



Insights: The Green Blues

Got those Green Blues?

With environmental issues gaining pace and corporate social responsibility rising inexorably up the commercial agenda, greenness and naivety can too easily become synonymous

The world has gone not so much environmentally friendly, as enviro-friendly mental.

Green is the new black and woe betide the unwitting business that doesn't realise it. Especially with the rest of the world busy nodding sagely along with Bono and chums, and trying to make all the right carbon-neutral noises.

The problem is that thinking and sounding green is rather easier than actually being and going green.

For a start there's a whole myriad of acronyms flying about to confuse things, like WEEE (the Waste Electrical and Electronic Equipment Directive) and RoHS (the restriction of the use of certain hazardous substances in electrical and electronic equipment) – and they're just the common ones.

Then there are all the software, hardware, and electronics firms pressing their green claims, and all sorts of other interested parties

– savvy consultants, canny vendors, tenacious taxmen, et al – trying to make sure they get their cut too.

Suffice to say it's very quickly all become very perplexing. Indeed, it can be difficult for businesses to know which direction to turn for the best. And unfortunately, in the absence of something more definitive, many businesses are favouring the opposite approach. i.e. sitting on their hands or, worse, sticking their fingers in their ears and going: "La, la, la, la, la, la... can't hear you... la, la, la, la."

Here then, while the big Green monster continues to dominate in the media and at the ballot box, it clearly hasn't been quite such a hit in the boardroom. At least not yet. And, if research from B2B consultancy energyTEAM is to be believed it may be exactly here – in business's reticence to truly embrace 'green' – where the real issue lies.

The study found that the business leaders in two thirds of UK companies with over 50 employees take no responsibility for energy management within their organisations, leaving it instead to less senior personnel like facilities and operations managers, and health and safety officers.

In other words, whether we're in the office or at home, it seems we're all a bit too keen to pass the buck where going green is concerned.

Jillian Frantsen is a director with Corporate Social Responsibility (CSR) specialists, Flag Communications. She is one among a growing lobby of commentators who suggest that the responsibility for an organisation's environmental impact now lies increasingly with its board, and that environmental initiatives must therefore become more prominent on senior management agendas.

Adopting such a 'top down' approach is, she argues, key to creating the internal drive and support required for the kind of company-wide initiatives that will have a significant impact on the organisation's environmental footprint.

A second challenge, she says, is that environmental initiatives often require up-front investment.

Enterprises often balk at these – hardware like energy efficient heating and air conditioning systems rarely comes cheap – but it's important to remember that there is a trade off and that there will be an ROI in the form of cost savings.

"In this instance a business case can be made for the environmental initiative both on the ground of decreased environmental impact and cost savings," she adds.

And yet there lies the \$6 million question. Is it really possible to go green and positively impact your bottomline? At the same time? And if so, how do you do it and where on earth do you begin?



"The simplest change any company can make is to recognise the issue," says Mike Dinsdale, CSR Director with Brother. "Everything else flows from that point." For Brother, this happened as far back as 1992, when the company first looked at the closeness of the connection between environmental stance and business efficiency.

"Reducing energy consumption, eliminating waste, [and] improving supply chain efficiency not only has a very positive impact on the bottomline, but also brings reductions in carbon footprint too," he adds. There are many approaches, but perhaps the most sensible is to begin with getting the best out of what you've already got.

And that often starts with the most obvious things. Switching lights, PCs, monitors and printers off when they're not in use can have a major impact on power consumption and CO2 emissions for instance.

"Companies of any size can look at all aspects of their businesses and find ways to reduce their energy use", says Steve O'Donnell, Global Head of Datacentres and Customer Experience Management at BT.

"(But) being a more environmentally friendly company begins with making energy efficiency and a green approach to IT core to the company's practices."

O'Donnell believes that companies need to mandate that a concern for reducing energy and carbon footprints be built into everything they do.

"Very often companies are not organised to make 'going green' a natural outcome", he explains. "For aspects such as using energy and disposal of waste across the organisation for instance, employees do not have direct accountability for non-adherence."

Here, he says, BT has tried to ensure a succinct approach through engineering a cultural change within the business itself.

"For example", says O'Donnell, "when we design a new program we spend a great deal of time thinking about the most energy efficient way it could be implemented."

This means talking energy efficiency with vendors. Points to consider include the full life cost of a piece of hardware and Total Cost of Ownership (TCO) factors such as its energy use and its refrigeration needs. Ask these questions (and others) of all your vendors and go only with those that have the right answers.

BT, for instance, has replaced traditional cathode ray (CRT) monitors with LCD screens when implementing desktop refreshes. While the LCDs were more costly than the CRTs, they only use 20 per cent of the energy and so paid back the initial capital investment within just 6 months.



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It's also important to take an end-to-end rather than a piecemeal approach; with the Carbon Trust estimating that wasted energy cost UK businesses £570m last summer, every little bit counts. Not that the IT department appears to need convincing about any of this.

In a survey of 100 IT managers carried out by Neoware in June, 82 per cent felt their IT infrastructure's impact on the environment was either 'extremely' or 'very' important, with 71 per cent citing a preference for IT products and systems that are more environmentally friendly or energy-efficient.

Why should the IT function be apparently so much more receptive to, and aware of, green issues?

Partly it's because IT is so often the department responsible for compliance with legislation such as WEEE. But there's also another reason. A company's social policy is an increasingly important factor in its broader strategies and standing – its reputation, its brand values, its employee recruitment and retention. IT is also a key part of those strategies. Q.E.D. IT and environmental concerns must go hand in hand if they're not to fall foul of one another.

"Any investor worth their salt will be well aware how these factors equate to pence on the share price,"

says Rob Cameron, director at Flag Communications, which designs annual and sustainability reports for clients including Ford, Shell and Friends Provident.

He believes businesses should focus more on financial savings rather than environmental measures. Profit isn't just the bottomline, he argues, you have to make it the topline too.

This means challenging the assumption that green initiatives cost green backs.

"Often, what's good for the environment is also good for business," he comments. "It can take a fresh pair of eyes, looking for environmental wins, to spot new ways of doing things which result in resource savings, reduced utility bills, and less waste – all good for the bottomline."

Spotting these environmental "wins" often involves looking beyond the datacentre however. At facilities management and travel for example – where everything from energy efficient heating and lighting systems to collaborative technologies such as teleconferencing can replace more traditional business methods.

A good first bet is to measure the environmental footprint, which can be done using one of a number of not-for-profit companies and Non-Governmental Organisations (NGOs).

Companies should also consider things like using DC rather than AC supplies within their datacentres. (BT estimates to have shaved 30 per cent on power consumption using DC, contributing towards an overall £3.8m saving in electricity costs over the past 6 months.) Fresh-air cooling and technologies like document management, IP, and virtualisation are also worth thinking about.

In this way, says Frantsen, corporate responsibility is nothing new. "It is about taking accountability for a company's non-financial risks."

The change comes largely around a company's stakeholders taking a vested interest in these non-financial risks. Shareholders, employees, and customers are also demanding companies be more transparent about their actions.

Doug Johnson, senior director for technology policy with the Consumer Electronics Association (CEA) says that such behaviour is becoming increasingly pronounced. "Recent studies have clearly shown that key business constituencies – clients, employees at all levels, the local communities in which you operate, and the financial community – increasingly choose firms that develop meaningful, credible environmental programs."

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It's also important that SMEs are able to meet compliance needs without deviating from their core business interests.

"The biggest challenge for SMEs implementing the WEEE directive (for example) is use of resources", notes Tony Roberts, CEO of Computer Aid International, one of a number of Environment Agency-approved WEEE facilities (AATF). "Time and money are easily swallowed up searching for a trustworthy, compliant scheme, readying the equipment for removal and, in some cases, actually transporting the equipment off the premises."

AATFs provide organisations with all the documentation necessary to certify WEEE compliance; they then transfer legal responsibility, and destroy any residual data to military standards.

With the ever-burgeoning raft of environmental regulation, it's the sensible business that keeps pace, but according to Dinsdale, many are doing little to stay abreast of what's likely to affect them now and in future. And yet staying up-to-date is not as difficult as many of them think, he says.

Not that sustainability should come at the expense of core business goals, says Rob Bamforth, principal analyst for service provision and mobility at Quocirca. "Being green is great from a marketing perspective, but if it costs rather than saves, it's unlikely to get enterprise traction."

Enterprises must therefore think carefully about success metrics going forward. Should you invest in the short-term to save money in the medium term and the environment in the longer term might be one such question to ask yourself or the financial director.

Bamforth also cites the need to think about the larger implications of costs across and beyond departmental levels.

"This is harder", he says, "but it's better than guilt-shifting from one department to another. Guilt-shifting or carbon offsetting is just a way to spend money to placate a conscience – it does nothing positive overall for the business or the environment."

Advice for the SME on datacentres

Ensure refrigeration systems are suitably maintained and operating at optimum efficiency.

- Lay the datacentre out with 'hot' and 'cold' aisles to try and separate hot and cold air.
- Seal the plenum floor to ensure the air on the exits are only at the front of cabinets that contain equipment.
- Keep your asset management systems accurate and up to date. Switch off equipment that's no longer necessary.
- Keep a skeptical view about what equipment actually needs to be in operation.
- Despite the tendency towards hard disk, tape remains the greenest storage medium.

Ten Tips for WEEE Compliance

- Find out how WEEE affects you. Know the legislation and what's expected of you
- Appoint someone to take charge of WEEE compliance
- Consider re-use as an alternative to recycling – it's 20 times more effective at saving lifecycle energy.
- Donate to charity
- Remember: any equipment purchased before 13th August 2005 is not eligible for producer take-back schemes
- Check collection/disposal services for Approved Authorised Treatment Facility (AATF) status
- Make sure data is professionally wiped. Under the Data Protection Act it's your responsibility.
- Demand documentation from your recycle/re-use vendor. Ensure you have written confirmation of the total amount (in tonnes) of WEEE disposed of, and proof that it's been dealt with by an AATF.
- Check the small print when buying. Some producers or retailers may levy a charge at the point of sale to cover the cost of collection, treatment, and recovery of WEEE.
- Ensure your CSR programme is global. A CSR programme allows a business to build a positive public image and a reputation as an ethical supplier.

SOURCE: Computer Aid International