Roth Automation

Sustainability 11/19/2024

By Stephanie Holden

Sustainability. It's more than likely you've heard this buzzword woven throughout initiatives and planning sessions. But what is it exactly… and why does it matter? For starters*, Environmental Sustainability* measures the overall carbon footprint and environmental impact of workplace operations. Metrics include energy usage, waste, sustainable product sourcing, and greenhouse gas emissions.

Take for example a software company where employees work remotely. Daily operations utilize cloud computing. Resources such as commuting, office space and supplies are at a minimum. This organization has a low environmental impact and likewise is considered highly sustainable. Oppositely, a company manufacturing raw materials has a great impact on the environment. The raw materials are produced in factories, shipped to other factories for assembly, and eventually sent to a warehouse or retailer. Any inventory remaining after the sales cycle is burned or sent to a landfill. Every step of this process involves quantifiable carbon emissions placing it on the other end of the sustainability spectrum.

In the early days of sustainability, decision makers were reluctant to introduce sustainability measures into daily operations. At the root of this hesitance was the assumption that increased sustainability would cause profit erosion or reduced productivity. Recent studies have since indicated otherwise: A study by Deloitte determined that organizations focusing on sustainability were 27% more profitable when compared to their industry average, and employees were 22% more productive respectively. A separate study revealed that 51% of US business students would accept a job with lower pay at a company that was considered highly sustainable. Other research published by IBM found an increasing number of millennials and Gen-Z job seekers targeting companies with a positive environmental impact in their job search, leading to a competitive talent pool of applicants for those roles.

When it comes to Environmental Sustainability, the path is not always clear. Aside from simple measures such as energy saving lighting, software implementations tend to be more challenging. Cloud computing had been available prior to the pandemic, but demand shifted drastically out of necessity. Leadership throughout every industry was forced to adapt quickly and fortunately, remote work was accessible and cost-effective to most. The shift over the past two decades can be attributed to a confluence of factors: leadership directives, or alignment with more stringent international environmental standards and of

course, the pandemic. As more became aware of automation, they found the benefits could often surpass the ROI, creating a compelling incentive. Developments in Automation and AI have allowed companies to compete more effectively, reduce waste, and simultaneously mitigate risk.

As Automation technology continues to evolve, their applied benefits have shaped the way companies approach strategic planning or weather unpredictability such as labor shortages or supply chain disruption. A 2016 report by Forrester indicated approximately 70% of data collected by enterprise organizations is never used, a percentage that declines as progression in technology allows analysts to tap into vast quantities of data for clearer insights. Such tools allow analysts the ability to easily access and adapt data across multiple ERP systems for tracking and forecasting with ease and precision.

Another sector growing as a direct result of increased demand for corporate sustainability are those involved in carbon accounting. One such firm, Green Project Tech, has experienced an increase in demand for carbon accounting services. "At Green Project Tech, we're empowering businesses to take actionable steps towards sustainability, using intelligent tools to streamline data collection and reporting. This progress not only drives operational efficiency but also helps companies meet and exceed their environmental goals, contributing to a more sustainable future for all." – Gideon Kotkowski, Green Project Tech.

It appears that automation may be the boon needed to catalyze greater sustainability adoption.

Fun fact: The pandemic caused a near complete halt of industries such as aviation and transportation; As a result, climate researchers measured an 8.6% reduction in global Co2 emissions between January to April 2020.

Resources

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