

MAKING A HOUSEHOLD NAME **SUSTAINABLE**

Bakery retail chain Ferguson Plarre is bringing sustainability out of the factory and into the store, in line with its values and concerns over rising electricity costs, writes Paula Wallace.

Ferguson Plarre has already done a lot to improve the energy efficiency of its manufacturing site and was recognised with a Gold Banksia Award in 2009 for its efforts. But it found this was only half the job done. A carbon emissions audit in 2008 revealed the retail business was responsible for 50% of the organisation's carbon output.

Since taking over the retail arm of the business (previously the Fergusons' domain), chief executive officer Steve Plarre is planning to use the company's know-how and intelligence gathered from its wide network of franchisees and employees to improve the 57 retail sites in Victoria and Queensland.

Speaking with *WME*, Plarre's passion and focus was clear.

"The culture of sustainability fits our brand, we consider longer returns on investment than other businesses might be prepared to do," he said.

However, Plarre is realistic about setting goals, taking the view that when opening a retail outlet, it's a "win" for the business "if we can do something better for the environment than we did before".

"Companies that are conscious of energy and water usage will be more profitable, they'll be managing cost centres well, it's perfectly aligned with leaner management, using less power," Plarre said, adding that it was a simple "do more with less" philosophy.

He admits that "talking about carbon and pies" is difficult to do effectively and the marketing, both externally and internally, of the sustainability message is a work in progress. When it comes to franchisees it's strictly about the business case.

"Most of them are good everyday Aussies, they're not trying to save the world, they just want to save money on their power bill," Plarre said.

"If we can solve problems for them, or help hedge the costs by doing testing, if we can give them an attractive ROI, it's going to make sense on paper."



Bakery franchisees are part of Ferguson Plarre's sustainable values.

When it came to retrofitting, Plarre said the company wouldn't necessarily ask franchisees to invest capital in new equipment, for instance.

"It's that dilemma of 'should I throw out my dishwasher that was made in the 1970s' – does it do more damage to throw it out and buy a newer, more sustainable one, or continue to use it for a fair portion of its life?" Plarre asked.

The company is identifying the "low hanging fruit" in better insulation, fitting

a different kind of doors and other opportunities which present only a marginal cost difference with traditional practices.

"A lot of the equipment companies are starting to realise that selling equipment that has a focus on sustainability is finally getting traction. Oven companies are talking about heat reclaim centres to exhaust heat or preheat water," Plarre said, adding that heat created from fridges and freezers that increase air conditioning loads was also an issue.

Thinking sustainably

Over the next 6-12 months Ferguson Plarre will be devoting strategic “time and energy” to consider how it takes sustainability to the next level. But the initial view of the retail business has already revealed some obvious opportunities which have not involved reinventing the wheel, according to Plarre.

“We’re lucky in the sense that our facility is next to Lombard, who have been our packaging people for a long time,” he said.

“They’ve found a paper manufacturer ... with carbon neutral certified national carbon offset standard, so we’re moving all our paper packaging to carbon neutral.”

It is a move that will come at no additional cost to Ferguson Plarre as it is working with Lombard to promote the product to other businesses with the aim of getting more companies to take up the option.

“We’re also making sure that with our boxes and packaging, ideally we source something that’s recyclable, using channels available to everyday people,” he said.

With single-use plastic bags still in use at its retail sites, Ferguson Plarre has opted for an oxo-degradable additive which, although not fully biodegradable, is able to hold the weight of its products.

FACT FILE: FERGUSON PLARRE’S SUSTAINABILITY ACHIEVEMENTS

In its manufacturing operations Ferguson Plarre actively employs people who believe that sustainability is important. It has also:

- Reduced waste in factories by 90% over five years;
- Found a piggery to take food scraps which saves 100-150 tonnes of food from landfill and 600 tonnes of CO₂ being emitted;
- Custom-designed equipment to preheat hot water used in cake production, with energy recovered from its refrigeration systems saving more than 600 tonnes of CO₂ per year;
- Used the heat recovered from freshly baked products using exhaust fans and cooling tunnels to heat the main production area in winter and to minimise heat-bleed into refrigerated areas;
- Achieved a 60% reduction in power usage per square metre;
- Plumbed 100,000 litres of rainwater tanks for irrigation and truck washing, saving 625,000L per annum; and
- Used the latest bulk raw material handling equipment, saving around 450 bags per week from the system and halving the landfill requirement.

“We are currently looking at designs for a box which has a handle on the top, so that’s a fairly simple way of reducing our use of plastic bags,” Plarre said.

The company is also revisiting the design and materials of its disposable coffee cups and currently considering biodegradable foam which Plarre describes as a “marketing challenge” given wide consumer awareness of past issues with polyfluorocarbons.

With sustainability, accountability and

transparency key values of the Ferguson Plarre brand, the same recruiting and training processes that have sustained these values at a manufacturing level now need to filter through to the retail level.

“We have 57 stores with five to 10 staff per store, so we’ve got 500-600 people with their eyes open,” Plarre says, giving him confidence that the organisation will continue to generate the innovation needed to improve its carbon footprint. **WME**

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