4.3 Recommendations for operators

Background and key arguments
Operators find themselves in a very competitive environment and therefore have a direct interest in promoting sustainability throughout their planning and operations to keep operational costs low, meet guest demand, and protect brand reputation and business continuity. Incorporating sustainable design also relies on clear communication with other stakeholders in the value chain (owners and investors) to ensure that operational efficiencies can be fully realised.

Key recommendations for operators

1 Invest in sustainable solutions for immediate savings
   The costs of sustainable practices are lower than perceived, often providing immediate financial savings, or payback periods of less than one year. These implementations will be able to command a higher Gross Operating Profit per Available Room (GOP PAR).

   How to do this:
   • Use IFC’s research on ROI for green buildings\(^{134}\) and Carbon Trust’s sector-specific resources\(^{135}\) to understand the sustainability measures you can implement.
   • Use IFC’s free EDGE software to design a sustainable building specifically with your criteria.\(^{136}\)
   • See the American Hotel & Lodging Association’s resources on energy-efficient lighting,\(^{137}\) and US federal guidance on installing and maintaining green roofs\(^{138}\) for more solutions.

2 Ensure sustainability is integral in the decision process of all new properties and retrofits
   With new properties and retrofits, the earliest stages of development are the most cost-efficient point to incorporate sustainable design. Engaging early with all parties will ensure that properties will be more operationally efficient, more profitable in long-term asset value, and align with your brand’s sustainability targets.

   How to do this:
   • A common challenge for owners and developers is knowing who to talk to in a hotel company about sustainability standards. Assign a contact to be responsible to discuss sustainability at owner level and communicate this to all parties in the development process.
   • Train and equip your development teams to consider sustainability from the start of all projects.

3 Measure, report and analyse your resource usage
   Evaluate energy and water usage to identify inefficiencies. This will enable you to identify and prioritise the key areas that would benefit from building owner investment to achieve the greatest impact on resource usage and utility savings, and facilitate investment discussions.

   How to do this:
   • Use ITP’s free tools on carbon and water, and Cornell’s Hotel Sustainability Benchmarking to identify areas with high impact on usage and cost savings.\(^{139}\)
   • See Carbon Trust’s resources\(^{140}\) and ITP’s Environmental Management for Hotels manual\(^{141}\) for recommended actions to improve sustainability.
Case study – Caesars Entertainment

Caesars Entertainment is a Las Vegas-based company with facilities spread across seven countries on four continents.

Sustainability measures
In 2003 Caesars established a formal corporate function to make energy efficiency investments and in 2007 the company launched a corporate-wide sustainability programme. Between 2003 and 2010, Caesars invested more than USD 50 million in energy saving initiatives across their portfolio.

Return on investment
Caesars achieved a 163 million kilowatt-hour reduction per year in energy usage, equating to a 2 per cent reduction in electricity use and 5 per cent reduction in greenhouse gases. Their annual water consumption was cut by 200 million gallons by upgrading laundry facilities, offering guests an opt-out linen cleaning options, serving guests water only on request, and by replacing irrigated turf on golf courses with drought-resistant landscaping.

Overall, this investment resulted in more than USD 17 million in annual run-rate savings across 110 projects.

How to do this:

- Contact your local energy supplier about available options. Power Purchase Agreements (PPAs) are currently the most rapidly growing corporate procurement tool.
- Look into local tax credits and incentives using KPMG Green Tax Index.
- Review your interactions with customers and stakeholders to evaluate how you are communicating your sustainability goals and actions.
- Use IFC’s Marketing Toolkit for guidance on communicating your sustainable practices.