



BusinessOptix: ESG Driven Transformation

The BusinessOptix platform can help you systemize the design of business transformation programs that also drive your sustainability goals

ESG, why bother?

Increasingly, organizations are focusing on ESG (Environmental, Social, and Governance) metrics. These are non-financial measures used to evaluate a company and its performance. Multiple factors are driving this:

- For most people, climate change and social injustice are real and immediate challenges facing the world. Making efforts to address them is the right thing to do.
- Climate change is no longer a fringe, “hippy” issue. Increased extreme weather incidents are having an impact on people the world over at every economic level. How companies address environmental issues impacts brand perception and reputation with customers.
- Environmental performance is affecting the cost of capital. Even if investors don’t care about the right thing to do, they do care about how sustainable a company is. Increased extreme weather events are impacting already strained supply chains. Dependence on fossil fuels alone can be an Achilles heel for a company, given the impact on oil prices caused by geopolitical tensions. Sustainable companies are less risky, so investors demand a lower rate of return.

ESG challenges

However, even with the best will in the world, ESG is usually far more challenging to measure than typical financial factors. Companies don't know where to start; they don't even know how to evaluate their current state. And if companies don't know where they currently are, how can they possibly hope to design for the impact they hope to have on their future state? One of the reasons for this challenge is that, unlike financial data, which is usually easily retrieved from a standardized ERP system, ESG data is often stored in a range of disparate systems, including spreadsheets or even paper-based systems. Collecting and then reporting on it can be time-consuming and costly. Even if companies can evaluate their sustainability efforts, they still find it hard to model the impact proposed transformation designs will deliver. Finally, compounding all these problems, multi-national companies face a variety of local regulatory and reporting standards.

Giving meaning to your ESG data

As challenging as it is to gather ESG-related data, many tools and services are available to help. But then what? Data alone doesn't tell a story; it needs context to translate to information. How does your data relate to what goes on in your organization (to a reasonable level of detail)? What are those activities relative environmental impacts? And how can you predict what impact future changes will have and how they might support or hinder your ESG goals?

A better way to model the impact of change

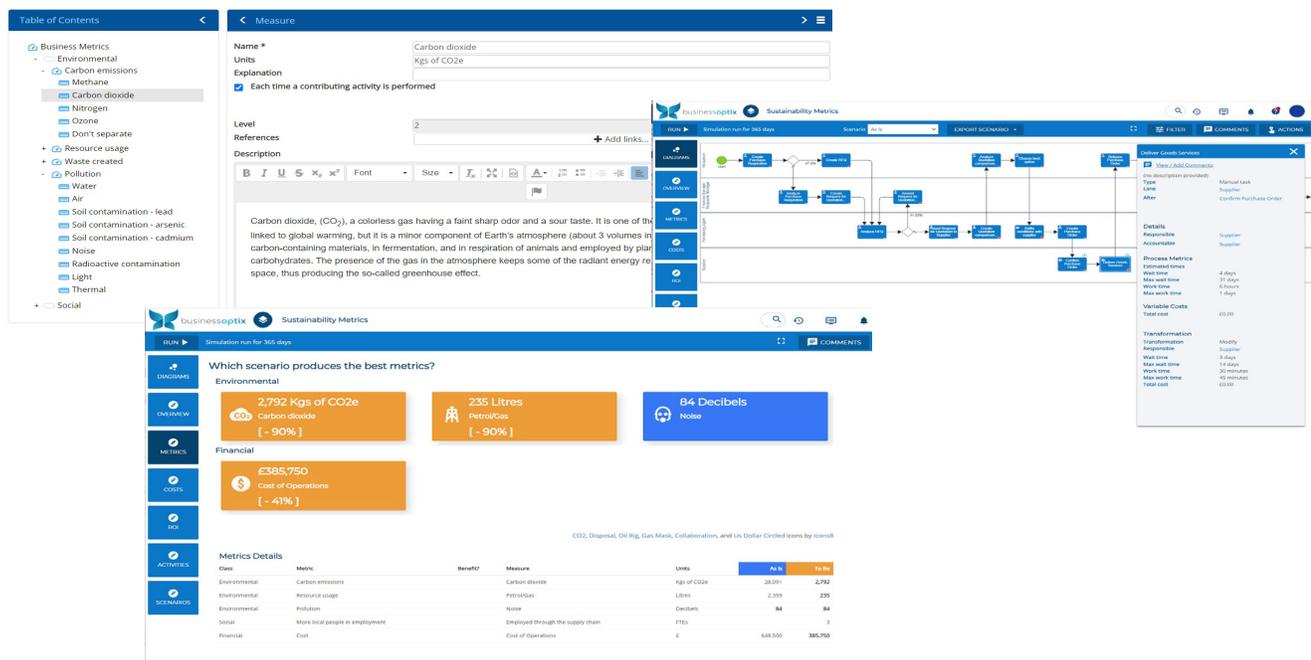
The first step before modeling change is to associate the relevant ESG metric with each step in your processes. Once this is done, [BusinessOptix Scenario Modeling and Process Simulation](#) enables you to move quickly and reduce risk by simulating the potential impact of changes before rolling them out, enabling the anticipation of issues and solutioning before implementation, avoiding costly downstream delays and unintended consequences.

ESG transformations using BusinessOptix

- Ability to exploit the extensible data model to define the most interesting ESG metrics– emissions, power consumption, resource types, controls, etc.
- Modeling, mining, and rapid capture allow you to build the representation of your current operation by logging the data associated with each process/process step for the chosen ESG metrics related to each process.
- Application of one or more refinements to your process and sub-processes (these could be changes to process steps, automation of process steps, different volume profiles through different process routes, etc.) relevant to the ESG area you're looking to improve. An example might be changing the supply chain process to reduce stock movements, so you reduce emissions).
- Run the scenario engine to see the impacts iterating through different change combinations and visualize the ESG business case using dashboarding.
- Compare the performance of different groups of changes and select the preferred set of initiatives, producing the associated view of the end state at a touch of a button.
- Alternatively, you may want to validate a traditional business transformation to understand the impact on ESG performance to ensure it does no harm to your ESG programs or adds ESG risk to the business.
- Combine with the other out-of-the-box BusinessOptix capabilities – collaboration tools, dashboarding, and document production – enabling you to share results and collaborative cross-functional decision making.

Key features of the BusinessOptix ESG capabilities

- Ability to set up the ESG metrics that are specific to your organization.
- Allows different scenarios (i.e., run different simulations for the various states of change).
- Enables the analyst to apply different volume profiles to processes and to validate or calculate the ESG data associated with the relevant process. Note, understanding how much of an ESG metric is affected by a process step is a role for a specialist – i.e., determining how much CO₂ a process step contributes.
- Supports different resource groups (with their own reference data), enabling deployment across various process steps.
- Creates visualizations to see the impact on key metrics.
- Produce charts and tables to compare process and cost performance to the current state.
- Traceability and audit trail so different simulations can be cataloged and compared.
- Auto creation of the target end state after selecting the desired change combinations.



To find out more about BusinessOptix ESG capabilities, [contact us](#) today.

For further information please visit our website, or contact us:

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