

## CASE STUDY



**COMPANY:**

Nycoco Products Co.

**HEADQUARTERS:**

Countryside, Illinois

**FACILITY SIZE:**

115,000 square feet



When Robert Stahurski, president and CEO of Nycoco Products, heard about a new ISSA program designed to help distributors reduce fleet and facility operating costs, he took notice. Supply chain management is a priority for Stahurski; he's always on the lookout for ways to help his distributor partners more efficiently deliver Nycoco products.

"The program sounded exciting," Stahurski says, "but if we were going to share it with our distribution partners, I felt we needed to experience it firsthand before making a recommendation."

ISSA's Distributor Efficiency Analytics & Learning (DEAL) program wasn't initially intended for manufacturers, so Stahurski didn't expect it to yield big results for his company. Imagine his surprise when DEAL delivered a 270 percent ROI for Nycoco in less than a year.

"We signed up for DEAL thinking it would be a great tool for our distributors—and it will be," Stahurski says. "It was a bit of a surprise when our DEAL efficiency consultant showed us that we were out of contract and overspending with our existing natural gas supplier."

That information helped the Nycoco team negotiate a new natural gas rate which, over the three-year contract, will save the company about \$33,000. Even more remarkable is that it only took about six months in the DEAL program to uncover such sizable savings.

Nycoco enrolled its 115,000-square-foot headquarters located in Countryside, IL, in the DEAL program in October 2016. In addition to Stahurski, staff members in operations and finance participated. The first step was to create Nycoco's DEAL Data Portal, which the DEAL data team loaded with background information about Nycoco's operations expenses. Many programs promise no-fuss setup, but Stahurski says DEAL truly delivered.

"Our DEAL consultant managed the entire process," Stahurski says. "We gave her our account numbers and authorization forms. Then she pulled data from our utilities and uploaded it into the dashboard. It wasn't time-consuming for us at all."

### THE DATA DOES THE TALKING

Gathering historical usage data in one place is beneficial, but it's just the starting point. DEAL consultants conduct formal reviews of the numbers every six months, making suggestions for areas of improvement. Their reports help program participants make informed decisions about their operations.

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**“The opportunity to monitor a variable cost with real-time data is huge. The dashboard is easy to access, and the data is all right at your fingertips.”**

**Robert Stahurski  
President and CEO  
Nyco Products**

“It allows them to become proactive in their efficiency efforts rather than reactive,” says Katrina Saucier, product manager for Sustainability Dashboard Tools, the company that developed the DEAL program in collaboration with ISSA.

It was during this process that Saucier uncovered the imbalance in Nyco’s natural gas costs. Although the company’s consumption of natural gas had decreased 16 percent between 2015 and 2016, its spend had jumped 83 percent. With a little more digging, Saucier found that Nyco had fallen out of contract. When that happened, the company was moved to non-contract rates, which were escalating quickly due to changes in the market.

Seeing the numbers in black and white propelled Stahurski and his team into action. They quickly negotiated a new natural gas contract with a more desirable rate, and locked in for three years to ensure ongoing savings.

“In the past, monitoring our utility expenses meant pulling invoices and updating spreadsheets, and we weren’t looking at it as frequently or comprehensively as we probably should have,” Stahurski says. “With DEAL, all that information is put into our dashboard for us, and all we have to do is log in and utilize the information.

“The opportunity to monitor a variable cost with real-time data is huge,” Stahurski continues. “The dashboard is easy to access, and the data is all right at your fingertips. I can see trends very quickly, and our team can look into them sooner rather than later.”

## CONTINUOUS IMPROVEMENT

In addition to performance analytics, DEAL participants also have access to learning sessions on best practices in operational efficiency. The sessions are recorded, which allowed Stahurski and his team to listen when it best suited their schedules.

These preparations got the Nyco team thinking about next steps. Now that they significantly reduced natural gas consumption based on the DEAL findings, the company plans to take similar action on energy usage to further reduce its carbon footprint.

“Through DEAL, we really saw that our electricity usage is a large number,” Stahurski says. “We want to focus on finding ways to drive that number down.”

Nyco is considering putting variable-frequency drive motors into its large compressors to make them more efficient. It’s also exploring motion-activated lighting, dimmable LED panels, and other lighting options that can save money in a facility that runs multiple shifts most days of the week.

Between avoided costs and forecasted savings in natural gas expenses, Nyco has already gained back its investment in DEAL many times over. Circumstances vary, of course, and other participants recoup their costs at different rates. Either way, Stahurski is sold on DEAL.

He likes the fact that DEAL is ongoing, helping participants with continuous improvement. “It’s not a forever contract, so you can stop participating at any time,” Stahurski says. “But I think most distributors will see the value, and will see their participation translate into savings and profitability.”

## SPREADING THE WORD

In fact, Stahurski says most distributors stand to recognize even greater savings than Nyco experienced. The DEAL program touches on a variety of areas, including energy, water, waste, recycling, and transportation. With only one location and no fleet, Nyco touched on only part of DEAL’s potential. “I imagine the savings could be significant for someone with 10 to 15 pieces of equipment on the street.”

That’s why Stahurski plans to educate his distributors about DEAL. “Everybody thinks they have the best programs and the best contracts, but it’s important for business owners



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Distributors typically waste 10 to 30 percent on facility and fleet operating costs.

to be humble and recognize there is always room for improvement," he says. "You don't know what you don't know." He hopes distributors will recognize that they are not doing it all when it comes to efficiency, and that they'll see DEAL as a fantastic opportunity to improve their operations—and their bottom lines.

For example, Stahurski says it was easy to overlook his company's rising natural gas costs as normal fluctuations associated with seasonal changes in the Midwest. It was the type of expenditure that goes unnoticed when your only source is a profit-and-loss statement.

"I don't think people are really digging into their numbers," Stahurski says. "The DEAL dashboard takes those large spends and breaks them down into detail so you can really see the trends. It probably would have taken us another quarter to notice the natural gas costs. Catching it early through DEAL allowed us to realize significant savings."

## ABOUT DEAL

ISSA's Distributor Efficiency Analytics & Learning (DEAL) program, developed in partnership with Sustainability Dashboard Tools LLC, guides distributors to reduce operating costs by up to 30 percent. The program helps participants:

- Improve facility and fleet operations, and warehouse efficiency;
- Reduce electricity, natural gas, water, and fuel consumption;
- Reduce waste and GHG production;
- Increase recycling diversion and waste diverted from the landfill;
- Increase mpg, driver safety, and occupant comfort;
- Maximize rebates on recycling commodities;
- Increase sales of sustainable products;
- And increase visibility as an industry leader.



DEAL has a comprehensive, three-part approach:

**1. Learning:** Education sessions teach participants best practices from the U.S. Environmental Protection Agency's (EPA) ENERGY STAR and SmartWay transportation programs. Sessions start with no- to low-cost improvements before progressing to advanced enhancements.

**2. Analytics:** DEAL's data portal provides analytics and benchmarking that help participants track performance and identify opportunities for improvements. It also allows users to leverage industry-specific and national performance data to see how they compare to other distributors, or even how various locations within the company are doing relative to one another.

**3. Awards/Recognition:** DEAL participants can distinguish their companies as leaders in sustainable practices, and use related awards and recognition in their marketing efforts. To that end, DEAL provides all participants with press releases, logos, and other marketing materials.

After less than one year, the first 20 DEAL participants have already seen \$400,000 in cumulative savings. Four distribution centers have achieved ENERGY STAR certification, another won the EPA's National Building Competition for distributors, and one more facility is now LEED Gold Certified.



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