc (in kWh or $m^3$). Check energy bills. | |
| Are you doing anything to save energy? | For example, routines aimed to reduce energy use, e.g. care and maintenance of machinery, and switching off lights. | |
| Is responsibility for energy issues distributed within company? | For example, that someone handles energy bills and follow up the energy use | |
| Are you aware of what energy-related regulations and requirements that affect your organization? | What applies in your specific country | |

## Level 2

| Question | Comment | Check |
|---|---|---|
| Do you have access to statistics and data of the company's energy use? | Check energy bills and/or customer pages at your energy supplier's website. Compare one year to another, or season to season. Customer pages may also show hourly values. This can be used to identify idling load. | |
| Do you know what in your operations uses most energy? | Audit or scan your energy use and identify the major energy users | |
| Is management involved in the work with energy? | Management should make sure that energy-related issues are handled and provide enough resources for the work. | |
| Have you selected a person for the overall responsibility for energy issues? | Someone has an overview of all parts, e.g. energy bills and production | |
| Do you have energy goals/targets? | Possibly together with environmental targets, SMART objectives. | |

### Level 3

| Question | Comment | Check |
|---|---|---|
| Do you have an energy policy or an environmental policy describing energy issues? | Describes the direction of the work with energy. Connect policy to energy targets and objectives. | |
| Have you developed an action plan for energy efficiency? | Write down what has been done, what should be done, and plans to achieve this. | |
| Do you consider energy / energy efficiency when making investments? | Energy performance, compare life cycle costs for investments. | |
| Are you using energy related KPIs? | Could this be a possibility for your business? Energy use per product, per euro or something else. | |

### Level 4

| Question | Comment | Check |
|---|---|---|
| Do you follow up your action plan and the result from implemented energy efficiency measures? | Update the action plan, its measures and calculate costs and savings. | |
| Is there a possibility for employees to contribute with ideas to the work of reducing the company's energy use? | E.g., in coffee breaks, workplace meetings. | |
| Are energy related routines updated regularly? | Internal revision, e.g., once a year. | |

# APPENDIX B.2: Guidelines for describing the SME energy profile

In order to collect relevant information about the energy profile of an individual SME, the following questions can be used to guide and support communication between the Trusted Partner and the SME (e.g. to be discussed during calls or company visits).[4]

**COMPANY IDENTIFIER**

Country: _____

1. What is your organization's NACE Code? _____

2. How many employees does your company have?

   - □ Less than 9;
   - □ Between 10 and 49;
   - □ Between 50 and 249;
   - □ Over 250.

3. Annual turnover:

   - □ Less than 2 million euro;
   - □ Between 2 million euro and 10 million euro;
   - □ Between 10 million euro and 50 million euro;
   - □ Over 50 million euro.

4. Usable area of the building(s):

   - □ Less than ... $m^2$;
   - □ Between ... $m^2$ and ... $m^2$;
   - □ Between ... $m^2$ and ... $m^2$;
   - □ Over ... $m^2$.

**ENERGY PROFILE OF THE COMPANY**

5. What is your company's annual global energy consumption? (100TOE = 1.16 GWh)

   - □ Less than 1 GWh;
   - □ Between 1 and 5 GWh;
   - □ Between 5 and 10 GWh;
   - □ Over 10 GWh

6. What is the share of energy costs in the company's turnover?

   - □ Low (<2%);
   - □ Moderate (2-10%);
   - □ High (> 10%).

[4] Guidelines developed by Servelect and Technical University of Cluj-Napoca.

7. What is the structure of energy consumption (% in total consumption)?

| **TYPE OF ENERGY** | 0%-30% | 30% - 60% | 60%-90% |
|---|---|---|---|
| Electricity | | | |
| Natural gases | | | |
| Liquid fuel (gasoline, diesel, Light liquid fuel, etc.) | | | |
| Purchased thermal energy (steam, hot water) | | | |
| Energy from renewable sources (biomass, solar, others) | | | |

8. How do you monitor energy consumption within the company?

| **ENERGY CONSUMPTION MONITORING SYSTEM** | *Fuels* | | *Electricity* | | *Thermal energy* | |
|---|---|---|---|---|---|---|
| | Yes | No | Yes | No | Yes | No |
| There are energy cost centres monitored by the administrative institution | | | | | | |
| There are separate counters on the main production sections, installations, machinery and equipment | | | | | | |
| There is only a general counter | | | | | | |
| Building management system considers | | | | | | |
| The energy management system considers | | | | | | |

9. When was the last energy audit carried out within the company?

- □ Less than 1 year ago;
- □ More than 1 year ago, but less than 5 years ago;
- □ More than 5 years ago, but less than 10 years ago;
- □ More than 10 years ago;
- □ We did not carry out an energy audit.

10. Is there an energy efficiency strategy within the company for the next 2 years?

- □ Yes;
- □ No;
- □ I do not know.

11. Is there a budget approved for investments in reducing energy consumption or switching to renewable energy in the company?

- □ Yes;
- □ No;
- □ I do not know.

12. What is the policy of your company regarding investments in energy efficiency? (multiple choices)

- □ Energy efficiency investments have priority;
- □ For investments in energy efficiency the same criteria are used as for all investments;
- □ Investments in energy efficiency are proposed only if they have a short pay-back period;
- □ Investments in energy efficiency are proposed only if they are considered low costs measures;
- □ There are other investments with a higher priority than investments in energy efficiency.

13. In your opinion, which are the main barriers to adopt renewable energy? (multiple choices)

- □ High initial capital cost
- □ Lack of financing mechanism
- □ Inefficient technology
- □ Need for backup or storage device
- □ Unavailability of solar radiation data
- □ Lack of awareness of technology
- □ Less efficiency
- □ Lack of trained people and training institutes
- □ Lack of local infrastructure
- □ Lack of national infrastructure
- □ Scarcity of natural and renewable resources
- □ Unable to meet electricity power demand alone
- □ Lack of political commitment
- □ Lack of public interest litigations
- □ Ecological issues

# APPENDIX B.3: Guidelines for collecting information about energy and environmental consciousness in SMEs

The following questions can be used as a guideline or checklist for a discussion about energy culture and environmental consciousness within the group of SMEs or with all the employees of one SME.[5]

An individual's acceptance of a technology, although not strictly a psycho-sociological term, can be regarded as an intention to adopt or use the technology, or to consent or actively support its development. It is well known that methodological approaches to measuring attitudes, behavior and intended behavior in environmental psychology include quantitative (attitudinal surveys) and qualitative methods (e.g., semi-structured interviews, focus groups). Moreover, energy-efficiency practices of an employee, regardless the position in the SME, are influenced by knowledge, experience, and other factors.[6]

1. In your opinion, climate change affects:

□ Breathable air
□ Safe drinking water
□ The planet earth fauna
□ Secure shelter due to extreme weather and natural calamities
□ Public Health
□ Agriculture

2. In your opinion, which are the main factors contributing to climate change?

□ Heavy industry
□ Textile industry
□ Fossil fuels-based mobility (car, train, bus, plain)
□ Fossil fuels-based electricity
□ Waste

3. In your opinion, which are the solutions to overcome the effects of climate change?

□ Forego fossil fuels
□ Infrastructure Upgrade
□ Consume less and more efficient (food, energy, daily consume goods)
□ Stop cutting down trees
□ Use alternative fuels and energy sources
□ Mobility electrification

[5] Guidelines developed by Servelect and Technical University of Cluj-Napoca.

[6] References: [1] Stephenson, J., Barton, B., Carrington, G., Gnoth, D., Lawson, R., Thorsnes, P. (2010). Energy cultures: A framework for understanding energy behaviours. Energy Policy 38(10):6120-6129. [2] Roche, M.Y., Mourato, S., Fischedick, M., Pietzner, K., Viebahn, P. (2020). Public attitudes towards and demand for hydrogen and fuel cell vehicles: A review of the evidence and methodological implications. Energy Policy 38(10):5301-5310. [3] Mirosa M., Gnoth, D., Lawson R., Stephenson, J. (2010). Characteristics of Household Energy Behaviours. University of Otago New Zealand. [4] https://climate.nasa.gov/.

4. Which are renewable energy sources that you are aware of? (multiple choices)

- □ Solar photovoltaic
- □ Wind
- □ Biogas
- □ Liquid biofuels
- □ Renewable hydropower
- □ Geothermal
- □ Marine
- □ Mixed hydro plants
- □ Renewable municipal waste
- □ Solar thermal
- □ Solid biofuel

5. Which are the main sources of information regarding renewable energy technologies?

- □ Public authorities reports
- □ Professional bodies
- □ News and reports
- □ Research projects
- □ Scientific papers
- □ Social media
- □ Other (please specify):_____

6. In your opinion, the main advantages of renewable energy are:

- □ They will never run out
- □ Increasing of the comfort level
- □ Reduction of utilities bills
- □ They are low-maintenance energy sources
- □ Renewable energy saves money long term
- □ The environmental benefits
- □ Less reliance on imported energy = stronger economy
- □ Improving public health
- □ Building stronger communities
- □ More jobs
- □ Other (please specify):_____

7. In your opinion, the main disadvantages of renewable energy are:

- □ Unreliable weather can affect energy supply
- □ It's hard to produce the same amounts as non-renewable sources.
- □ Higher upfront cost
- □ Storage capabilities
- □ Geographic limitations
- □ Other (please specify):_____

8. In your opinion, which are the main barriers to adopt renewable energy? (multiple choices)

- □ Inefficient technology
- □ Lack of consumer awareness to technology
- □ Need for backup or storage device
- □ Lack of information technology resources
- □ Lack of awareness of technology across general public
- □ Lack of research and development work
- □ Lack of trained people and training institutes
- □ Lack of local infrastructure
- □ Lack of national infrastructure
- □ Scarcity of natural and renewable resources
- □ Geographic conditions
- □ Lack of political commitment