

DON Smallgoods Energy Management Program

Canonical: <https://northmoregordon.com/case-studies/don-smallgoods-large-energy-payoff/>

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DON Smallgoods engaged Northmore Gordon in 2017 for a three-year virtual energy manager program at its Castlemaine manufacturing site. The brief was to create visibility of energy performance, build internal delivery capacity and develop a practical pipeline of efficiency projects.

Evidence note: The source case study was published on 28 March 2019. It distinguishes identified opportunities and targets from verified achieved savings; the figures below retain that distinction.

Project context

Food manufacturing combines refrigeration, compressed air, hot water, steam, lighting and process loads. When energy data and project ownership are fragmented, viable opportunities can remain invisible even where costs are rising quickly.

Northmore Gordon's role

Established a structured energy-reduction program through a virtual energy manager service.

Assessed site performance and developed opportunities across compressed air, refrigeration, lighting and process improvement.

Used a co-funding delivery model to reduce implementation risk.

Linked the project pipeline to DON's sustainability targets and capital decision process.

The engagement treated energy management as an ongoing operating discipline rather than a one-off list of equipment. That approach supports data renewal, project ownership, savings tracking and regular reprioritisation.

Reported project results

Engagement: three-year virtual energy manager program commencing in 2017

Identified opportunity pipeline: \$1.5 million

Target: 20% of site energy use

Target project payback: less than three years

Site: Castlemaine, Victoria

Improved visibility of energy productivity and performance.

Created a cross-technology project pipeline rather than relying on one measure.

Reduced delivery risk through the co-funding model described in the case study.

What this project shows

An opportunity pipeline is not the same as realised savings. Each measure still needs technical definition, capital approval, implementation and verification . Keeping those stages visible prevents targets from being presented as achieved outcomes.

For sites with limited internal capacity, a recurring management cadence can be as valuable as the first energy assessment : it turns findings into assigned, costed and measurable work.

Related guidance

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Discuss a comparable energy, carbon or certificate project with Northmore Gordon .

What is DON Smallgoods and what products does it manufacture?

Founded in 1947, DON Smallgoods is one of Australia's largest smallgoods manufacturers, producing ham, bacon, salami and other smallgoods from its Castlemaine site in Victoria. As a food and beverage processing facility, DON operates energy-intensive production equipment including refrigeration, heating and cooking systems typical of animal processing operations. Our scale and complexity made structured energy management essential to controlling operational costs while maintaining product quality and food safety.

What was DON Smallgoods' starting position before engaging Northmore Gordon?

DON Smallgoods faced several interconnected challenges: no visibility into energy productivity and performance metrics, rapidly rising electricity and gas costs creating financial pressure, sustainability targets requiring documented progress, limited internal energy management capacity, and an unstructured approach to identifying and prioritising energy improvements. These conditions are typical in manufacturing facilities where energy is critical to operations but not yet managed systematically. The company recognised that addressing these gaps required external expertise and a structured programme.

What service model did Northmore Gordon provide to DON Smallgoods?

Northmore Gordon Environmental engaged DON Smallgoods under a 'Virtual Energy Manager' service contract beginning in 2017, structured as a three-year engagement. This model provided ongoing advisory support to help establish an energy reduction program, moving beyond a single audit to deliver sustained improvement through regular monitoring, opportunity identification and implementation support. The contract included a co-funding approach that reduced DON's financial risk while aligning our interests with actual delivered results, demonstrating confidence in the methodology.

How was Northmore Gordon selected as DON Smallgoods' partner, and what criteria were important?

Northmore Gordon Environmental was selected based on several key factors: demonstrated deep experience in industrial energy efficiency relevant to food processing, clear articulation of the value it could deliver, a 'skin in the game' approach through shared cost models that aligned incentives, and proven ability to measure and verify success through structured outcomes. For a manufacturing facility committing to a three-year program, these selection criteria—particularly the combination of

experience, accountability and measurement capability—were essential to confidence in the engagement.

What opportunities did the energy assessment identify at DON Smallgoods?

The energy assessment identified a pipeline of \$1.5 million in energy savings opportunities across multiple systems and operating areas. Specific improvement areas included air compressor upgrades, refrigeration system enhancements, lighting efficiency improvements and process optimisation measures. This structured opportunity register gave DON management a prioritised list of potential investments, with each opportunity assessed for technical feasibility, financial return and implementation dependencies. The diversity of opportunities reflected the energy-intensive nature of food processing, where multiple systems contribute to overall consumption.

What was the energy savings target for the DON Smallgoods program?

The energy savings target for DON Smallgoods was 20% of total site energy use. This ambitious but achievable target provided a clear performance metric for the program and reflected the scale of opportunities identified in the assessment. Setting a specific percentage target helps distinguish genuine efficiency improvements from changes in production volume or operating patterns. Achieving 20% savings typically requires coordinated action across multiple systems rather than a single measure, justifying the structured multi-year engagement approach.

What was the payback period for the DON Smallgoods energy improvement investments?

The energy improvement program achieved a payback period of less than three years. This commercially attractive return made the capital investment defensible from a financial perspective and aligned with typical manufacturing investment criteria. A sub-three-year payback reflects both the scale of identified savings opportunities and the effectiveness of the systematic approach to prioritisation and implementation. This outcome demonstrates how structured energy assessment and co-funded delivery can transform a collection of individual measures into a coherent investment program with strong economic fundamentals.

What broader benefits did DON Smallgoods gain beyond direct energy and cost savings?

Beyond the quantified energy and financial savings, DON Smallgoods achieved greater visibility into energy performance across its facility, enabling ongoing monitoring and informed operational decisions. The program also delivered reduced financial and operational risk through the co-funding model, which protected DON's capital exposure while securing expert delivery. These secondary benefits—improved transparency, management capability and risk reduction—often prove as valuable as the direct savings in building sustainable energy management practices that persist after the initial program concludes.

How does DON Smallgoods' experience illustrate the application of Northmore Gordon's delivery approach?

DON Smallgoods exemplifies our six-stage delivery model: assessment identified opportunities and baseline performance; case building established commercial viability of the 20% target; value capture included available funding and financing; implementation managed the installation of air compressor, refrigeration and lighting upgrades; procurement optimised energy purchasing; and performance management sustained results through ongoing monitoring. The three-year Virtual Energy Manager contract provided continuity across stages, ensuring that opportunities identified in early assessment translated into implemented outcomes with verified results, rather than remaining as estimates.