

Low Carbon Advisors

Why is it so difficult to help SMEs cut their carbon footprints?

SMEs' barriers to action

- Responsibility for energy management often falls to **nobody in particular**.
- Energy expenditure is **insignificant** compared with other operating costs.
- Self-reported studies cite **costs** as biggest barrier, yet the **business case for investment is often compelling**, and 37% of energy efficiency measures require **zero capital**.

Advisors need a range of skills

- Advisors need **technical** expertise relating to energy efficiency and renewables.
- **Knowledge of business** is essential for establishing rapport and trust.
- **Sales skills** and **persuasion** are required to promote low carbon initiatives.
- **Soft skills** are needed to broach sensitive topics.

Which action?

- Pro-environmental actions include insulation, lighting, recycling, renewables and many more.
- Carbon footprints are **complex**: advisors don't always agree on methodologies.
- Measures like paper recycling and installing solar panels are **difficult to compare** quantitatively.

The owner-manager

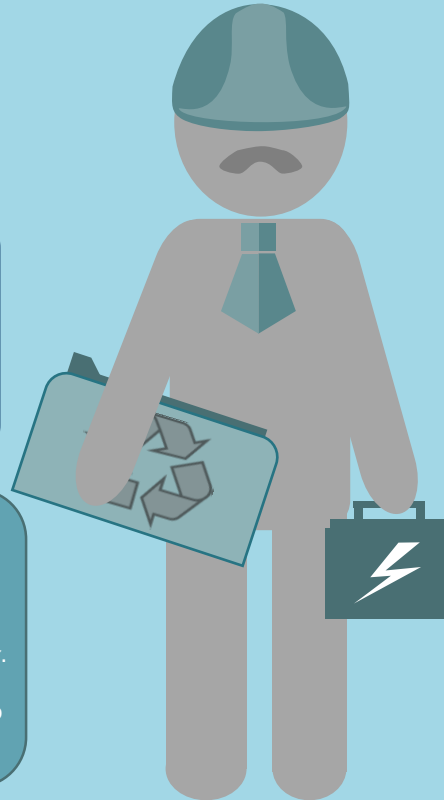
- The **attitudes** and **values** of owner-managers are crucial.
- They typically **under-estimate** environmental impact.
- They can be **defensive** faced with criticism.

Over-emphasis on cost

- Cost-savings are the primary way low carbon initiatives are **promoted** to SMEs.
- Once engaged, it can then be tricky to pivot onto environmental **ethics** and **responsibility**.
- Face-to-face meetings represent an **opportunity** to ask searching questions and to appeal to SMEs' **values**.

Policy context

- Support focuses on growing & exporting SMEs more than **over-consumers** of energy.
- Funders' **knowledge** of sustainability is low.
- Short **time scales** and inappropriate **targets** (e.g. job creation) can distract advisors.
- Funding is artificially **compartmentalised** and frequently **restructured**.



SME Heterogeneity

SMEs make up 99.9% of businesses in the UK and are extremely diverse.

Energy researchers use a variety of approaches to segment the population:



Building type



Sector



Location



Access to Data



Energy Use



Size



Purpose of Energy Use