



Anacove Business Case

May 2025

This business case outlines the projected cost savings, payback period and hotel value increase using a 9% capitalization (cap) rate for a 100-room hotel utilizing Anacove's services including smart thermostats, toilet leak sensors, and asset tracking devices.

Anacove's Services Overview:

- **Smart Thermostats:** \$165/room + \$1/month/room, \$150 national average savings per room annually.
- **Toilet Leak Sensors:** \$25/room + \$1.50/month/room, typically 20% of toilets leaking, wasting \$600 of water per toilet annually.
- **Asset Tracking:** \$0.50/month/room, providing 5% payroll savings based on one employee at \$20 per hour, 8 hours per day, 365 days per year.
- **HVAC Lifetime Extension:** Anacove's energy management extends hotel rooms typical \$1,000 HVAC/PTAC unit lifespan by 3 years (35% longer), resulting in \$2,600-4,000 in savings annually.

| Cost Center | Total Savings | Anacove Service Cost | Net Savings |
|---------------|---|-----------------------------|-------------|
| Power Utility | \$150/room × 100 rooms = \$15,000 | \$16,500 (one-time) | \$13,800 |
| | | \$1,200/year (subscription) | |
| Water Utility | \$600/room × 20 rooms = \$12,000 | \$2,500 (one-time) | \$10,200 |
| | | \$1,800/year (subscription) | |
| Payroll | 25 min per day searching for assets \$20/hr × 25 min × 1yr = \$2,920 | \$0 (one-time) | \$2,320 |
| | | \$600/year (subscription) | |

For more information:
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Annual Savings, Payback Period and 10-Year Hotel Value Increase

The **Total Annual Savings** achieved is **\$28,920**, consisting of Power (\$13,800), Water (\$10,200), Payroll (\$2,320) and HVAC Lifetime extension (\$2,600).

First year's net savings are **\$6,320**; after the first year **Net Annual Saving** is **\$25,320**.

Payback Period for this investment is **9 months**:

$$\text{Payback Period} = \frac{\text{Total One Time Cost}}{\text{Net Annual Savings}}$$

Total Net Savings over 10 years is **\$234,200** cash increase, based on the total investment of \$54,300 (one-time cost + recurring cost).

Hotel Value Increase at 9% Cap Rate is **\$281,333**

Hotel Value Increase and Total Net Savings is **\$515,533**

Additional Benefits:

- Real-time energy and water monitoring with alerts
- Reduced operational costs from preventative maintenance
- Increase HVAC life by 35%
- Improved guest experience with optimized room comfort
- Enhanced staff efficiency through asset tracking

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