

# ESG commitments are important – but don't overlook obvious quick wins

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*Most major corporations are now on board with the ESG (Environment, Society, Governance) agenda to reduce CO2 emissions to net zero, writes Leigh Schwartz - Head of Consultative Sales at Fujitsu Europe's Platform Business. However, obvious quick wins remain relatively untapped, notably consumption-based IT procurement.*

As pressure mounts on companies to take action on climate change, many have made bold commitments to environmental, social and governance (ESG) goals. Reducing carbon emissions has become a strategic priority, with pledges to reach net zero by 2050 now common place among major corporations.

Regarding IT equipment purchases, by 2026, ESG performance will be viewed as a top-3 decision factor [according to IDC](#), and over 50% of RFPs will include metrics regarding carbon emissions, material use, and labor conditions.

While long-term aspirations are admirable, companies must seize quick wins to demonstrate tangible progress.

One area ripe for rapid transformation is IT operations. In particular, the switch from owning hardware assets outright to consumption-based models, even for on-premise equipment. XaaS — or Everything-as-a-Service offerings are out there that now cover just about any likely requirement you may have for hardware, software and services to make them work to maximum effect.

In our own case, we estimate that switching to consumption-based procurement via our uSCALE offerings can help you achieve your sustainability goals by eliminating overprovisioning, increasing resource utilization and reducing energy consumption.

## **Eliminating overprovisioning and low utilization**

Consumption-based pricing offers multiple advantages from an environmental perspective. It allows firms to eliminate the overprovisioning and low utilization endemic in privately owned IT estates. The resulting energy savings can be dramatic.

Many enterprises struggle with on-premises capacity planning of their IT resources, resulting in IT production environments being overprovisioned by approximately 30% to allow for possible growth that may never happen. These inefficiencies result in additional costs and negatively impact power, space, and cooling requirements.

Consumption-based procurement enables resources to precisely match needs at any given moment. Data center capacities can be scaled up and down on demand rather than idling. Scaling up and down in the entire pool infrastructure means less infrastructure (and the associated power, cooling, etc.) that must be installed.

Industry-wide server utilization levels are [estimated to be around just 25%](#). Just think about that: Potentially, 75% of your IT hardware assets are not doing anything useful right now. Switching to a consumption-based model, such as Fujitsu uSCALE, delivers flexible, monthly billed on-premises IT infrastructures as-a-service, based on an in-depth review of your needs.

### **Extended lifecycles and higher efficiencies**

Rather than procuring hardware outright, companies pay a subscription fee to receive continuous access. This approach extends the lifecycle of devices by making it easier to redeploy them across multiple users. Also, it enables vendors to recover and recycle equipment more consistently once it reaches end-of-life.

Circular principles are integral to many as-a-Service offerings. Manufacturers, including Fujitsu, refurbish tens of millions of returned units annually, giving them a second life. Without a structured takeback program, there is a high risk that devices get discarded and lost from the system. Research suggests the carbon footprint of manufacturing a new laptop, for example, is up to 5 times higher than refurbishing an old one.

Consuming IT as a service takes the burden of IT lifecycle management off your hands while ensuring you get accelerated access to the latest technologies, which typically consume less power than the previous generation, without costly capital investment.

### **Take control**

We are not advocating blind trust in suppliers, however. Customers still have an essential role in ensuring sustainability remains a priority as operations shift to the cloud or as-a-service. They must ask challenging questions on power usage, virtualization policies, recycling processes, etc.

And consumption-based IT is not a panacea, as overly complex architectures still waste resources. But eliminating the overprovisioning, underutilization, and idle assets inherent to private ownership offers one of the clearest pathways to reducing emissions.

With climate change threatening dire consequences, action must be swift and meaningful. Consumption-based IT offers the possibility of rapidly slashing carbon footprints without compromising enterprise technology objectives. The time has come for tech leaders to seize significant, quick wins.

### **Leigh Schvartz** **Head of Consultative Sales, European Platform Business**

Leigh is part of Fujitsu's European Platform Business leadership team and responsible building and growing the highly strategic consumption & as-a-Service business (Fujitsu uSCALE), the customer experience and consulting capability across Fujitsu's four key go-to-market themes (Data-Driven Transformation, Hybrid Cloud, SAP & Workplace) as well as Strategic Bid Consulting and data-driven services business within Fujitsu's Platform Business in Europe.

