

## What can your business do to cut energy costs in 2018?

Figures have shown that companies spend almost £4,000 per year on their energy bills. It's clear to see that there's never been a better time for companies to take a good look at their gas and electric usage and find quick and easy ways to slash their bills. Becoming energy aware (and energy smart) can not only help businesses boost their bottom line, it can also dramatically reduce their carbon footprint – making for a more profitable, greener company all round.

### What do energy bills look like for UK businesses?

It is due to a change in usage patterns and government initiatives that have led to business energy bills soaring by over 100%. For most SMEs, gas and electricity charges now make up a considerable chunk of their monthly outgoings – taking a hefty portion of their profits. The majority of UK businesses are using between 15,000 and 25,000 kWh of power per year, but annual consumption figures for large business and industry can reach in excess of 250,000 kWh.

When we take a look at spending on energy, the latest data shows that businesses in the UK are spending an average of £3,061 on their annual electricity bills, and an additional £856 a year on gas. Small businesses in particular fare slightly better – but with the average electricity bill for an SME reaching £2,958 (and that's before putting business mains gas into the equation), it's still a considerable outlay.

### What can businesses do to lower their bills?

Businesses may think that they are stuck with expensive bills, but there are ways for companies to bring their energy prices down. [Business gas](#) supplier Flogas Energy shares some expert tips on how companies can slash their energy costs:

#### **1. Know what you use**

If you want to be in a chance with lowering your energy costs, you need to know how much you currently use and how much you pay. The average unit prices in the UK are currently 14.36p per kWh for electricity and 4.25p per kWh for gas, with standing charges on top of this. Finding out your business's annual usage figures – and knowing when your contract is due to come to an end – means you're well equipped to accurately compare your current supplier's prices with others on the market.

#### **2. Shop around**

Don't settle for your current renewal quote from your provider, statistics show that by letting your existing tariff roll over without comparing it to other providers could increase your bills by an enormous 100%! Ahead of your contract ending, it's worth finding out how much switching could save you. And, whether you use a broker, online search or go direct, make sure you don't limit yourself to the Big Six. Switching to a smaller business energy supplier could mean significantly lower bills, and benefits like better customer service.

#### **3. Tailor your contract**

The same contract is not suitable for everyone. For example, an extended fixed-term contract could help protect you against future price rises, giving some valuable peace of mind and making budgeting easier. Or there might be an additional discount on offer if you opt for a Direct Debit payment plan.

#### **4. Consider a smart meter**

Speak to your supplier to find out if they can fit you a smart meter. That way you'll know exactly how much your business energy supply is costing you day-to-day – and because you only pay for what you use, there's no need for estimated billing or meter readings. As well as saving on monthly charges, it can also help you wise up to your company energy use and make better decisions on where you might be able to curb your consumption. Energy management software can also help provide useful insight for larger businesses.

#### **5. Every little helps**

When it comes to energy saving, small changes can make a big difference. It could be as simple as making sure computers are switched off outside of office hours, or putting your lights on a timer, but encouraging employees to find more efficient ways of working is a great place to start. Some companies even introduce incentive schemes to help foster better habits, offering staff tangible rewards for greener behaviour.

#### **6. Invest!**

Spending a lot on energy saving equipment could save you a lot in the future. Whilst this approach might come with a heftier price tag in the first instance, any piece of kit that helps save energy on your everyday operations will pay for itself and more in the long run.

\*Statistics from [BusinessEnergy.com](http://BusinessEnergy.com)