



# EmeRed Return on Investment Case Study

## Background

The client is a housing association that has grown by combining assets and resources from several smaller housing providers. This type of growth results in a wide range of housing stock and asset schedules over a large geographical area, which brings challenges of monitoring, managing and maintaining their portfolio. They currently have more than 10,000 properties and have a plan to build nearly 2000 additional homes over coming years.

## Project Scope

- Carry out all regulatory compliance testing remotely.
- Understand What, Where, When, for any fault condition.
- Wi-Fi is not an option for connectivity.
- Budget will not stretch to lighting replacements.
- Installation to be carried out by the inhouse electrical team.
- The system must not generate additional work for the office team.

# Estate Breakdown of Phase One

Number of Buildings ..... 44  
Average Emergency Lights per Building ..... 10.25  
(total number of emergency lights ÷ number of buildings)

## Existing Costs

The existing testing costs only take account the testing engineers time and associated costs, however, no allowance has been made for the back-office team costs.

Monthly flick test per building ..... £ 36.00  
6-month 60-minute duration test ..... £ 2.20 Average cost per fitting per site  
Annual 3-hour duration test ..... £ 3.25 Average cost per fitting per site

## EmeRed System Costs

GSM Gateway Cost ..... £ 149.00  
EmeRed Cost with 5 Year Portal and Data Subscription ..... £ 94.70  
Additional Portal Users ..... £ 0.00  
Additional Engineers ..... £ 0.00

## EmeRed Installation Costs

Managed internally with the existing electrical team.

Time to install an EmeRed ..... 15 - 20 minutes per fitting (average 1 building per day)  
Time to install a Gateway ..... 30 minutes



## Manual Testing Figures

Calculate the manual testing costs for a 5-year period to align with the EmeRed system costs.

No allowance has been made for office staff

Flick test .....	£ 79,200.00
(10 tests per fitting per annum)	(£36 per building x 44 properties x 10 tests per year x 5 years)
60-minute duration test .....	£ 4,961.00
(1 test per fitting per annum)	(£2.20 60 minute test cost x 451 emergency lights x 1 test per year x 5 years)
3-hour duration test .....	£ 7,328.75
(1 test per fitting per annum)	(£3.25 3 hour test cost x 451 emergency lights x 1 test per year x 5 years)
<b>Total cost over 5 years</b>	<b>£ 91,489.75</b>

## EmeRed System Figures

Total Cost of Gateways .....	£ 6,556.00	(1 per building)
Total Cost of EmeReds .....	£ 42,265.70	(1 per light)
<b>Total system costs (For 5 years)</b>	<b>£ 49,265.70</b>	

## Return on Investment

Total savings over the 5 year period .....£ 42,224.05

Return on Investment ..... 1.85 years (cost of EmeRed System ÷ 5 year manual testing cost)

## Conclusion

Significant savings are being realised by this client who is currently moving to phase 2 and including EmeRed into the new build specifications.

