

Dennis Pamlin on the future of green IT

# IT as a Sustainability Catalyst

How meaningful is the growing dialog about green IT? Dennis Pamlin of the World Wide Fund for Nature (WWF) discusses the broad implications of IT companies promoting and contributing to environmental awareness.

**SAP INFO:** Mr. Pamlin, there is a lot of talk about “green IT” these days. Is this a business trend that generates business value for IT companies? Or is it just hype?

**DENNIS PAMLIN:** I think it’s both. It is hype in that a lot of actors today call anything green that is a little bit more energy-efficient or that reduces toxic chemicals or that can be related to the environment and sometimes even philanthropy without links to the core business. I think, and hope, there will be a backlash against that, because it is not really credible – especially for companies that do this as a separate part of their work and provide only one “green” product or service.

On the other hand, I think that IT plays a fundamentally important role in the transition to a more resource-efficient and low-carbon economy, and I think we have only seen the beginning of that. In this area we will see, and already can see, examples, where reduction of CO<sub>2</sub> becomes a driver for innovation and profit.

**SAP INFO:** How should the IT industry respond to environmental challenges and opportunities?

**PAMLIN:** It is hard to provide a general answer because the IT industry is very diverse. The first thing to remember is that IT is a catalyst. It can accelerate unsustainable trends with increased energy use and transportation as a result, but it can also accelerate a transition toward a resource-efficient economy – especially when you look at it from a global perspective and include emerging economies. When including countries like China and India, it becomes obvious that IT is

needed to build cities in a more intelligent way. Instead of investing in coal plants, you can invest in IT infrastructures to control lights, heating, transportation, communication; the cost is usually lower over time. However, this will not happen by itself because current structures are built around an old energy-inefficient economy. IT companies must therefore engage in changing the framework to ensure that planning strategies and investments include increased use of IT.

**SAP INFO:** Some say IT and the Internet are climate killers.

**PAMLIN:** It’s wrong to blame the Internet for people flying more or sending goods around the world, because that depends on how politicians are pricing fossil fuel, or on subsidies for investments in airports. If IT can help us communicate without traveling but you get a rebound effect, it’s wrong to blame the IT industry for that.

Another example: If people start working from home and move to more beautiful places outside the city, and if the government then provides subsidies or makes it cheap to buy big cars, I don’t see that as a problem caused by the IT industry. I see that as a problem for the government. If you have a good IT solution but people use it in a way that triggers new behaviors, it is not the fault of IT; it is the framework that politicians have put in place that pushed people in that direction.

Obviously, IT has a CO<sub>2</sub> footprint of its own. Some estimations show that the total energy use by the products over the lifetime is equivalent to two percent of global CO<sub>2</sub> emis-



Dennis Pamlin in an environmentally friendly car from Tesla-Motors that runs on electricity.

sions. All information and communication technology (ICT) companies need to ensure that energy efficiency in ICT equipment over the whole life cycle (from production to disposal) is taken into account.

**SAP INFO:** How have IT corporations reacted to the environmental challenges?

**PAMLIN:** Most companies are now in phase I or II: In phase I, people focus on public relations. In phase II, people try to clean up their own house to be environmentally credible. I think what we see now is the beginning of phase III, in which the companies say, “How can we help our customers, through our products and services, become more carbon-conscious and carbon-friendly by helping them their emissions and deliver low-carbon services.”

**SAP INFO:** Can you give an example?

**PAMLIN:** A PC vendor could say, “For every computer you buy, we will give money to an environmental organization” – that’s the phase I public relations thing, showing that you are interested. The second phase would be to make sure that this computer is free of toxic chemicals and is energy efficient.

The third phase would be, “If you buy our laptop, we will help you with software that makes it possible for you to work outside the office once or twice a week and make it easy for you to do your banking errands. We will also ensure that you are connected to your server wherever you are so

## The World Wide Fund for Nature

The World Wide Fund for Nature (WWF) is the largest multinational conservation organization in the world and works in 100 countries. For more than 45 years, the WWF and its close to five million supporters globally have been protecting the future of nature. It partners with over 100 governments (local, state, national), hundreds of corporations and foundations, and thousands of scientists, conservation organizations, and communities. The WWF regards our entire planet as a single delicate and complex set of relationships between species, people, habitats, governments, and global market forces: Meaningful conservation cannot take place without focusing on all of them.

you don’t have to print out as many documents, and thereby reduce your footprint. For all the above, we will also help you to calculate the CO<sub>2</sub> emissions you save.”

**SAP INFO:** So IT vendors should do more than focus on reducing greenhouse gas emissions?

**PAMLIN:** Absolutely. CO<sub>2</sub> is usually a very good indicator: If you address climate change and energy, you usually also address other issues. But you also need to look into toxins, the whole life cycle, the kind of materials you have, and your logistics. It is dangerous to have a single-minded focus.

Think about the three phases I mentioned. If you start working on the internal problems of your computer, you can spend the rest of your life trying to make that computer slightly better, but if you totally ignore how it is being used by customers, then the proportion of your investment related to their environmental benefits is not optimal.

**SAP INFO:** What role can software companies such as SAP play in green IT?

**PAMLIN:** To a large extent, green IT is really about how we think of and create software, both on the micro level of functionality to make it easier for you to interact in a sustainable way, and also in the overall system architecture that allows the right kind of information to be provided at the right time. Often we don’t find the information we need, and often the problem is providing the right information for companies to act in a responsible way. Tracking CO<sub>2</sub>

emissions is one of the key things that software developers can help with so companies can act strategically.

Personally, I hope that software developers and system architects will be the next generation of green entrepreneurs, coming up with solutions and saying, “We are focused on creating intelligent services and providing people with the information they need.”

**SAP INFO:** *To what extent are companies realizing how environmental topics affect their business?*

**PAMLIN:** It varies. Sometimes it’s just giving the PR department an extra bit of budget, but increasingly, it is people who do an assessment of the business opportunities. The most obvious example is flying and videoconferencing. If videoconferencing is good enough – which the new genera-

*“Green IT is really about how we think of and create software.”*

**DENNIS PAMLIN**

tion is – people buy it not because they want to save the environment, but because it’s better than flying. I hope we will see much more of these kinds of services, where people don’t sell it as green but as a better way of doing business.

**SAP INFO:** *Corporations have to consider the interests of both the environment and their shareholders. How can companies make sure their efforts still make economic sense?*

**PAMLIN:** This is one of the most important questions because it determines how you balance a vision of where you want to go against the very concrete demands that the world puts on you. This includes not only the shareholder but the customer. You can develop wonderful things that are good for the planet, but if people don’t want to buy them, or they are too expensive, it doesn’t matter.

It is very important, on the one hand, to see how far you can go within the current system, and on the other hand, to hold a dialog with companies, customers, and politicians about how you can jointly develop new frameworks that encourage sustainable solutions. To include sustainable IT in procurement usually requires you to leave a product focus and shift to a service focus (moving from a travel strategy to a meeting strategy is a good first step). Most of the time, more sophisticated approaches are required to deliver re-

sults. Rules for new buildings needs to change, for example, for an intelligent building (that is more expensive to build, but cheaper to run) to be promoted. Today the rules encourage the construction of “stupid buildings” that require a lot of energy; this pushes us to generate more power. Instead, we should ensure that buildings are more intelligent and control heat, light, peak demand of electricity, and so on. This requires more servers, computers, sensors, and software.

**SAP INFO:** *But companies are also acting within a certain legal, economic, and societal framework.*

**PAMLIN:** That’s right. There are a lot of legal and economic barriers today. Sometimes it is not profitable for companies to provide new services to customers – even though they might want them or they are better for the environment – because of outmoded legislation.

Proactive companies that have done as much as they can within the current system need to say to politicians, “We have done as much as we can, but to go further, we need a new framework, such as new taxation practices.” They should also tell customers that they need to change their procurement practices, because otherwise they are only pretending to be green.

**SAP INFO:** *Are the political and societal players ready for such changes?*

**PAMLIN:** I think everybody has realized that we urgently need a major transition to a low-carbon, more resource-efficient society. The intellectual understanding is there, but tradition and organizations are not built for that, so it leads to a lot of tweaking along the margins. However, we don’t necessarily need more legislation – we need better legislation, legislation that is slimmer, easier, and clearer for companies to deal with.

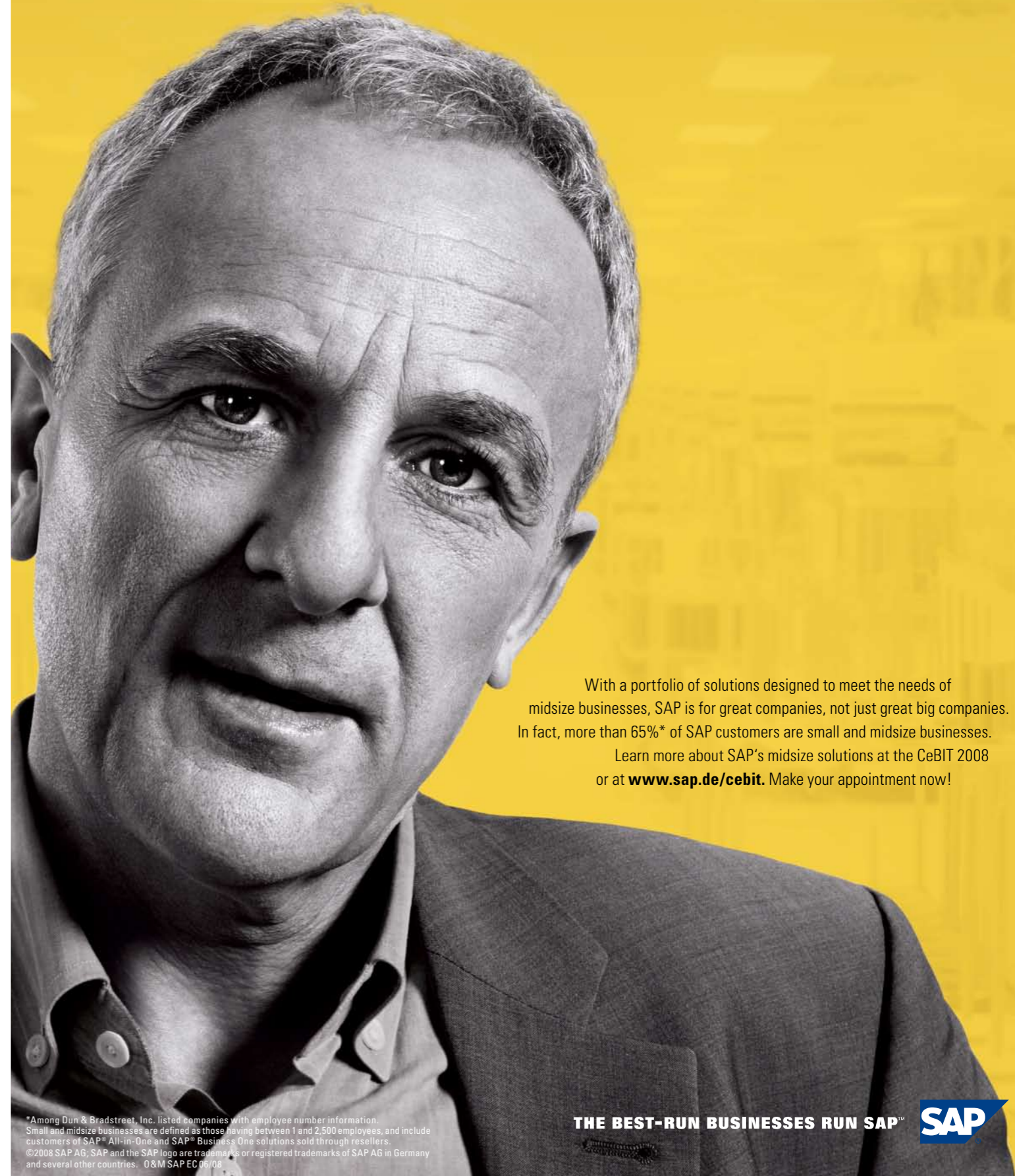
We need companies to be part of developing this framework because they are the ones that are innovating and that know what is in the pipeline and what its potentials are. We need a joint dialog, and corporations need to be involved.

**SAP INFO:** *Why do nongovernmental organizations like the WWF address the topic of green IT today?*

**PAMLIN:** For a long time, environmental work was mainly informing people about its importance. But now, people to a large extent do know how important it is. So we don’t tell companies how many problems they create, but rather we bring our expertise to show them how much potential they have and how they can be winners in a low-carbon economy. The topic of green IT is an integral part of the next generation of environmental work.

*Dennis Pamlin talked to Michael Zipf and Johannes Gillar ■*

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