

# **THE BUSINESS CASE: A Brief Overview of Sustainability at IO (pt. 3) - IO**



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# IO Blog



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I'm passionate about sustainability, period.

Drop me into any company and I'll end up fighting for more sustainable business practices. I know that thinking longer term and more inclusively about strategy strengthens business.

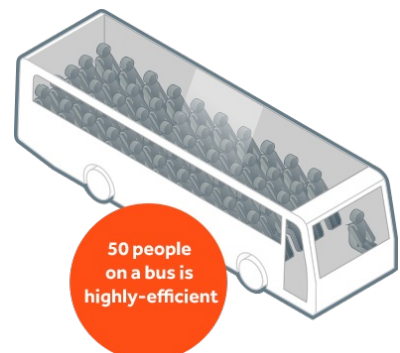
But I'm not in just any industry.

One of the reasons I'm in the data center industry in particular is that this alignment between good 20<sup>th</sup> century "classic" business strategy and good sustainability strategy is so strong. There are tangible reasons for pursuing sustainability strategies. In short – it increases business competitiveness and profitability.

### THE BUSINESS CASE FOR SUSTAINABILITY

#### Cost Reduction

- **Operational efficiency** – Data centers spend the majority of their operating costs on energy. This energy requires carbon emissions at the power plant and is therefore the source of the largest environmental impact for those in our industry. Finding energy efficiency reduces one of the largest costs and one of the largest sources of emissions simultaneously.
- **Decreased cost exposure** – Sustainability in the data center means looking beyond energy at the materials that make up the product (like we did with MIT recently). Minimizing or eliminating the use of



materials that are hazardous, scarce or difficult to create or dispose of means decreasing exposure to the items that are most likely to be subject to future price increases, either by their scarcity or via new regulation.

### **Risk Mitigation**

- **Reduced input risk** – Data centers are intently focused on risk and uptime. Reducing, reusing and recycling everything from energy to materials decreases environmental impact and also hedges risk associated with inputs. How many more hours do we get out of our back up water storage tanks if we can drop PUE by 10%?
- **Stronger systems** – If we can manage our utility interaction via Intelligent Control, we will reduce the number of outages per year that the grid experiences. The same benefits are found across the many systems that our involvement strengthens.
- **Public Image** – Overall, the data center industry uses large and increasing amount of land, energy, water, and raw materials, and is creating a growing amount of waste in the process. We are moving into the spotlight. Environmental activist groups can, will and should place pressure on companies that lag or act irresponsibly. In that same spotlight they may also highlight industry leaders for comparison, boosting brand value for those firms in the process.

### **Inbound Benefits**

- **Attract and close “green” customers** – The world’s leading companies have set sustainability goals, including carbon emissions reductions. They face a “cost curve for greenhouse gas abatement” of their own. Many see emissions from data centers for what they are – a place of great opportunity to drive emissions reductions. Progressive companies will increasingly be drawn towards digital infrastructure that can give them more capability while reducing emissions. That is what IO provides.
- **Attract the right people** – Sustainability is the largest, most complex and most important challenge mankind has ever faced. Those who are drawn to companies that think about it proactively are inspired by the challenge of finding innovative solutions to big, complex problems. Those are exactly the people that IO is looking for across all disciplines and job functions.
- **Attract innovative partners, suppliers and other stakeholders** – Sustainability companies are exploring new technologies, new business models and new ways of changing behavior for the better. These companies are at the forefront of innovation, like IO. We must fly our “sustainability banner” to let others know we are a friendly port and open for trade.

### **Increased Business Opportunity**

- **Sustainability is top of mind where IO wants to do business** – Innovative economies are thinking hard about the role of digital infrastructure in their futures. Their progressive mindset includes forward thinking attitudes towards sustainability.
- **Sustainability is a driver of R&D** – Data centers focused only on PUE will miss opportunities for superior design and performance. A

progressive sustainability team is responsible for understanding larger systems and their limitations. By scanning the horizon we can spot opportunities first.

- **Regulators like good corporate citizens** – Progressive companies are invited to the table to help define the future regulatory environment. We saw this recently when our President testified to Congress. There are many conversations ahead around sustainability in the regulatory sector. We want to have a respected voice.

### Conclusion:

IO is a complex company. We design hardware and software, operate data centers, sell products and services, run a factory, manage a supply chain and additionally have all the “normal” operations of a technology company. It’s a complex organization, and sustainability itself is complex.

So why all the effort? It’s not just that we have a supportive executive team that “gets it” and opportunity to make more money. There’s also the awe-inspiring impact that IO can have on the world. Our vision is to be the sole provider of data center infrastructure. Our platform will, for the first time, allow demand for energy and water to move at the speed of light, as quickly as the digits that drive consumption within our infrastructure. We can follow where the wind is blowing, or where the sun is shining. We can minimize grid blackouts and avoid regions experiencing drought or security threats. The energy and water industries have always been tied to localized, unpredictable demand. We can bring liquidity to that marketplace on a massive scale. We can simultaneously improve performance in terms of cost, reliability and security, and improve environmental and social impact.

**IO will set an example for doing well while doing good.**

*Patrick Flynn is the Lead Sustainability Strategist at IO. He holds an MBA from the MIT Sloan School of Management as well as a BS in Mechanical Engineering from Stanford University. His work includes identifying, prioritizing and implementing a wide array of projects within IO’s operations and product platform. He is a Professional Engineer (HVAC) and LEED Accredited Professional.*

Tags: business, capacity, data center, operational efficiency, Patrick Flynn, sustainability

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