Climate Innovators: Achieving Corporate Sustainability Goals

From going paperless to improving the top and bottom lines, ESG (environmental, social and governance) initiatives have assumed a place among the top priorities for business and IT leaders. Read on to discover insights to inform your sustainability strategy.
Welcome to the New Paperless Era

Sustainability calculator benchmarks your progress
Is the paperless era on the way? Surprise, surprise: We are already in it. For decades progressive tech leaders have claimed that the next technology will reduce paper waste; office clutter; and, more recently, climate concerns. Fast-forward to today, when a recent McKinsey report found that a digitally enabled environment, even one as clinical as a laboratory, can achieve 80% paperless operations. We are more ready for a paperless world than we think.

The first gauge is how seriously corporations are taking their environmental, social, and governance (ESG) initiatives. According to an Accenture study, high-scoring ESG companies got 2.5 times the shareholder returns of average-scoring companies from 2013 to 2020.

Going paperless isn’t just about boosting the environmental in ESG but also the social: Three out of five customers are deciding whether to purchase based on ESG performance and, notably, brand transparency about those very measurements. Digitizing to reduce paper can also make documents more mobile and accessible to a wider variety of consumers as well as employees, adding to the ESG conversation.

Until recently, this was easier said than done. Although technology platforms have progressed enough to create fast, secure paper alternatives, several barriers to paperless records, including “[p]oor interoperability between health record systems and other data sources ... [p]oor usability, challenging registration processes, and accessibility requirements” have been cited in recent studies.¹

Today cloud backups, shorter software upgrade cycles, and better interoperability are becoming commonplace — enough for even medical records to migrate from analog to digital.

Paperless gains traction, but perceptions outstrip reality

The paperless wave goes well beyond clear advantages in the medical and other tech-forward fields. The impact can also be found in countless other areas, from aerospace, which can better disseminate and update safety protocols electronically to in-house as well as field employees, to utilities, which are able to meet customer expectations for electronic communications.
However, achieving sustainability goals such as going paperless isn’t easy. According to a recent Schneider Electric survey, about half of all tech leaders think or hope they are more advanced with their sustainability programs than they are in reality. In fact, only one out of every five (22%) can say, “We have a full life-cycle sustainability program in place now covering all our IT infrastructure.”

Growth in ESG has been accelerated by the COVID-19 pandemic, specifically work-from-home (WFH) initiatives. According to an IDC study, use of printed pages saw a 2% increase in 2021 over 2020 but still remained below prepandemic levels and is expected to drop even more annually through 2025. In short, your workers doing WFH or even hybrid work now are in the habit of using less paper in their home office. They may not only accept a paperless office but even expect it.

Luckily, if you feel behind in the paperless era, there are plenty of resources available to help you understand the benefits of beginning a paperless strategy before you reallocate valuable resources. You can calculate an estimate of how digitization is impacting your business now, using the OpenText sustainability calculator.

1 “Patient empowerment through online access to health records,” BMJ, 2022.
Going Paperless? A Host of Proven Benefits Awaits

Saving trees is just the start of a transformational journey
“Do well by doing good” is a piece of sound advice made famous by Benjamin Franklin. Today doing good by meeting sustainability goals is high on the priority list of organizations of all kinds. But can boosting sustainability also help a company do well?

When it comes to eliminating paper, the answer is a resounding yes. Because one tree equates to 10,000 pages of paper, countless trees can be saved if companies worldwide go paperless. And the use of paper, besides being costly to the environment, is costly to businesses. Consider the need to purchase, receive, store, and distribute reams of paper throughout an organization. And after work is done, paper must be collected and recycled or archived. It’s a labor-, resource-, and cost-intensive process from beginning to end.

Digitizing documents and storing them as data is far more cost-effective. For example, an AIIM survey of nearly 30,000 CFOs found that capturing information from invoices can make employees four times as productive.1 And eliminating the manual processes that paper requires will enable any organization to accelerate workflows. But going paperless means more than just scanning documents and storing optical-character-recognition (OCR) data as digital files. Going paperless also provides the opportunity to implement information management so that information is accurate, contextual, and searchable. The result is a more agile, responsive organization— one that will more effectively meet customer and partner needs while keeping costs under control.

The role of cloud-based services in going paperless

Consider the case of TIM S/A, a large Latin American mobile telecommunications provider that once relied on paper invoices to bill its 18 million customers, resulting in delayed processing, busy call centers, and costly 10-year archival storage. When the carrier implemented an e-billing system using OpenText technologies, it shed the burden of
paper to streamline invoice workflows and storage while empowering customers to access their bills through multiple channels, such as email, Short Message Service (SMS), and messenger apps.

OpenText offers three highly valuable cloud-based services that will make it possible for your organization to capitalize on the paperless opportunity:

1. Businesses must communicate with each other — that’s what the supply chain is all about — mailings, faxes, and printed forms bog down these communications, however OpenText™ Business Network Cloud is an end-to-end integrated digital backbone and ecosystem that seamlessly connects external business environments to internal business systems. It enables you to plug into a network of more than one million companies to accelerate new-trading-partner onboarding. And you can do it digitally — without having to shuffle paper back and forth — and therefore without being held back from scalable growth or missing out on data insights because of data quality concerns and poor tracking.

2. Moving beyond paper to automate digital tasks, OpenText Content Cloud™ seamlessly integrates relevant content into workflows so your people can work faster and smarter. Capabilities such as capture and e-signature help automate and digitize paper-based processes for greater efficiency. By transforming paper into business-ready content, improving capture flows, and digitizing tasks, organizations can easily embrace more sustainable business practices.

3. To meet the growing expectations of customers who want their encounters to be engaging, highly personalized, and omnichannel, OpenText™ Experience Cloud helps organizations efficiently deliver relevant, content-based experiences. By digitizing interactions such as billing, organizations can improve customer satisfaction while boosting their own productivity. And digitizing fax communications helps modernize and streamline operations while removing the burden of paper.

Bottom line
Eliminating paper presents a singular opportunity to do good while doing very well indeed. No doubt Ben Franklin would smile.

Learn more about how OpenText can help you reap the benefits of digitization.

1 AIIM, Market Intelligence, 2015.
How to Build the Infrastructure for Paperless Business Communications

Track results because it’s all about outcomes
Conducting paperless business is a vital strategy for advancing sustainability initiatives. But going paperless is not as easy as flipping a switch.

Whether you are just beginning the digitization process or are accelerating ongoing initiatives, the first step is to get funding for the transition. To overcome hesitancy about sustainability spending, explain to the board how doing away with paper will help achieve corporate environmental, social, and governance (ESG) objectives as well as accelerate business processes, improve customer service, and lower costs.

Once you’ve made the case and gotten the funding, it’s time to get started. All organizations are different, but many have several processes that are ripe for digitization: fax, billing, supply chain, and e-signatures. To minimize disruption, tackle one project at a time, building in integration with enterprise-resource-planning (ERP) and other essential applications as you go. Track your progress, and deliver ROI reports so the board can see that the investment is paying off — both to hit ESG targets and to achieve greater business efficiency.

Fax
Paper-based fax still plays an important role in some industries — healthcare is a prime example. Although electronic-medical-record (EMR) systems have become pervasive, lab results, referrals, letters, and prescriptions are still often written out by hand and faxed to pharmacies, doctors’ offices, or healthcare institutions. The best approach is to integrate paperless fax with an EMR system, starting small with prescriptions and then building to include other documents. Integration with an email system will speed the flow of documents both inside and outside the medical institution. The productivity gains can be dramatic for organizations that might handle one million or more faxes per month.

Billing
Digitizing the myriad documents on which a business runs — such as bills, purchase orders, and letters — makes them available to customers as PDF documents. This can be
particularly beneficial to public utility customers, who can now receive prompt and convenient communications through multiple channels such as mobile devices via email, SMS, and push notifications. Integration of a digital billing system with an ERP system speeds workflows and helps achieve sustainability goals. And experience has shown that sending reminders to customers via their preferred channel reduces outstanding payments, improves payment rates, and decreases the need for follow-up reminders.

Supply chain
Deforestation is a major contributor to climate change, accounting for 20% of global greenhouse gas emissions. Growing organizations need to get past paper to achieve sustainability goals. To that end, electronic data interchange (EDI) is a proven technology with a decades-long track record in digitizing the document exchange process. By working with an experienced EDI partner, organizations can tailor their EDI solutions to optimize the data interchange between manufacturers, suppliers, and customers. The result: Orders are filled rapidly, customers receive shipments faster, and sustainability goals are hit.

E-signatures
A personal signature is still required for many business processes to move forward, whether they are customer purchases, material orders, or employee communications. But the task of printing documents and then signing, scanning, and sending them can drag down any workflow. Even when e-signature capabilities are added, they can impede processes when users must log into a separate portal to sign. A far better approach is to integrate an e-signature module into a workflow so signing is a seamless step.

It’s all about outcomes
Track the amount of paper you are eliminating, so you can report back to the board that the money that has been budgeted for ESG has been well spent. Use the OpenText sustainability calculator to do the math and generate a report customized for your organization. And make sure activist investors, competitors, and the public hear about it. Let them know you are making good on your pledge.

Learn more about how digitization can improve your business and help you reach your corporate ESG goals.
Sustainability Gains C-Suite Attention
Research shows that profits and prudence can coexist
New case studies show that you don’t need to sacrifice profits to do good. In fact, data shows that the stronger your ESG strategy, the bigger ROI you can expect.

The environmental, social, and governance (ESG) discussion is becoming a topic in more and more C-suites. The misconception, though, is that ESG efforts are inversely proportional to ROI. But new case studies show that you don’t need to sacrifice profits to do good. In fact, data shows that the stronger your ESG strategy, the bigger ROI you can expect.

The past decade of ESG evolution has given us enough time to see the true return on investment. The ROI cannot be denied: Accenture’s “ESG Measurement Study” found that from 2013 to 2020, companies scoring high on ESG factors got nearly three times (2.6x) the shareholder returns that companies scoring average did.

These numbers reflect the ROI before the recent uptick in ESG initiatives and strategy triggered by increasing climate change issues, environmental concerns spurred by the pandemic, and other more recent developments. As Reuters reports, “Extreme weather [is] becoming more frequent and events highlighting social issues... contributed to ESG rising to the top of the
agenda of investors, companies and policy makers.”

The ESG ROI isn't just in building profit but also in saving capital. **McKinsey estimates** that a “better ESG score translates to about a 10 percent lower cost of capital as the risks that affect your business, in terms of its license to operate, are reduced if you have a strong ESG proposition.” And as governments get more involved, a weak ESG approach may limit your ability to do business.

### Putting ESG First

The same can be said for customers and how you are able to serve them. When it comes to business-to-consumer, studies show that approximately three out of every five customers are basing their purchasing decisions on brand transparency and ESG performance. The social media era enables negative ESG information or misinformation to spread quickly, informing existing and potential customers about where your company does or doesn't stand on sustainability. Business-to-business can be limited by customers' ESG criteria, whether in terms of legal limitations or cultural standards.

It becomes even more complex for attracting the right people, as top talent is just as likely to judge prospective employers on social policies as on traditional markers such as salary opportunities and upward mobility.

It also affects how capital is being allocated and raised. **Two out of every five investors are invested in ESG investment vehicles (39%),** up from one out of every three investors in 2020. It means that investors of all stripes — from individuals to massive funds — are looking under the proverbial hood not only at profit margins but also at the relative environmental relationship, the social impact, and the overall governance policies. And in 2021 a record **$649 billion went into ESG-focused funds.** Expect this interest to increase as climate and social justice issues increase worldwide.

Of note, **an EY survey found that one out of every five investors who have decided not to invest with a fund manager** have done so because its ESG policies were inadequate. ESG will absolutely have an impact on your funding. It almost certainly has already hit your bottom line and relative growth.

Fortunately, there are tools available to help you understand the potential results of your ESG strategy before you reallocate valuable resources. You can calculate an estimate of how ESG could impact your business now, **using the OpenText™ Climate Innovator calculator,** and learn about steps you can take to a more sustainable future.
A New Paradigm of Corporate Sustainability

Driving business value through sustainable transformation
Sustainability has become a mainstream business topic that is reshaping organizations globally, across all industries. In IDC’s recent “Sustainability Technology Survey,” over 80% of the respondents indicated that environmental and social issues were key priorities for their sustainability initiatives. Although this is not a new topic, environmental, social, and governance (ESG) approaches have evolved significantly over the past few years, fueled by interest from various stakeholder groups, including investors, regulators, customers and consumers, and employees. Instead of looking at sustainability primarily as a cost or reputational risk factor, many organizations are trying to respond to this stakeholder pressure by looking at sustainability as a competitive differentiator that can improve their operational and financial performance.

As sustainability is becoming more intertwined with organizations’ business strategies, executives are applying a more deliberate, materiality-driven lens to those ESG issues that have the greatest impact on their organization’s enterprise value. In the “Sustainability Technology Survey,” when asked what business outcomes they have achieved by implementing sustainability into existing business operations, 60% of the respondents cited improved operational efficiency, 58% of them cited improved customer loyalty, and 57% cited improved employee engagement.

To succeed in this new sustainability-first business world, organizations need to rethink their strategies, organizational and operational models, and technology investments. In fact, IT constitutes a key enabler for sustainable business transformation, as organizations are relying heavily on the collection, reporting, and analysis of nonfinancial (ESG) data to satisfy regulatory requirements but also enable their employees to make better and more informed business decisions. According to IDC’s survey data (see Figure 1), sustainability factors have become critical selection criteria for IT buyers’ vendor selection process, in the context of purchasing technology that is more sustainable (e.g., for more-energy-efficient IT infrastructure) or enabling their sustainability indirectly (e.g., through the ESG-related functionality that software is able to provide).

Modern-day sustainability approaches also incorporate a larger variety of topic areas, including greenhouse gas (GHG) and other
emissions, water usage, waste management, and biodiversity impact but also human capital topics such as diversity, equity, and inclusion; social capital topics, including human rights management and product safety; and governance issues such as business ethics. The variety of ESG issue areas and the scope of their impact require organizations to align their organizational responsibilities across functions or even create entirely new roles, such as sustainability officer. This, again, requires a technology foundation that can enable personas in different parts of the organization to contribute their part to the operationalization of ESG into daily operations, corporate culture, product strategy, and the ESG reporting process.

Naturally, organizations are currently at different stages of the sustainable business maturity curve. Those organizations that manage to fully transform can expect to experience higher financial returns, lower risk profiles, enhanced brand reputation, and improved customer and employee experiences. Many IT vendors have positioned themselves to facilitate that transformation, either by offering clients outsourcing services for certain parts of their operations (such as through more sustainably run cloud services) or by offering technologies that can directly impact clients' operational ESG footprint. Organizations, which no longer must choose between positive financial returns and their impact on society and the environment, have the opportunity to “do well by doing good.”
Thank you for reading.