UTILITY BILL MANAGEMENT BEST PRACTICES

A practical guide for optimizing utility bill management processes & improving your portfolio's performance

CONSERVICE® ESG

THE CHALLENGE

Managing utility bills and invoices can be a difficult challenge for any portfolio. Staying on top of each important detail across your organization is a strenuous, time-consuming process for your team, especially as your portfolio grows larger and more complex.

Manual collection, aggregation, and reporting of utility bill & invoice data has always been the standard process in the commercial real estate industry. Unfortunately, these workflows are rife with inefficiencies and open up opportunities for errors.

TRADITIONAL INVOICE MANAGEMENT PROCESS

Invoice arrives in the mail	Routed internally	Manually logged	Filed or archived	Paid manually
Cumbersome process	Hours of manual work		Billing errors	Late fees
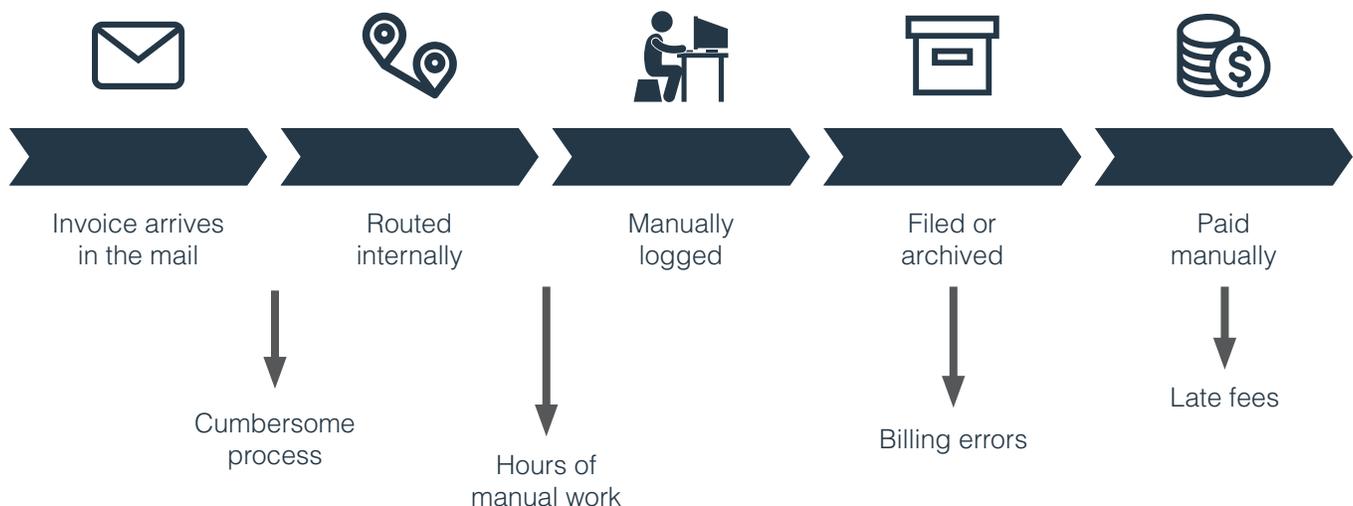
BEST PRACTICES

Those who don't learn from history are bound to repeat it

An important first step is to gather and study as much historical data as you can about your portfolio, including utility usage & consumption levels and invoice & bill prices. This data will be used to compare utility usage and portfolio performance to previous reporting periods. These like-for-like reports and comparisons will allow you to identify abnormal periods of usage and empower you to take corrective actions. A few common comparisons include comparing one reporting period to the next, comparing one month the same month in a prior year, and comparing full-year usage between calendar years.

"Guess and Check" just doesn't cut it

Ensure that you're comparing your actual usage to your utility budget. Keeping track of these two metrics will allow you to correct your utility usage in order to stay on track, if you notice that your performance is not where it should. Also, make sure you review estimated bills from your utility vendors, since these are not always accurate, especially if the estimation is in response to a faulty meter reading or an inability of the vendor to access the meter location and retrieve the data.

Shift happens; stay ahead of the curve

Continuously check your data for outliers and anomalous data. Locate these problem areas, especially if they're repetitive, and identify the cause. Once you've identified the sources, you can determine whether they require additional work to prevent them from reoccurring, or if they're natural spikes or dips in usage. For example, the demand for heat in your buildings will be much lower in the summer, so the drop in usage for those months makes sense and does not require additional actions, after they are identified.

Measure twice, report once

Make sure you're not counting your utility usage data more than once. Your usage for a single reporting period may appear several times on an invoice, such as different billing sections on the same file, which can be confusing at first glance. The usage may also be split into different categories on your invoice, so you'll need to keep that in mind so you don't duplicate those sections, either. Make sure you create strategies for this and implement training for anyone who will be involved in the utility bill management process.

Become a lean, mean, invoicing machine

Audit your utility bill processing workflow to identify the areas that are the least efficient, most likely to cause errors, or require the most time and effort. Are there steps that you can take to streamline these areas? For example, manual entry of utility data into a system is prone to errors, whether there is an incorrect bill, the data is incomplete, or someone accidentally made a mistake during the input process. Automating these steps into a streamlined process would mitigate a lot of the risk of the typically errors that occur, and save your employees a lot of time and effort if they need to manually find the error, as well.

What's your unit?

Make sure you're using consistent and accurate units of measurement for each of your utilities. Assigning the wrong unit to a utility will lead to unusable data, which is an easy error to avoid. Electricity is the easiest, since it is only ever expressed in kilowatt hours, but water and gas can cause problems, since they have several different units, along with non-standard abbreviations.

A crucial fix for this issue is to identify the unit of measurement on each invoice immediately upon receiving it, then convert the value into the unit you've chosen. This may be an extra, manual, time-consuming step in your process, but implementing it in your workflow will help ensure data accuracy and integrity.

Don't limit your options

Make sure you fully understand the rates and schedules of your meters; there are quite a few opportunities for cost savings surrounding these. There are several resources that you can use to discover alternatives to your current rate, such as the DOE's Open Energy Information website. The effort and research you put into this understanding and discovery will help you lock in the best rate across your portfolio and optimize your spend and hopefully allows you to free up some of your budget for other areas of your utility bill management process.

Just like every snowflake, you are unique

It's important to keep in mind that there is no one-size-fits-all solution or strategy for optimizing a utility bill management process. There are many different steps that you can take to streamline and simplify your workflows, but not all of them will work for every portfolio; one of the properties in your portfolio may be a bad fit for a strategy that you implement at another. The trick is to figure out exactly which strategy works best for your portfolio, both from a portfolio-level view and for individual assets.

Frugality is your friend

Energy accounts for 18-30% of a commercial building's operating costs, on average. Negotiate with your utility providers, especially your energy provider, to reduce your utility costs and fees. Make sure to participate in demand response programs so you can earn money for using less energy during high-demand periods. Continuously monitor your usage and demand in order to limit your capacity, which will decrease present and future utility costs.

CONSERVICE UTILITY DATA TRACKING SOLUTIONS

Take utility bill management to a whole new level

The average utility bill management process is time-consuming, cumbersome, and requires a lot of heavy lifting from your team. Our utility data tracking solutions reveals opportunities, identifies trends, and helps you make confident strategic decisions backed by powerful analytics. Reduce administrative work and improve resource consumption with seamless tracking & automation.

CLOUD-BASED PLATFORM
Store utility bills in a centralized, accessible platform for simplified reporting

IMPROVED CONSUMPTION
Monitor and improve resource consumption with enhanced insights and analytics

STREAMLINED PROCESSING
Remove repetitive manual tasks and reduce time requirements

ACTIONABLE ANALYTICS
Uncover insights and discover utility usage trends with consistent, up-to-date data

SEAMLESS INTEGRATIONS
Streamline utility bill & data acquisition with automated integrations with utility providers

CUSTOMIZABLE COLLABORATION
Simplify processes & remove bottlenecks with customizable workflows
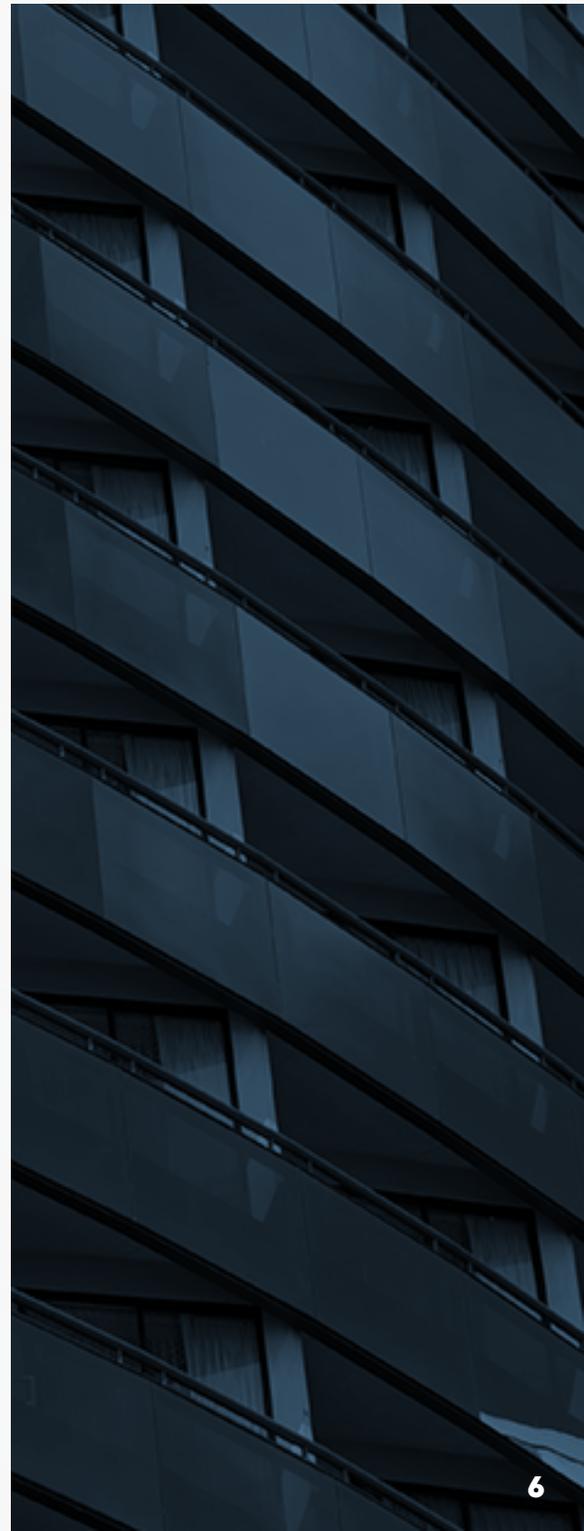
CONSERVICE® ESG

AMPLIFY YOUR IMPACT

Conservice is the most intelligent, comprehensive, and intuitive solution for ESG management. We help businesses establish, monitor, and communicate ESG initiatives that provide an imperative to attract and retain capital, accelerate sustainable and responsible growth, and mitigate enterprise risk.

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