



Telecommunications

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Why Northern Ireland must Continue to Prioritise Sustainable Growth in Challenging Times

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In recent times all the key stakeholders in Northern Ireland have been committed to creating the right environment for economic success.

Acknowledgement has to be paid to the Northern Ireland Government in regards to the advances that have been made in just over a year of political stability and the potential there is for the future of our economy. However, now, more than ever, it is vital we remain focused on creating a vibrant and successful economy where enterprise flourishes and where we are ready to address the many challenges facing us.

It's true that current times look tough. Thanks to the sub-prime crisis and issues like the global credit crunch, many economies are in poor shape and feeling the effects, and Northern Ireland is no exception. In a 2008 survey carried out by BT and InterTradeIreland more than 62 percent of all companies surveyed are already feeling the pinch and 74 percent of companies surveyed believe the next 12 months will see businesses suffer as the effects of the credit crunch begin to squeeze hard.

When times are tough, the onus on every business is to save money, protect and build revenues and make sure core business assets are being fully utilised. Having worked with organisations of all sizes across Northern Ireland my experience is that those businesses who



have created a sustainable business model, and can be able to adapt quickly and use innovative solutions, are the most optimistic about facing the challenges posed by the credit crunch. The thing is that running your business in a sustainable way can be a key driver when it comes to meeting your goals – not just when times are tough, but actually because they are tough.

In times of rising prices, businesses need to manage their supply chains and business processes to ensure maximum productivity. And according to McKinsey: “most companies in most sectors have profitable opportunities to save money by cutting energy consumption and gas emissions. Studies indicate that a lot of companies can reduce them by 20 to 50 percent”.

GPS Colour Graphics Ltd, is a good example of a Northern Ireland based business which has succeeded in doing this. The Belfast based company have become the first printers on the island of Ireland to be both Carbon Neutral and hold the Forest Stewardship Council certificate. They have reduced waste by 14 per cent, improved efficiency, cut costs and hope to invest a further £25,000 – £30,000 in their environmental strategy.

In today’s environment of increasing energy prices, energy efficiency is no longer a luxury afforded to the socially conscious, instead, it demonstrates business savvy and forward thinking and should feature strongly in any strategic and forward planning.

Also after abandoning environmental commitments can have a big impact on how a company is perceived – not something that any organisation wants to attract when facing financial pressures, particularly when we live in a world in which a 2007 survey of MBA students quoted in the Financial Times found that “77 percent of them would willingly forgo income to work for a firm with a credible sustainability strategy”.

The issue of reputation is one which the Department of the Environment took seriously and in 2007 announced that the department would counter any carbon omissions caused by their civil servants while travelling by road and air on official

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business by planting native broadleaf trees throughout the Department of the Environment estate in Northern Ireland.

For climate change to be a reality, politicians must give much greater priority to the subject. Consumers must be empowered to make the right decisions and be given the facts to make informed judgements. Indeed, just because times are getting tough in Northern Ireland doesn’t mean customers have altered their behaviour. Customers prefer to deal with sustainable businesses, employees to work for them and increasingly shareholders want to invest in them.

So clearly businesses within Northern Ireland need to take the issue of sustainability seriously. They need to ramp up sustainability efforts particularly when times are harder as crises often spur innovation and (perhaps overdue) change. Indeed, a recent Boston Consulting Group report looking at the world’s top 50 innovative companies noted that they tend to develop more during a recession, rather than scaling back on creativity.

Undeniably, making sustainability part of your core business can lead to the creation of completely new markets for companies. For example Toyota who are the creators of the new hybrids car market and now probably one of the best known cars in the world. The Japanese company plans to roll out a more fuel-efficient Prius in 2009 and expects to sell one million hybrids a year by the early 2010s.

With regards to BT. Our focus on driving CO2 emissions and costs out of

our business has resulted in conferencing services that save our company alone £230 million a year. But we don’t just use these services ourselves – we sell them to other companies all over the world. Take the supermarket giant Tesco, for example. Our conferencing services reduced its carbon emissions by 2,446 a year, cut travel costs by more than £10 million a year and enhanced staff productivity by 18 percent.

The IT industry, which has long been synonymous with innovation and modernity, it is now beginning to reap the benefits of a rising demand for clean technologies like video conferencing solutions that have become advanced enough to offer a real, viable alternative to executive travel, reducing carbon emissions, enhancing staff productivity, cutting travel costs, and putting ICT companies in competition with the airlines. This demand is also manifesting itself in the way data centres which were previously highly energy intensive are being redesigned to use up to 60 percent less power, giving businesses an attractive ‘green’ alternative to operating their own power-hungry installations. Furthermore, this is a demonstration of the industry’s efforts to clean up its own backyard.

We are in a period of constraint at the moment but it’s not all doom and gloom. But that doesn’t mean we need to choose between averting climate change and growth and development. The link between sustainability and commercial success is, without doubt, becoming clearer all the time. Far from being a bad time to think about sustainability, a downturn may in fact prove the most fruitful time for businesses in Northern Ireland to do so.