

Topic:
Green IT

Has the Colour Drained from Green IT?

Back in early 2008 Green IT seemed to be the coolest of hot topics. Industry analysts forecast that green issues would leap to the top of IT directors' priorities, and technology leaders scrambled to announce far-reaching strategies to reduce their carbon footprint. Eighteen months on and the harsh winds of recession have ushered in a different set of headlines in the technology media, including: "Green computing's got the blues", and "Is Green IT dead?" It sounds like an examination is needed - **iCT** steps in to assess the health of **Green IT in 2009**.



Firstly, a quick reminder of the origins of Green IT. The manufacture and use of ICT is thought to contribute **2%** of global carbon emissions – roughly the same as the airline industry. Power consumption at data centres accounts for about **a quarter** of these emissions. Essentially Green IT is the practice of using computing resources more efficiently, but also extends to the use of IT to reduce the carbon footprint of other operations. Starting from simple measures such as stand-by modes on PC monitors, Green IT has evolved to encompass more energy efficient solutions for everything from data centres to desktop hardware, to thin client solutions and the virtualisation of servers.



Nobody expected Green IT to sail unaffected through the economic downturn. Priorities change in difficult times – and saving the planet takes a backseat to saving the business every time. The good news for the planet is that Green IT and cost cutting go hand-in-hand – ensuring that the green agenda doesn't completely fall off the radar in 2009.

iCT is produced by Business Advantage, a B2B research, business development and marketing consulting practice operating in the global IT, Digital and Telecommunications sectors.



August 2009

The views of IT leaders were explored in the *Harvey Nash Strategic Insights Survey – a U.S. Leadership Perspective*, conducted in partnership with [PA Consulting Group](#). Connor Murphy, Consultant with PA Consulting Group, explains the implications for Green IT:

“The survey revealed that 86% of Chief Information Officers (CIOs) regard improving operational efficiency as their number one objective in this year’s rough economic environment. We therefore expect to see more focus on energy efficient initiatives that deliver tangible and timely cost savings. Green projects that deliver softer benefits, or those with a less convincing business case, are likely to be delayed – the approval process for such projects has been considerably extended.”

Softchoice (www.softchoice.com), a leading North American provider of IT solutions and services, recently launched a searchable Green IT product listing as part of a vision to become the leading enabler of sustainable IT practices. Melissa Alvares, Softchoice’s Sustainability Programs Manager, picks out the thriving green technologies:

“Virtualization is hot right now, largely because of the cost savings associated with it. Print Management is another area attracting a lot of investment. Print costs are soaring, and as these haven’t been managed or measured in the past there is a huge opportunity for improvement. New tools such as PC Power Management Software have also emerged, low cost energy saving solutions that have very quick pay back periods.”

One company marketing tangible energy savings to customers is **Western Digital** (www.wdc.com), a manufacturer of hard drives for the corporate and consumer markets. As part of its product range the company has developed eco-friendly hard drives using its GreenPower™ Technology. According to Western Digital these use up to 40% less power than standard drives. Their EMEA PR Director, Danny Mauerhofer, explains the implications:

“This can save data-hungry organisations, such as like financial institutions and search engine services, up to US\$10 per drive per year in electricity costs. This doesn't sound like much until you consider, for example, a large data centre with say 10,000 drives”.



Pel House 35 Station Square Petts Wood Kent BR5 1LZ UK

Tel: +44 (0)1689 873636 **Email:** info@business-advantage.com **Web:** www.business-advantage.com

Does the green marketing message have any impact? Western Digital also push this angle, with the claim that the reduction in carbon dioxide emissions per drive per year is “the equivalent of taking your car off the road for 14 days each year”. *“It is still very early on in the green IT cycle,”* explains Danny Mauerhofer. *“It’s hard to tell how far green motives drive the purchase of our products. But sales of our eco-friendly drives have increased over the last 12 months.”*

So is it simply cost reduction that is driving the green computing agenda? Has Green IT simply become ‘lean and mean’ IT? *“The line between what is cost-cutting and greening is quite blurred right now,”* says Melissa Alvares. *“The only way that the green movement is going to become mainstream is if it makes business sense.*

I’m excited that the two have come together, because at least it’s getting people started on the sustainability road. If they see the savings and build momentum, they are more likely to tackle larger initiatives in the future that may require more significant investment.”



PA Consulting’s Connor Murphy also takes a more positive view and sees potential for real financial and environmental benefits when companies embed a genuine green IT approach throughout their operations: *“Through taking a holistic approach we envisage an organisation maturing through three phases. Initially this often involves a focus on internal eco-efficiency activities. A growing capability and confidence in these activities leads them to the eco-innovation stage where they begin to develop innovative, greener versions of their product and service offerings. Success in the marketplace eventually leads to their repositioning as a sustainability partner and leader. This is the eco-collaboration stage, where they work closely with their partners to pursue greening opportunities across the entire value chain. Every step along this journey reduces their impact on the environment and enhances shareholder value.”*





August 2009

Whether we view the adoption of more efficient ICT with green tinted spectacles or not, the real bottom line benefits of this approach have started to emerge. A survey conducted by IDC and IT services company, [Atos Origin](#), found that European companies who have invested in green computing have a **2% higher profit margin** compared to others in the same industry. Meanwhile banking giant HSBC estimates that Green IT saves it **US\$11 million annually**, and aims for a further 8% cut in its IT related energy use by 2011. And let's not overlook the green side – HSBC calculate that their current efforts have decreased carbon dioxide emissions by 130,000 tonnes.

Perhaps it is time for an honest appraisal about what Green IT means. Ultimately we are talking about more efficient ways of operating that every business should be striving for. It happens to be a win-win, because the environment benefits too. The current economic climate is simply showing this relationship in its starkest form, with any investment in greener computing restricted to projects with the soundest of business cases. Many organisations will however be taking a short term view that places energy saving investments on hold. But Green IT may yet emerge stronger from the economic turmoil. These cost-conscious times are the ideal opportunity for IT leaders to develop long-term energy saving strategies, even if they do delay investment until better times. We can expect the green hype to continue – but if the benefits to the bottom line and the environment are real, does it matter how they are dressed up?

Please [Click HERE](#) to leave a comment or question.



Pel House 35 Station Square Petts Wood Kent BR5 1LZ UK

Tel: +44 (0)1689 873636 **Email:** info@business-advantage.com **Web:** www.business-advantage.com