

Green technology can mean savings, companies find

By Eric Sylvers

It is not exactly an economic climate conducive to rolling out new, and often costly, technology. Or is it?

In fact, the crisis might be just the impetus companies need to help clean up the environment. Faced with the need to cut costs, some companies are turning to ecologically friendly technologies that could streamline production and save money in the long run, industry insiders and environmental activists said.

"It would seem to be a hard time to make the case for 'green' to companies, but we're finding that it's absolutely in a company's bottom-line interest to be producing the cleanest, most efficient, most innovative products," said Elizabeth Sturcken, the managing director of corporate partnerships based in San Francisco for the Environmental Defense Fund, a nonprofit organization.

"Those are the companies whose market share will grow," Sturcken said. "And if they aren't ahead of the curve, they'll get hit from behind in this international marketplace."

At CeBit, interest in clean, efficient products grows amid crisis

Many of those technologies will be on display at the CeBit technology fair that begins Tuesday in Hannover, Germany.

In a bid to promote and capitalize on the trend, CeBit organizers are repeating "Green IT World," a part of the fair that debuted last year. It will be five times bigger

this year and have its own dedicated pavilion.

Half of the people planning to attend the fair have indicated they would go to the Green IT pavilion, said Sven Prüser, a senior vice president in charge of CeBit for the fair organizer, Deutsche Messe.

"Green IT will be one of the main topics this year, not because people are getting so green, but because they want to save money and they understand this is a way to do that," Prüser said. "Everybody is looking to find solutions to improve efficiency and overcome the present economic situation."

"Last year we only talked about how to save energy in certain specific situations," he continued. "This year the discussion has expanded to include, for example, how can I use information and communications technology to save energy in car production. Lots of people in the automotive industry will come; they want to see where they can save money."

Another area introduced at last year's fair that will be expanded this week by companies at CeBit is how to



Wiebke Langefeld for Deutsche Messe AG

This year's CeBit trade fair in Hannover, Germany, will display more ecologically friendly technologies as some companies, facing the need to cut costs, seek products that could streamline production and save money in the long run.

improve the energy efficiency of data centers, where large amounts of computing equipment are kept.

The centers typically consume a lot of electricity; they have backup power ready in case of a power outage, some systems are duplicated to protect data and the computers are kept very cool. Using ecologically friendly technology can lower energy use by 30 percent, according to some analysts.

With economies worldwide reeling, a decline in attendance at CeBit was perhaps inevitable. This year, 4,300 companies will display their wares, 26 percent fewer than last year, which was already down 5 percent from 2007.

"There will be many fewer Asian companies this year," Prüser said. "We don't know yet what the drop will be, but it will be significant."

There will also be fewer new gadgets introduced, a trend that is continuing from previous years as CeBit loses out to other technology fairs. Many mobile phone companies will also take a lower profile this week because they have already made their product announcements at the Mobile World Congress in Barcelona in February.

There will nonetheless be glitzy displays showing off

the latest televisions, DVD players, game consoles and other devices — many of which will be branded as "energy efficient" — although the general atmosphere is expected to be more muted than in past years as the world economy battles the worst recession since the 1930s.

Much of the technology introduced at CeBit will be targeting companies rather than consumers. One example will show ways to use database technology to more efficiently transmit energy from wind farms to populated and industrial areas that need the electricity, Prüser said.

To enhance its environmental credentials, CeBit invited California to be a partner. California has often taken the lead on environmental issues when the U.S. government has failed to mount a concerted effort to promote a reduction in energy consumption on a national scale.

"In Environmental Defense Fund's first Innovations Review, where we searched for things companies were doing or producing that were environmentally superior, good for business and ripe to be widely adopted, the overwhelming number of innovations were from California companies," Sturcken said.

Sturcken and others are working to convince companies that sustaining higher costs now to upgrade equipment and have a smaller impact on the environment can translate into bigger savings later. Consumers have so far shown themselves largely unwilling to pay more for an "environmentally friendly" device that uses electricity more efficiently or was made with recycled plastics, but more efficient production processes that use less electricity could produce savings that companies could pass on to consumers.

Part of the process of getting companies to commit to more efficient use of energy is convincing them that now is the time to act.

"One thing for sure is that the economic stress we are going through is temporary, and if you don't believe that, you have larger issues to contend with than the current problems," said Tom Reddoch, executive director of energy utilization for the Electric Power Research Institute, a utility industry consortium.

"If you look in the long run and don't think survival is the issue, then this is the time to act," Reddoch said. "This is the best time to get both companies and consumers to move in the right direction toward energy efficiency."