

Draft Notes
EMFACT Advisory Committee
Conference Call
December 16, 2005

Participants: Diana Bauer, EPA ORD; Barbara Bernstein, NH WasteCAP-Recon; Janet Clark, TURI; Linda Darveau, EPA Region 1-NE, Tom D'Avanzo, EPA Region 1-NE; Thilanka Dissanayake, CIL; Gil Friend, Natural Logic; Maureen Hart, Sustainable Measures; FuGrand Lin, NJ DEP; Frank Marino, Raytheon; Chris McNeill, United Technologies; Shelly Metzenbaum, ECC; Tara O'Hare, EPA HQ, Rick Reibstein, MA OTA; Paul Richard, MA OTA; Jeff Sama, NYS DEC; Deb Savage, EMARIC; Lucille Servidio, Cappaccio Engineering; Jonathan Shefftz, IEC;

Terri Goldberg and Meg Wilcox, NEWMOA prepared the draft notes from the conference call.

Introduction:

Terri Goldberg introduced the call by stating that its purpose was to begin the discussion that would have occurred had the face-to-face meeting been held, and to set a new date for a meeting. Terri had planned to walk participants through a PowerPoint presentation providing background on the EMFACT project, but became tied up with technical problems with setting up the web conference system and she referred the participants to look at the PowerPoint slides that were sent out on their own time.

Rick Reibstein summarized his involvement in the genesis of the project. When he was working in enforcement at EPA he saw that a software program used for enforcement, called Project, could be a very useful tool for P2 because it calculates Net Present Value. Project also has a simple design and is easy to learn how to use. The idea behind EMFACT was to marry a finance tool like Project to P2, to help businesses track material flow and associated costs.

Rick ended his introduction by suggesting that a survey or research into what businesses use now to track material and energy flow and do they report what they track, and does their tracking influence decision making would be very useful and informative to the overall project.

Discussion of the EMFACT Project

Shelly Metzenbaum recommended that the group agree on its objectives before starting on the development of a survey and a software tool.

Terri said that the original idea behind EMFACT was to develop a tool to help businesses better manage their materials to reduce both costs and negative environmental impacts. The project aims to produce a tool that will help businesses understand and evaluate their current practices and how/whether P2 alternatives could benefit them.

Jeff Sama said that a software tool like EMFACT could help a business organize its information and make decisions, but that businesses will first have to generate the data to put into the software system. The group should address this issue of helping businesses collect data that will allow them to use the tool. For many this could be a barrier.

Rick responded that taking one material and tracking it through can help businesses see the value in taking the time to collect information for all their materials.

Deb Savage said that the international environmental management community has been looking at the issue of information collection and is trying to help businesses answer, “What data do I need?” “How can I find it?” and “How can I find it at different levels?” Deb can help with the issue of data collection when the group gets to it.

Business Metabolics Demonstration

Gil Friend then demonstrated his proprietary performance indicator software system called Business Metabolics using data from a sample company to demonstrate the software’s features. The software took 10 years to develop. It can be scaled up or down to examine any level or resource or economic flows. Individual businesses can use it, as well as public agencies to examine data across a sector. The Washington Department of Ecology is planning to use it for P2 work they are conducting with paper mills.

Gil said companies have not wanted to maintain the software on their own computers. That’s why his company made it a web-based tool and they provide a full service to their clients to collect and enter the data and to conduct the data analysis and presentation for them. It is operating system and browser independent, and has top level security features built in. Gil said, in his experience, companies are more worried about the security of their environmental information than the security of their financial information.

Gil said the tool streamlines data gathering and analysis, and that the design obviates the need for repetitive data entry.

Gil has done 180 facility audits of small to mid-sized businesses over an 8 to 9 year period. The majority of companies he has worked with have had 5 to 50 employees. Next, he’s worked companies with 50- 200 employees. He’s also worked with a small number of very big or very small companies.

Most companies do not use the tool on their own; they have wanted Natural Logic to provide with a full service support.

When asked where he gets the data, Gil replied that sometimes Natural Logic can import the data electronically. Sometimes companies supply an Excel file; other times the data has to be input from paper files. It can take from hours to weeks to input all the data from a particular company.

Jeff asked why companies have not wanted the tool to use on their own. Gil responded that they have not done an effective job of marketing it. Also, smaller companies cannot afford it. His company is looking into ways to distribute the tool to smaller companies through government agencies or trade associations. Larger companies have been interested, but it has been hard to crack the budget cycle. Some large companies also want to build their own tool.

Shelly said it is important to get the companies themselves doing the data analyses and asking the questions about how they can improve their operations rather than having an outside consultant do it.

Gil showed a graph he calls throughput pie that shows the percent of materials going into finished products in relation to the percent of materials used to produce the product (“non-product”). In his experience this is the single most convincing graphic that gets businesses to take a look at what they are doing.

Shelly said that any tool the group develops should incorporate this graph. Rick suggested breaking the non-product down into raw materials and operating materials that were never intended to go into products, such as water.

Gil said that cost taxonomy is not built into his software, other than actual material costs, but that other costs and attributes (i.e., GHG) can be easily attached to any material flow.

More Discussion of the EMFACT Project

Terri asked some of the participants from the private sector to give their opinion on the EMFACT Project and development of a tool for tracking materials and energy use and associated costs and whether such a tool could be of use to the. Chris said that he thought the tool was for larger businesses. The companies he works with are small, with \$5-10 million in revenue, and he did not think they would want to spend the time on it.

Frank said that Raytheon collects metrics on hazardous waste, recycling, P2 projects completed, and occupational injuries. The data is collected on a monthly basis and then aggregated for quarterly reporting. When asked whether Raytheon follows up with management decisions, Frank responded that the reports are submitted for executive review with a stop light chart and that anyone with operations receiving a red or yellow light would get a call.

Deb asked whether Raytheon used Radio Haus system

Thilanka said that Business Metabolics did not seem very accessible to a small company, but she was interested in the possibility of accessing the software through a trade association or government agency.

Rick gave an example of working with small businesses. He said OTA has mailed out two simple tools that were Excel spreadsheets, for tracking VOC emissions and materials

use. OTA sat down with half of the companies that received the tool to teach them how to use it and found that those companies were far more likely to use the tool than the ones they did not meet with.

Tom D'Avanzo said that the software tool is just one piece, and that it would be important for the group to think about the behavior aspect and how to get companies to use the tool.

Shelly agreed that one to one assistance is the most successful but that it is also easier to get companies' attention when there is a threat, such as enforcement.

Deborah added that the messenger is also important for getting attention, and that it is important to reach out to financial people or accountants. This can be done through state accounting associations. She also thought it would be good to get a financial person on the advisory board.

Lucy Servidio said she would be excited to introduce the tool to the smaller companies she works with, but thinks it would be tough for them to put the time into it or pull together the necessary information to be able to use the tool. Nevertheless, she thinks that some smaller companies would want OTA to make the tool accessible to them. Larger companies she thinks would be thrilled to have a tool for all of their data.

Next Steps

To move the project forward, several people suggested that members of the group send to Terri their thoughts on the key questions that the group needs to answer. Terri will take these into account when drawing up the agenda for the next meeting; she will also note on the agenda where the group needs to make decisions, and to also suggest possible options for answering the decisions.

Face-to-Face meeting planned for Friday, February 10. Terri and Rick will try to find a location closer to Route 128 in Massachusetts to accommodate Gil and others.

Terri will set up a listserv for the group to use to share information and ideas between now and the face-to-face meeting. It was also suggested that the group have another conference call before the face-to-face meeting. Terri will look into this idea. Also, Terri agreed to post the materials on the project and the various documents that were sent out prior to the conference on the NEWMOA website. She'll let the group know when the webpage is available.