



IFS GREEN IT SURVEY 2010

The keen, and growing, interest in green business is a recognized fact. Increasing environmental demands from customers and legislation are major drivers as are technological developments and the arrival of new products on the market that make it easier for companies to measure and analyze their environmental impact.

IFS has conducted an independent study¹ in the USA, Scandinavia and Benelux assessing executive attitudes to green IT in the post-recessional economy. The individuals interviewed were the CIO, CFO, CEO or other relevant decision-makers or influential people in relation to a company's ERP solution. 712 individuals were questioned across all three regions; 144 from Benelux, 300 from Scandinavia and 268 from the USA.

The study revealed the following results:

MEASURING ENVIRONMENTAL IMPACT

The findings of the research revealed that although green measurement is considered important, businesses on both sides of the Atlantic lack the correct systems in place to track their full environmental footprints.

- As environmental regulation advances in both Europe and the United States, businesses are facing increasing pressure from regulators, customers and investors to document and reduce their environmental impact. In all three regions, the ability to track and measure environmental impact was found to be of importance (82% Scandinavia, 79% Benelux, 83% USA).
- However, almost two-thirds of companies in Benelux and Scandinavia (75% and 74% respectively) do not have the functionality to monitor their environmental impact in their current systems. In the USA, almost half (47%) did not have the functionality in place.
- In each of the regions questioned, there were different priorities for the environmental measures which were tracked. In Scandinavia, CO2 emissions are the most tracked (20%), in Benelux, Solid Waste (57%), and in the USA, Product Lifecycle (50%)

GREEN INITIATIVES AND POLICIES

Having a green profile today can also be crucial to a brand's image - companies in the consumer market were among the first to recognize this. Now, when it comes to pitches and tenders, businesses often find that they are judged on their green reputation.

- In both Benelux and the USA, environmental compliance laws were found to be the biggest reasons for companies to adopt environmental policies. However, in Scandinavia, most companies found marketing benefits to be the most important factor in their decision to go green.
- When it came to environmental policies, 84% of Scandinavian companies said that they have them in place. A majority of companies in Benelux also adopt environmental policies, with 59% of companies reporting that they were in place

Confidence

- When questioned about their confidence in their organization's environmental policies, nearly half (44%) of those questioned in Benelux said they had confidence. In Scandinavia, more than half (54%) had confidence in their company's policies.



Financial quantification

- Only 23% of companies in Scandinavia have attempted to quantify the financial investment they have made to reduce their environmental impact, this is low in comparison to Benelux, where over 40% of companies have made the attempt.

¹¹. IDC surveyed 300 executives in Scandinavia

RBInteractive Research surveyed 260 manufacturing executives in the USA

Heliview Research surveyed 144 executives in Benelux

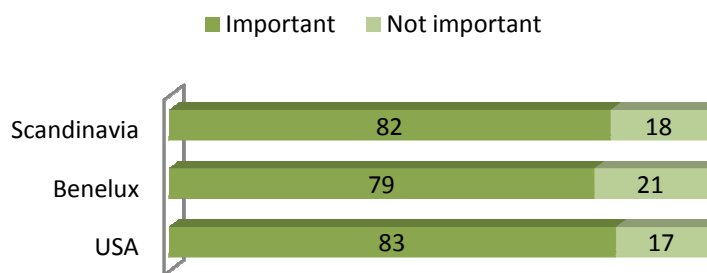


RESEARCH RESULTS

1. HOW IMPORTANT IS IT TO BE ABLE TO TRACK AND MEASURE YOUR COMPANY’S ENVIRONMENTAL IMPACT?

Overview

- Scandinavia – 82% of companies consider tracking environmental impact important
- Benelux – 79% of companies consider tracking environmental impact important
- USA – 83% of companies consider tracking environmental impact important



Scandinavia

A large majority of Scandinavian companies are interested in being able to track their environmental impact. Between 77% (in Norway) and 90% (in Sweden) of the companies surveyed believe that it is very important or quite important to be able to track this. The Scandinavian average is 82% for companies that consider it important. Only 2% of the companies considered it “not important at all”.

Benelux

More than three quarters (79%) of the organizations questioned said that tracking their environmental impact was fairly or very important. Monitoring and measuring the influence of the business activities on the environment is more important to ‘smaller’ organizations (200 to 500 employees) than to ‘larger’ organizations (more than 1,000 employees): 84% versus 69%.

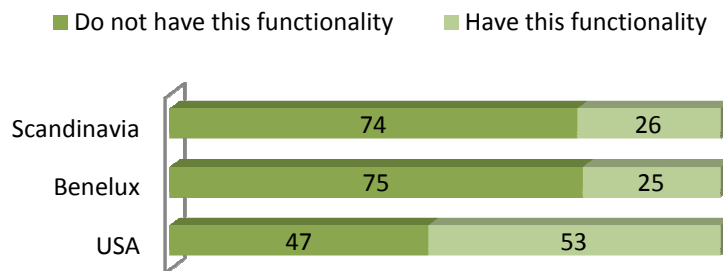
USA

83% of organizations questioned said that being able to track their company’s environmental impact was important to them, with 45% saying that it was ‘very important’. Monitoring their operations was found to be a concern among smaller organizations, with 89% of those questioned saying it was important to them, compared to 78% in medium businesses and 80% in larger businesses.

2. DOES YOUR CURRENT ENTERPRISE SOFTWARE OFFER EMBEDDED FUNCTIONALITY TO TRACK OR MEASURE THE IMPACT OF YOUR COMPANY’S OPERATIONS ON THE ENVIRONMENT?

Overview

- Scandinavia – 74% of companies do not have this functionality in their current enterprise software
- Benelux – 75% of companies do not have this functionality in their software
- USA – 47% of companies do not have this functionality in their current enterprise software



Scandinavia

Referring to whether it was currently possible to measure their environmental impact via the company’s ERP solution, 74% of the companies answered ‘No’. Only 6% of the companies had such functionality built into the solution. The same amount had an integrated software solution for this purpose. The remaining 15% of the companies used a stand-alone solution to measure all or part of their environmental impact.

Benelux

Two in five organizations (40%) said that their current enterprise software does not have such a functionality at present. Some 34% of the organizations have a functionality integrated into the current enterprise software for the exclusive monitoring of environmental effects (25% via own enterprise software; 9% via integration with a third party with an environmental package). A quarter of the organizations have a more comprehensive functionality integrated into the current enterprise software; 15% have it integrated into their own system (ERP) and 10% by means of integration with a third party with an environmental package.

USA

Nearly half (47%) of companies do not currently have the functionality in place to track or measure their company’s environmental impact. 28% can track some of their environmental footprint through their ERP system, but not all of it. 14% track some measures through an integration to a third-party package. 7% had all of the functionality available to them in their ERP system, while 3% had the functionality available through a third-party system.

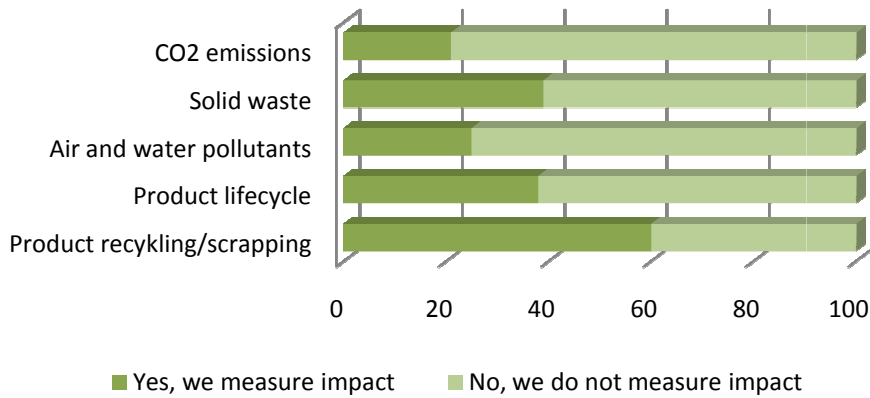
3. WHICH AREAS ARE CURRENTLY BEING TRACKED BY YOUR ENTERPRISE SOFTWARE PACKAGE TO MEASURE YOUR COMPANY'S PERFORMANCE ON THE ENVIRONMENT?

Overview – most tracked in each country

- Scandinavia – CO2 is the most tracked with (20%)
- Benelux – Solid Waste is the most tracked with (57%)
- USA – Product Lifecycle is the most tracked (50%)

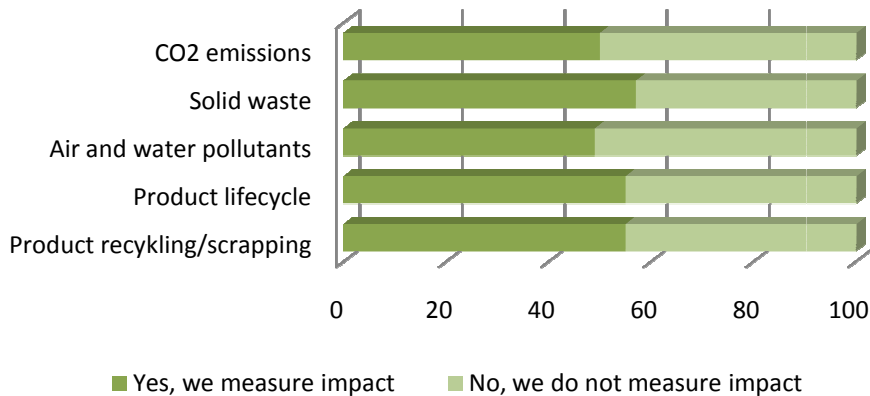
Scandinavia

As the graph below shows, the most common areas measured are CO2 emissions, and air and water pollutants. Compared with the interest expressed, a very small number of companies measure their environmental impact.



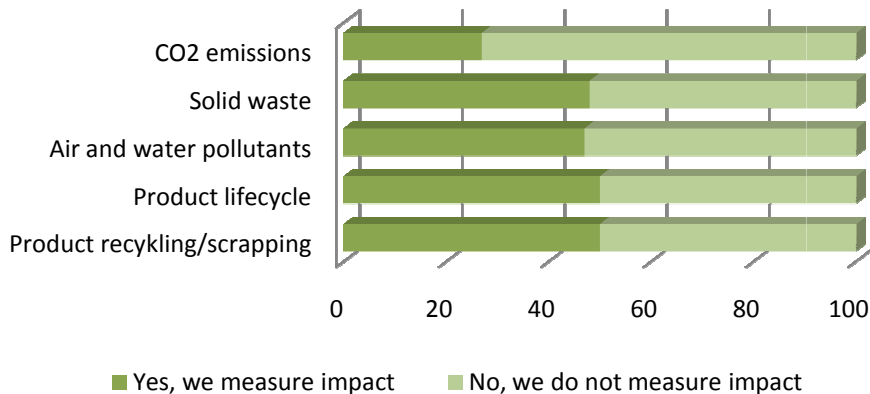
Benelux

All the organizations were asked in which areas and in which form their current enterprise software is already being applied to monitor and measure the effects of the business activities on the environment. Waste seems to be monitored/measured the most (57%). Other areas receiving a similar amount of attention are ‘product lifecycle’ and ‘product end-of-life’; both areas are monitored or measured in 55% of the cases. The least attention seems to be devoted to air and water pollution; this area is monitored/measured by 49% of the organizations (17% using own ERP; 32% using other software).



USA

Product Lifecycle seems to be monitored the most, with 50% of organizations doing so. Following closely behind are Solid Waste tracking, which 48% of companies are currently tracking, and Air and water pollution, which 47% are tracking. The least attention seems to go on Carbon Footprint, and only 27% of those companies questioned are tracking this area.





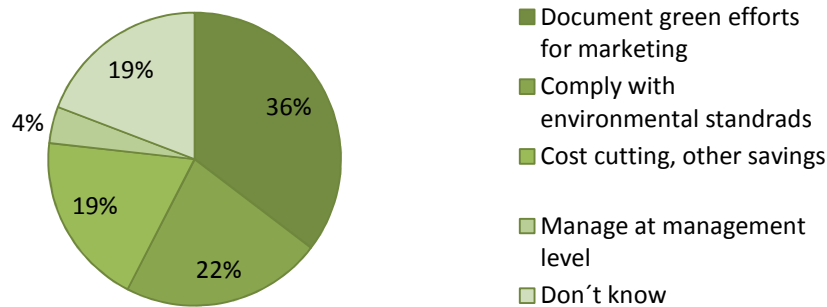
4. WHAT WOULD THE MOST IMPORTANT BENEFIT TO YOUR COMPANY BE IF IT USED ITS ERP SOLUTION WITH FUNCTIONALITY FOR MEASURING ENVIRONMENTAL IMPACT?

Overview – top initiative in each region

- Scandinavia – Marketing purposes (35%)
- Benelux – Environmental compliance laws (34%)
- USA – Environmental compliance laws (36%)

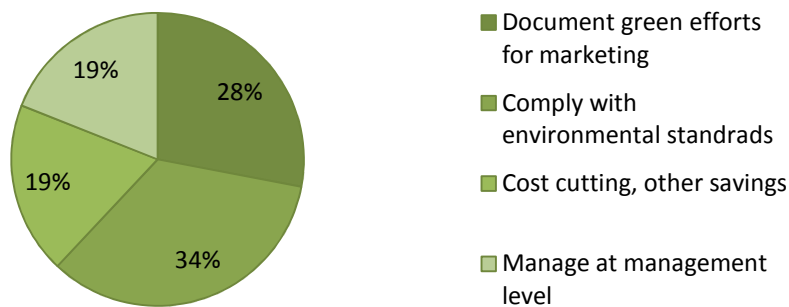
Scandinavia

The biggest group (35%) saw the greatest benefits in marketing contexts. Thus, this is considered a more important factor/benefit than environmental standards or compliance with legislation and regulations in the area, which was the alternative chosen by 22% of the respondents. Cost cutting (often through lower energy consumption) came third with 19%. Although the responses are very industry dependent, it is interesting to note that the marketing argument is so strong.



Benelux

Environmental laws and regulations (environmental compliance) are the most important advantage of an ERP application with the ability to monitor and measure the effects of the business activities on the environment (34%). Another important advantage is the establishment of ‘green’ initiatives for the benefit of marketing or market positioning; 28% of the organizations see this as the main advantage. The other two advantages – ‘managing risks for managers’ and ‘cost reduction’ - seem to be of lesser importance (both 19%).

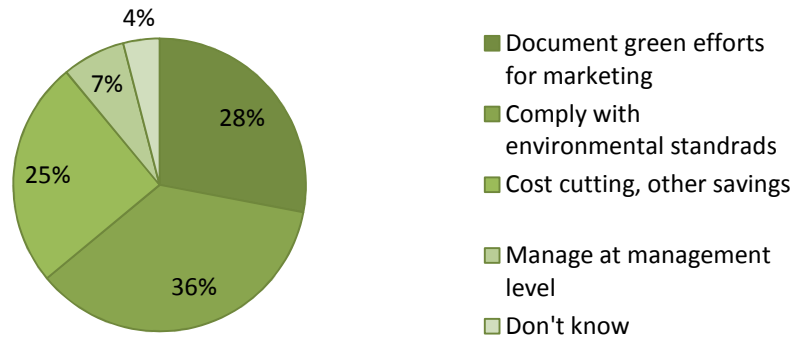


USA

In the USA, the most important reason for a company to track its environmental initiatives was environmental compliance (36%). The second advantage was thought to be so that companies could document their green efforts for marketing or branding purposes (28%). Cutting cost was seen to be almost as important an initiative, with 25% giving it as the reason for putting green operations in place.



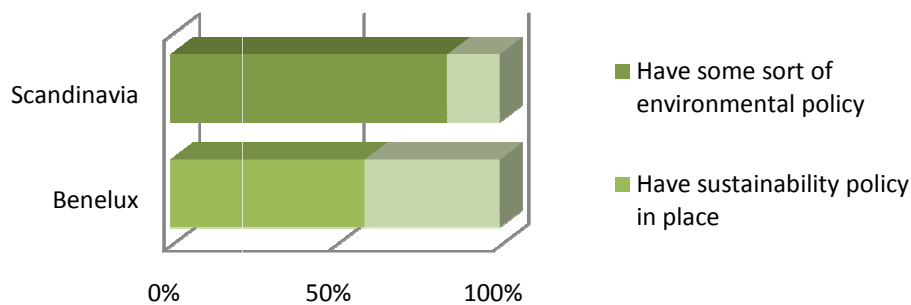
Managing board level risk was of the least importance, with only 7% of those questioned tracking their environmental impact for this purpose.



5. DOES YOUR COMPANY HAVE AN ENVIRONMENTAL POLICY OR SUSTAINABILITY REPORT?

Overview

- Scandinavia – 84% of companies have some sort of environmental policy
- Benelux – 59% of companies have a sustainability policy in place



Scandinavia

Most (84%) Scandinavian companies have some sort of environmental policy, and somewhat more than half (52%) also publish some sort of environmental impact information in connection with their annual report. These two findings – compared with the documented low number of companies that actually track their environmental impact – can explain the enormous interest in solutions with this capacity.

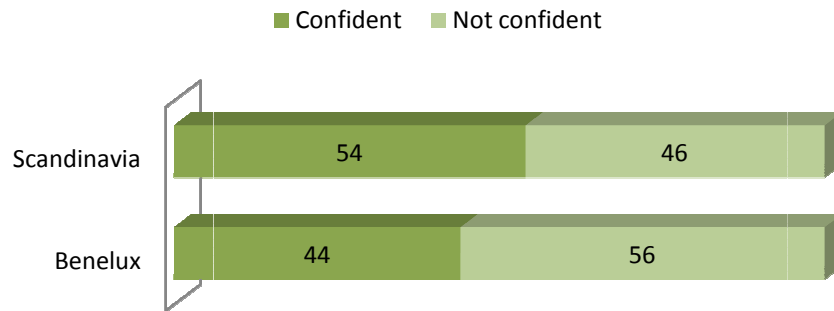
Benelux

Some 59% of the organizations have a sustainability policy in place. This policy plays a larger than average role among the ‘larger’ organizations; 77% of the organizations with more than 1,000 employees have a sustainability policy in place.

At 63%, ‘recycling’ is the most important part of this policy, followed by ‘policy for efficient use of energy’ (58%) and ‘working from home’ (48%).



6. HOW CONFIDENT ARE YOU THAT YOUR COMPANY CAN EFFECTIVELY TRACK THE ENVIRONMENTAL IMPACT OF YOUR BUSINESS?



Scandinavia

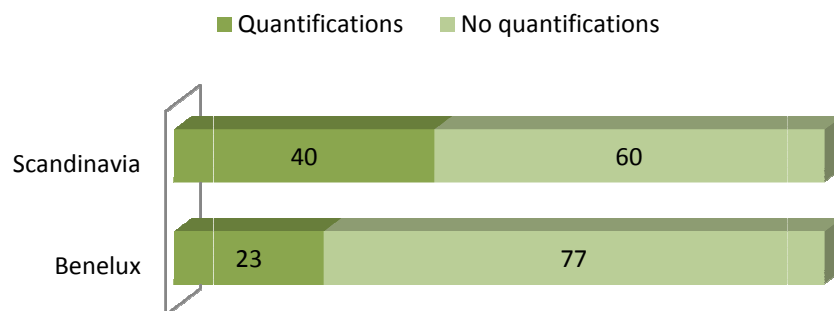
More than half (54%) of those interviewed believe they have a high level of confidence in the way their company tracks the business’s environmental impact.

Benelux

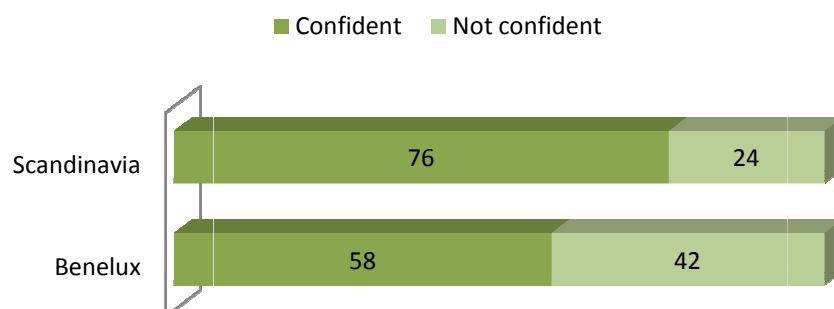
About 44% of the organizations have confidence or full confidence in the organization’s ability to track the effects of business activities on the environment effectively.

7. HAVE YOU ATTEMPTED TO QUANTIFY THE FINANCIAL INVESTMENT YOUR COMPANY HAS MADE TO REDUCE ENVIRONMENTAL IMPACT AND, IF SO, HOW CONFIDENT ARE YOU IN THIS QUANTIFICATION?

Have you attempted to quantify the financial investment your company has made to reduce environmental impact?



How confident are you that your company can effectively track the environmental impact of your business?





Scandinavia

Only 23% of the companies have attempted to quantify the financial investment they have made to reduce their environmental impact. Among those who did so, confidence in their investment is high; 76% of those interviewed reported a high level of confidence in their quantification effort (very high or fairly high).

A large majority (77%) of the companies have not attempted to quantify their financial investments. Among reasons given for not quantifying investments, low priority dominates (51%). In second place (32%) comes difficulties in quantifying investments.

Benelux

Well over 40% of the organizations have attempted to quantify the financial contribution of the activities undertaken by the organization in an effort to limit the effects of their business activities on the environment. This seems to be more prevalent among the 'larger' organizations (1,000+); 52% have quantified their financial contribution.

The organizations that have attempted to quantify the financial contribution were asked how much confidence they have in this quantification. Some 58% of these organizations indicated that they have confidence or full confidence in the quantification, compared with 9% who said they have little confidence in it.

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