HAVERTYS: BUILDING INTERNAL SUPPORT FOR ENERGY EFFICIENCY PROJECTS

SOLUTION OVERVIEW
Havertys is a prominent full-service home furnishings retailer with over 100 showrooms in 81 cities across 16 states in the Southern and Midwestern regions. Havertys’ sustainability story began in 2007, when Vice President of Real Estate and Development Rawson Haverty Jr., met Ray Anderson of Interface®. Anderson had challenged his own company to embrace a triple bottom line approach to business -- considering people, planet, and profits -- which had radically changed the way Interface did business and increased profits along the way. The example of Interface was a powerful one for Haverty, who realized that his company could also embrace more sustainable practices, and increase profits, while influencing industry peers to do the same. This marked a pivotal point for the company, which went on to elevate sustainability as a core value, implement its Bright Inspirations store upgrade program, and engage store managers to participate in ongoing efforts to reduce energy use. These combined efforts have resulted in significant portfolio-wide energy savings since 2011.

BARRIER
Lack of visibility to the benefits of energy efficiency and sustainability

SOLUTION
• In-person visits from corporate sustainability leaders to Havertys leadership to share experiences and best practices integrating sustainability into the business model
• Implementation of Bright Inspirations store renewal and energy upgrade initiative to realize energy cost savings while improving the customer experience
• Outreach and education for individual store managers on benefits of energy efficiency and utilization of energy management systems
• Implementation of data solutions to capture energy data and allow benchmarking

OUTCOME
• Sustainability elevated as a core value of the company
• Store managers actively engaged to reduce energy use
• Significant portfolio wide energy savings since 2011

POLICIES
https://betterbuildingssolutioncenter.energy.gov/implementation-models/havertys-building-internal-support-energy-efficiency-projects
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Havertys added the following clause to its public mission statement, connecting its commitment to financial performance with environmental stewardship:

“We will be responsible in our relationship with the environment and encourage all our associates to be environmentally sensitive.”

PROCESS
Securing Buy-in from Senior Leadership

The first step for Havertys in developing a culture of sustainability entailed learning from leaders at the helm of the movement. Haverty invited Ray Anderson from Interface and leaders from Walmart to in-person meetings with Havertys executive team. Success stories and examples of highly efficient model stores from these companies convinced Havertys' leadership that integrating sustainability into business practices could be beneficial to the health of the company. Havertys leadership committed to elevating sustainability to a core value for the company.

Developing the Bright Inspirations (BI) Program

Following this commitment at the leadership level, and with a national recession in full swing by 2008, Havertys began a holistic assessment of its entire store portfolio as a cost savings exercise. Through this exercise, dubbed Bright Inspirations (BI), Havertys looked to optimize five key aspects of each store in its portfolio: energy performance, location, neighborhood, control, and size.

- **Energy Performance** – Havertys looked at each store’s energy use, as well as the state of building assets such as lighting, roofs, and HVAC units to prioritize upgrades with the greatest return. The team took the combined benefits of multiple upgrades (e.g., LED lighting reduces heat in the building, therefore reducing the cooling load and allowing for downsized RTU units) into consideration.
- **Location** – Havertys’ senior team determined that instead of continuing to grow and expand the brand with more stores, it would be more beneficial to have fewer stores in optimal locations. Locations were deemed optimal based on their financial performance and appropriateness of the store (e.g., size, productivity, and demographics served).
- **Neighborhood** – The ability to serve diverse demographics was also a significant factor in Havertys’ decision to maintain or shutdown a store, with the main goal being the increase of their reach to new markets and potential customers.
- **Control** – Havertys’ ability to ensure that energy efficiency measures were adopted at as many stores as possible is largely in part due to their ownership of 1/3 of their assets. Havertys assessed leased stores to determine if moving to an owned location would be beneficial.
- **Size** – Havertys assessed the size of each store to determine whether it was a beneficial asset to maintain.

The exercise resulted in the realization that sustainability directly supported the corporate goal to
become leaner and more productive. Modifications including cool white roofs, high efficiency LED lighting and lighting controls, temperature controls, and HVAC system upgrades were implemented across the portfolio. Store hours of operation and employee hours of operation outside of business hours were also evaluated and optimized. In some cases, BI assessments led Havertys to close older, less efficient stores, and open new efficient ones as opposed to investing substantial capital in buildings that did not successfully optimize the five key aspects of the program. Most stores were also outfitted with an energy management information system (EMIS) which makes energy use information visible to store managers as well as the corporate sustainability team. An excellent example of the outcomes of the Bright Inspirations program is Havertys Virginia Beach store, where a holistic upgrade including LED lighting, cool white roof, smaller high efficiency HVAC equipment, an energy management system, and aesthetic improvements resulted in 44% annual energy savings and an improved customer experience.

**Engaging and Education Staff**

The energy efficiency improvements required the participation of store managers, who are involved in planning and implementation of upgrades to their stores. Managers are also tasked with monitoring energy use information provided by the local utility service and from the building’s EMIS. All managers attend mandatory training webinars detailing the various aspects of the EMIS and receive follow-up training sessions with senior leadership available to address questions. Back-end staff are available to troubleshoot issues at any store and a third party firm is on-call to ensure that all equipment is functioning properly. Sustainability is also a focus of Havertys’ Annual Leadership Conference, where additional training on store energy management is offered to store managers.

Of particular importance is communicating to store managers how energy efficiency, or inefficiency, financially impacts them. All of the money saved through exceptional building performance goes directly to Havertys' bottom line, and can be reinvested towards additional store upgrades. The store manager achieving the highest reduction in energy consumption is recognized during Havertys’ Annual Leadership Conference.

One tool Havertys developed with Better Buildings support is an internal video promoting the value of energy efficiency to store managers.

**MEASURING SUCCESS**

Havertys' primary measures of success are the appropriate identification and application of energy efficiency upgrades, proper maintenance of building performance through its EMIS, and continued reduction in energy consumption through its entire portfolio.

**OUTCOMES**

To date, Havertys has achieved a significant energy reduction across its portfolio of stores against its 2011 baseline. It has also successfully elevated sustainability as a core company value and engaged store managers to make energy efficiency a component of daily operations.

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