

## CEOs' Letter Signals Serious Intentions for 'Green IT'

Mark Raskino, Simon Mingay

CEOs from 100 large companies worldwide have endorsed a set of recommendations for world leaders and requested new categories of regulatory intervention for climate change. The message to IT: Prepare for new demands.

## NEWS ANALYSIS

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### Event

On 20 June 2008, the chairman and founder of the World Economic Forum, Klaus Schwab, presented Japanese Prime Minister Yasuo Fukuda with a detailed statement on how best to manage climate change after the Kyoto Protocol expires in 2012. The recommendations have been endorsed by 100 CEOs and were released ahead of the next meeting of G-8 country leaders, which will be hosted by Japan in July.

### Analysis

There's so much "greenwashing" these days that a busy IT leader could easily see this news as posturing and ignore it. But, in our opinion, it's a milestone. These CEOs are taking highly visible collective action to:

- Mitigate the risk that uncertainty over intergovernment policy presents to their businesses
- Create a level international playing field for issues such as green house gas emission controls and taxation
- Signal their intent to claim a share of lucrative green business opportunities

The recommendations will have particular IT impacts:

- Establishing a "*deep and liquid international market for carbon*" requires electronic carbon trading.
- Taking "*supply chain approaches*" requires development of new programs.
- Monitoring and "*benchmarking of international progress and compliance*" requires agreed metrics and methodologies.
- Giving consumers clear product information requires "*labeling of carbon footprint*."

Although the letter focuses beyond 2012, these CEOs are likely to start their preparations now to ensure a competitive advantage. During the next decade, developing a low-carbon economy will be a complex and formidable challenge. IT leaders should expect the first demand impacts from 2009, but it would be wise to start getting familiar with "green IT" requirements now.

## RECOMMENDATIONS

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- **CIOs, CTOs and enterprise architects:** Check to see if your CEO endorsed these recommendations, or if the CEO of a close competitor has done so. Talk to your business leadership team about the implications, to explore their stance and likely action on these issues.
- **CEOs and CTOs at technology and service providers:** Treat the CEOs who endorsed these recommendations as a list of potential early adopters and co-creators for "green IT" solutions. Such solutions will link to and evolve from areas such as corporate performance management, business intelligence, analytics, business process modeling, IT operational/technology integration, ERP, CRM, finance and accounting,

supply chain management, compliance, collaboration and communication (for travel substitution).

- **Government policymakers:** View this as the first of a series of requests from business leaders for clarity and detail about making the low-carbon economy operable.

## RECOMMENDED READING

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- "EC Announcement on 'Green IT' Lacks Detail" — A European Commission document highlights the role IT could play in tackling climate change, but the report lacks detail on best practices and conviction on green procurement. **By Simon Mingay and Andrea Di Maio**
- "Conflating Lean and Green Is Unwise" — New techniques for more-efficient IT operations, such as software as a service, are arriving at the same time as a corporate social imperative to operate in a more environmentally sustainable way. **By Mark Raskino**

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