

## The mobile industry, CO2 emissions and savings – Part 2

By João on April 22, 2013 at 9:20 am

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In last week's post ([here](#)), you read about a [report from Accenture and Vodafone](#) on how “the mobile industry can drive both carbon abatement and cost reductions for its business customers”.

To explore these possibilities, it is really important to focus simultaneously on both financial and environmental issues – because the relative impact in each area may be quite different. The following two figures, copied from the study, show the potential carbon abatement and cost savings from each of the five major areas for improvement.

Based on these figures, we calculated the percentage of the benefit of each measure, in terms of carbon and costs.

Major areas for improvement	Carbon savings		Cost savings	
	Mt CO2e	%	€ billion	%
Dematerialisation	22.1	20%	14.1	33%
Smart grid	43.1	38%	11.4	26%
Smart logistics	35.2	31%	13.2	31%
Smart cities	10.5	9%	3.7	9%
Smart manufacturing	1.9	2%	0.8	2%
<b>Total</b>	<b>112.8</b>	<b>100%</b>	<b>43.2</b>	<b>100%</b>

So, someone only focused on environmental impacts would prefer to develop smart grids, since they may be responsible for the biggest chunk of carbon savings (38%). However, this area may allow relatively lower cost savings: “only” 26%, placing this area only second among the five.

On the other hand, someone only focused on financial impacts would prefer to develop dematerialization, trying to reap the 33% of the cost savings originating from this area – but enabling a lower relative impact on carbon savings: “only” 20%, in a modest third position.

What's the conclusion? Both financial and environmental experts should work together to identify the impacts in their areas in a consistent way, sharing the basic underlying knowledge and assumptions.

And decision makers, at an organizational, industry, national and international level, should consider both perspectives together – because they may point to different directions. As we argued in chapter 19, management accountants (and managers) must be increasingly aware of these environmental topics and specific techniques, in order to work together with environmental experts and to complement and adapt traditional management accounting techniques to address these new issues.