Enterprise Strategy Group™ by TechTarget

The State of IT-driven Sustainability

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ENTERPRISE STRATEGY GROUP

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Research Objectives

As organizations increasingly face societal pressures to make concrete commitments concerning carbon emissions, sustainability has become a top priority for optimization. New tools, data creation technologies, and third-party data sources are helping make estimations of emissions more available, accurate, and reliable, just in time for rapidly rising growth in AI and other digital transformation initiatives that drive new demands to expand data usage. But while sustainability requirements can pose challenges for organizations of all sizes, these initiatives also present opportunities to improve a wide range of crucial metrics across business ecosystems.

To gain insight into these trends, TechTarget's Enterprise Strategy Group surveyed 435 IT professionals at organizations in North America (US and Canada), Western Europe (UK, France, and Germany), and APJ (Australia, New Zealand, Singapore, and Japan) responsible for evaluating or purchasing technology products and services.

THIS STUDY SOUGHT TO:

- **Measure** market progress to understand the current state, adoption rate, and future of sustainability initiatives in enterprise IT.
- **Examine** the roles of rapidly evolving practices like AI and asset lifecycle management in enabling sustainability.
- **Predict** the impact of sustainability initiatives on infrastructure, device, and management tool purchases.
- **Validate** the value of and preferences for third-party solutions and services to assist in meeting sustainability goals.

Key Findings

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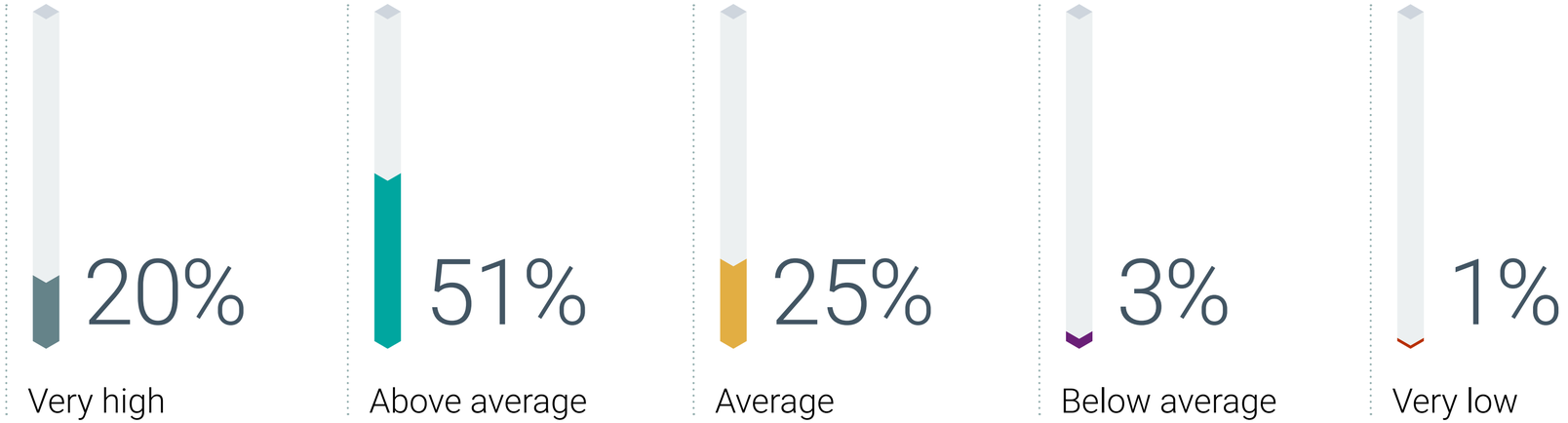
Sustainability Transitions to Mainstream Corporate Objective

Sustainability Now a Strategic Priority

A majority of organizations say sustainability has an above average or higher impact on strategic planning, a clear indication that it is a mainstream and crucial corporate objective. The widespread involvement of senior leadership in sustainability initiatives, along with a growing collection of stakeholders such as consumers, government agencies, and employees, will continue to position sustainability as a top priority, even in locations where environmental sustainability is politically deprioritized.

Impact of sustainability on strategic planning compared with other initiatives.



"A majority of organizations say sustainability has an **above average or higher impact on strategic planning**, a clear indication that it is a mainstream and crucial corporate objective."

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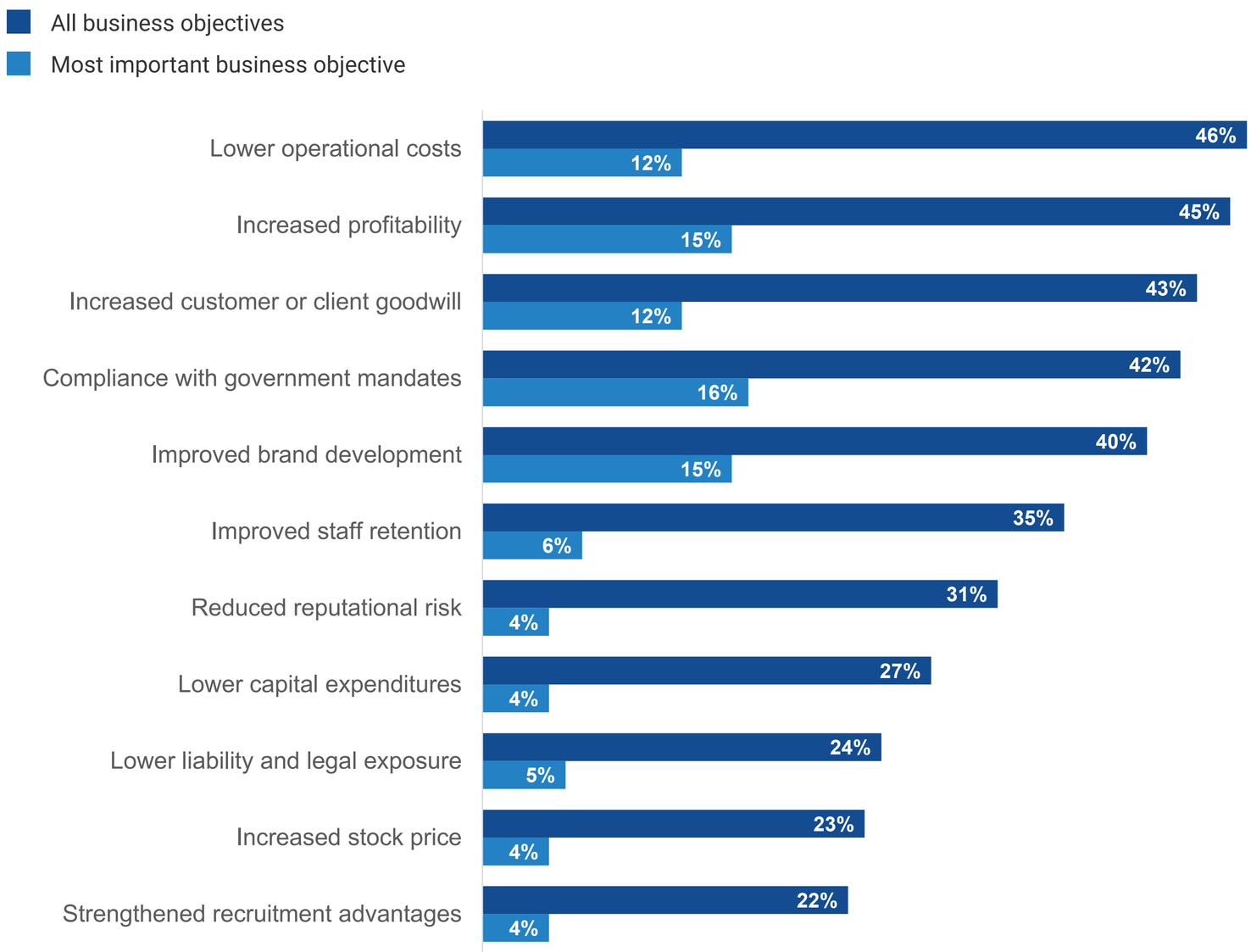
Sustainability Driven by Traditional Corporate Objectives

The trifecta of government regulation, buyer sustainability demands, and traditional corporate objectives of lowering costs, increasing profitability, and boosting customer goodwill drives the increase in importance of sustainability to business objectives and IT purchase decisions. Overall, organizations report that their investments in sustainability have materially improved their business, even across traditional business metrics. This is highly promising, as it indicates that sustainability investments are paying off.

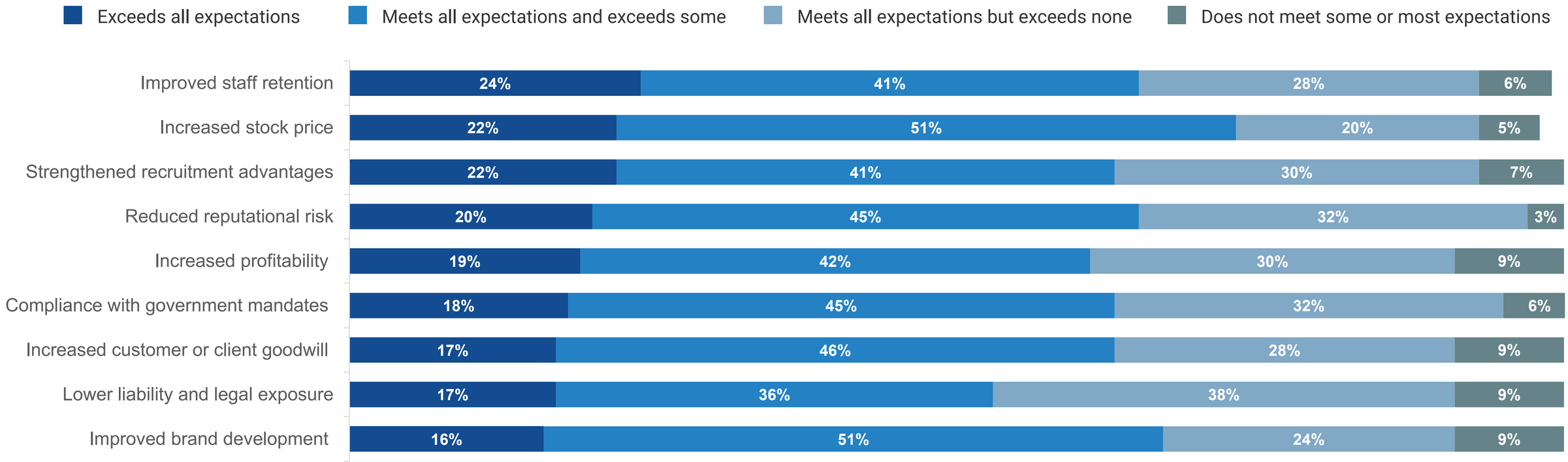
Business objectives influencing or driving sustainability initiatives.



Most Organizations Experience Larger-than-expected Upsides as a Result of Sustainability Initiatives

Staff retention, stock price enhancement, and competitive recruitment advantages most commonly exceeded all expectations for sustainability initiatives. By and large, sustainability initiatives hit the mark in nearly every implementation, regardless of whether they are measured against sustainability-specific metrics (e.g., compliance with mandates) or traditional business drivers (e.g., increased stock price, increased profitability, etc.).

Performance of sustainability initiatives against objective expectations.



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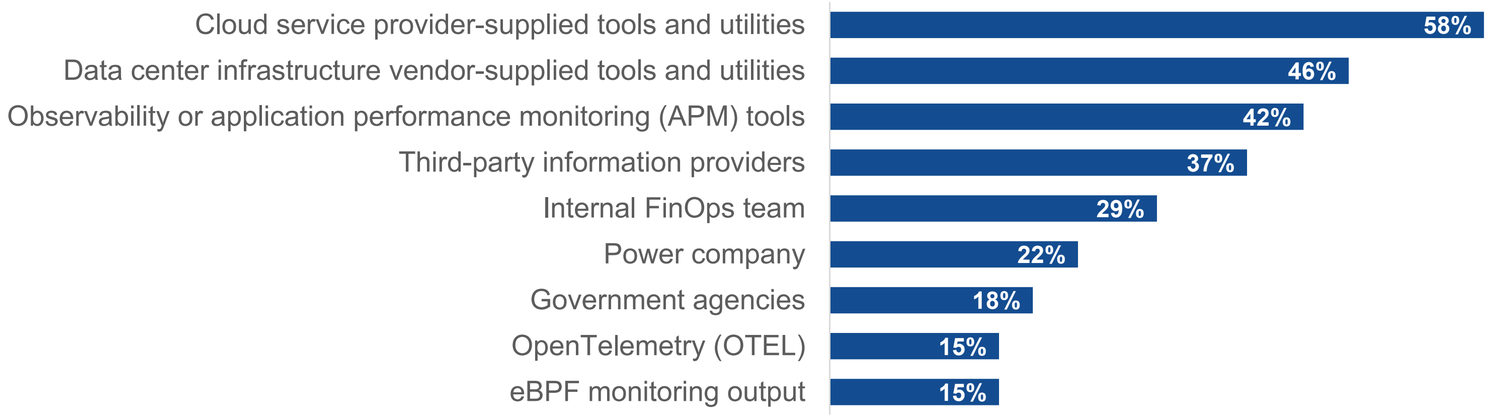
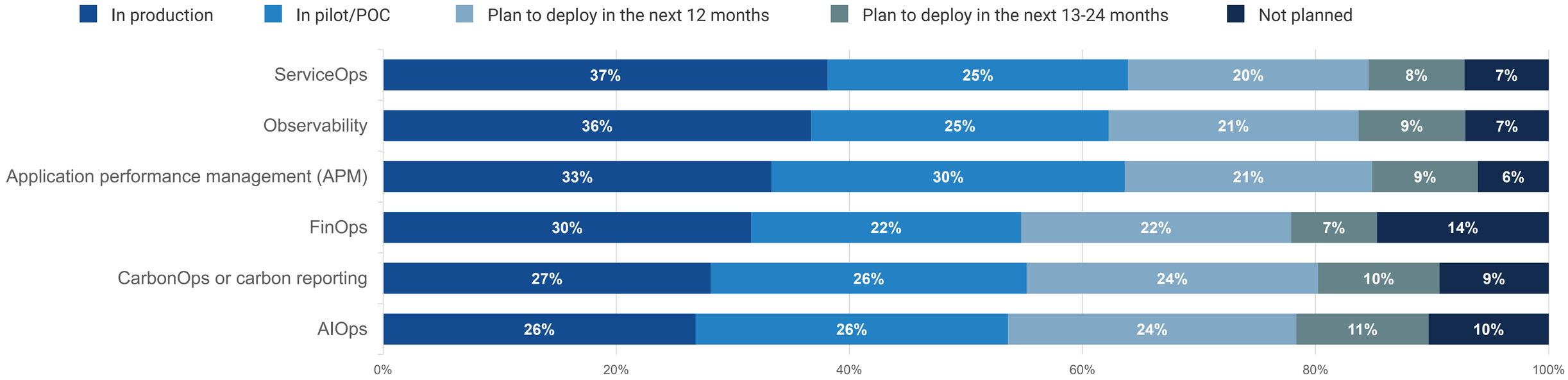
Organizations Seek to Operationalize for Improved Carbon and Energy Visibility

The confluence of cloud-native application development and deployment, the digital transformation of task work, and sustainability-, energy-, carbon-, and cost-based data requirements is driving a sea change in management tooling and an explosion of telemetry data. Organizations are leveraging multiple data sources and using a combination of newer IT metric collection and processing tools to gain insight into the environmental impact and energy consumption of their work.

Source of sustainability monitoring data.



Status of sustainability-adjacent applications and services within organizations.



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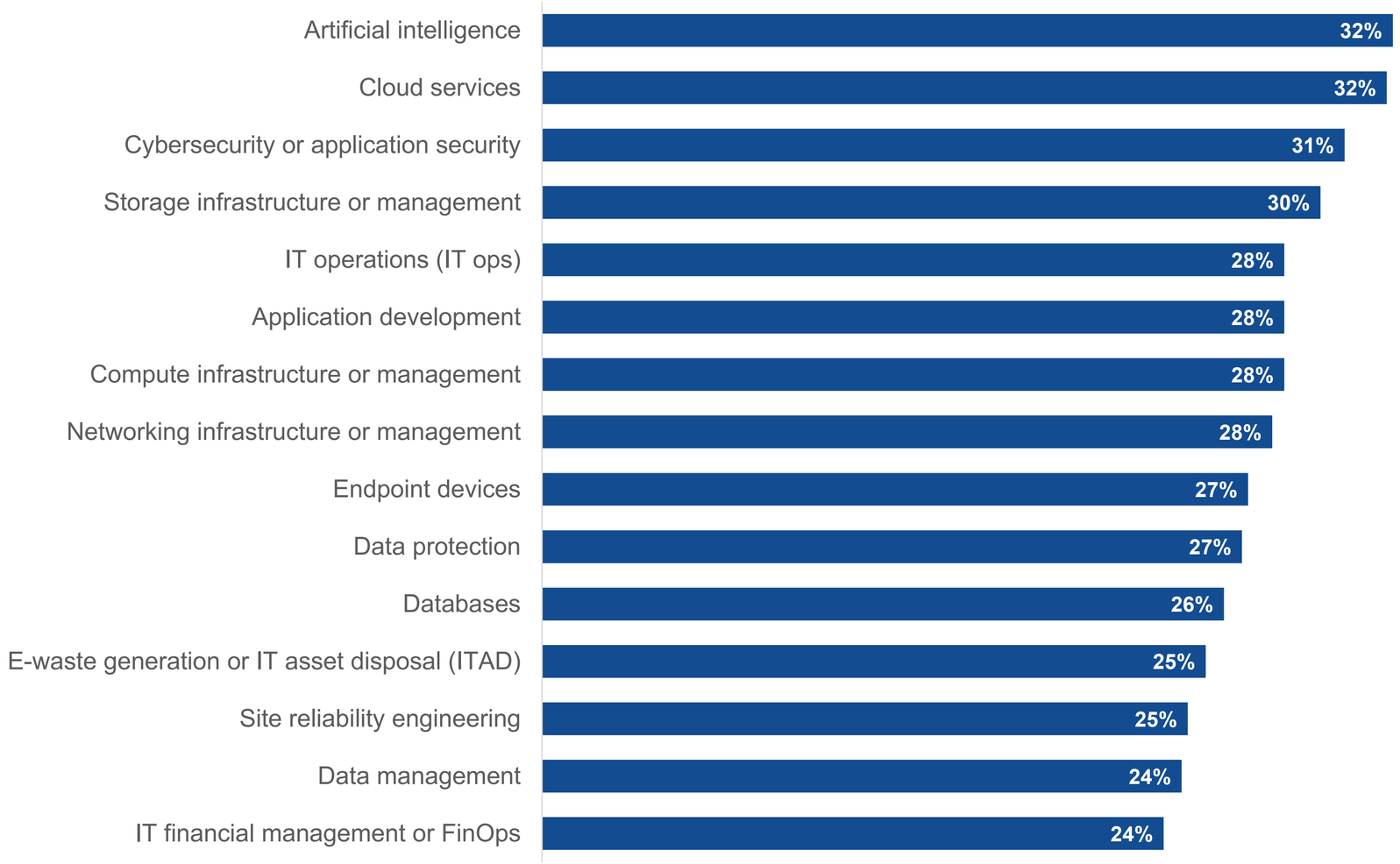
The Impact of Sustainability on Operations Is Broad and Varied

"Considering that all areas are earmarked for significant investment by at least 24% of organizations, **sustainability is now a significant growth driver across markets and technologies**."

AI Leads Future Investment Plans for Sustainability

When examining areas earmarked for significant future investments to support sustainability initiatives, the priorities read like a laundry list of modern computing: AI, cloud, ITOps, application development, and other hallmarks of digital transformation. Considering that all areas are earmarked for significant investment by at least 24% of organizations, sustainability is now a significant growth driver across markets and technologies.

Areas earmarked for significant future investment to support sustainability initiatives.



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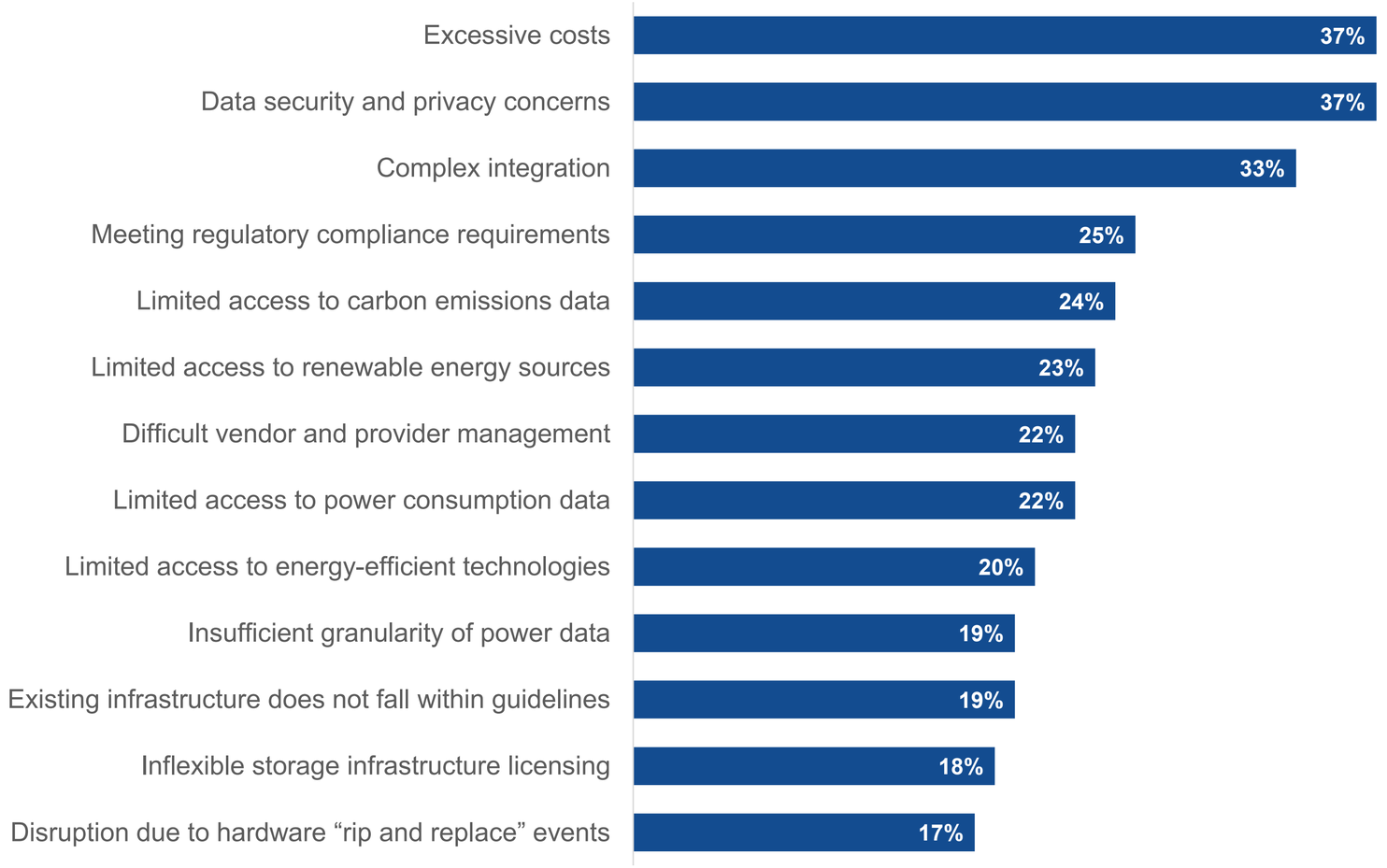
Costs and Security Highlight Sustainability Challenges

Financial, physical, technical, infrastructure, and data availability issues most commonly challenge organizations seeking to implement IT-driven sustainability initiatives. Infrastructure and infrastructure licensing issues also appear as challenges, indicating that roadblocks emerge not only during implementations but even prior to deployment.

Challenges faced when implementing IT-driven sustainability.



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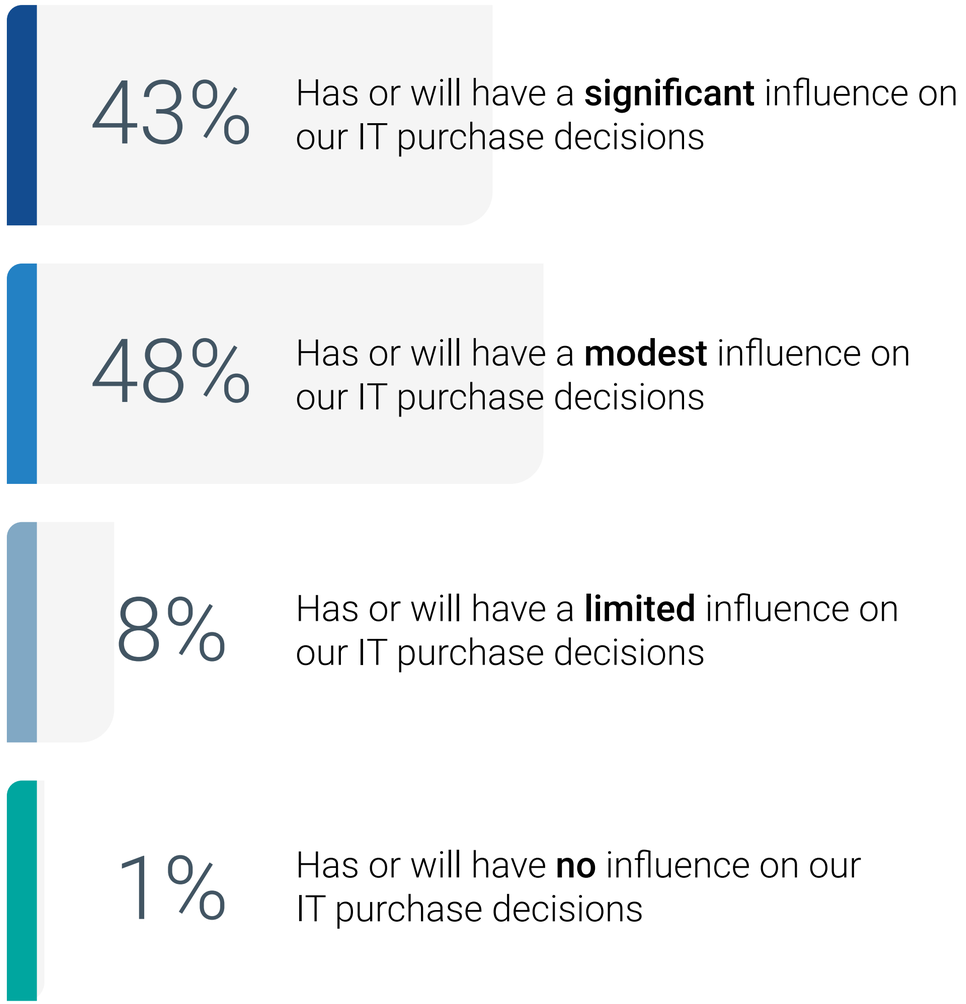
Sustainability’s Influence on Purchasing Decisions Increases

"Well over 90% of enterprise IT buyers report that the **sustainability profile of IT suppliers impacts product and vendor selection**."

Vendor Sustainability Widely Influences IT Purchase Decisions

Well over 90% of enterprise IT buyers report that the sustainability profile of IT suppliers impacts product and vendor selection. This widespread influence suggests that all vendors must have a public stance on and commitment to sustainability, or they'll risk being eliminated from consideration. The majority of buyers also indicated they have eliminated a supplier or product from consideration due to sustainability factors alone.

Extent to which sustainability programs or stances of IT vendors will influence IT product and service purchasing decisions.



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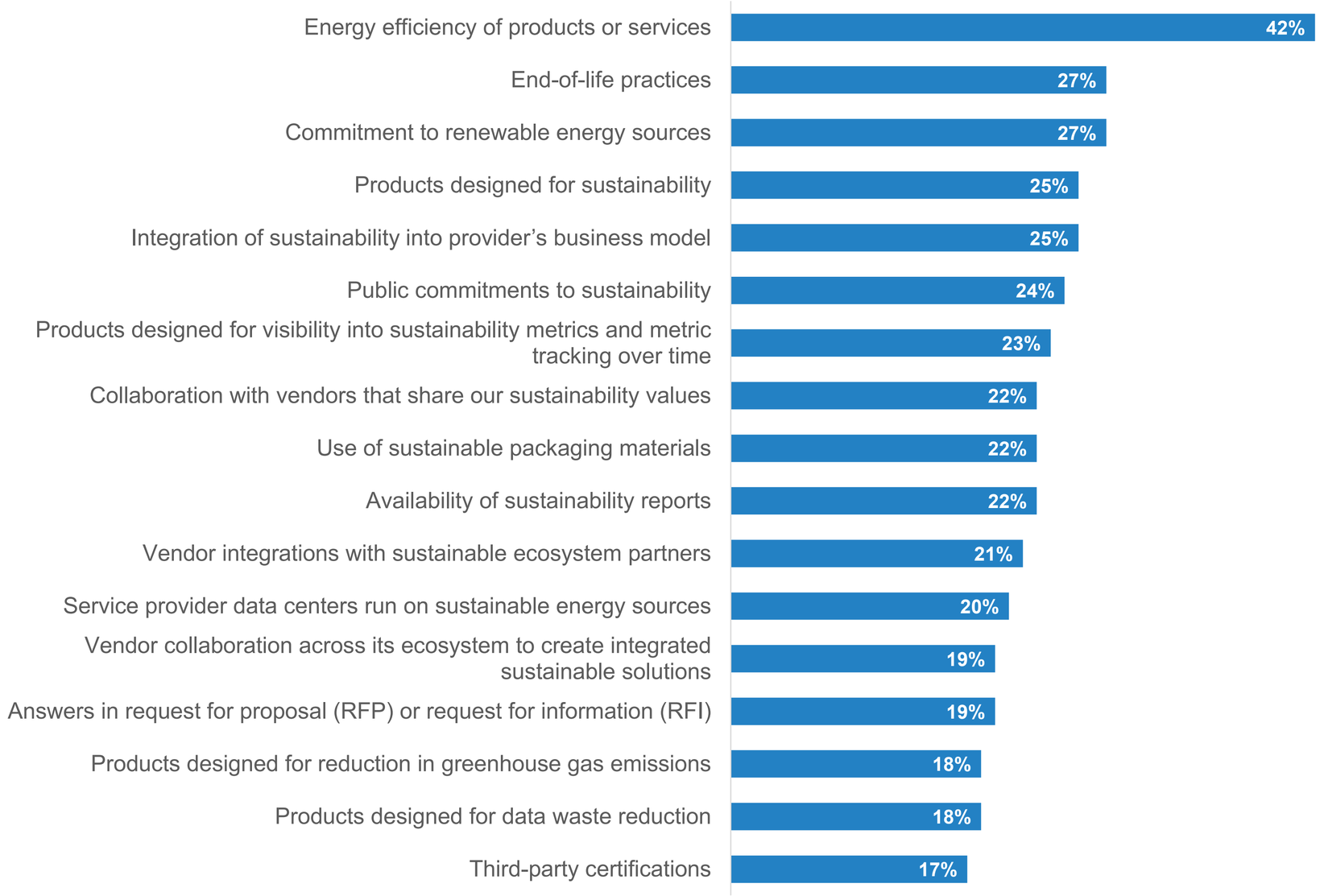
The Sustainability Checklist: What Matters to IT Buyers?

Because energy is both a top-level cost liability and the top source of carbon produced by data centers, energy efficiency of products and services is positioned firmly atop the list of differentiators buyers use when selecting sustainable solutions. Full asset lifecycle sustainability, from design to packaging and IT asset disposition, figures heavily in product favorability.

Most important features, capabilities, or attributes related to IT-driven sustainability considered when evaluating technology suppliers.



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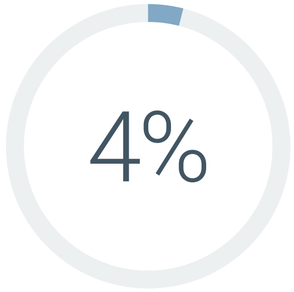
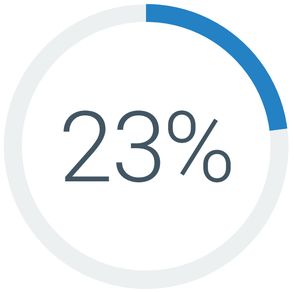
Stronger Sustainability Commitments Are More Valued by Buyers

As sustainability programs become more mainstream, government mandates grow more prevalent, and internal teams experience surprise upsides from sustainability investments, organizations are likely to become less price-sensitive and more value-aware. Although this maturation and subsequent devaluing of price as a differentiator is typical of a maturing market and not unique to sustainability, it nonetheless reflects a rising commitment to overall sustainability.

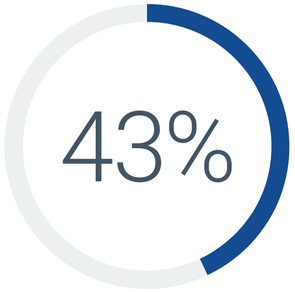
Premium organizations are willing to pay for product or service whose supplier showed strong commitment to sustainability (versus a supplier that did not).



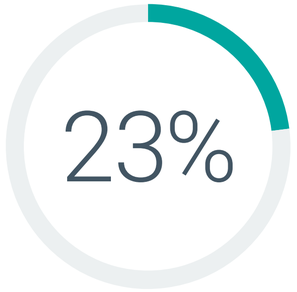
0% - we would not pay more



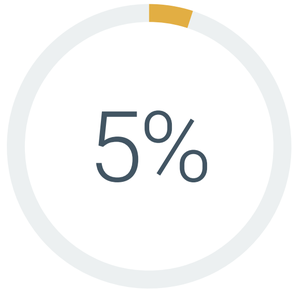
1% to 5%



6% to 10%



11% to 20%



More than 20%

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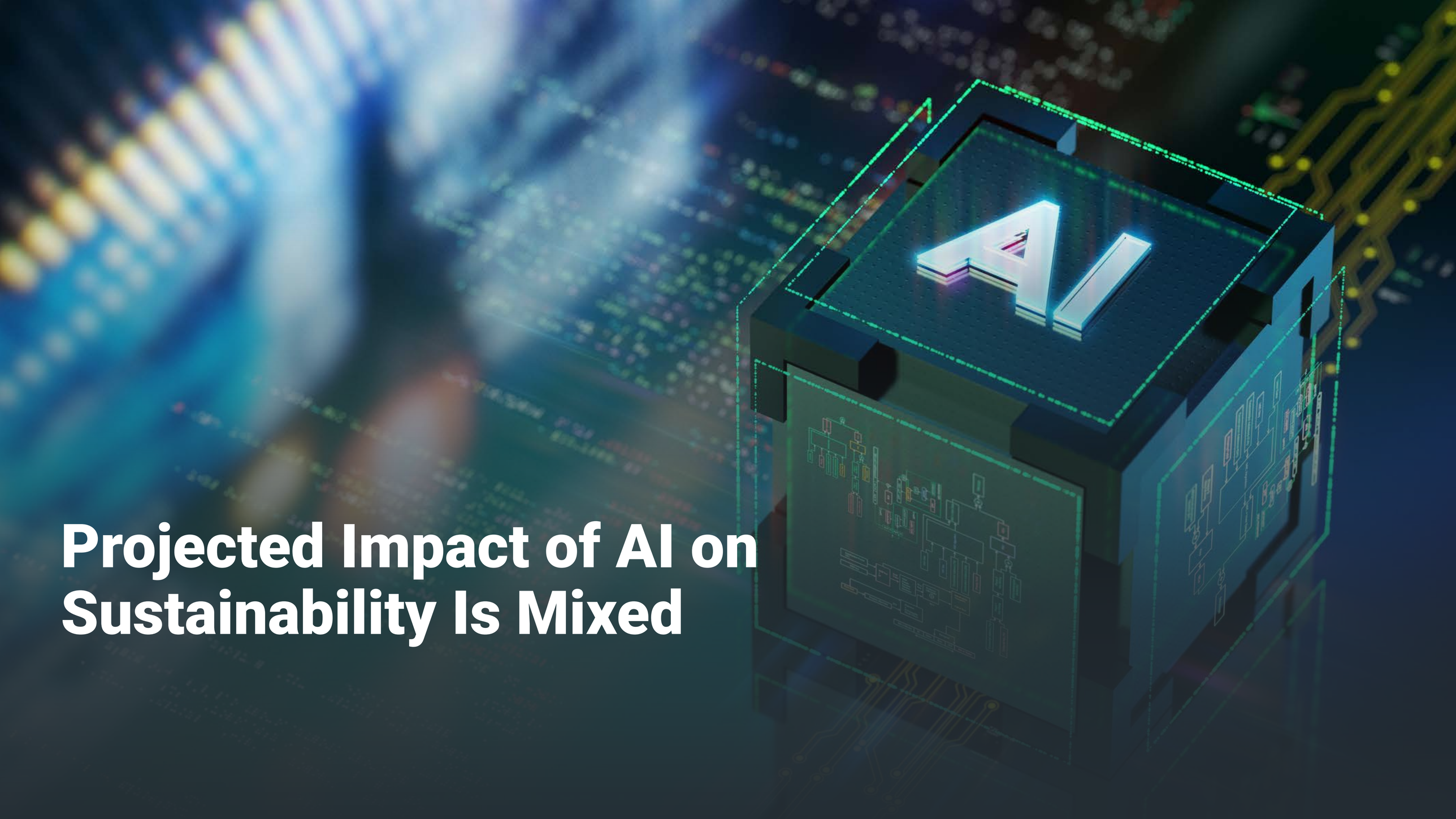


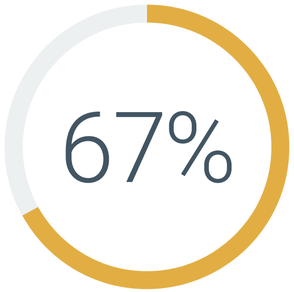
Projected Impact of AI on Sustainability Is Mixed

Mixed Outlook on the Impact of AI on Sustainability

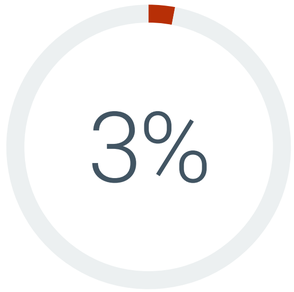
Moving forward, AI will be a top—if not *the* top—workload managed for sustainability and will increasingly serve as a blueprint for operationalizing application sustainability. Those in IT roles tend to be cautiously positive about the impact of AI on sustainability. IT leaders, ever-pragmatic, take the view that AI, like any technology, is likely to have both positive and negative impacts on sustainability efforts. AI's impact on sustainability will be similar to its impact on security, where it will help to accelerate security initiatives while bad actors also use it to advance their own schemes. Organizations will find AI useful for improving sustainability processes, even while serving as a sustainability challenge due to the rise of generated data.

Expected impacts of AI on sustainability initiatives.

AI will have only positive impacts



AI will have both positive and negative impacts



AI will have only negative impacts

"Organizations will find AI useful for **improving sustainability processes**, even while serving as a sustainability challenge due to the rise of generated data."

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Mitigation Strategies Emerge to Combat AI-driven Sustainability Challenges

Organizations employ or plan to employ a range of strategies to mitigate the widely anticipated negative impacts of AI on sustainability. Monitoring AI usage and enlisting the help of AI itself are the most common approaches, while infrastructure selection and optimization also commonly figure into enterprise plans. Meanwhile, refreshing storage infrastructure to free up power and space reflects the technology's key role in meeting sustainability goals.

Mitigation strategies to address the negative impact of AI on sustainability initiatives.

44%
Monitoring usage of AI for sustainability

38%
Using AI to identify AI-driven problems with sustainability

37%
Optimizing hardware and software for efficiency

32%
Selecting cloud providers committed to sustainability

31%
Refreshing storage infrastructure to free up space and power for AI

31%
Selecting hardware vendors committed to sustainability

29%
Using renewable energy sources

26%
Limiting our usage of AI

24%
Selecting colocation providers committed to sustainability

5%
We are not addressing, or planning to address, AI impacts

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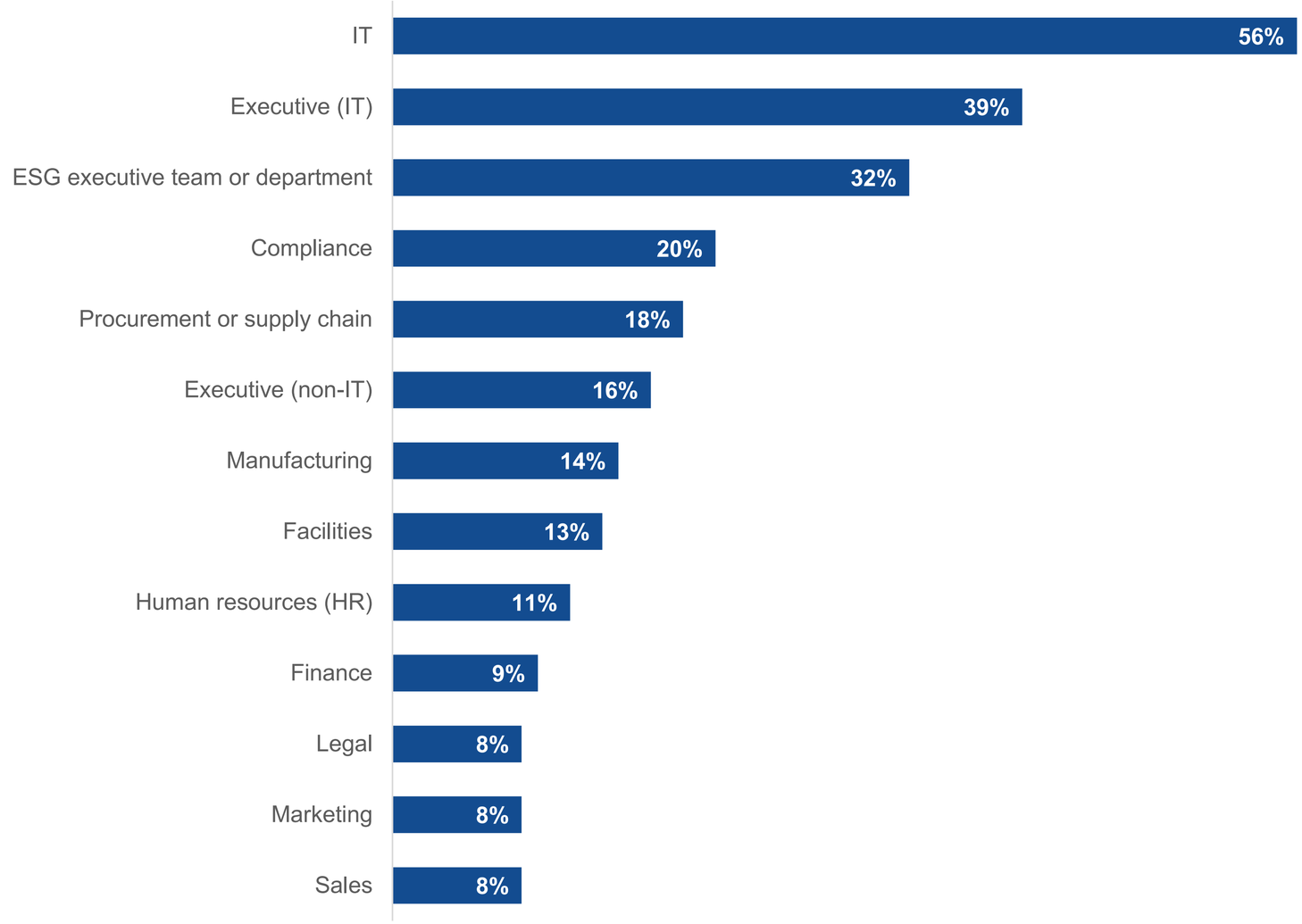
IT Stakeholders Are Most Influential on Sustainability Initiatives

"**Sustainability is everyone's job**, but IT most commonly drives sustainability initiatives."

IT Is Most Commonly Active in Sustainability Initiatives

Sustainability is everyone's job, but IT most commonly drives sustainability initiatives. IT likely has the most flexibility and options when it comes to sustainability because software is no longer location-bound. In other words, everything IT does is a candidate for sustainability optimization. Also commonly driving these initiatives are IT executives and teams overseeing environmental, social, and governance (ESG) policies within their organizations. Although those driving initiatives likely fall within IT or ESG, sustainability will increasingly impact all employees due to the rising deployment of comprehensive strategies and associated policies.

Departments or functions most active in driving sustainability initiatives.



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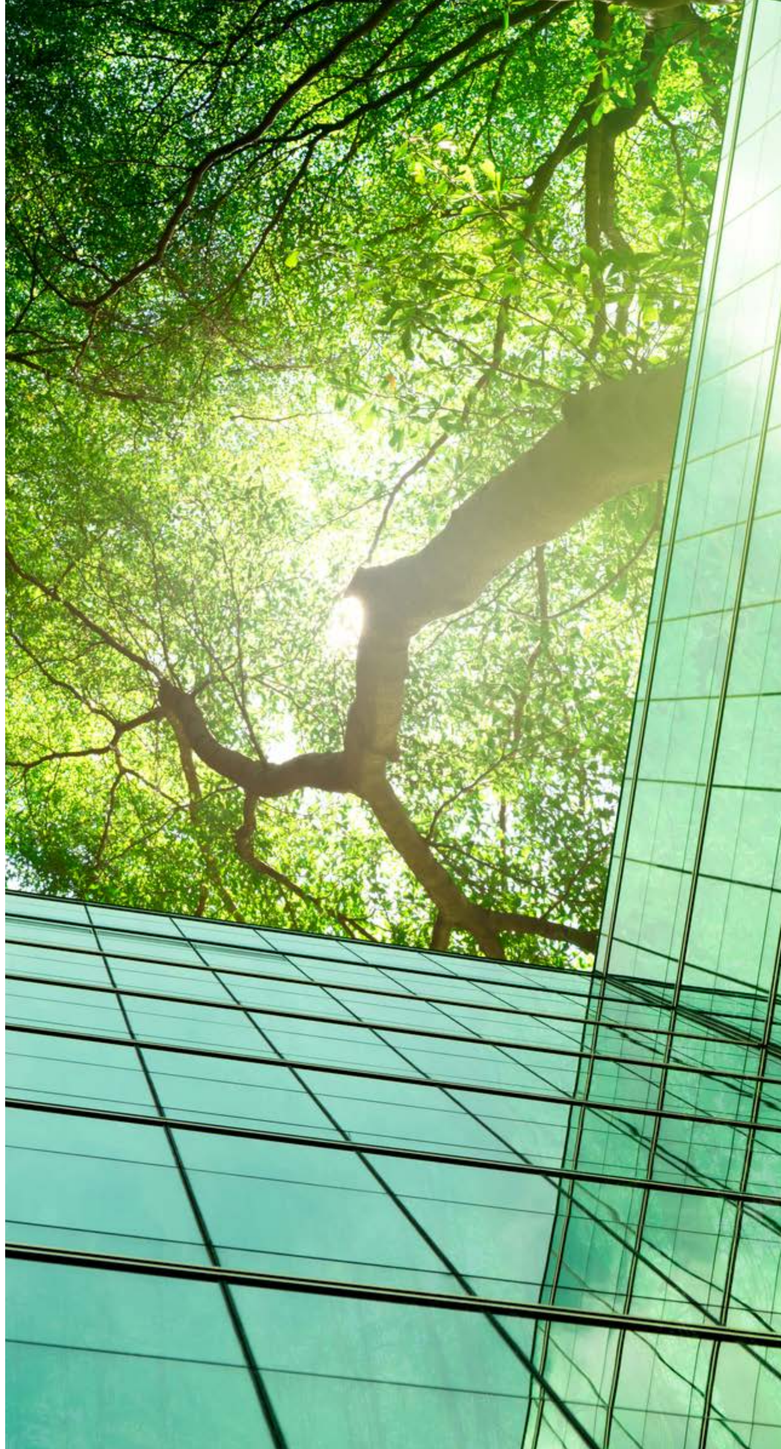
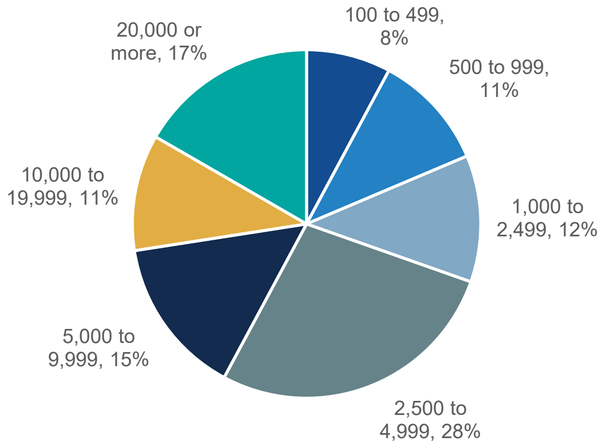


RESEARCH METHODOLOGY AND DEMOGRAPHICS

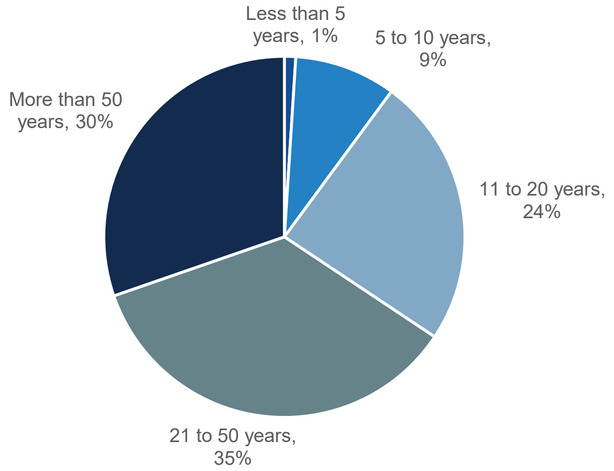
To gather data for this report, Enterprise Strategy Group conducted a comprehensive online survey of IT professionals from private- and public-sector organizations in North America (45%, US and Canada), Western Europe (36%, UK, France, and Germany), and APJ (19%, Australia, New Zealand, Singapore, and Japan) between April 11, 2024 and April 30, 2024. To qualify for this survey, respondents were required to be responsible for evaluating or purchasing technology products and services. All respondents were provided an incentive to complete the survey in the form of cash awards and/or cash equivalents.

After filtering out unqualified respondents, removing duplicate responses, and screening the remaining completed responses (on a number of criteria) for data integrity, we were left with a final total sample of 435 IT and data professionals.

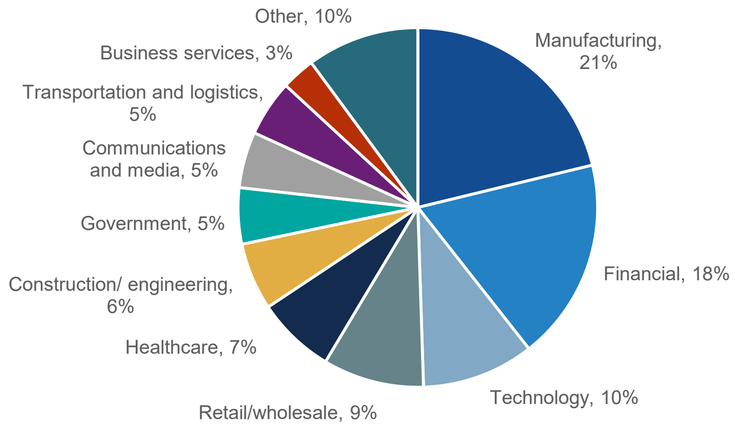
Respondents by Number of Employees



Respondents by Company Age



Respondents by Industry



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