CONNECT FOR A
SUSTAINABLE FUTURE

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INTRODUCTION

With the UK government now working towards net-zero carbon emissions by 2050, sustainability is no longer something to aspire to. It is now an absolute necessity, for the future of our planet and companies will now be held accountable for the steps they take towards becoming more environmentally friendly.

Even before COVID-19, Information and Communication Technologies (ICT) accounted for 6-10% of global electricity consumption or 4% of our greenhouse gas emissions, with this figure increasing by 5-7% every year. This means that the internet and its services alone averages 400g of CO2 emitted per inhabitant each year.

These alarming figures have spurred many channel businesses into action, with the majority committing more resources to sustainability than ever before. This includes embracing a circular economy and devising initiatives that convert inefficient - as well as the redundant stock which is often single-use - into reusable technology inventory either as complete systems or their associated component parts.

Supporting a circular economy will be crucial on the road to a more eco-friendly IT Channel sector and can put businesses on the right path to achieving net-zero.

In this 'CONNECT for a Sustainable Future' report, you will be connected to the guidance, lessons learned and facts from key decision-makers across the UK IT channel. The report will discuss how changing business models, expanding propositions and ultimately transforming the industry can help Channel firms to survive this challenging time and make way for a more sustainable future.

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CONNECT: VOICE OF THE CHANNEL

This 'CONNECT for a Sustainable Future' guide is the first of four in the second series of 'How-to' reports, which are a part of our Channel Insight campaign, 'CONNECT: Voice of the Channel'. In April 2021, Agilitas launched its latest Channel Confidence Index, entitled New Horizons. This research came at a pivotal moment for the Channel industry and the wider world as we look towards post-COVID-19 and beyond.

While reflecting on the changes faced and preparing to meet future expectations, we measured the global IT channel's attitudes and curated trends, predictions, forecasts and commentary about the channel today and how to future-proof it for tomorrow. Despite 2020 being a challenging year, the Channel's confidence stayed strong, standing at an impressive 7.4 out of 10, just a fraction lower than the previous index in 2019 (7.6).

Channel Confidence Index

7.4

This year, sustainability was a core focus of our market research and this report will provide more insight into these findings. The research discussed in this report was conducted in February 2021 in partnership with respected research firm Opinion Matters. As in previous years, we surveyed 250 channel leaders working in UK-headquartered businesses with an annual turnover of more than £5 million.

AGILITAS SAYS

It is extremely positive to see that sustainability is moving up the agenda in the IT Channel and is a huge vote of confidence for our sector's future. Creating a circular economy is nothing short of essential to our industry and channel firms should be evaluating the decisions that are being made today, in terms of the environmental impact of technology, to better navigate the tomorrow.

Those in the IT Channel can expect high demands from customers for more transparency in how they are operating and what sustainable factors are being included. Sustainable practices have moved from a 'nice to have' to business-critical and it's clear that channel firms understand its importance - now is the time to match words with action.

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THE STATE OF SUSTAINABILITY

In the Channel Confidence Index 2021: New Horizons, channel leaders ranked sustainability as one of the highest areas of optimism for the year ahead, with more than 80% of respondents confident about the industry's ability to be more sustainable in 2021 and the years that follow.

With sustainability set to have significant importance over the next 12 months, this year's Channel Confidence Index also asked UK channel leaders how important sustainability is to their business, receiving a collective score of 7.8.

Those that placed sustainability highest in their agendas were IT distributors, scoring 8.4, who came in above independent solution providers (8), general technology solutions providers (7.9), IT resellers (7.7) and MSPs (7.4). This sentiment, however, is even more clearly defined by the collective score across Channel sectors. In fact, one quarter (25%) of all decision-makers surveyed gave the maximum score of 10 out of a possible 10 when asked how important sustainability is to their business. This was followed by the 21% who scored 9 and 22% scoring 8, with just one-third ranking 7 or below.

8
Independent Solution Providers

8.4
IT Distributors

7.9
General Tech Solution Providers

7.7
IT Resellers

7.4
MSPs

Beyond their own organisations, this research also explores the general outlook professionals have on the Channel as a whole and how it has fared vs how it will survive the immediate emergence from the pandemic. When asked how optimistic or pessimistic they were about the future of the IT Channel as a whole over the next 12 months, sustainable thinking in adopting eco-friendly processes into supply chains achieved highly optimistic results. Of those surveyed, the majority felt very optimistic about future sustainability efforts (scoring 8 and above - 54%), with those who felt more pessimistic (scoring 5 and below - 16%) only making up a small portion of the answers.

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Improving Company Sustainability

34%

Energy efficiency opportunities

34%

Remote working

31%

Reducing carbon emissions

29%

Educating Employees on how they can act sustainably

26%

Work to eliminate waste

The most important factors highlighted for improving a company's sustainability ranged from looking into **energy efficiency opportunities (34%)** to **encouraging remote working (34%)** and r**educing carbon emissions across organisations (31%)**. Other points raised were the need for **educating employees on how they can act sustainably (29%)** and **work to eliminate waste (26%)** within the organisation.

AGILITAS' CIRCULAR ECONOMY

SUSTAINABLE MODEL

MANUFACTURING

CONSUMPTION & USE

RECYCLING & REUSE

REDUCE CARBON FOOTPRINT

LOCAL SUPPLY CHAIN

60% OF DEVICES REPAIRED

AGILITAS SAYS

Our latest market insights clearly demonstrate that channel businesses are not only embracing the responsibilities of being a sustainable business but are committed and excited about the journey ahead. Changing behaviours and leading by example will transform the focus on the environment and educate other companies on the most environmentally friendly processes that will benefit their business, customers and the planet through greater efficiency. At Agilitas, we work hard to make this an essential part of our offering through a 'recycle, rework, reuse' approach that, when adopted on a wide scale, builds a more circular economy and better sustainability.

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WHO ARE THE CHANNEL CHANGE-MAKERS?

Sustainability initiatives can be successful within individual businesses, but for a real difference to be made, these methods must be rolled out industry-wide so that any successes can be replicated. This can only be achieved through collaboration and those working in the Channel sharing the same vision for how they want their companies to run in the future in order for sustainable supply chains to emerge.

An example of collaboration amongst technology players includes the Climate Neutral Data Centre Pact, where 24 cloud and data centre giants have come together to create a climate-neutral EU data centre industry by 2030. This goal is a vital part of the European Green Deal, which aims to establish Europe as the world's first climate-neutral continent by 2050, with all data centres in the EU becoming climate-neutral. This means that providers are committed to taking steps in minimising their carbon emissions so that they do not contribute to the onset of climate change.

Throughout our market research, we wanted to understand the current landscape, and which business types across the Channel sectors are the best poised to collaborate in a way that improves efficiency and drives a sustainable ecosystem.

This leads to the question of which IT Channel businesses are the most likely to invest in improving their sustainability credentials in the next 12 months? Our results revealed that **'born in the cloud'** providers were the **most likely (41%)** followed by **distributors (40%)** and **security firms (38%)**, with just **3%** of those surveyed answering that they **did not believe that IT Channel businesses would be making efforts to improve their current strategies in the next 12 months.**

Which IT Channel businesses are the most likely to invest in improving their sustainability credentials in the next 12 months?

41%
Born in the Cloud companies

40%
Distributors

38%
Security Firms
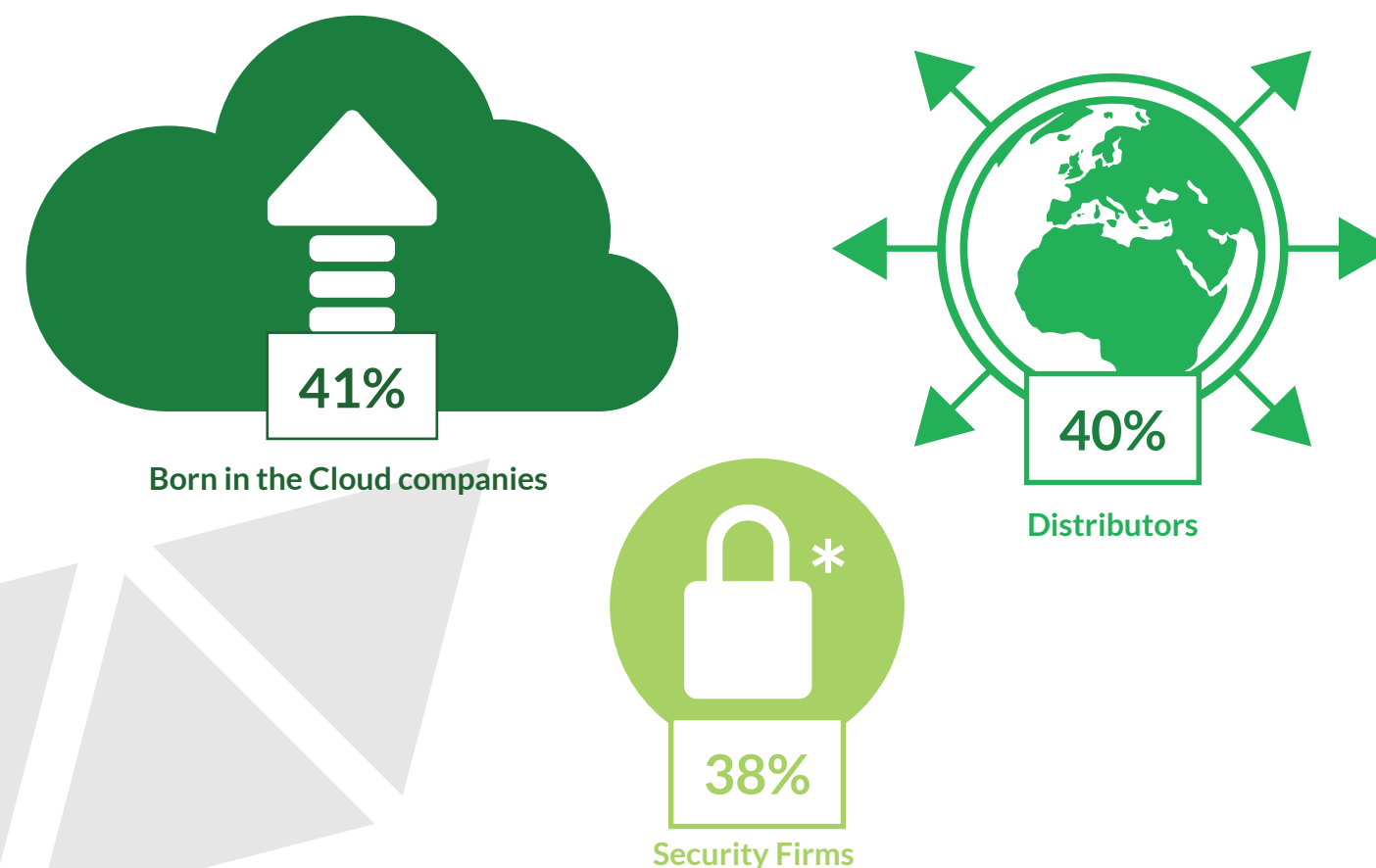
AGILITAS SAYS

In an ecosystem built on strong networks of partners, each Channel business has the responsibility of letting our vendors know what is becoming an increasing demand from the customer. We must have our own environmentally friendly values which will determine who we do business with. This ultimately creates this idea of the 'power of partnerships'. What's clear from the data is that almost every business has something to offer when it comes to investing in sustainability and the ones that can learn from each other, can create the most impactful relationships. Working together will launch Channel businesses towards a greener channel and planet.

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TAKING ACTION

Sustainability is no longer a tick in the box. Partners need genuine relationships that have the evidence and data to be satisfied with the sustainability factors that companies are promising. A mission to continually look at how a business can improve its environmental impact should be a commitment through customer engagements.

Timescales for implementing an effective sustainability strategy

for Channel businesses

When asked to disclose the predicted timescales for implementing an effective sustainability strategy, most **Channel businesses (29%) projected between six months and a year for a plan** to be integrated into their business plan. Responses also indicated that **24% anticipated a workable strategy would take one to two years to devise**, and **19% would estimate between three and six months** for their sustainability initiatives to get underway.

Because of the time and resources needed to make sufficient changes, it is the smaller, more agile companies - with 71% estimating between up to three months and a year - who are mobilising the fastest. They are adapting faster than industry giants who need much more detailed and complex strategies in order to make the changes needed within their businesses to meet sustainability targets, those staffing 250-500 employees (59%) forecasting it taking between three months and a year.

24%
A Year to Two Years

29%
Six months to a Year

19%
Three to Six Months

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Whatever the pace of change, taking steps to improve efficiency within an organisation will help to lay the foundations for a greener Channel sector. While the sole focus should be on building a more sustainable future for the planet, Channel decision-makers have also identified how important a circular economy will be for responding and adapting to change in years to come. When asked to identify which areas of their organisation they are implementing change in order to build resilience, 45% of respondents stated they had already begun driving their sustainability and circular economy efforts, with a further 40% committed to introducing them in the future.

AGILITAS SAYS

The manufacturing of technology is one of the main problems from an environmental impact perspective, as IT equipment is using a large amount of our natural resources. As a planet, we are running out of these materials and now is the time to take action. Businesses within the Channel must deliver on the promises that it has made in regards to sustainability and be transparent with its customers.

If companies haven't already done so, they need to put an environmental strategy in place and demonstrate the progress. Regardless of company size, companies must develop a sustainability roadmap to set goals for the future. By maximising the businesses circular economy, existing hardware can be reused. We are also in the midst of an automation revolution that will prove vital for reducing the need for technologies, vehicles and machinery which have previously used a large amount of energy.

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BUILDING A SUSTAINABLE FUTURE

Agilitas is prioritising sustainability and implementing practices as a matter of urgency in advance of the net-zero target. We have already actioned working as a circular economy by embracing a recycle and reuse culture across our technology equipment, repairing as many of our components and systems as possible and using parts of those devices that can't be fixed in other types of hardware.

Working throughout the pandemic has also shown us the power of technology, and the importance of including automation for daily tasks to make workforces more efficient, and how the power of the partnership has led to the birth of new strategic alliances that prioritise eco-friendly practices that may not have been considered before.

In September 2021, Agilitas announced a Sustainability Pledge committing to 'Act with Impact', to create a circular economy that supports a more sustainable and healthy future. This pledge is built around three core pillars - **Planet, People** and **Partners** - that drives us to place the planet at the heart of our business, build a sustainable culture and support partners with solutions and services that reduce environmental impact.

The Agilitas e-Ventory Charter was formed as part of Agilitas' commitment to delivering sustainable inventory management. The Charter outlines the elements of our services, operational and internal initiatives that contribute to this mission and support a circular economy.

This includes our 'Recycle, Rework, Reuse' model whereby in 60% of cases, Agilitas is able to repair a faulty part to OEM standards and place it back on the shelf to reuse. The Charter also features our core Inventory-as-a-Service proposition, which provides a best practice methodology where vendors can confidently access a robust End-of-Life supply chain that follows the strictest governance and inventory management policies.

e-VENTORY CHARTER
SUSTAINABLE INVENTORY MANAGEMENT

The Agilitas e-Ventory Charter was formed as part of Agilitas' commitment to delivering sustainable inventory management

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CONCLUSION

Sustainability in businesses provides organisations with an opportunity to explore the ways in which they can make their current strategies better. New ways of working have been embraced largely for the better, with challenges leading to different ways of delivering customer expectations seamlessly and ethically as well as in an environmentally friendly way.

As we pass 18 months of life with COVID 19, it will be exciting to see how Channel businesses embrace their futures with the optimism we have seen in our results, what sustainability measures they adopt, and how technology can continue to help businesses in the fight against climate change both now and in years to come. With critical net-zero targets in sight, those who mobilise change today will be best placed to drive the Channel and the planet towards a more sustainable future.

In our next report, 'CONNECT For Stronger Resilience', we will explore the vital role resilience plays in the channel industry and the ways it can be implemented. This includes supporting and empowering employees, taking advantage of the skills an outside source can offer and how collaboration is key to being resilient in the sector. Businesses must be seen to be agile, flexible and open to change, as well as being equipped to act effectively to disruption in many forms.

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Stay tuned to to our website and social media channels, following the #ChannelConfidenceIndex hashtag for further sustainability news, views and insights from across the UK IT channel.

https://pledge.agilitas.co.uk/

@AgilitasIT

Agilitas IT Solutions Limited

Agilitas IT Solutions
Limited Solutions House
6 Glaisdale Parkway
Nottingham
NG8 4GP

T: +44 (0)115 919 6000
F: +44 (0)115 919 3900
E: info@agilitas.co.uk
W: agilitas.co.uk

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