HPE GreenLake

Develop IT sustainability with a holistic strategy

Organizations today have many stakeholders, including investors, customers, employees, regulators, and board members, expecting to see improvement in sustainability outcomes. Environmental, social, and governance (ESG) strategies and the need to demonstrate progress in sustainability are significant influencers.

What's more, corporate boards are paying close attention. So are the governments, as indicated by the European Union's Sustainable Finance Disclosure Regulation and its Corporate Sustainability Reporting Directive, and the expected disclosure requirements from the Security and Exchange Commission in the United States. Research shows that organizations linking digital and sustainable transformation are two-and-half times more likely to be among tomorrow's strongest-performing businesses.[1] When you couple that with stakeholders' expectations, organizations have a compelling case to build an IT sustainability strategy.

A comprehensive model for sustainability transformation

Sustainability is not the only new mandate for IT. For a long time, IT has focused on optimizing resource consumption and managing competing priorities. Now IT teams have the added complexity of data explosion and the expectations to leverage artificial intelligence (AI), coupled with the need to drive innovation.

Many organizations must manage complex ecosystems built with what is now technical debt. For example, research from The Uptime Institute found that 40% of the install base has servers that are over three years old and perform less than 7% of the work while consuming 66% of the power.[2] Now, with the additional pressure of addressing sustainability, the need for resource optimization is beginning to tip the scale against competing priorities.

[1] "The European double up: A twin strategy that will strengthen competitiveness," Accenture, January 2021

[2] Beyond PUE: Tackling IT's Wasted Terawatts, The Uptime Institute, January 2020

Today's technology leaders must think about sustainability holistically. With the growing demand for infrastructure efficiency, building energy efficiency into the overall digital transformation is a natural fit.

To do this, Hewlett Packard Enterprise uses its HPE Edge-to-Cloud Adoption Framework to assess a client's maturity and readiness to deliver a modern operating model inclusive of sustainability. The framework leverages an 8-domain model containing over 250 capabilities to accelerate and develop an actionable transformation strategy, road map, and sustainable operating model. We use this framework to break down the complexity of transformation into the operating domains that most organizations need to worry about. The framework provides a repeatable and predictable approach to transformation success and enables organizations to adapt our prescriptive methodology to fit their unique ambitions, constraints, and risk appetite.

The framework has the needed features to accelerate the IT sustainability strategy, including tools, best practices, and expertise to establish a clear vision, a baseline of sustainability metrics, a communication strategy, and a cross-functional sustainability oversight team. The IT sustainability strategy must align with the overall organizational ESG strategy and goals.

An organization will need to build key performance indicators around decarbonization targets and water reduction goals for scopes 1, 2, and 3,[3] as set out in this US Environmental Protection Agency guidance. Using the related capabilities of asset procurement, asset decommissioning, and sustainable consumption enables the organization to approach asset management from a complete lifecycle perspective. For example, asset upcycle planning should be part of the initial asset procurement process when acquiring technology resources. HPE recognizes this and offers the Force for Good Financing Program from HPE Financial Services, aimed at organizations that want to set an example and lead the way in sustainability.

A closer look at power utilization

For many organizations, building a data center efficiency strategy inclusive of design, location, and an energy management plan will be critical. A common metric organizations use is the Power Utilization Effectiveness (PUE) ratio, which is the ratio of the total amount of energy consumed by the data center to the amount of energy consumed by the IT equipment.

A PUE of 1 would be optimal, meaning that all power consumed was a direct result of the IT equipment needed to execute the work. The goal is to get as close to a PUE of 1 as possible. Part of this equation relates to leveraging efficient infrastructure efficiently. The other parts relate to architectural engineering principles, workload placement, cost optimization policies, rightsized instances, and autoscaling. Together, these will have a dramatic impact on cost and resource usage.

[3] epa.gov/climateleadership/scope-1-and-scope-2-inventory-guidance

Including sustainability in an organization's workload rationalization can help ensure a proper balance between the quality/value provided by the application and sustainability. By starting with workload discovery, completing a workload carbon footprint assessment, and building a transformation strategy leveraging the six Rs—re-host, re-platform, repurchase, retain, retire, and re-factor—organizations can build a sustainable workload approach.

An ESG strategy must include evolving an organization's practices around governance, financial operations, cybersecurity, privacy, and compliance. As organizations look at scope 3, they will want to enhance their vendor management practices while driving transparency and validating compliance with their overall ESG goals. Finally, by working closely with HR, IT can participate actively and lead diversity and inclusion within the initiative.

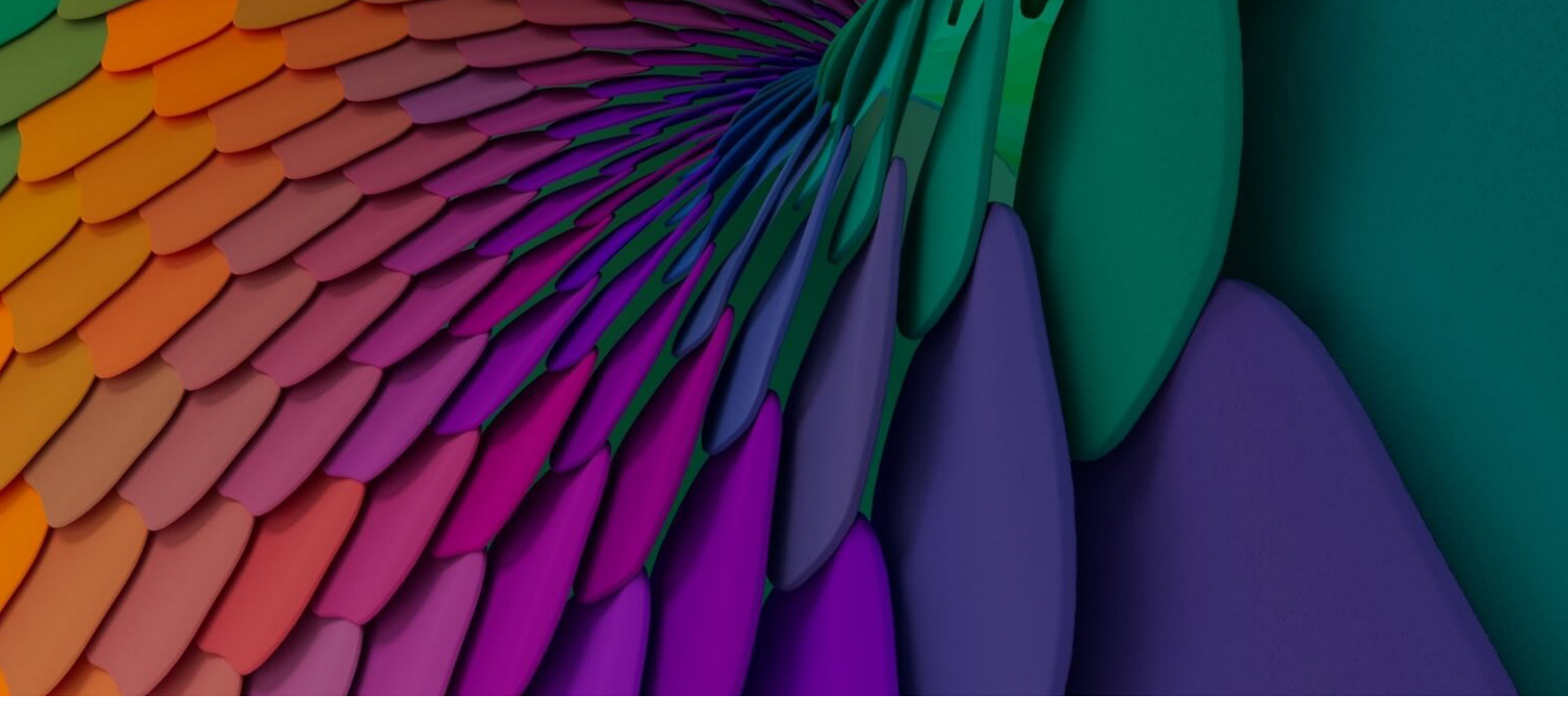
An IT sustainability strategy will outline how the organization's technology ecosystem is designed, operated, and governed to ensure that resources are managed in an environmentally and socially responsible manner. Ultimately, an effective strategy will increase workload efficiency, improve utilization, reduce the organization's PUE, and lead to energy source resiliency mapping. The effects can reduce the organization's carbon footprint, provide cost savings, increase operational efficiency, improve reputation, and provide regulatory compliance.

Your people are the key

We often consider a transformation's most difficult challenge to be the culture and people dimension, and sustainability transformation is no different. To build a sustainable program, leaders must create a culture, dedicate resources, formalize the organization, and measure impacts. When people are brought together to increase sustainability, leveraging a proven framework can accelerate the strategy.

Is IT viewed as an enabler of sustainability? If not, the time to change that is now. Through lessons learned and experience gained from engagements with customers, as well as extensive research, HPE Services has developed a detailed road map through the required domains of the HPE Edge-to-Cloud Adoption Framework to help organizations build a thorough and holistic sustainability strategy.

In these trying economic times with constant challenges, it is time to focus on IT efficiency and move IT sustainability from concept to an actionable strategy.



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About

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HPE Edge-to-Cloud Adoption Framework

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