

Digital Green Project, IBS Pune August 11th and 12th, 2023

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The Regional Consultation of the Digital Green Project was conducted on August 11th and 12th, 2023, at IBS Pune. The Regional Consultation was kicked off by Prof. Jyoti Tilak, Director and Campus Head of IBS, Pune. She spoke about the relevance of the project in the current scenario. The current situation is alarming to say the least though we did not create it, but we are facing the consequences. She emphasized that it is even more important for the students to understand the consequences and act as they will inherit the planet from the previous generation and will have to bear the burden of unplanned development. Though companies are talking about Net Zero, it is too far into the future. According to her, organizations are only concerned with Economic Value Added (EVA), Net Present value (NPV), Internal Rate of Return (IRR), Price to Earnings Ratios (P/E) and so on but not on their impact on society and nature at large. Beyond a certain point all the above financial/economic measures do not provide happiness. She wondered why Medha Patkar used to be in the news earlier but now realizes the significance of her movement. She said that Coronavirus made us realize that we cannot divide the environment into watertight compartments. Whatever happens in one part of the world affects the entire globe. This is true about sustainability as well.

Prof. Jyoti Tilak spoke about green accounting. Green accounting is like keeping track of money, but instead of just looking at profits and losses, it also considers the environment. Imagine your regular accounting as checking how much money comes in and goes out of your wallet. Green accounting adds another layer by asking, "How does my spending affect the Earth?" She spoke about

gender accounting as well. Gender accounting is like taking a closer look at how boys and girls, men, and women, are treated within a business or organization. It's not just about numbers and money; it's about understanding how decisions and actions might affect different genders differently. It helps ensure that everyone, regardless of gender, has the same opportunities and treatment. It ensures that everyone in a game has an equal chance to play and win. By understanding how different genders are affected, organizations can make choices that are more thoughtful and fairer.

She spoke about the need for being responsible without being aggressive, especially in the matters of adoption of digital technologies and sustainability initiatives. Being responsible without being aggressive is akin to being a wise and compassionate leader who guides rather than forces, listens rather than dictates, and inspires rather than intimidates. It's a nuanced approach that requires emotional intelligence, self-awareness, and a commitment to ethical principles. This approach on sustainability issues could manifest in fostering an environment where responsibilities are met with empathy, open dialogue, and a shared sense of purpose, rather than through coercion or forceful tactics. This could work wonders with the adoption of both digital technologies and sustainability initiatives.

She ended her address with an exhortation to use digital technologies and make the world greener and more liveable.

Prof. Sanjay Fuloria introduced the Centre of Excellence for Digital Transformation at the ICFAI Foundation

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for Higher Education (IFHE), a deemed to be University. He reiterated the fact that academic institutions need to focus on teaching, research, and consulting/practice.

The Digital Green Project falls under the ambit of both a research project and a consulting/practice assignment. The interactions with various stakeholders as part of this project would contribute immensely to the knowledge base of the University.

Prof. Shailendra Singh Bisht spoke about the importance of the Digital Green initiative. He spoke about the triple bottom line People, Profits, and Planet and how organizations must focus on all the three. He emphasized on the importance of this topic for students as almost all the organizations where students will be employed, will make them work on Digital Technologies and Sustainability initiatives. These two are hashtags for the current generation; #DigitalTechnologies and #Sustainability



Prof. Soumya Mishra spoke briefly about the Entrepreneurship Cell at IBS Pune she helms, and her students presented the details of their interactions with Global Engineers and Royal Engineers and Steel Facility, two Micro and Small Enterprises working in the manufacturing sector. Both these companies are using solar panels to address some of their energy needs. Presently, digital platforms are not used by them, because of the high upfront cost involved. The heavy machines at their factories require high amounts of energy which cannot be provided by the solar panels they have. They are using methods to recycle their waste. This interaction highlighted their

lack of resources and knowledge in this area. A survey conducted by the students reveals that only 5 per cent of surveyed organizations have solar power plants, 8 per cent want to install it soon, 66 per cent are interested in installing but cited lack of funds as the reason not to install, and 21 per cent do not want to install solar panels.



Asim Nilose, the founder, and CEO of Indiba Solutions (IBSL) provided the industry perspective on the use of digital technologies for environmental sustainability. He shared his experiences with implementing ISO 14001 in the 1990s. It dealt with guidance for use that relates to environmental systems. Other standards in the family focused on specific approaches such as audits, communications, labelling and life cycle analysis, as well as environmental challenges such as climate change. There were times when people smoked in offices and all tasks were done manually. Computers were far and few between and the bosses were not able to access data at one place. In the current scenario, Enterprise Resource Planning (ERP) applications have become the centre of all organizations. These applications have reduced or eliminated the use of paper. Systems have become more efficient and sustainable. According to him, the biggest bottlenecks for MSEs in adopting digital technologies for sustainable manufacturing is lack of resources and knowledge. They do not adopt sustainable practices unless pushed by regulators or clients. The biggest advantage that the MSEs see in

implementing digital technologies for sustainable practices is cost reduction. He quoted a Dun & Bradstreet report which says that awareness amongst MSEs on sustainability has increased. Willingness is also more but the problem is in implementation. MSEs do not have sustainability targets and they lack internal expertise. A lot of MSEs work in



this direction due to peer pressure. They cite the lack of adequate government support in terms of economic incentives such as capital subsidies, soft loans, credit guarantees and tax exemptions, and assistance in terms of awareness generation and access to new technologies and markets. They are so narrowly focused on their day-to-day activities for survivability that they overlook the environmental and social implications of their operations.



Asim concluded by saying that adoption of digital technologies is inevitable, and they do help with sustainability initiatives. The MSEs need to be provided with resources and knowledge to go ahead with the implementation.

The second day started with a recap of events on day one by Sanjay Fuloria. Thereafter Ms. Mandvi Kulshreshtha, Program Adviser, Friedrich-Ebert-Stiftung

(FES) India Office, spoke about FES. She explained how FES India is committed to building platforms of mutual trust for open debate and the exchange of new ideas. Using workshops, seminars, exchange programmes, and academic papers, FES India offers nuanced socio-economic analyses and fosters debates on a national, regional, and global level. Under Socio-economic transformation work line, FES India and its partners work on digital inclusion and advocate for including social and economic rights into the current digital transformation, particularly from the perspective of informal sector workers. She also emphasized how the Digital Green project is related to the overall agenda of FES.

Prof. Raavi Venkat Reddy spoke about Integrated Reporting. Integrated reporting is founded on integrated thinking which helps to demonstrate the interconnectivity (co-creation) of strategy, strategic objectives, performance, risk, and incentives which further helps to identify the sources of value

creation(<https://www.caclubindia.com/articles/integrated-reporting-47922.asp>). A very important part of integrated reporting is sustainability initiatives. Creating sustainable value is at the core of integrated reporting. It adds a fourth layer to People, Planet, Profit bottom-line - PURPOSE. Going forward, this could become compulsory for corporates and MSE entrepreneurs. A fundamental change in reporting is to promote financial stability and sustainable development by better linking investment decisions, and corporate behavior. If integrated reporting is made compulsory, it could become a game changer.



We interviewed Mr. Amrut Darekar who is the President of the Skoda Volkswagen Workers' Union. He has been the President for the last 15 years. Their organization has taken to digital technologies like fish to water. They have special groups or teams for research,



innovation, and new technologies. They are using advanced robotic systems across most of their manufacturing plants. This has made things easy to supervise. Quality has improved. The energy consumption has reduced by an order of magnitude due to the use of sensors. Even if the operator forgets switching off lights or an idle machine, the sensors ensure they are turned off within seconds. Skoda Volkswagen has increased the production of cars from 1,00,000 to 2,40,000 per year in the last 7 years in their Pune plant. The entire credit goes to the use of digital technologies. This has a flipside too. In their Body Shop section, the number of employees has reduced from 1200 to 700 in those 7 years. They have installed 272 robots in the Pune facility. Digital technologies have helped them reduce wastage by around 40 per cent. They recycle and reuse water used in their factories. They are exploring hydrogen fuel options. They also recycle sandpaper which is used a lot in their factories.



According to Mr. Darekar, Skoda Volkswagen is committed to caring for sustainability issues. They organize awareness sessions for their employees and provide them training. They have an HR Learning Management System which is used fruitfully. To measure whether the efforts have been useful, quiz competitions are conducted after the training and awareness programs. The winners are incentivized. Calculations are periodically done on the amount of savings achieved in wastage and time. All workers have a variable pay component of 10 per cent to 20 percent and the outcomes of sustainability initiatives are important components of this variable pay. Skoda Volkswagen has a target of zero emission from their plants globally by the year 2040.



Skoda Volkswagen also nudged their suppliers and contract manufacturers to follow sustainability practices. Sufficient time is provided to address these compliances. If they do not comply, they are replaced by vendors who comply with the requirements.



We met Mr. Rajiv Sangoi, COO and Co-Founder Rio Innobev Private Limited at his Pune office. At Rio Innobev, they are using digital technologies. ERP implementation is the first phase of their digital journey. They are still learning the nitty-gritties of the ERP application. They

have tested sensors for reducing wastage of water. The sensors are too expensive for their kind of operation. They are on the lookout for cheaper sensors as they think it is an imperative for them to use these for a more sustainable future. They have asked for quotations on smart meters to reduce their electricity usage. They are forward looking in their approach and, in all probability, would use smart meters to their advantage. They have explored installing solar panels on their roof. As the surface area of their roof is about 1200 square feet, the installation of solar panels would not suffice all their needs. They can use the electricity generated through the solar panel only for lighting their premises. As they have powerful motors for their production process, the electricity produced through solar panels will not be sufficient. Still, they plan to go ahead with the idea. He was ruling the fact that there are no government subsidies provided to commercial outfits. They primarily use aluminium cans to package their products instead of plastic bottles which comprise only 10 per cent of their total production. Their supplier of aluminium cans ensures that the used cans are recycled.

As per Mr. Rajiv, there is a linkage between digital technologies and

sustainable manufacturing. Use of ERP has reduced their usage of papers. Once they can install smart meters and sensors, they will reduce wastage which will enhance their efforts towards sustainability. His advice to other Micro and Small Enterprises is to use ERP packages, sensors, and smart meters to become more sustainable.

We met Mr. Parag Bhavsar of Maruti Meters at his production facility in Pune. He has 5 employees manufacturing meters which are installed in e-rickshaws and other small electric public transport vehicles. He is thinking of installing solar panels on his factory's rooftop to fulfil his electricity needs but is hoping for some government subsidy to get the installation done. As his output is small; 1000 meters in a month, it is not viable for him to use any digital technology. He is of the opinion that for his kind of production, machines or robots are not required. He desires the government to provide electric charging infrastructure throughout the country so that more people use electric vehicles and make the planet better for the generations to come.

The two day consultation ended with a vote of thanks to all the participants.