

# Determining priorities for action

Identifying the strategic priorities for your carbon management agenda



## What is the carbon management issue?

In many ways, implementing carbon management is similar to other strategic initiatives. Success will depend strongly on starting in the best place and setting honest and realistic priorities.

You may have already made the strategic commitment to managing your carbon footprint better. Perhaps you have even set a quantitative target. When you examine your organisation more closely, you will now probably find extensive opportunities for carbon management.

Every part of your organisation can influence your carbon footprint in some way. This can range from the obvious, such as the efficiency of heat generation for your core processes, to more indirect but nonetheless significant factors, such as business travel policies that affect how much your employees travel, and how they do it.

There is also a risk that carbon management becomes an organisational moral crusade. Although this is in part a strength,

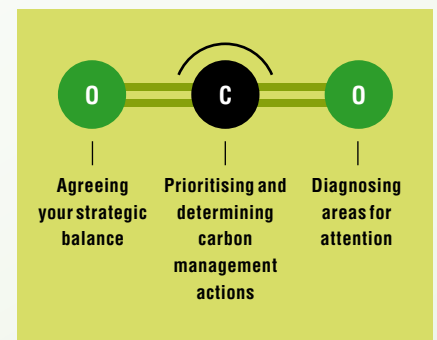
it also leaves the carbon management agenda disconnected and vulnerable to the demands of mainstream business. To legitimise your carbon management effort, in addition to a focus on reducing the total amount of carbon you produce, you may need to balance out related needs to:

- *Demonstrate rapidly to customers and consumers that you are at least as carbon-friendly as your competitors*
- *Improve the information and performance that will allow you to comply with current or pending carbon management regulation*
- *Focus on gaining the most rapid financial savings from your reduced carbon consumption (given that not all sources of carbon have the same cost).*

To identify what is important and/or urgent for your organisation, and thereby creating the foundation for an effective plan of action, you will need to take a comprehensive, objective, and structured look at your carbon management strategy and your carbon producing activities.

## What is the solution?

Identifying a strategically aligned and prioritised set of carbon management actions involves three main steps.



### 1. Agreeing your strategic balance

Your senior managers will probably have different views on the right balance between the strategic drivers for carbon management, but setting the crucial initial direction of your policy will need a strong degree of consensus. This, in turn, will require a rational, open and informed dialogue within your leadership to explore the trade-offs and make potentially difficult decisions. As a by-product, this dialogue will also set the framework for a more balanced approach to the investment appraisal of subsequent carbon management projects.



## 2. Diagnosing areas for attention

Opportunities to improve your carbon management will lie within those activities where there are gaps between your current performance and where you need to be. Assessing performance in a structured and comprehensive way against relevant standards, footprint data, benchmarks, and your own ambitions will give you a complete picture of where gaps exist and how wide they are.

## 3. Prioritising and determining carbon management actions

Priority areas for action are determined by combining the outputs of the two previous steps – the higher the strategic importance of an activity and the bigger its performance gap, the more important it is to take action. By reviewing the underlying basis of the performance gaps, and identifying practical options for bridging them, a portfolio of priority carbon management actions can be built up.

Having done this, if you are left with a relatively straightforward set of actions, you will be in a position to start your improvements directly, on a solid basis of strategic rationale and leadership support. If the portfolio of actions is larger and more interdependent, this will still form the foundation for a more integrated and comprehensive programme of work.

### How to get started?

IBM can guide you through this process and support you with a unique range of expertise and tools.

We have developed a range of industry-specific carbon diagnostics tools, based on the IBM Component Business Model\* (CBM) approach, that allow our carbon management specialists to:

- *Assess the detailed current carbon management performance of your organisation's activities against future best practice and benchmarks*
- *Facilitate discussion of realistic objectives and gap analysis*
- *Integrate quantitative carbon footprint data*
- *Combine your balanced carbon management strategy factors with the performance gaps and set out a comprehensive consolidated heat map of priority areas for action.*

Our specialists, with IBM's own experience and global knowledge networks, can identify ways to improve your carbon management activities and bridge your priority performance gaps. This will provide you with relevant leading-edge thinking on existing and potential approaches to carbon management, and also assess how it applies to your particular solution. Our Right vs. Right\* dilemma resolution solution will facilitate the challenging process of finding the balance between your various carbon management strategic drivers.

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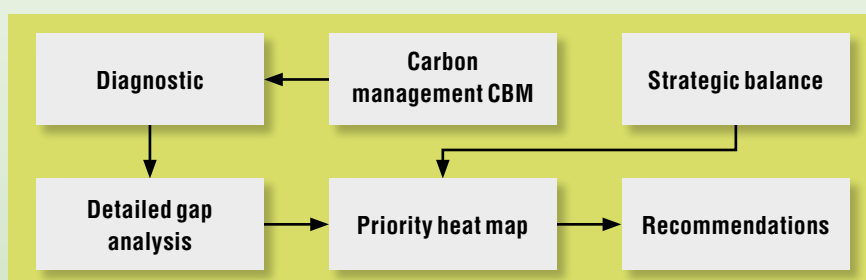
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