

**GIO Podcast Series: Transcript for Environmentally Friendly Innovation
An Innovation Conversation with IBM and SCS**

Transcript Title: Environmentally Friendly Innovation

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Summary: Jim Carrick, Chief Executive Officer, Strategic Computer Solutions (SCS), and Tony Pasquale, IBM Certified Channels Manager, discuss applying innovation -- both inside and outside the IT industry -- to building green solutions and improving the quality of the environment.

Host: Christopher Barger, TheInnovationValue.com, IBM



BARGER: Hello, and welcome to TheInnovationValue.com. I'm Christopher Barger. When we talk about innovation, we often talk about it in terms of its impact on businesses, and obviously that's very important.

But we can also look at innovation in terms of its impact on communities our businesses are located in, and on the larger global community as a whole.

And in this era where corporate social responsibility is increasingly demanded from us by the public, we can't afford not to apply innovation to our business's role in the communities we work and live in.

We're joined today by two leaders in the realm of applying innovation to business' impact on the environment. Jim Carrick is the CEO and President of Strategic Computer Solutions, or SCS, one of the fastest-growing IT companies in the United States and an IBM premier business partner.

Tony Pasquale is a 25-year IBM veteran who is the

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certified channels manager for several IBM premier business partners including SCS. Gentlemen, welcome to you both and thanks for joining us today.

PASQUALE: Thanks, Chris.

CARRICK: Thank you, Christopher.

BARGER: And so before we start talking about applying innovation in the IT industry to environmental issues, it might be good to establish the challenges we're trying to address and certainly the environment, the natural phenomena, have been the subject of a lot of coverage and some debate recently. So Jim, Tony, can you tell me a little bit about some of the challenges that you see us facing in our environment today and in the future?

CARRICK: Sure, Christopher. This is Jim Carrick. As a result of the participation in the GIO event that Nick Donofrio hosted in San Francisco, it became very clear to me that with the constant changes and improvements in technology we are obsoleting hard technology which goes directly into our environment.

And I'm more conscious of that, I think I'm more conscious of the fact that we as businesses and we as consumers need to do something about that.

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BARGER: Tony, same question.

PASQUALE: Having two young children of my own, it definitely is something that I think about quite often. And I like to think that IBM is a leader in that area of recycling some of the older technology that we have our business partners replacing. It's definitely forefront in my mind as well, the environment as far as recycling the older technology.

BARGER: Okay, so you're the CEO of an IT company, Jim. What can the head of a technology company do to sort of innovatively and positively impact this issue? What are you doing to help cut down on the amount of hard technical waste?

CARRICK: Well, I think the biggest thing that we can do as a technology company and as users of this technology is try to create standards in our company and that we are hopefully looking at technologies that can be expanded and built upon as opposed to continuously replaced.

And I think the cell phone is a perfect example of what's happening. Cell phones, not only the device itself and the battery that's in it can change on a six- to

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nine-month cycle, but all of the accessories with it, for example, a plug in your car or a plug in the wall, vary from phone to phone and as a result not only do you have a change in the main device itself but all of the accessories that go with it can be obsolete in a year, year and a half period of time.

BARGER: The standard business model is in a lot of the technology industry historically anyway has been this consistent replacement cycle. And so the business model is shifting; you're seeing that being a successful one where companies can make money?

CARRICK: That's a great question, and we're torn very often as we not only are users of technology but as we are advisors to our clients of what technology to use. We're torn between selling them new technology and replacing the old, and trying to find a way to maintain the old and grow it into the newest and greatest technology.

Not only is that a good environmental benefit but it's also a good financial benefit, because if you can maintain the same serial number of a certain product or maintain that device, it's less costly over the life of that product.

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But it is a challenge. And when we consult with our clients, very often we're recommending that they replace technology. Quite frankly, I think if we can develop an environmental approach that parallels the financial approach to maintaining an asset for a longer period of time, that will be an innovative approach in our marketplace and could help us with the differentiation among our competitors.

I think it's incumbent upon us to make sure that we're working very closely with IBM the manufacturer to protect our environment in the future.

BARGER: And that brings me to you, Tony. Let's talk about some of these approaches and technologies from the manufacturer's perspective. What kinds of things are you doing and thinking about at IBM regarding the environment, and what lessons have you learned that you maybe can share with the audience?

PASQUALE: I believe IBM has come out with technology that is much more efficient as far as use of energy. A lot of our customers are starting to look at not just the cost of a system of hardware and software, they're looking at the cost of operating systems these days.

How much do I have to invest in the environment that the

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machine sits in? How much do I have to invest in as far as the electricity that it uses, the heat that it gives off? How much it costs me to keep the machines cool?

All these different elements that are being considered by C level management as far as what it costs to buy and maintain a system are all being considered within IBM. So IBM is definitely at the forefront of this issue.

BARGER: All right, now we've been talking specific to what SCS is doing and what IBM is doing, but these are issues that don't just impact the IT industry, they affect all of us as business people across all industries and just as importantly as citizens.

You were both recently involved in an event for the Global Innovation Outlook that examined these issues in greater detail across industries and across disciplines.

Can you share with us some insights as to what was discussed at the event, some of the things that were shared and maybe some of the actions that came out of that meeting?

CARRICK: The GIO focused on a number of different activities or initiatives that many companies need to undertake. Clearly the auto industry has not moved as aggressively and as quickly towards an innovative

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approach to utilization of fuel in their cars.

There are hybrid cars out on the market today but there are nowhere near the number that should be, and that technology hasn't progressed to the point where it's as competitive with a current vehicle in the marketplace.

So I think it's pervasive, I think we all need to get much more disciplined and much more focused on the appropriate utilization of energy particularly as its costs continue to rise.

PASQUALE: One of the things we talked about at the GIO was the infrastructure of cities and how to move people from Point A to Point B more efficiently. It was great to discuss these topics, and I do believe they are very, very important obviously for the future of cities and the future of countries in order to efficiently move people around.

We have to obviously protect and upgrade the infrastructure of a lot of these cities especially in the United States, and as far as the transportation industry goes and cut down on the amount of cars that are out there, cut down on the amount of fuels they use.

BARGER: Alright, so moving beyond environmental

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innovation and talking about innovation in general in the IT industry, there's a shift happening now in business models in the overall IT industry. Talk to me a little bit about how this industry's evolving and how you're adjusting in your business practices.

CARRICK: Over the last couple of years it's been clear that companies in our industry need to evolve to more of a solutions company rather than a hardware reseller.

And I think what's differentiated us to some degree is, and it falls right in line with what I learned at the GIO, which is we're moving from a large scale enterprise to entities that are comprised of multiple people and you can consider them an enterprise of one.

And it's an interesting concept, because as people become more and more highly skilled they no longer are tied to a company but they're able to be mobile and move from company to company. And the real value is the skill that they bring to the company.

And as we've built this company over the last five years, without calling it an enterprise of one, we've treated each of the individuals that we brought into this company as an enterprise of one and recognized and respect their skill sets, and we then created an environment where we

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enable them to work together.

What we see our role as an executive management team, is enablers to help these people do their job, do it better than anyone else and create an environment where not only are they recognized for what they do at work but also what they do outside of work in their communities.

And then the challenge becomes, because of the enterprise of one and the mobility issue of the workforce and our industry, we have to retain those people. So that leads us to a culture that not only recognizes the people for the investments that they've made and the successes that we have, but we have to build a culture that they want to stay in this company or in this community as we call it and stay with us over time.

BARGER: Well, thanks, gentlemen. These are obviously issues that greatly affect all of us both as business professionals and as private citizens. And I appreciate both of you joining us today to talk about them with us.

Jim Carrick of SCS, Tony Pasquale of IBM, thanks both of you very much.

CARRICK: Christopher, thank you very much for your time, it was a pleasure.

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PASQUALE: Thanks, Chris, appreciate the opportunity.

BARGER: Thank you both again. And this has been a
podcast from TheInnovationValue.com.

[END OF SEGMENT]