Waste Watt, Want Not

We're all under pressure to ramp up productivity and cut costs following the recent global financial crisis, but executives, particularly in the public sector, are really feeling the heat. According to **Richard Lanyon-Hogg**, *Chief Technology Officer for Energy Efficiency at IBM, they need to prepare for a profound shift in strategy at the highest level.*

THE NETWORK OF LEADERS

CRITICALEYE

The UK's new government has spelled out an ambitious new efficiency drive as it seeks to sow the seeds for strong, sustainable and diverse growth for the future. If essential front-line services are to be protected, productivity gains will need to derive from the supporting operational systems and infrastructure. All departments and teams will need to try to do more with less, perhaps finding new ways of working. But, before committing to new investment, the first priority must be to pick off the so-called low-hanging fruit - securing those substantial savings that may already be there, and ripe for the taking.

The most notable example of this is energy efficiency. For every £1 spent on electricity powering IT and general office equipment in an organisation, almost a third – 32p – is wasted. Although this excludes items such as lighting and ventilation, it still represents typically 40% of an organisation's total electricity bill which, in turn, is likely to be its second highest cost after labour.

workplace emissions: an estimated 5,000 bodies initially. It came into force in April 2010 and an annual performance league table of companies and organisations will become available publicly.

In addition to measuring and reporting energy performance, organisations over a certain size will soon also have to become accustomed to the mechanics of market-based carbon trading. Decision-makers will need effective information, no different to what is needed in the context of many other investment and budgeting decisions. And the compliance burden is only likely to increase over the coming years.

So what do the low-hanging fruit look like?

Specific changes might include replacing desktops with more energy-efficient laptops or reducing the total number of printers. Multi-functional devices (that allow printing, copying and faxing from a single source) are also more energy efficient than having multiple machines, which consume

32p in every pound spent powering IT and general office equipment is wasted

For too long organisations have largely been paying lip service to the problem. Merely appointing 'green teams' or an 'eco-champion' for an office is not a guarantee of change. So what can an organisation really do to combat this waste? Well, it is often said that you can only manage what you can measure - so first, you need to be able to find it and monitor it.

I recommend implementing an organisation-wide assessment of energy use and carbon impact to find the exact source of the waste and to formulate a long-term and affordable strategy to stop it. Although some managers may have easy access to measurements, surprisingly few have the 'big picture' of their environmental impact because, generally, electricity costs do not form part of the budgets they manage.

If waste were not enough reason to reduce electricity consumption, legislative compliance and brand reputation will now also play a role. The Government's CRC Energy Efficiency Scheme is set to cover around a quarter of the UK's total energy as they warm up for operation as well as through the act of printing itself.

The biggest potential game changers lie in modifying the operational and functional architecture that underpins all the organisation's systems. Challenging current designs can be complicated but necessary to achieve entirely new levels of efficiency. And the good news is that short-term savings can be used to fund any costs associated with more strategic changes.

Employee behaviour needs to be monitored too if new, improved habits are to be mastered and made the norm. Options include explicitly linking energy responsibility to reward packages, introducing more automatic control of the working environment, or including relevant performance indicators in team and individual appraisals.

A collaborative mentality should also be encouraged across departments, for example between facilities managers and HR departments. Could certain building-maintenance services be more cost effectively outsourced? Can office and desk space be used more flexibly and imaginatively through the adoption of shift working and hot-desking? Is there employee demand for more home working opportunities and, if so, how will meetings and reporting lines be made to work? Can the IT team already accommodate such a move?

Ultimately, any changes can only be made in an intelligent way if your organisation first begins to understand how much energy is used and where it is wasted on a daily basis. For those facing stringent budget cuts and an imperative not to cut front-line services, such steps are not optional, they are essential. Under the circumstances, there's simply no more time - or watts - to waste.

© Criticaleye 2010

Richard Lanyon-Hogg
Chief Technology Officer for Energy Efficiency, IBM

Richard Lanyon-Hogg is the IBM UK Chief Technology Officer for IT Energy Efficiency. Richard has led several projects in both the public and private sectors to analyse organisations' energy & carbon usage and build solutions and business cases supporting infrastructure changes. Richard has led the development and publication of several joint research papers with Defra and regularly participates in related Industry working groups.

Contact Richard through www.criticaleye.net