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FUTURE PERSPECTIVE

Burson-Marsteller
Europe, Middle East & Africa

Strategic Research
and Innovation

CORPORATE RESPONSIBILITY

BIODIVERSITY TIME BOMB

Biodiversity is the term given to the variety of life on Earth and the natural patterns it forms. What we see today is the fruit of billions of years of evolution, shaped by natural processes and, increasingly, by the influence of humans. Whilst biodiversity is often understood in terms of the wide variety of plants, animals & micro-organisms, it also includes genetic differences within each species e.g. crop varieties or livestock breeds.

n each ecosystem, all living creatures form a community – a web of life - interacting with one another and with the air, water, and soil around them.

➜ The majority of businesses depend on the earth's biological resources as essential components and services for their day-to-day activities, such as clean water and raw materials. It is therefore important that there is an ongoing supply of these resources to ensure the viability of the business.

World leaders failed to deliver commitments made in 2002 to stem the global rate of biodiversity loss by 2010 and have instead overseen alarming rates of decline.

➜ The World Wildlife Fund estimates that global biodiversity has declined by 27% in the last 35 years.

➜ Recent reports have warned that species are disappearing at up to 1,000 times the natural rate of disappearance because of human activity and now climate change.

➜ The abundance of vertebrate species, based on assessed populations, fell by nearly a third on average between 1970 and 2006, and continues to fall worldwide.

Corporate View

➜ Research by McKinsey has shown that 59% of executives see biodiversity as more of an opportunity than a risk for their companies e.g. bolstering corporate reputations with environmentally conscious stakeholders by preserving biodiversity and developing new products or ideas from renewable, natural resources.

➜ 12% say their companies face a significant risk of a shortage of crucial inputs to their products resulting from biodiversity issues. Many more say they will face pressure to change operations or products and services to reduce their impact on biodiversity.

The existence of the 2010 biodiversity target has helped to stimulate important action to safeguard biodiversity.

➜ Some 170 countries now have national biodiversity strategies and action plans. Financial resources have been mobilised and progress has been made in developing mechanisms for research, monitoring and scientific assessment of biodiversity.

➜ However, there is still a high risk of dramatic biodiversity loss and damage to a broad range of ecosystem services if ecosystems are pushed beyond certain thresholds or tipping points, see Biodiversity Hotspots.

Best practice

➜ Rio Tinto adopted a "Net Positive Impact" commitment on biodiversity . This sees it working with environment organisations to protect important areas from direct mining impacts and putting funds into conservation to "offset" damage caused.

➜ Syngenta recently launched Operation Pollinator, a scheme to restore important bee habitat. It hopes to help curb the ongoing bee decline in Europe and North America.

TECHNOLOGY
GETTING CLOUDIER OUT THERE

Cloud computing is a general term for anything that involves delivering hosted services over the Internet. These services are broadly divided into three categories: Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS) and Software-as-a-Service (SaaS). The name cloud computing was inspired by the cloud symbol that's often used to represent the Internet in flowcharts and diagrams.

It's worming its way into the enterprise, especially as a testing and development environment and as a platform for less than critical apps and services.

→ Over the past four years, Amazon Web Services has become the world's leading provider of cloud computing -- EC2 (Elastic Compute Cloud)-- a solution that has seen rocketing growth.

→ Large enterprises are building their own private clouds. IBM announced its "Blue Cloud" initiative two years ago. The company has already built 13 massive data centres around the world and is adding more every quarter.

→ Most people do not associate Microsoft with cloud computing. However, with the rise of Azure and Microsoft Office Web Apps, Microsoft will find itself well placed in the clouds.

A move to simpler pricing models
→ Amazon, for instance, has a calculator for estimating the cost of bandwidth transfers, load balancing and elastic IP. 2010 may see a proliferation of "all-you-can-eat pricing models," where a user contracts for a set number of hours that includes a range of services.

Security concerns
→ Concerns about security risk of cloud computing will greatly decrease once it is fully implemented and understood.

→ The argument over transparency vs. secrecy in cloud computing is leading to a culture clash between the more traditional ways of handling data outsourcing and the newer cloud-computing utility methods and mindset.
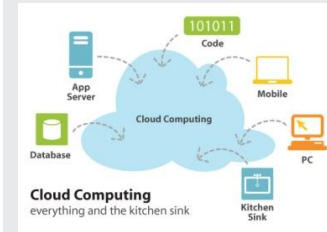
Performance monitoring will become ubiquitous
→ While we have seen Gmail go down a few times, for the most part we've not had a major outage of a large cloud computing provider. However, two things will change that record: the rapid rise of the use of cloud computing providers, and the fact that most of these providers are still testing and refining their platforms.

→ Cloud services are largely public, consumer-delivery services, and whenever any of the big cloud providers has a data centre hiccup it's immediately noticed. Cloud providers are under increasing pressure for tell-all reports on their outages, and there's near-constant scrutiny from a seemingly increasing number of third parties with comparative score cards and glitch reports.

Transformation of an Industry
→ Cloud computing will help IT management focus more on business innovation than on infrastructure management. In turn, IT management must learn to judge IT processes in terms of how they fit in the organization's overall business strategy.

→ Research conducted by IDC revealed that while 82% of UK firms admit they are aware that they need to back-up, only 16% are using a cloud-based service to do so.

→ A new report from Gartner suggests that around 75% of companies will eventually use the cloud as their primary supplier of email and collaboration tools, but said that this would take at least until 2020.

CORPORATE/FINANCIAL
HIGH TRANSPARENCY BANKING

Until recently, most traditional banks did not practice "green" banking or actively seek investment opportunities in environmentally-friendly sectors or businesses. However, nimbler banks are rethinking their roles in society. They're actively strengthening communities beyond traditional philanthropy and opening their books with greater transparency. Internally, they're enabling employees to redefine what banks should offer customers. And some are demonstrating value to shareholders by measuring success with a triple bottom line.

Shift to Sustainability Under Way
➜ The liability of lenders and borrowers to meet financial obligations, ecological deficits, and business opportunities is key to this marriage between banking and sustainability.
➜ Although these companies may differ in their motivations for increasing environmental products (e.g. to enhance long-term growth prospects, or align with sustainability principles), the growth, variety and innovation behind such developments suggest that we are witnessing a promising drive towards bringing "green" financial products into mainstream banking.
➜ Proactive governmental policy, such as the EU CO2 Emissions Trading Scheme, German feed-in-tariffs for renewable energy and Dutch Green Funds, has helped trigger both demand for, and development of, "greener" consumer options. This policy support has also reinforced environmental attitudes and behaviour among the general public, while establishing high degrees of market certainty for environmental commodities and services.

NGO and Shareholder Activism
➜ NGOs and vocal shareholders are increasingly demanding that financial institutions put in place sustainable banking policies and lending practices. These groups focus on influencing the activities of banks through research, international campaigns, outreach, social and environmental monitoring, strategy development and partnerships.

Follow the Leaders
➜ The principal challenge for banks is to create effective and far-reaching market-based solutions to address environmental problems, including climate change, deforestation, air quality issues and biodiversity loss.
➜ After HSBC was given the Financial Times 2005 Sustainable Bank of the Year Award, other UK, Swiss and French banks decided to follow its lead in actively pursuing corporate carbon neutrality.
➜ Triodos Bank is now the global leader in ethical and sustainable banking.
➜ BNP Paribas has developed a wide expertise in carbon financing and has a significant carbon credits portfolio, exceeding 25 million tonnes by 2012.
➜ Banks are innovating in the two main areas where green changes can make the most difference environmentally: travel and real estate.
➜ The conservative party recently launched the Green Investment Bank. This was to support the next generation of British green technology companies, helping to rebalance the economy and generating new jobs and economic growth.

• The wide range of internal opportunities to address sustainability in a bank's operations, from corporate policy to energy reduction measures, shows that alleviating environmental problems can be a logical extension of general business in this sector – and in many others.

• Potential organizational areas and practices that may feature sustainability issues include:
  ▪ organizational policy, practice and services
  ▪ supply chain choices and demands
  ▪ business development
  ▪ reporting
  ▪ public policy outreach
  ▪ stakeholder engagement
  ▪ research collaboration with other governmental and non-governmental entities
  ▪ institutional donations or other philanthropic efforts.

READ: THE "GOODBANK MODEL" RECONNECTING MONEY & MEANING http://bit.ly/AUTl1

HR/ORGANISATION/DIGITAL
DEATH 2.0

Benjamin Franklin said, "The only things certain in life are death and taxes". In thinking of your future, it's unlikely that you have ever given much consideration to your digital legacy. But, given the amount of information we now share online, it would be advisable to do so.

Social Networks lead the way

➔ The last thing on someone's mind when they're about to die is what's going to happen to their Facebook account. But with 500 million people on the social network, user deaths are pretty unavoidable. Have you ever thought about how you will live online when you've passed away in real life?

➔ Fortunately, social networks have already started to put policies and provisions in place to deal with such issues. Facebook created the idea of "memorialized" profiles as a place where people can save and share their memories of those who've passed.

➔ Twitter has released a deceased policy that will hopefully be a step toward removing dead users from their recommendation engine. It would appear, however, that the social network has not yet announced the policy which will help family and friends of loved ones to retrieve an archive of their tweets or remove the account.

Taking Passwords to the Grave

➔ As more and more people move their lives, address books, calendars, financial information, online, they are taking a risk that some information formerly filed away in folders and desks might never be recovered. That is, unless they share their passwords, which poses a considerable security threat.

➔ The situation also poses a dilemma for e-mail providers that are pilloried by privacy rights advocates at the mere suggestion of sensitive data being exposed, at the same time they are expected to hand over the digital keys to family members when a customer dies.

➔ Last year, Yahoo was forced to provide access to the e-mail of a U.S. Marine killed in Iraq to his father, who got a court order in the matter.

Gone but not forgotten

➔ The world of gravestones and memorials has remained unchanged for centuries, but we are finally seeing companies innovating in this space and bringing the cemetery into the digital age.

➔ For example, RosettaStone is a palm-sized stone tablet with an embedded microchip and engraved symbols that can be selected to represent key milestones or affiliations in the deceased's life. The RosettaStone can be preinstalled in a new gravestone or added to an existing one to create a technologically enhanced memorial that will allow future site visitors to read the deceased's story from a mobile device. Photos and text can be linked , including genealogical information, achievements and relationships or even favourite recipes and philosophical beliefs.

➔ Virtual immortality may soon be achieved. Vastly improving information storage and processing and sophisticated virtual-reality graphics already create nearly lifelike experiences. Researchers now hope to combine artificial intelligence into the mix. People's appearance, mannerisms, voice, and even their knowledge and experience may one day be digitized, creating a virtual person that would preserve much of our personalities for eternity.

COMMUNICATIONS TAKEOUT

Planning Ahead

- No-one likes to plan for after their death let alone think about the possibility of death itself. But in an increasingly digital world we've happily included technology as part of our lives, now we must include it in our plans for the management of our estates.
- HR and legal departments should look at what amendments may be needed to social media policies to encompass digital copyright.
- Here are a few [non legally binding] suggestions for getting your e-affairs in order:

READ: PLANNING YOUR DIGITAL ESTATE: DEALING WITH ONLINE DATA AFTER DEATH
http://bit.ly/u4Rgz

CONTACT

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