In conversation with Nortel’s Rick Dipper

Green marketing can be a differentiator for both your clients and your employees. Nortel has been pushing the message to both audiences.

Differentiating yourself from your competitors is always a challenge. What is that one value that is going to make you look more appealing? This is a challenge that Nortel has faced as it has tried to pull market share from giant Cisco Systems.

Recently, they commissioned a study to determine how the energy efficiency of their systems compared to that of Cisco, and the results came out in their favour. The company has since turned this into an engaging advertising campaign that has raised eyebrows and created a debate.

Critically, it got Nortel into the public eye, if only briefly, in a positive way. While obviously not an out-and-out success as a strategy, it created a discussion around what “green” really means in the industry, and demonstrates how a company can use multiple tools to reach its customers and its employees.

Green Business caught up with Rick Dipper, Nortel’s leader of corporate responsibility worldwide, earlier this fall to discuss how this campaign fits in with the company’s culture. Dipper has four areas of focus in his job: environmental health and safety, business continuity planning, records management and sustainability.

Green Business: It’s interesting that you handle business continuity because I think that’s what a sustainability strategy is all about.

Rick Dipper: I agree. There are a lot of common threads in the four areas I am responsible for. A lot of it has to do with risk, that’s the common thread. Business continuity planning, EH&S, sustainability – all of these are risk assessments and risk calls that we make to decide where we want to go and what we want to do and how deep we want to dive. People tend to look at these disciplines as totally independent, but I find that they can be integrated effectively.

GB: Nortel is making a push to describe itself as more energy efficient than its major competitor, Cisco. That’s a very strategic move because that’s one of the big business continuity issues for most of your clients.

Dipper: And it fits into our larger strategy. We have a holistic sustainability strategy that has three elements to it. This first is around the customer – energy efficiency. We have looked at the total cost of ownership, inclusive of the energy efficiency and the power consumption and energy costs associated with that for our systems. And we look at how we can leverage those customers and their end users by providing solutions such as teleworking and telepresence. These solutions really allow people to work anywhere, anytime, and avoid travel – all things that contribute to a reduced carbon footprint.

The customer is at the top of what I think of as the green triangle. The second corner is Nortel and what we’re doing in our company – measuring our own carbon footprint and what we’re doing to reduce it.

The third corner of the triangle is how we engage our employees. How do we get them to be passionate about what we’re doing as a company, and how do we give them information and education that they can take into their personal life? How can we make them a little more aware of their own carbon footprint, and give them pointers about how they can reduce it?

GB: Let’s start with the customer.

Dipper: The main message is about energy efficiency and how we have shown through independent third party studies that we’re more energy efficient than our primary competitor. We don’t make any bones about calling them out on this campaign, so it’s a direct comparison — something that we believe is to our advantage. We need to compare ourselves to the market leader, and we believe we have an advantage there that we can take advantage of.

When we look at what we can do for our customers, I think the whole information communication technology (ICT) industry is in a real sweet spot in the area of sustainability. We can leverage what we have to sell from a product solution perspective. All of the ICT companies really have an opportunity to leverage their offerings to really reduce energy costs and carbon footprints. It’s not only the customers and service providers we serve, it’s also their end users that we touch. And that’s a unique spot to be in. It’s tough to think of another industry that has that type of potential impact.

GB: One of the rebuttals that Cisco offers to your ads is that there is no standard in the industry for what you are talking about in some cases. Is this something that is an issue for the industry as a whole — getting green standards established for a lot of this equipment so that there is at least a base level that allows you to say to clients, “This is our Energy Star rating.”
Dipper: That’s something we’re definitely working on. We’re working on a number of standards bodies – the ICT standards associations, if you will. In the U.S., for instance, we’re working with the Environmental Protection Agency (EPA) to come up with an Energy Star equivalency. They’re working on Energy Star for the data centre and Energy Star for the network, so absolutely, we are involved in those discussions. We want to be able to slap an Energy Star label on our products that says, “Look, a third party has validated the fact that we have surpassed a benchmark for energy consumption, and we encourage others to do the same.” That just benefits everybody.

GB: But you were the first out of the bunch to really advertise your energy efficiency.

Dipper: And we’ve seen significant acceptance of our messaging, so it is resonating. Traditionally, in our enterprise space, we would do business with the CIO in an organization. But now, bringing this message to the table, what we’re essentially asking is for companies to bring their financial people to the table, too, and let’s define the energy costs, the total cost of ownership – not just the initial cost of the product. Let’s take a look at it over the years of usage and let’s look at your energy bills and what can be saved through the use of our products. When you bring the financial people to the table, it’s a pretty compelling argument. Then you bring your environmental people to the table and talk about your energy costs, reduction of your carbon footprint and it clearly becomes a pretty simple decision to make.

GB: How large is your department?

Dipper: Relatively small. It’s global but I have about 12 people working on my behalf that report to me. But when you talk about records management, business continuity, EH&S, those are all very matrix-like functions. I may have 12 people reporting to me but if I look at all those people across the different businesses within Nortel that are involved in those different areas, there are hundreds.

GB: How do you drive what you do through the vision, mission, and values of the organization? What do you do to get that sustainability message through to employees?

Dipper: It’s not a very difficult proposition. In the world of sustainability, you can’t live a day without hearing about climate change and global warming – you can’t get away from that messaging, so when you talk about energy efficiency, people sit up and listen now. It’s very timely, and when we link that to business continuity and help people understand what happens around different types of events and how it’s critical to have those types of plans in place — just the basic foundational types of things for business — it’s not very difficult for people to align quickly around that. The other obvious thing is that when senior management is supportive of what you do, it makes things much easier.

GB: Your promotional ad campaigns probably resonate with employees as well.

Dipper: Yes, but we do it from both directions. We have the external messaging and we also have a lot of social media such as blogs and discussion boards internally, to get the passion out of employees. We’re hitting our employees from both these directions.

GB: Tell me more about internal initiatives.

Dipper: One of the things we have internally is an infrastructure for our green initiatives. We have a global green council, which is made up of functional primes for the majority of our functional areas within Nortel. That’s something that I lead and it sets the strategy for where we want to go as a company with sustainability. And what we have at a local level is green teams at our major locations in Canada, the U.S., Europe and Asia as well. Local green teams are a set of passionate local employees that are led by a deeply passionate leader with an executive sponsor working on initiatives to make their own locations greener, such as getting employees educated, working on issues of water conservation, working on really basic stuff like getting the Styrofoam cups out of the office. Employees physically see the difference in these programs. It also includes purchasing greener chemicals with the janitorial staff, and introducing more wildflowers and wild grass when landscaping our facilities. People can drive up and see a difference at our facilities. We’re doing a lot of little things that add up.

GB: Do green teams across locations work together at all?

Dipper: Once a month, we have a green team network call that I facilitate. We share ideas, talk about our challenges and successes with the intent of adopting each other’s ideas. A few ideas from Toronto are now being implemented in Raleigh. We have a website called Greenteam, we have a blog called Green Roots, that’s how we foster that discussion. We’ve pointed employees to both of these and now we’re starting to get discussions across the blog.

GB: The green council — where is the energy being spent there?

Dipper: Besides energy efficiency, which we’re continuing to focus on, we also continuing to develop the energy calculator on our website, which helps clients understand their energy use. We’re also taking a look at improving our
teleworking and telepresence, in terms of how do we make the best use of our own technology to reduce the amount of travel that we do, or focus the travel that we do to be the most pertinent use.

GB: As far as product development, what sort of work through the supply chain are you doing?

Dipper: Design for the environment is what we call it. As we look toward designing our next set of products or evolving our current set of products, we consider what elements and attributes we want to include to make sure they are the most environmentally friendly and energy efficient, minimizing our power consumption; using substances that are not hazardous, making sure we’re complying with all regulatory bodies, the European restriction of hazardous substances; making sure we’re compliant everywhere.

We also think about what kind of components we use for the product to be disassembled at the end of its useful life so we can take those to our take back locations, recycling locations, and recycle our products to basically minimize the amount of landfill we contribute to. We’ve been successful enough to get down to a two per cent landfill, which is, in my mind, best in class. We are also using recycling partners that have state-of-the-art equipment that is able to turn that into a very good business model for cradle-to-grave operations.

GB: As far as accountability, where are you in reporting all of this? How do you manage this? Is much of this audited?

Dipper: We do have an audit process for our suppliers. We have a code of conduct for suppliers and part of that is an auditing process where we’ve engaged a third party to go out and perform different levels of audits to make sure that they comply to that code of conduct. We want to make sure the products that suppliers are using and what we tell them to use are indeed the same thing.

The other thing that I want to note from a Nortel perspective is that we recently joined the EPA’s Climate Leader program. And what is so inviting about that program is that it provides a third party analysis and verification of our carbon footprint. We can measure our carbon footprint however we want but it’s important to have third party verification.

The second thing is coming up with a target for reductions. We are looking for a challenging yet achievable reduction target. So we’re right in the middle of that analysis. That’s exactly the direction we want to go in continuing our program.

GB: When you join the EPA, what sort of demands are presented to you?

Dipper: We’re going to use 2007 as our baseline. The EPA’s goals are time-bound, but generally they want to see results in four or five years. Basically, what we’re targeting is some sort of a reduction by 2012. A four-year window.

When we think about what sustainability is, we have to make sure we touch all the bases. If you think about the triangle I mentioned earlier, you don’t want the triangle to tip over. You need to have a good, solid foundation in all three areas. Each drives the other.