

GREEN IT

GOING GREEN MADE EASY

@UK PLC has created an easy solution to going green by making ethical and environmental performance part of your spend analysis

JOHN DOYLE FROM THE EUROPEAN

Commission points out: "Going green is now a moral and will inevitably become a legal necessity, with the Climate Change Act creating a requirement for carbon accounting and Carbon Reduction Commitments already in place for large organisations. This is a pattern that will be repeated all over Europe as countries struggle to put in place the mechanisms to actually count and then reduce their carbon emissions." CRC affects schools, hospitals, universities, local authorities and other large users of electricity. Carbon accounting will affect all public and private sector organisations.

BASDA members have been through the process of going green and now have got practical tools that make the process quick and easy, and can confirm that the cost savings are considerable.

PERFORMANCE MONITORING

The first part of any green programme is finding out your performance. @UK PLC have created an easy solution, by making ethical and environmental performance part of their spend analysis system the Axioscope (Greek examine true value).

The Axioscope is available as part of an OGC framework for spend analysis which makes procurement easy for public sector bodies.

We interviewed @UK PLC team members to find out about the Axioscope and how it provides spend, ethical and environmental performance.

The Axioscope is a spin off from a three year 12 person artificial intelligence research project to create a product aware search engine between Reading University, Goldsmiths College London and @UK PLC Research.

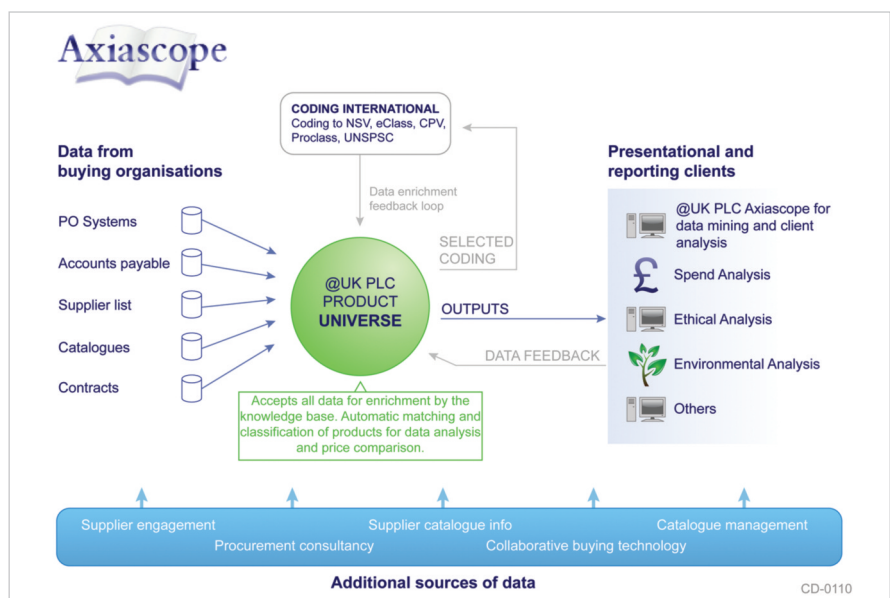
Dr John Hoyroyd @UK PLC's head of research, explains the origins of the Axioscope: "We had large data sets from our spidering, marketplace, and Coding International and wished to correlate this with other sets. The spend analysis was something that we offered organisations to allow us to analyse their data to be confident that we covered the entire range of purchased products and services."

The results were transformational. None of the participating organisations had anything like this level of detail or level of coverage on a spend analysis.

THE SECRET TO SUCCESS

The breakthrough came from combining three factors:

- @UK PLC's 17 years experience in computer aided modelling expert systems and award



- winning AI research with Reading University.
- The largest marketplace: @UK PLC's 800,000 users is 20 times more than the next marketplace.
- Coding International's 30 years experience of item level coding with over 500,000 items classified that NHS, HMRC and other organisations have purchased.

MAXIMISING PURCHASING POWER

One organisation that picked up that something significant was happening was London Procurement Program. The 73 London Trusts spend over £13 billion and LPP maximises their purchasing power. Chris Hope LPP's Business Systems Manager explains their problem: "At LPP we needed to know our overall spend, but the disparate nature of trust systems and methodologies required technology to gain a coherent view of trust spend. One attraction of the @UK PLC technology is its ability to handle data of different quality levels enhancing the poorest and ensuring an inclusive approach for all of our trusts irrespective of their level."

@UK PLC spent nine months on joint research with LPP into the programmes requirements and piloted the resulting system with the SARK group of trusts. LPP worked on the trusts' needs analysis whilst @UK PLC focused on importing correlation and cross matching of data from the multiple systems in each trust. The Axioscope's artificial intelligence engine then made sense of the data.

SARK and LPP were delighted with the results

and LPP is now rolling the Axioscope out to all 73 London Trusts.

A WINNING SOLUTION

Vicki Hamilton, the head of procurement and supplies for the Outer South East London Shared Procurement Service described the innovation as "fantastic", in the LPP news flash.

"It's really useful because we can look at the information from all different angles and it's so easy to use," says Ms Hamilton. "It will help us rationalise and standardise our suppliers and products, which in turn means we can get better prices."

The Axioscope's ability to understand complex product data and find out from vague descriptions the item that is actually being purchased means that for the first time it is possible to accurately find out everything that an organisation purchases in enough detail to perform ethical and environmental analysis.

@UK PLC understands the challenges in going green, and what is required to simplify the process and benchmark customers to achieve @UK PLC's environmental objective of reducing customer's emissions. The Axioscope's ethical and environmental analysis is a result of this journey.

In 2006 the RSA launched carbon limited, a personal carbon trading scheme for RSA Fellows and the wider community. @UK PLC chairman and RSA fellow Ronald Duncan joined in the

FIVE STEPS TO GOING GREEN

- Measure performance – Axiascope is available on an OGC framework and produces cashable cost savings.
- Target quick wins – Low energy bulbs typically have ROIs in months. Cutting paper improves processes, and produces cost savings.
- Improve contracts
- Achieve compliance with contracts – A marketplace will help eliminate maverick purchasing
- Measure improvements and non compliance – Axiascope picks up where savings are not being achieved.

COST OF PAPER AND PROCESSES

@UK PLC customers are paying between 15p and 92p for the requisition, order, and invoice cycle. (All costs including system, consultancy, integrations and implementation divided by number of transactions). The defence bills agency costs around £3 for just the invoice stage, OGC estimated an average cost of £50-70 for the purchase to pay cycle.

effort. "We swapped our Jaguar and Subaru for a pair of Prius Hybrids and switched to low energy light bulbs, the savings paid back within a few months, both were a financial no brainer"

It was clear to the RSA fellows that going green was quick, easy and great financially. However, they needed transform their own organisations to achieve a greater benefit.

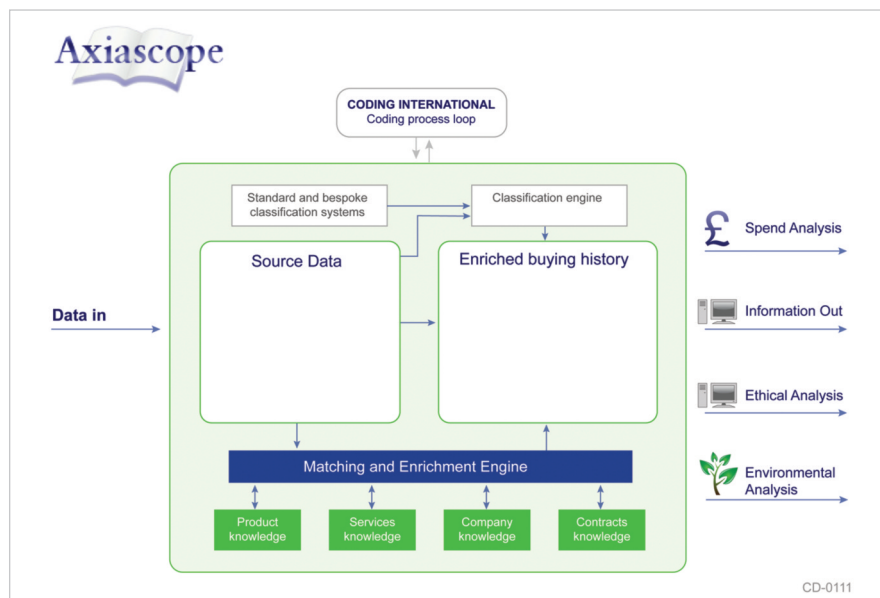
In @UK PLC's case it took two years to benchmark performance and get an achievable green commitment. The biggest difficulty was the lack of readily available data on simple things like the carbon footprint of paper, and the saving from eliminating paper. In spite of the paper industry being the number one consumer of fresh water and industrial deforestation according to Dr Allen Hershkowitz, at the Natural Resources Defence Council.

THE GREEN CHARTER

@UK PLC was a founder signatory to the BASDA green charter and aims helping its customers achieve measurable reductions in carbon emissions that are at least ten times its own emissions, with an objective to increase this to 100 times and 1,000 times @UK PLC's emissions.

The key to this is measurement Ronald Duncan explains. "As an organisation it was really easy to find out how much electricity and gas we use, more difficult to find out how much petrol was used driving round the country and very difficult to get accurate figures on the impact of pieces of paper, never mind the carbon footprint of less widely used goods and services."

The issue is that the bulk of your footprint is probably in the goods and services you use rather than your electricity and gas bills, which will typically have a similar significance to their financial cost. However you need to know



everything that you purchase to get the complete picture of which areas you should target first.

As Duncan explains, "A Typical example is a PC. It will usually have a carbon lifecycle cost that is 8-10x its lifetime running cost."

John Doyle of the European Commission concurs: "The UK has some of the best measurement tables in the DEFRA Tables, however they just cover direct sources of emissions rather than the carbon costs of goods and services. There is a Global need to reduce all our carbon emissions and when George Bush leaves the White House in January next year, there will be 3,998 days to achieve the 20 per cent reduction. If other OECD countries such as Japan and the US come on board, we may commit to 30 per cent, which scientists say may be a safer level."

SIMPLIFYING PURCHASING SYSTEMS

By making it simple for complex organisations such as the SARK trusts, with multiple purchasing systems, to find out what they purchase at a detailed level, it is possible to form the comprehensive picture that allows an organisation to reduce its overall carbon footprint and generate cashable savings.

For example, Gloucestershire County Council saved around £500,000 in taxi fares by using the @UK PLC marketplace to get competitive quotes for journeys. One reason taxi companies produce better quotes is an individual job basis reduces empty legs and carbon footprint.

Public sector bodies are concerned about ethical implications. Social Services and NHS ensure they protect vulnerable people and employ ethical contractors. All bodies are aware about sourcing goods from suppliers that have used child labour or other un-ethical activities at some point in the supply chain.

Lyn Duncan co-founder of @UK PLC is active in animal rescue. Lyn explains how improved ethics can make financial and environmental sense. "Italy exports the most horse meat in

Europe but does not breed the livestock thus horses are transported from Poland and Spain for slaughter in Italy. This hides the source of the meat, reduces the quality since horses are damaged or die before reaching the abattoir, and increases the costs. The UK leads the way in this area by enforcing the requirements for segregation and breaks, so that UK horses are slaughtered locally. Local slaughter produces better meat at lower cost and better financially, ethically and environmentally."

UK LEADING THE WAY

As John Doyle from the European Commission points out "The UK will inevitably challenge any piece of European legislation vigorously, but when the decision is taken the UK is invariably first in the league tables in implementation and enforcement."

This is shown by the UK's implementation into law of the Carbon Reduction Commitment and the Climate Change Bill. BASDA members such as @UK PLC have significant expertise in this area and can help organisations comply with the regulations.

Clear measurement of the current position is the first stage in being able to react to the new ethical and environmental position.

There are many areas where improved ethical or environmental choices improve financial performance. On an individual level having a few chickens or reducing your car emissions does make a difference. However, changing our organisation has a much larger affect. The public sector as the largest cohesive group of organisations in the country and individual public sector bodies have the ability to make a significant difference, by leading the way for the rest of the sector. BASDA members such as @UK PLC are keen to help you achieve this.

FOR MORE INFORMATION

The @UK PLC website is at www.uk-plc.net
BASDA is at www.basda.org