Saving energy is always a good thing, however not easy to accomplish. Few companies would be happy to invest in energy management facilities and equipments while the recession is still lingering on. Actually there are some easy ways to save energy and money with no big investment.

Let’s take the electricity for instance. Electric energy drives the modern life in most cases - at your home and workplace - almost everything is based on the reliable, secure delivery and consumption of electricity. Electricity consumption is usually measured in KWh, which means the electric power in KW is accumulated over the time. If you have one electric heater rated at 2 KW and have used it for 2 hours, you will consume 4 KWh of electricity, and that may cost you RMB 3 or so. If you have used it for only 1 hour, accordingly you will consume 2 KWh instead of 4 KWh. So you save 50% electricity when the electric heater remains the same.

If you want to save electricity, just simply reduce the amount of time you run that energy devouring appliance or equipment. As explained in the previous example, if we use the electric heater less time, while the power remains the same, we will consume less energy, which is a good thing for both the business and the environment. As you know, the generation of 1 KWh in China will produce an average of 0.75 Kg of carbon dioxide that can warm up the planet.

All of this is obvious. However, the problem today is that we often turn to the latest technologies for energy saving solutions while the electricity guzzlers, such as coffee machines and water dispensers, are left on, sucking and wasting a lot of energy every day at commercial offices, homes and almost everywhere we go and work. For example, if you turn off coffee machine when it is not needed, you could save more than 200 KWh each year according to a study from Australia. You may say that idling is needed to preheat the water to make sure that good coffee will flow the moment you press the GO button, but no one will press that bottom at mid-night!

And if we look at the whole facility as a machine, it is much like a coffee machine: to make the facility ready through the energy service
readiness, and that could be changed through awareness, optimized operation and good understanding of occupants. The anticipated saving can reach 5% if not more!

Are you aware of the idling time of all the electric appliances at your office or home? At Sodexo, we are. We have identified the opportunities to save energy through idle reduction and encourage everybody including office workers, facility operators, cleaning and security crews to pay attention to common appliances they are using, and make sure that most appliances and devices are turned off to save the energy, the money and the planet!

Here are some simple tips for you to reduce the idling time:

1. Turn off plug load appliances: coffee machine, water dispenser, exhaust fans, electric water heaters, etc.;

2. Turn off the unnecessary cooling and heating when they are not absolutely necessary;

3. When occupants don’t work, let the facility take a rest as completely as possible.

The only warning is that all these actions should be taken in a concerted manner to make sure that the occupants are aware of what we are doing and to avoid potential complaints that may arise from uninformed office workers.

ACHIEVING COST SAVING TARGETS FOR NOKIA CHINA BY CLIENT-ORIENTED INNOVATIONS

Background

Nokia is a global leader in mobile communications. Its products have become an integral part of the life of people around the world.

Nokia’s BDA production facility was inaugurated in 2007 and rated as the world's largest mobile communications production line at Nokia. Sodexo China started to provide integrated facility management services for the factory at the very beginning, and from Nov. 2010 it took over the BDA and Dongguan manufacturing facilities. The scope of services includes engineering and business support services, HSE, risk management, subcontractor & supplier management, energy management and workplace health programs.

Challenge

With the emergence of the smart phone competition, Nokia was facing pressure in retaining a substantial lead in the worldwide market. NTL-BDA is one of the largest global innovation and manufacturing center at Nokia. Nokia was looking for the best solution to retain the best talents and improve the organizational efficiency at the same time. In 2012, Nokia targeted to reduce the budget of workplace hard services by 10% and
at Nokia 14 electricity saving and 5 water saving programs, which resulted in reducing electricity cost by RMB 1.14 million and water cost by RMB 140,000, and the in-depth analysis of Energy KPIs was recognized as a best practice shared in the Nokia global communities.

The team also went through a very difficult negotiation process with all external suppliers to lower the purchasing costs of key equipment components and to control price increases of drinking water, plants and others. Jade ZHOU, the finance manager of the NTL-BDA manufacturing facilities, emphasized: “We modified the shuttle bus plan, replaced some of the big buses with smaller ones to maximize the utilization of transportation resources.”

Now entering the new year, Nokia has set up new saving targets and the team is going to face new challenges. ZHANG said, “We are not afraid of the challenges. The spirit of service and client-oriented innovation is already embedded in the team, in everyone's mind and muscles.”

Benefits

◆ Cost saving targets achieved
◆ Inventory reduced by 13%
◆ Stable Improvement of availability and reliability: Overall availability of facilities maintained above target at 99.99%
◆ The NTL-BDA site reached the Gold Level of Nokia’s Global Manufacturing Improvement Program according to the self-audit conducted in the mid-year 2012
◆ Significant improvement of Overdue Works Control, decreased from 31% in 2011 to 1.2% in 2012
◆ Successful support of HSE audit, recognized by Nokia’s OHS team

Solution

“Our business is people oriented. Our staff are the most important one among our assets. Hence, our key strategy is to fully motivate our staff. Fortunately we have a great team which makes all the difference,” noted ZHANG, the leader of the facility management services for Nokia’s manufacturing sites in China, located in Beijing (BDA) and Dongguan. His team built “cost saving initiatives” into their own KPI. Every member of the team was accountable for operational excellence. “We created an atmosphere of innovating for saving, and we didn’t miss any opportunities.”

Using the Sodexo approach, “We Design, We Manage, We Deliver”, the team established a temporary project panel composed of 12 COFEX and engineering experts to “design” an optimized maintenance solution that can avoid the waste of overwork and manage the risk. The team spent 3 months in analyzing hundreds of thousands data collected on the site and eventually achieved protection on key assets and saved the maintenance expenses of RMB 644,450 in 2012.

“Besides the support from our center of expertise, we believe our own team knows Nokia the best, because they work at Nokia and serve this client on a daily basis,” said ZHANG. His team initiated that of soft services by 4% with no obligation of business continuity or employee satisfaction. Thus, the question came to the Sodexo facility management services team dedicated to helping the client to address the challenges and achieve the objectives.

“Cut the expenses free of inflation without sacrificing business continuity and customer experience! Our team was coping with unprecedented challenges,” said ZHANG Jun, Regional Director, Facility Management, Sodexo China.

“I would like to thank the Sodexo team for its efforts, great contribution, expertise, team spirit and collaboration for delivering excellent services over the year 2012. Also due to Sodexo’s hard work, we managed our facility operation successfully.”

- Yasir YONG, Security & Workplace Resources Site Manager, Nokia NTL-BDA
IMPROVING MANAGEMENT EFFICIENCY FOR ELI LILLY’S 32 REMOTE OFFICES

Background

Eli Lilly and Company is a pharmaceutical company which makes medicines that help people live longer, healthier, more active lives. Across the globe, Lilly has developed productive alliances and partnerships that advance the capacity to develop innovative medicines at lower costs.

Sodexo China has a long history of cooperation with Eli Lilly for 15 years started from catering services for manufacturing sites in 1997. Sodexo expanded the scope of services in 2009 and is now looking over Business Support Service and Cleaning Service for 32 sales offices in 31 cities in China and the headquarters in Shanghai. The facility management services benefit 2,144 sales employees and 681 office employees.

Challenge

Having 32 sales offices scattered in 31 cities, each with individual requirements in local policies and cultures makes Eli Lilly’s office management an increasingly complex process. The HR department was facing great challenges in managing different providers across China while delivering services in consistency.

Meanwhile, under the pressure of inflation and cost increase, the client was looking for a better solution to retain the best talent and improve the organizational efficiency at the same time. Cost saving without compromising business continuity and employee retention at remote offices is another strategic requirement.

Solution

Sodexo consolidated Eli Lilly’s service providers and oversaw all the Business Support Service and Cleaning Service to optimize the management system, offering a simplified solution where all services are either delivered or managed by one provider. It allows the client to achieve management efficiency and higher levels of services.

By leveraging Sodexo profound operational experience and expertise in COFEX (Sodexo internal center of expertise), a systematic quality assurance system has been developed to ensure the operational efficiency. The system was composed of standardized working process, reporting system, 5S program, HSE manual & procedure and training system, through which substantial improvements has been made in different service lines including mail room reconstruction, uniform renewal, cleaning service color coding, meeting room signage system, warehouse and machine room 5S program, onsite HSE enhancement, etc. “Such a systematic process management make us easier tomanage our own people anywhere and to provide quicker response to the client’s needs,” said Irene GONG, the account manager for Eli Lilly. With the commencement of this quality assurance system, the services delivered at different regional sites achieved consistency across the entire portfolio.

“We need a world famous provider like Sodexo to cover our businesses all over China. To us, choosing Sodexo is a right choice”- Tiger YU, Senior Procurement Manager, Eli Lilly China

Success Story
To achieve cost reduction, another strategic requirement from the client, Sodexo team took proactive actions in tracking the cost of stationary and delivery, providing solid database for client expense management. “I was surprised on your large scope of services in Shanghai several months ago. The account manager Irene provided me with clear and professional analysis report on our expense on stationary and petty cash which was quite impressive.” said LIU Jin, associate HR Director, Sales Force, Eli Lilly China.

**Benefits & Results**

- Optimized client management efficiency by consolidating and streamlining the self-delivering services and the ones provided by client’s suppliers
- Achieved the low team turnover rate at 3.9%
- Enhanced the HSE and 5S implementation onsite
- Established data collection and reporting system to monitor the BSS expenses and support on cost saving
- Built up consistent corporate image
- Worked as part of Eli Lilly’s administration team and helped implement the company’s management policies at all the sales offices

**Sodexo News**

- Sodexo named one of the “World’s Most Admired Companies” by Fortune Magazine
- Sodexo Dalian Tiandi cafeteria selected as “Food Safety Model Institution in Liaoning”
- Sodexo Dalian Goodyear site selected as “Food Safety Model Institution in Dalian”
- Sodexo Eli Lilly R&D team gets the client’s annual reward
- Sodexo DSM site awarded “Best Supplier”

**Key Indicators**

- **Human Resources**
  The minimum salary of Shenzhen: +13.6% (RMB1500 -> RMB1600 from March 1, 2013)

- **Consumer Price Index**
  +2.4% year-on-year growth in April

- **Food Cost**
  +3.9% year on year growth in April (grain +5%, egg +14.2%, aquatic product +3.4%)

To learn more about Sodexo Facility Management Services, please contact your Sodexo Facility Manager or Sodexo Business Development Team, or visit the company website: www.sodexo.com