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The Authority in IT Convergence Strategies

The CEO's case for going green

No matter where you stand on the reality of anthropogenic global warming, there exist rational reasons why enterprise CEOs can and should focus on efficiency, economy and conservation 'best practices' as an operational and marketing strategy. In this series of articles, we'll discuss the reasons as well as discuss how to identify and launch effective 'green activities'. These articles will focus on how IT and IT related technology help organizations and enterprises to become greener.

Companies from the largest multi-national to the smallest 'Mom and Pop' are making decisions and taking action in response to this 'green' challenge. But what exactly is the nature of the challenge and what is the proper response? What's a responsible CEO to do? How much company time and attention needs to be dedicated? And, just what should they be doing? Let's look at three reasons to have a 'green' strategy..

First, the cost of inefficient operation has risen dramatically as markets become more global and 'developing' nations become full-blown competitors for as well as consumers of scarce resources. The demand for power combined with the escalating cost of providing it means taking steps to eliminate old practices such as leaving on idle resources, over heating or cooling work environments or leaving on lights in empty buildings in order to conserve resources and lower costs.

Second there is little doubt that with respect to the use of information technology, it has become common practice to operate at levels of inefficiency that are wasteful of scarce and increasingly expensive resources. One glaring example is the decades of casual acceptance of operating massive numbers of distributed computers and servers at 10 to 15% (or less) of rated capacity. However, waste and inefficiency can be found in nearly every business function. Operating 'green' includes eliminating these inefficiencies as well as changing processes, products and behavior. The challenge comes in deciding where to start and that is our topic.

Third, 'operating green' can be effective in increase revenues and lower operating costs while attracting positive attention from media, politicians and consumers. Although not all studies agree, some do suggest the 'green halo' is emerging as a deciding factor in some purchasing decisions. Companies that have launched Corporate Sustainability programs include the major IT vendors (BMC, HP, IBM, INTEL, Microsoft, etc.), energy companies (Exxon, BP, Kimberley-Clark), consumer-focused companies (Kraft,

[Walmart](#) and its suppliers) and those pursuing 'organic' and 'whole earth' themes in food, clothing, travel, etc.

Where's the Vision?

As CEO you need to have a guiding vision to launch your efforts. Let's examine two possibilities. One approach with a lot of vocal support is to:

1. Do whatever it takes, at whatever cost, to whatever effect to appear 'green' – While satisfying to the emotions of 'true-believers' there exist serious drawbacks to such a 'total commit' strategy. We see three flaws to this approach. These are:
   a. It can threaten organizational survival – by removing the focus of the organization from its founding goal (unless it was solely environmentally focused.)
   b. Raise unrealistic expectations – it can damage environmental goals by embracing fads or pseudo-scientific activities that deliver little discernible results. Applying scarce resources (effort, commitment, cash) to pursue goals that are [unachievable](#) or have no significant impact on problem resolution simply makes no practical sense.
   c. Unintended consequences – poorly thought through and hastily implemented programs can lead to activities that are just simply too expensive to [implement](#) or to solutions e.g. [ethanol](#), that turn out to be more [environmentally and economically](#) damaging than the alternative it replaces.

A better approach starts with an analysis that derives from basic principles used in other business and organizational activities. Based on the original goals of the organization, you should:

2. Develop a vision based on business needs and requirements – Assess and evaluate alternatives to determine which actions contribute to business success and survival. Some things to consider.

   a. Is the company a 'black hat' target? – If your business or products can be or are positioned as an environmental 'black hat' – and with the trend to increasingly [aggressive activism](#), 'greening' is mandatory. This status will influence the size, urgency and context of your green program. By the way, you should have begun this effort long ago! In a survey conducted by IBM in 2007, 27% of respondents indicated that implementing and documenting measures to comply with state, national or international environmental mandates or agreements were critically important to the sustainability and success of their organizations over the next 20 years.
   b. If you're a 'black hat' – determine how the company is vulnerable and what can be done about it – analyze, decide and move quickly to determine where your company has either opportunity or exposure.
   c. If you're not a 'black hat' – consider how the business, its investors, clients, customers and employees benefit with a 'green' business position. Consider both long term and short term activities that can be done. For the short term, activities can focus on identifying behaviors, operations, functions and [processes](#) that stand out as wasteful and inefficient. Long term activities can involve [product redesign](#), infrastructure refresh, physical plant redesign, etc. In the survey referenced above 19% indicated it was critical to change their core business processes to use fewer resources and/or have a reduced environmental impact.

Answering these questions will allow you to detail your strategy, goals, tactics and implementation plan. We'll talk about specific actions that can be taken in areas in subsequent articles. The important thing is to get started on a plan based on both business and practical reality.

Fortunately, there exists information and guidance that will provide at multiple levels advice and support for you to progress along the 'green' path of more effective and efficient operations. IBM provides ideas and examples of their own programs to address a range of global enterprise responsibilities An overview of their own green activities is available at 'The new environmental imperative' provides information about the impact on IT. 'Green' initiatives are being discussed and implemented as part of a program for increasing enterprise operational efficiency and social accountability under the umbrella term, 'Corporate Sustainability'.

Looking Around – identifying fast-track and meaningful actions

The sources for environmentally 'green' actions pervade the enterprise. There exists 'greening' potential in areas such as:

1. People – Business policies, practices and behavior provide a wide-range of opportunity for changes that will make operations more 'green'. We'll look at how HR policies in terms of flex-time, car pooling, home offices, the work week, travel time, events, communications, on-line collaboration, etc. can be shaped to good effect. Software applications are available that can facilitate the mechanics of remote collaboration in terms of implementation, use and management.
2. Process – the processes that drive and operate the business provide additional opportunity with the potential to cut redundant activities, streamline flows, consolidate tasks, etc. Software solutions are available that help to document, illustrate, automate, monitor and adapt processes to improve workflow and energy efficiency across the organization.
3. Products – opportunities exist across the full life-cycle from product design, raw materials, packaging, processing, manufacturing, distribution, utilization and retirement. Green products can be the result of manufacturing processes e.g. using natural materials. Products can be green based on the geographic source of ingredients, e.g. locally available materials, or on their ability to be recycled. The opportunities are only limited by creativity within your company.
4. Physical infrastructure – the physical infrastructure offers a range of opportunity including pro-active asset management, a 'buy-green' infrastructure 'refresh', virtualization for more efficient IT infrastructure (servers, storage and network assets) utilization, HVAC efficient layout, 'smart building's designed to be more environmentally friendly. We'll look at where information and advice can be found to reduce use scarce water resources and reduce dependency on paper by moving to digital records. Finally, we'll discuss the availability of software solutions for tracking, monitoring, managing and reporting about asset program and infrastructure utilization with details that help identify bottlenecks and inefficiencies.
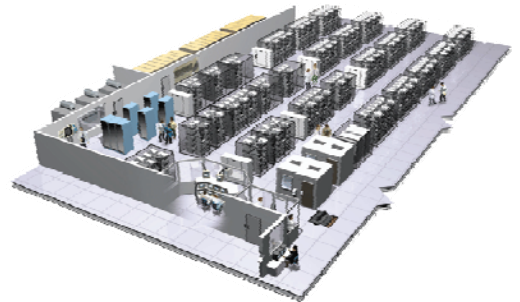
Future columns will discuss the resources available that will help you to identify and capitalize on the existing potential for 'green' operations. In future columns, we'll take a look from the unique perspectives of the CIO, the COO and HR offices to provided advice that will help them to identify 'green' opportunities and projects across the enterprise.

Taking stock – building a Corporate Action Plan

Establish an office headed by a senior executive to focus on sustainability efforts. Before taking hasty actions, it is important to understand where you are today and where you want to be tomorrow.

Success and effectiveness require a solid foundation on which to make decisions. You need to understand what is true and possible as well as your own status today and what is possible in the future. Laying out an effective corporate action plan requires that you build on a solid foundation. That foundation and subsequent action plan requires:

1. Accurate data and Information – collect and share across the enterprise, data and information about current practices, operations, behaviors and action taken to resolve inefficiency and waste that contribute to the problem, identify how other functions can use the same efforts.
2. Pragmatic education – understand what's real and what's not about being and going 'green'. It's a topic packed with emotion, special interests and miss-information. Media reports are not always accurate. Government, non-profit and special interest groups discover results and take positions that justify their existence, increase power and lead to larger budgets. Computer models suggest, but do not prove results.
3. Goals – realistic, attainable goals. Concentrate on what's important and relevant to your company. Vague 'boil the ocean' efforts targeted at 'saving the planet' have as little place here as they do in any business plan.
4. Fast start program – all that said, it would be the rare enterprise that doesn't have some readily identifiable inefficiencies that stand out as candidates for change. Therefore, as part of the initial corporate sustainability launch, it is a good idea to establish a 'quick action' team with the task of identifying low hanging fruit for energy reduction, resource conservation or highly visible wasteful and inefficient practices.
5. Promote your activities – market your efforts and successes, you need to promote your efforts not just internally but externally – communication of your efforts is important. This will not only promote your brand but inspire and drive action across the organization.
6. Engage employees, provide incentives – some advocates recommend setting 'Awesomely big goals and targets', if you are saving the planet this is the most important thing your company can do. Others recommend focusing on attainable goals and activities with demonstrable, short-term payoffs against which real progress and impact can be documented, the decision is yours. Motivated employees can find opportunities for going green that leaders in organization may not see or even be aware exist.

As in any good project, mining the efforts of others can accelerate the process and eliminate problems. An excellent paper on 'going green' is available for free from PriceWaterhouseCoopers. IT is the fifth paper in their series on important matters for Technology Executives. Finally, remember an effective plan for 'going green' requires the same skepticism, good sense and analysis as any other business plan or operation.