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THE **CHANNEL** CO.

Working together:

Why a community-focused approach
is key to measuring and achieving
sustainability success

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Lenovo

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Executive summary

Organisations in the IT channel, as well as their customers, are under increasing pressure to meet ESG goals and broader sustainability strategies. However, implementing sustainable business practices can be complex, partly due to a lack of knowledge, expertise, and resources on this key topic. Additionally, managing ESG data poses a significant challenge. Many organisations still struggle to quantify their progress, making it difficult to meet regulatory requirements, implement effective policies, and successfully transform their business processes.

This is why collaborating with peers in the industry is essential to accelerate respective sustainability journeys. Creating a

community of channel partners, such as Lenovo 360 Circle, to share knowledge, best practices and case studies, exchange data and align on common goals, makes it easier for organisations to benefit from collective expertise, rather than working in isolation.

The following special report will focus on sustainability leadership and how to create a business case to support the transformation of companies around sustainability. It will assess how organisations are currently measuring their progress. Finally, it will explore how channel partner communities can assist in providing knowledge, best practices and data exchange across the value chain. ■





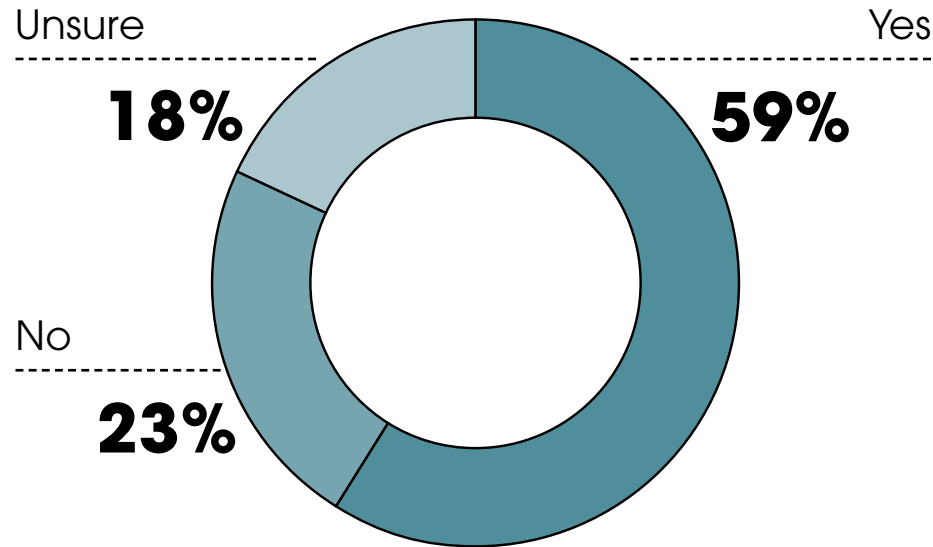
Goal setting

Developing and adopting a long-term sustainability strategy for your business is a substantial undertaking for organisations of any size, and many don't know where to start. Sustainable development requires an integrated approach that takes into account environmental and social factors along with economic development, and success in this area relies on strong leadership and the ability to quantify progress.

For those in the channel, whose business models rely on collaborating with multiple parties, understanding not only their own organisation's sustainability credentials but also the downstream emissions from partners is extra challenging.

To find out more about how the IT channel is tackling this issue, **CRN** surveyed VARS, MSPs, integrators, resellers, and distributors from a range of organisations, 44 per cent of which were from organisations with fewer than 250 employees. ►

Fig. 1: Does your organisation have defined ESG goals/KPIs?



59 per cent of those surveyed said they have defined ESG goals or KPIs at their organisation. 23 per cent answered no and 18 per cent were unsure.

As well as having a positive impact on the environment and society as a whole, a sustainability strategy is a key differentiator for organisations, with consumers and third parties increasingly demanding a commitment to sustainability from the organisations they interact with.

Sustainability covers many areas, and priorities frequently shift and evolve, so setting specific, achievable, and time-bound goals, and evaluating how they link to wider business strategy, as well as ensuring accountability, and regularly reviewing progress, is essential. ►

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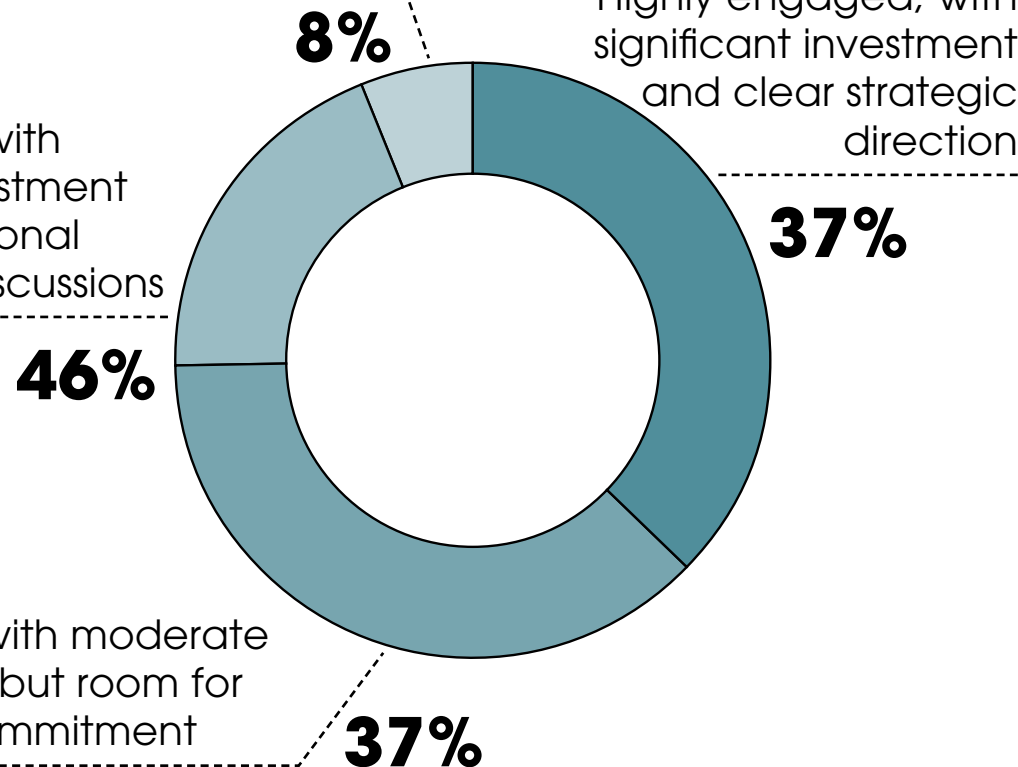
Fig. 2: Board engagement in sustainability initiatives

Minimal engagement, with little to no dedicated investment

Somewhat engaged, with limited investment and occasional strategic discussions

Highly engaged, with significant investment and clear strategic direction

Engaged, with moderate investment but room for stronger commitment

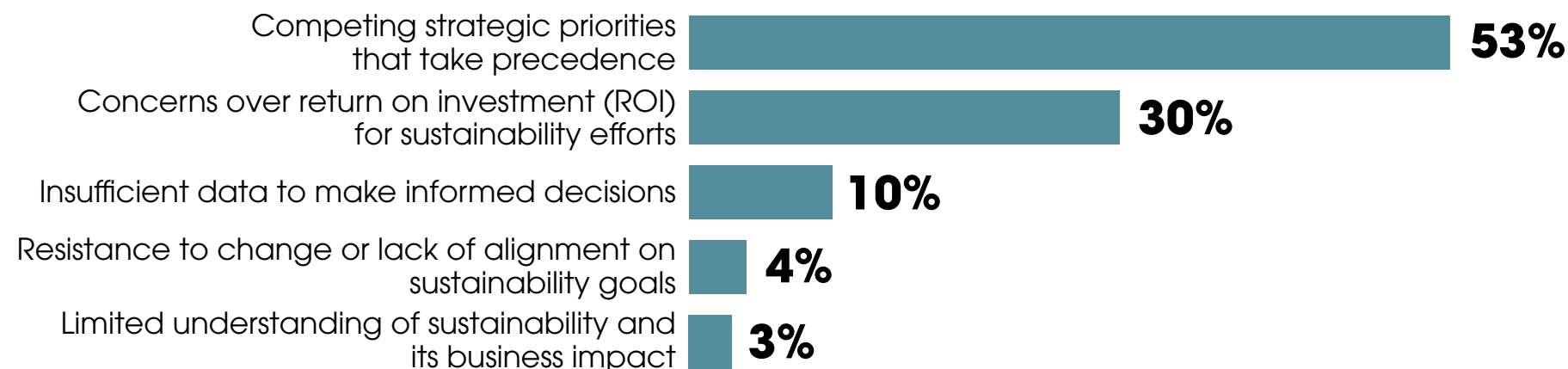


However, progress meeting said goals, as well as creating a business case around sustainability, will stall without board and c-suite level engagement and investment. Top-down direction is needed to define an organisation's environmental, economic, and social values, and ensure these are reflected in decision-making processes.

37 per cent said their organisation's board is highly engaged with sustainability initiatives with a clear strategic direction.

An equal number said their board was somewhat engaged, meaning the majority of respondents reported a positive level of engagement. However, 6 per cent said there was minimal engagement and investment. ▀

Fig. 3: Blockers to board-level engagement



The biggest hurdle to board-level engagement was other priorities taking precedence. 30 per cent said concerns over ROI was a blocker, with 10 choosing insufficient data. Just 4 per cent selected resistance to change or a lack of alignment on sustainability, and 3 per cent chose a lack of understanding.

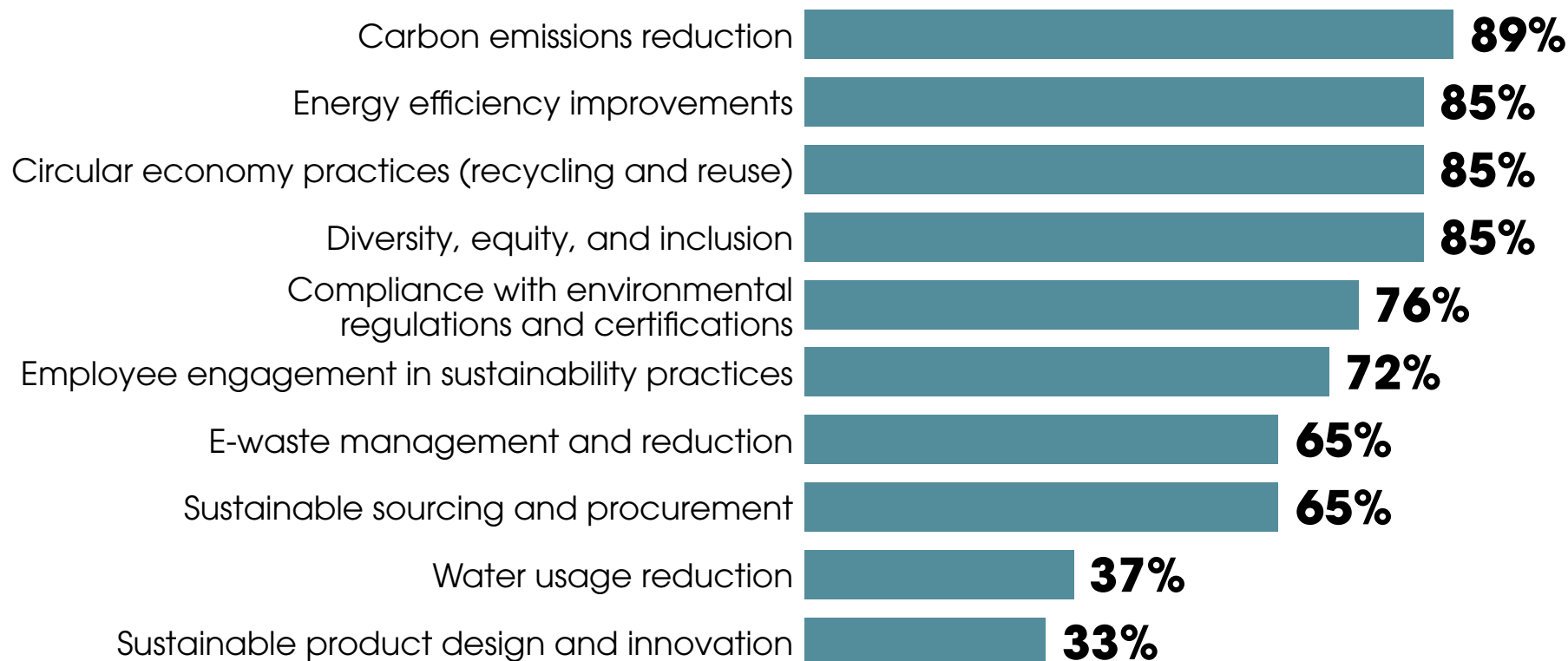
This indicates that while an understanding around the importance of sustainability widely exists at a board level, there are two main areas causing progress to stall: competing priorities and challenge quantifying progress.

During a recent interview with CRN Virginie Le Barbu, Lenovo 360 Circle leader and global sustainability director for international markets at Lenovo, shed some light on other areas that can cause sustainability initiatives to stall:

“We are all dependent on the data of other companies to measure the impact we are having. There is also a lack of knowledge, and a lack of resources and expertise in the market. It’s currently very hard to recruit in sustainability and to find the right talents.

“You also need to think about how sustainability is impacting your business model. If you think about the circular economy, it’s totally changing the rules of the game. You need to think about how do I want to position myself today to become truly circular? And how do I want to find new partners and develop new ecosystems around those needs? How do I make it viable for my company and how do I ultimately make it a source of revenue and a source of profit?” ■

Fig. 4: In which of the following areas does your organisation have established target goals for sustainability initiatives?



The next finding examines the specific areas those in the channel are focusing on in their sustainability efforts. The most common sustainability goals organisations have are related to carbon emissions reduction, followed by energy efficiency improvements, and circular economy practices. Diversity, equity and inclusion also ranked highly.

Respondents were also asked to describe the progress made in achieving the goals identified in figure four. 41 per cent said they have made considerable progress in achieving said goals, with a further 41 per cent reporting sufficient progress. 18 per cent said they are at the early stages of achieving their goals, and zero respondents reported no progress. ■



Measuring progress

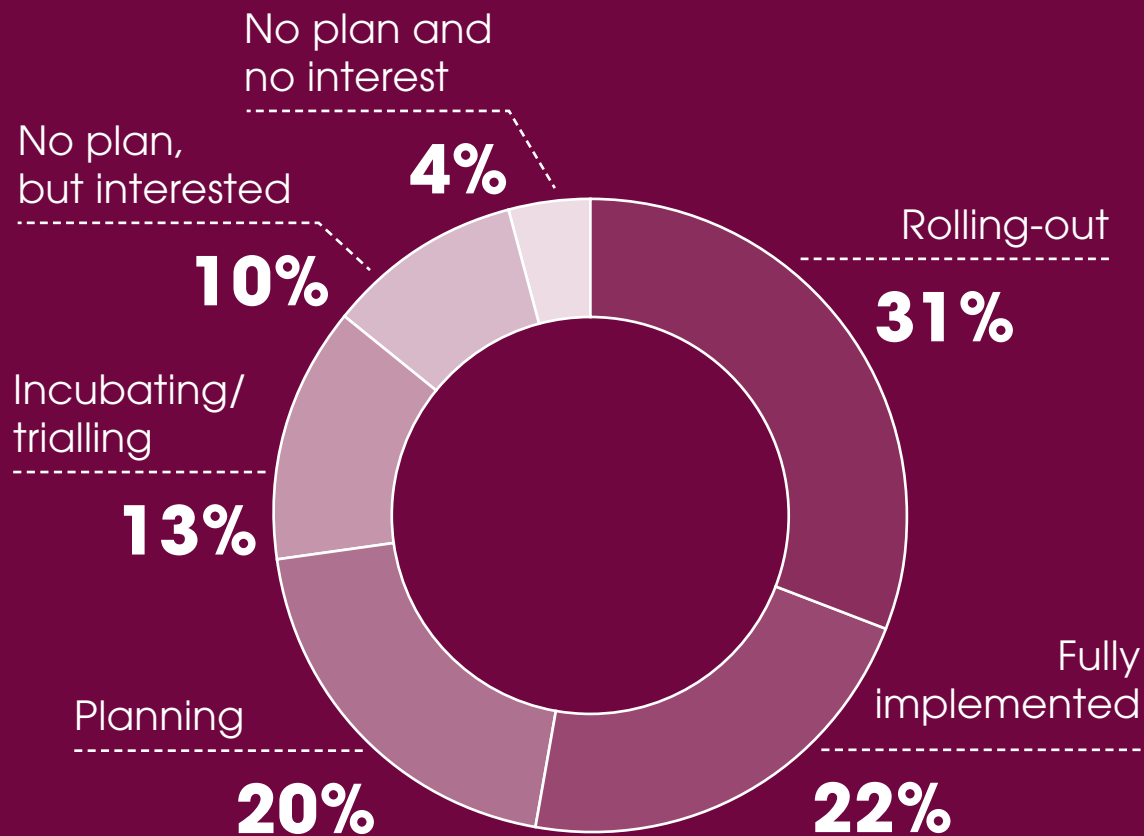
As well as goal setting and leadership, ESG progress relies on collecting and managing the right data. The need to verify, manage, and audit sustainability metrics is increasingly imperative to complying with regulations or charting progress towards sustainable development goals.

In short, accurate benchmarking is needed to develop a clear roadmap for improving sustainability efforts.

However, auditing progress can be a challenge. Organisations often use different data sets, are aiming for different goals, and must navigate various regulations and policies with different reporting requirements. Furthermore, collecting data on scope one, two and three emissions is a substantial undertaking and some elements of sustainability are hard to quantify. ►

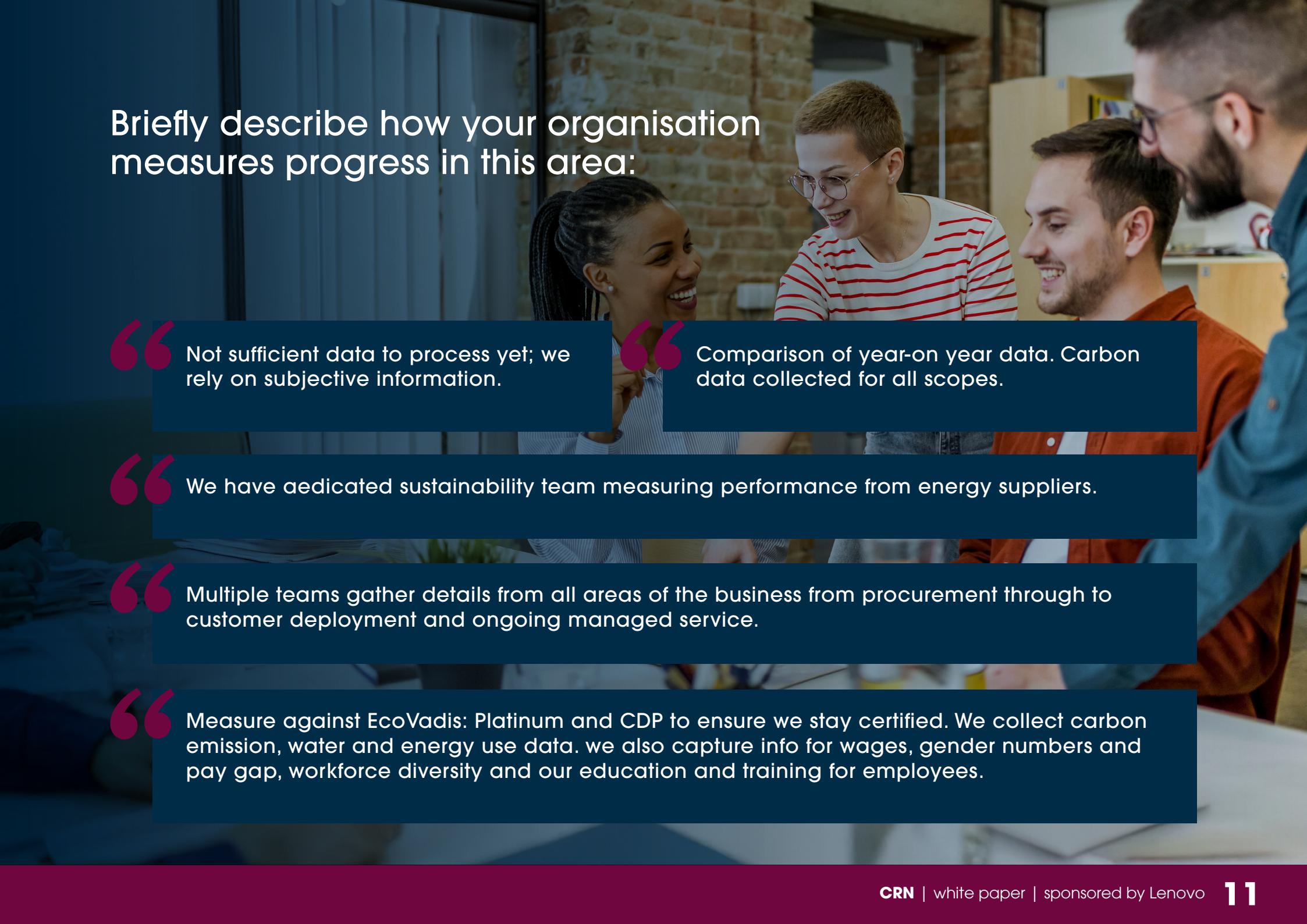
“ ACCURATE BENCHMARKING IS NEEDED TO DEVELOP A CLEAR ROADMAP FOR IMPROVING SUSTAINABILITY EFFORTS.

Fig. 5: What stage is your organisation at when it comes to implementing solutions that monitor or report on sustainability metrics?



For many organisations, adopting a solution to monitor sustainability metrics may be appropriate. 22 per cent said they have fully implemented a solution that monitors or reports on sustainability metrics, with 31 per cent currently rolling one out.

Respondents were also asked to describe how they currently measure progress in meeting sustainability goals. ►



Briefly describe how your organisation measures progress in this area:

“ Not sufficient data to process yet; we rely on subjective information.

“ Comparison of year-on year data. Carbon data collected for all scopes.

“ We have a dedicated sustainability team measuring performance from energy suppliers.

“ Multiple teams gather details from all areas of the business from procurement through to customer deployment and ongoing managed service.

“ Measure against EcoVadis: Platinum and CDP to ensure we stay certified. We collect carbon emission, water and energy use data. we also capture info for wages, gender numbers and pay gap, workforce diversity and our education and training for employees.

The responses indicate a wide range of stances: from organisations doing very little, to only doing what is legally required, and those that are comprehensively monitoring their sustainability progress and producing sustainability impact reports. One respondent also identified that while they have systems in place to collect data internally, “once you go to the vendors their supplier chains become very hard to understand”.

There is room for improvement when it comes to the impact of these initiatives. The average rating awarded was a 6.9 out of 10, with under 20 per cent of respondents rating themselves a 9 or a 10.

There is a clear need to assess and address how sustainability is monitored among respondents. Poor quality or incomplete data represents a significant obstacle to measuring progress and having a defined strategy and framework to monitor the various aspects of sustainability is key. ►

Fig. 7: On a scale of 1 to 10, how successful has this initiative been?

(1=not at all successful 10=extremely successful)

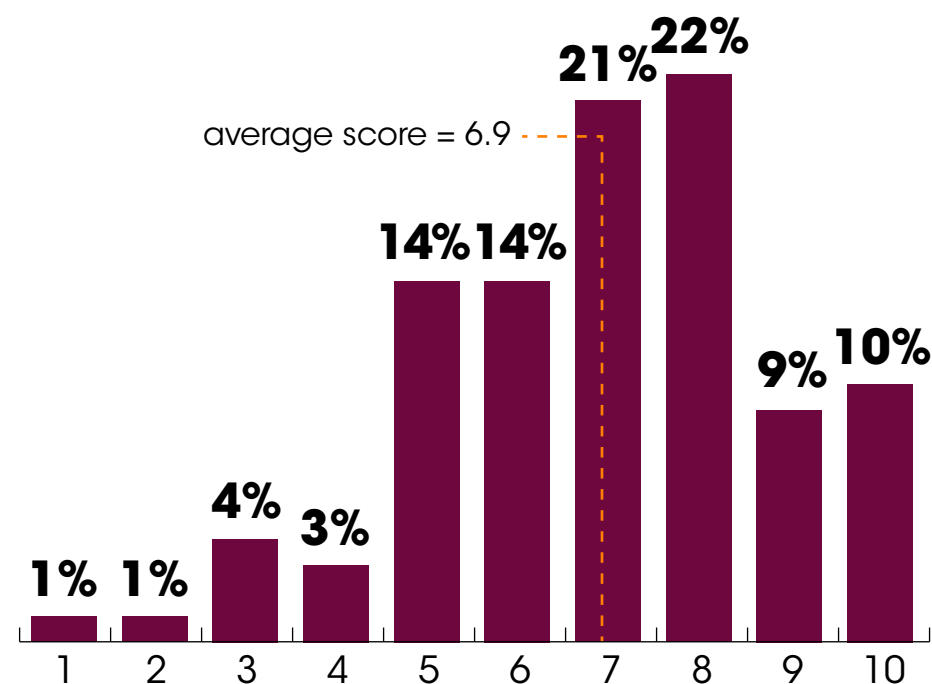
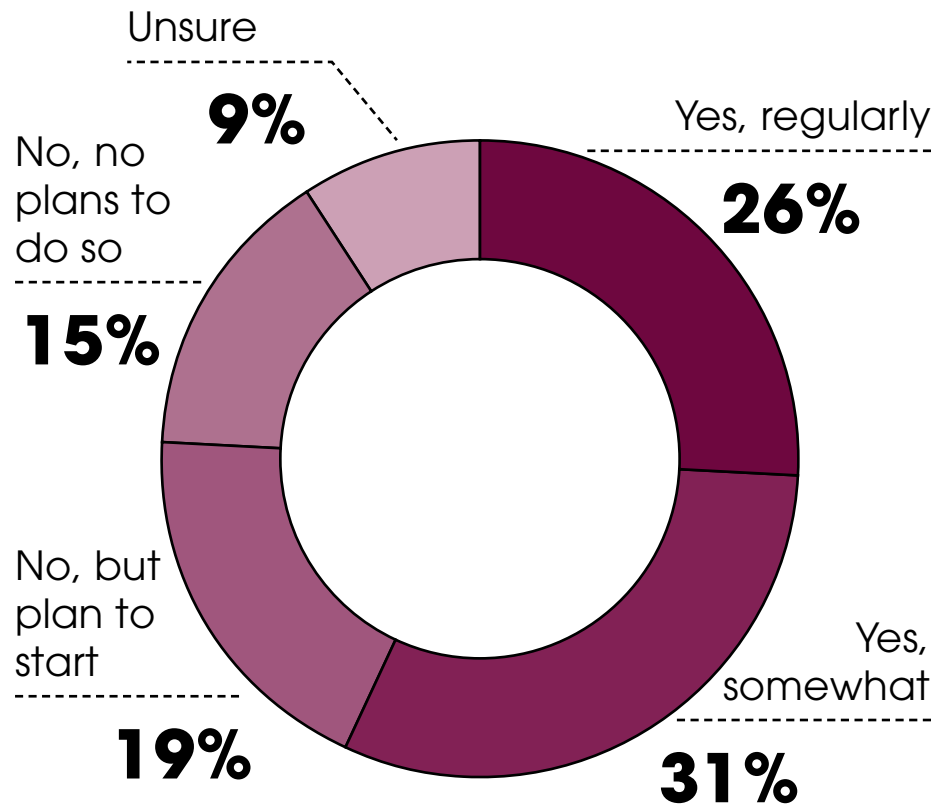


Fig. 8: Does your organisation regularly audit its supply chain partners' sustainability credentials?



Over a quarter of respondents said they regularly audit those in their supply chain. 19 per cent said they do not currently but plan to start, and 15 per cent said they do not and have no plans to start.

For those in the channel working with multiple organisations, having limited visibility into partner practices makes tracking progress and aligning with sustainability goals difficult.

It is important to understand and measure partners' current sustainability practices, carrying out regular audits to ensure those in the supply chain align with your sustainability goals.

Those in the channel may also wish to consider how they can support their partners, and how initiatives that have been successful internally can be transferred to the wider ecosystem. ■

A community-focused approach

As has been identified, establishing clear goals and monitoring progress when developing sustainable business practices represents a challenge for those across the channel.

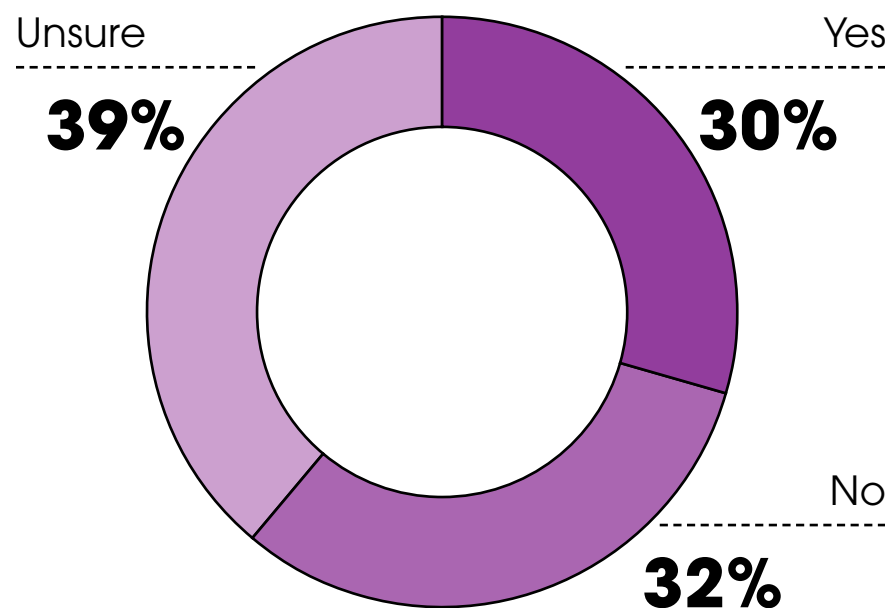
Working in isolation will limit the impact of said initiatives, so looking beyond individual organisations is key.

One way of doing this is through a partner community. A third of respondents said they are currently part of a sustainability partner community, with 32 per cent answering no and 39 per cent unsure. This indicates that over two thirds of respondents are not yet engaging in this area.

An example of this type of initiative is Lenovo 360 Circle, which was established to help assist partners in quantifying sustainability, upskilling and reskilling through learning and development, fostering a responsible ecosystem, and driving system-wide change.

“The idea was to be able to help the channel on two key aspects” said Le Barbu. “The first one was to be a good corporate citizen and help the channel to accelerate the integration of sustainability into their own strategy. ►

Fig. 9: Is your organisation currently part of a sustainability partner community?



“And the other aspect was more on the business side. So to really position sustainability as a key business driver in the organisation, while also working together on developing new offerings. When we started we had three pillars that are still part of the foundation of the community. The first one was the business model transformation. The idea of moving from product-centric to service led. The second pillar is adopting a collaborative approach. The idea that you can’t do it alone and it’s really important for all of us to be together on this journey. The last one was the United Nations 2030 Agenda.”

Being part of a sustainability community helps those in the channel to align on common goals and best practices. If approached correctly, this can unlock new business opportunities.

As previously identified, accessing necessary resources and expertise can present a barrier to progress when it comes to sustainability, so by sharing training and resources, events such as focus groups and workshops, and through assistance in integrating sustainability practices into operations, the sustainability journey of partners throughout the ecosystem can be accelerated.

“The value proposition is the collaboration aspect and the expertise that we offer members as well as the structure and framework needed to progress in their journey.” said Le Barbu.

While the majority of respondents are not yet part of a sustainability partner community, for those that are the experience appears to be generally positive, with an average score of 8.6 out of 10 awarded. 48 per cent rated their experience as a 10 out of 10. This indicates that participants have felt the benefits of taking a collaborative approach to sustainability. ►

Fig. 10: On a scale of 1 to 10, how successful has this initiative been?

(1=not at all beneficial 10=extremely beneficial)

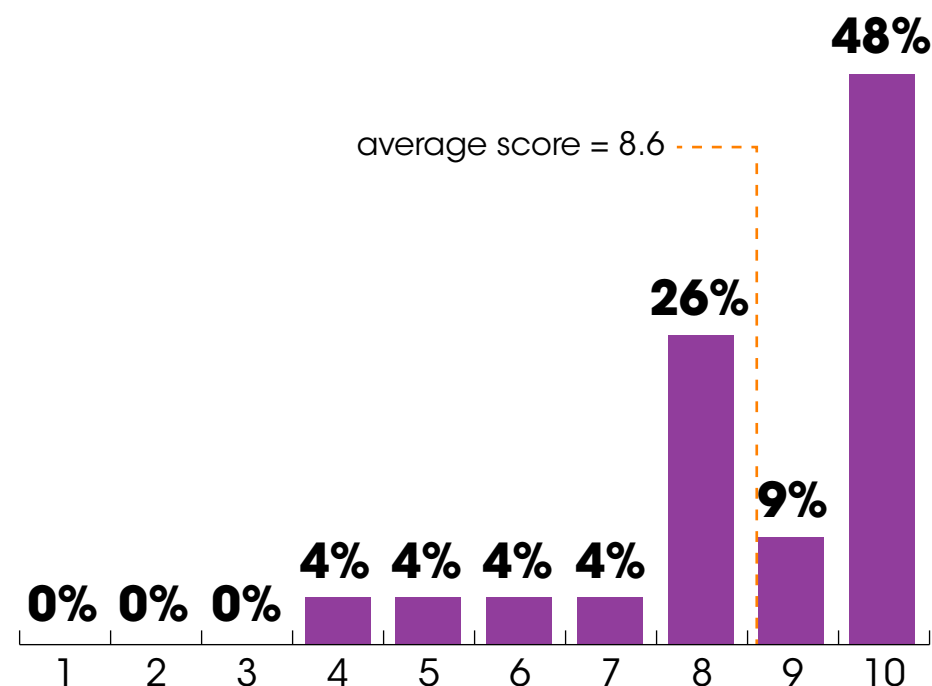
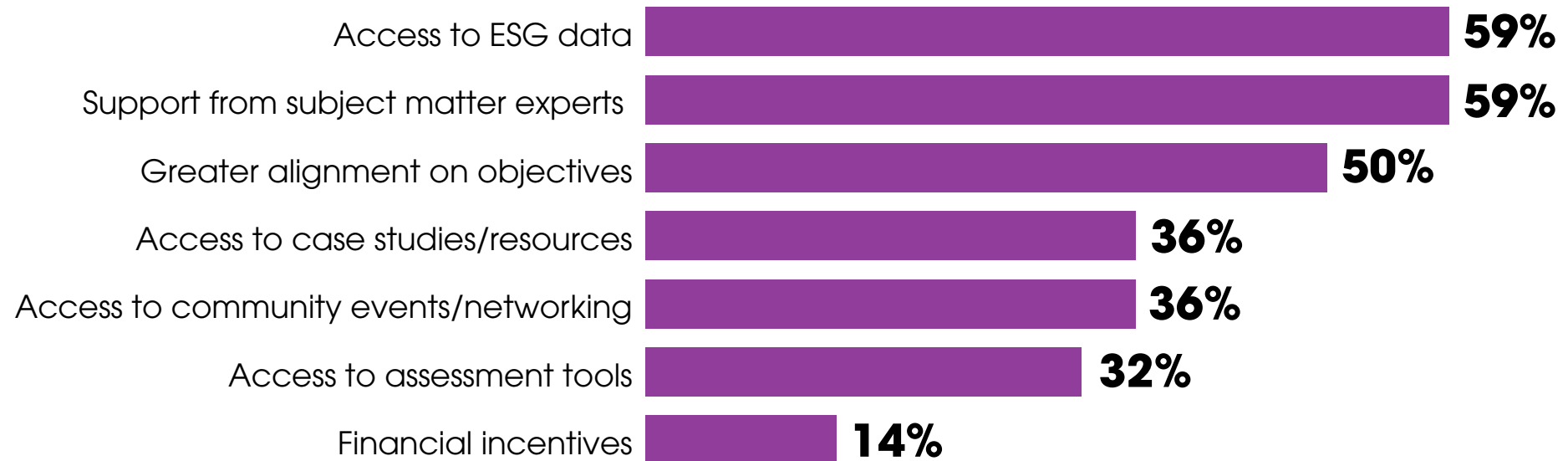


Fig. 11: Which of the following are the biggest benefits to being a part of a sustainability partner community.



For respondents, the most valuable benefits of being part of a sustainability partner community were access to ESG data and support from subject matter experts, followed by greater alignment of objectives. Financial incentives were the lowest ranked.

Le Barbu emphasised that progress in this area relies on organisations working towards a common goal:

“To build strong foundations for the industry, you need to put aside competition and make sure that we are transforming our dependencies into strengths in this domain.”

“We have managed to create a safe space where people are really collaborating on the subjects that are important not only for the industry, but for the planet.”

Sustainability encompasses many different environmental social, and economic considerations, which go beyond compliance are often interlinked, making setting goals and monitoring progress a significant undertaking. Those in the channel are under pressure to incorporate sustainable business practices into their operations, but may lack the resources to do so. ►



From the research it is clear that leaders within channel organisations generally recognise the importance of having a sustainability agenda and are engaged with initiatives, but key barriers are impeding progress. Respondents identified competing priorities and concerns over ROI as limiting progress, with under a third having fully implemented a solution to monitor sustainability metrics and only 59 per cent having specific goals related to sustainability.

When it comes to sustainability partner programmes, responses were positive, with access to data, support from experts, and alignment on objectives highly valued.

For those in the channel, tackling the issue of sustainability in isolation will have a limited impact. Therefore, taking a community-based approach in which partners align on common ESG goals will enable those throughout the ecosystem to implement and monitor progress, as well as unlocking new revenue streams for long-term success. ■



About the sponsor

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