

Sustainable IT and Services:

Quantifying the Market
Opportunity and Impact on
Sustainable Transformation
Initiatives



Sizing the Business Opportunity for Sustainability Solutions

Organizations are increasingly measuring the impact of their sustainability initiatives, and IDC's survey data shows that IT departments play a fundamental role in driving business value and transformation.

Over the past years, there has been a rapidly growing demand for sustainable and sustainability-enabling IT and services (e.g., sustainability consulting services, ESG reporting software, and energy efficient IT infrastructure). However, quantifying the market opportunity, growth trajectory, and value of sustainable IT solutions and services is challenging without a 360-degree view and accurate data.

IDC can help IT and services vendors understand buyers' strategic triggers and intent, the competitive environment and market size of sustainability focused IT solutions and services, quantify their impact, and educate internal and external stakeholders on the importance of sustainability as a business and IT topic, the effectiveness and value proposition of offerings, and best practices on how to sell and implement these solutions.

Source: IDC EMEA, Future Enterprise Resilience 2023, May 2023

STRATEGIC TRIGGERS

1. Macro Forces

Sustainability priorities are a new trend driving new demand for information and solutions.

2. Industry

Many vendors are introducing new solutions at an increasing rate. It's vital to understand competitor response to the market.

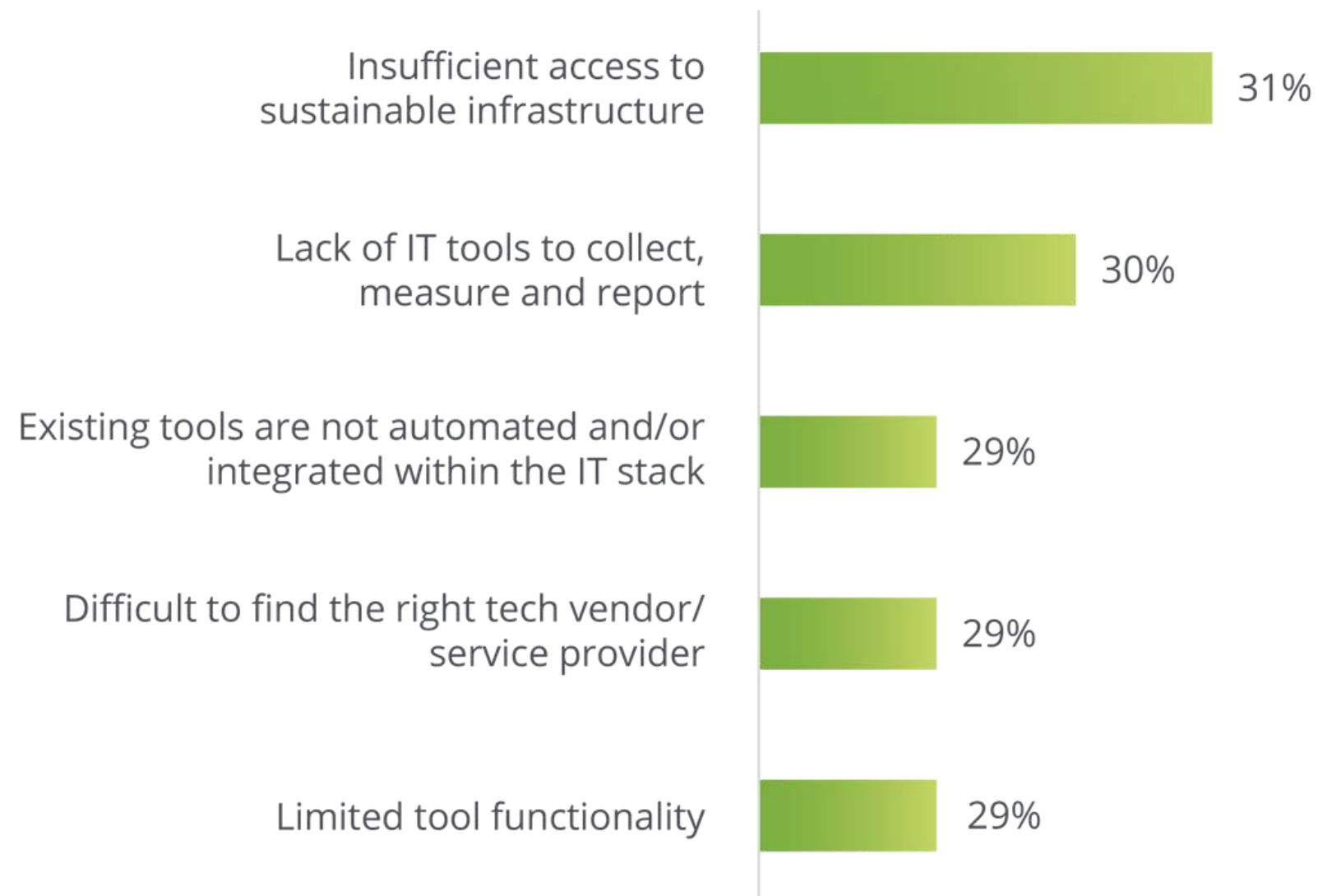
3. Persona Motivation

The reasons why people are embarking on sustainability strategies are diverse. Understanding buyer motivation will help with anticipating purchase response.

ESG requirements are considered by CEOs as the top risk impacting their business in Europe in 2023, even above cybersecurity and economic concerns.

What are the most critical technology challenges faced by your organization when attempting to achieve your sustainability goals?

(% European companies)



Operational Challenges

Many organizations are facing the challenge of not having the right IT tools or expertise to capture, analyze, and report accurate ESG data.

This drives the demand for professional services that support organizations in defining their sustainability strategies and targets, data audit, and operationalization of ESG, as well as IT solutions such as ESG software that can automate ESG data collection and processing.

For instance, IDC predicts that by 2025, 40% of ESG services engagements will require a managed services component to better address the long-term nature and intense data needs of sustainable transformation and ESG reporting. IDC's research offers insights into the demand and supply side for emerging and already established sustainability solutions.

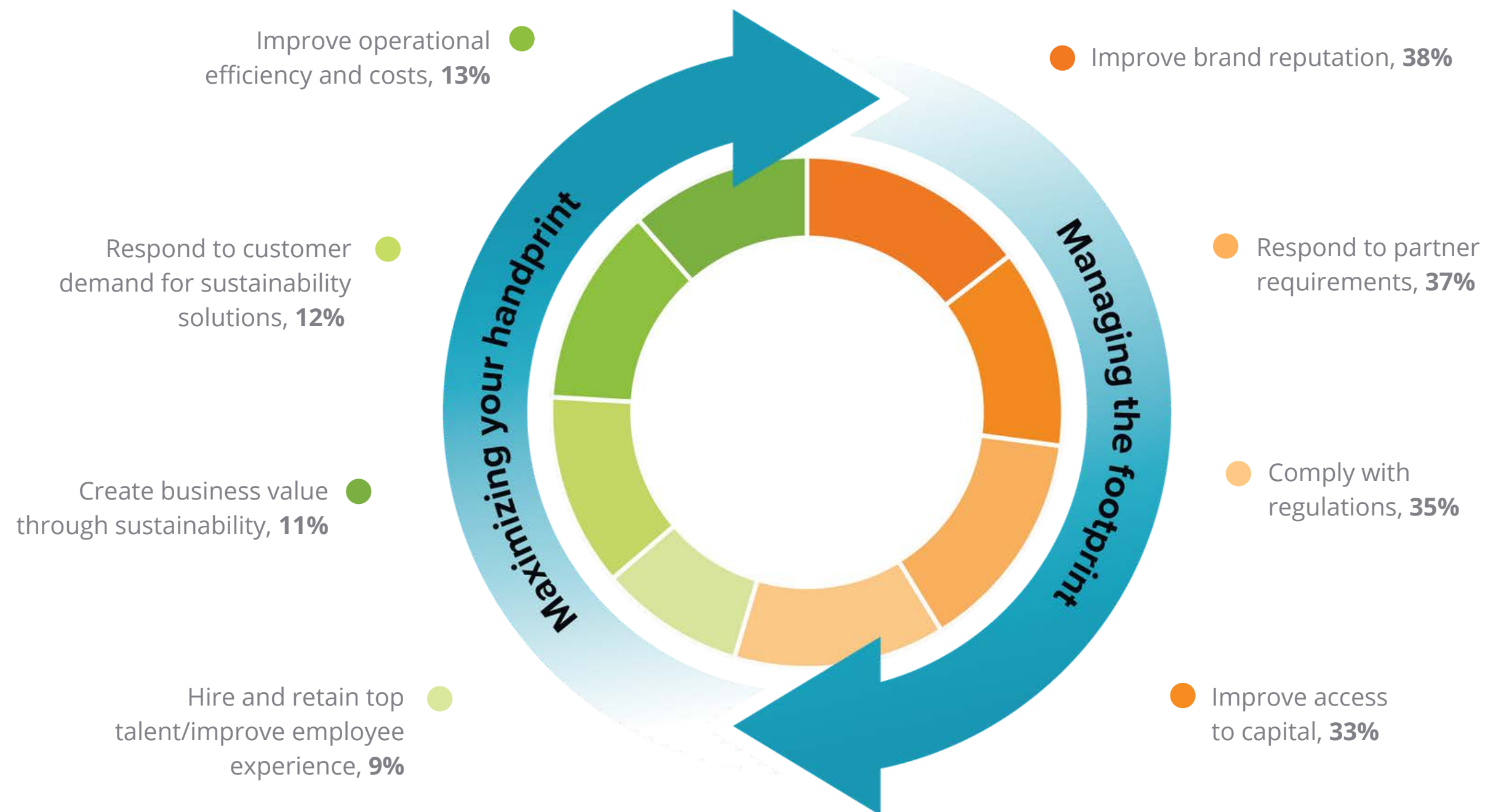
Sustainable Value Creation and Risk Management

Organizations are increasingly looking at IT investments as a business value driver as opposed to a pure risk mitigation tactic. Managing the potential upside of ESG initiatives has become a driver for deliberate investments in technologies and services.

IT and services vendors need to understand these motivating factors as they predict how customer demand will change over the next few years and convey the value proposition of their solutions accordingly.

Top drivers for Sustainability Initiatives

(% European IT respondents)



Forming a Market Perspective

The Key Questions That Inform Your Market Assessment

Analyst Relations

- How are we being perceived in the market?
- How can we demonstrate to the market what our company is doing around ESG?
- How can we help our SME's build their solution portfolio?

Product Marketing

- How can we quantify the sustainability-related impact of our solutions?
- How can we educate the market on how our solutions can help them with their sustainable transformation journey?
- How can we tell a better product story?

Sustainability Product Lead

- How big is the market for our solutions?
- How do our customers perceive us and our competitors and what are their buying priorities?
- How can we enable our sales teams to effectively convey our product message?



The Power of Data

Utilize global data sets to understand your markets and your place within them

Extensive market analysis will help you build a TAM and position your products for the latest market opportunities. Be sure that the data available at your disposal allows you to accomplish all of the following:

- Use technology taxonomies to map your markets and key adjacencies
- Look for opportunities in this framework
- Assess competitive position
- Segment customer base and identify key targets
- Analyze and optimize routes to market and partner networks
- Identify key customer use cases driving demand
- Build sales solutions and approaches to optimally target

A coherent and comprehensive set of data will help you see the whole technology landscape, identify where growth and opportunity exists and speed your decision-making processes.



50%

By 2026, ESG performance will be viewed as a top 3 decision factor for IT equipment purchases and over 50% of RFPs will include metrics regarding carbon emissions, material use, and labor conditions.

All companies must move to data informed decision making. Whether looking for growth in your existing markets, understanding your position relative to your competitors, searching for new markets, or determining the best way to target opportunities. You need trusted, well researched market data to feed into your decision-making processes.

Work with the latest data and research, to quantify the market opportunity for your sustainability solutions and deliver actionable insights and strategic plans.

Learn More about IDC's custom sustainability/ESG solutions

For more information on IDC's overall sustainability/ESG research, please **explore our work** online.

