

CARBON MANAGEMENT

Introduction to an Emerging Market

The carbon and energy management software market is intensely competitive and crowded with providers ranging from small startups to global enterprise software vendors. Still immature, this growing market is ripe for consolidation.

EcoIT | ECO-EFFICIENT INFORMATION TECHNOLOGY

4 FINDINGS

- With about 100 suppliers, the GHG and energy management software market is competitive. Software features are fairly similar among vendors, and some previously differentiating features are becoming common. **PAGE 14**
- SaaS is becoming the standard delivery method in this market. It lends itself to cross-customer data mining, and users like the subscription-based payment model. **PAGE 16**
- Large environmental health and safety software providers and vendors of enterprise business software are present in this market after adding or increasing their GHG/energy focus. **PAGE 16**
- Customers' use of GHG/energy software is evolving from reactive and passive to proactive and strategic. This trend will likely continue. **PAGE 17**

5 IMPLICATIONS

- The crowded market makes for heavy competition. But vendors can still differentiate themselves via unique features or superior implementation of standard features. They can also bundle services or data with software. **PAGE 14**
- Supply-chain 'greening' initiatives will be important to the market, since they do not depend on government regulation. These initiatives generate sales leads for software suppliers. **PAGE 11**
- Integration with ERP, facility/plant and other corporate data systems will be a critical feature. Suppliers have already begun to implement such features. **PAGE 15**
- Although SaaS is becoming standard, many process industries see security and integration advantages with on-site software. Vendors that can deliver these benefits via SaaS may get the best of both worlds. **PAGE 16**
- Customer demand for data to complement software will likely increase. Examples include regulatory information, benchmarking data and reporting templates. **PAGE 15**

1 BOTTOM LINE

- The number of suppliers and the intensity of competition make the GHG and energy software market ripe for consolidation. The large environmental health and safety software providers and enterprise software vendors already in or entering the market may be potential acquirers. About half a dozen acquisitions have already taken place.

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REPORT SNAPSHOT

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ABOUT THIS REPORT

This report focuses on software tools that organizations can use to track and manage their energy consumption, greenhouse gas (GHG) emissions and other aspects of sustainability performance. Companies across the globe are continuing to increase their attention to sustainability issues, driven by a combination of existing or pending government regulations, customer attention, supply-chain pressures and competitive drivers. Within the broad scope of sustainability, energy and GHG management are receiving particular attention. One reason is the environmental community's attention to GHGs and carbon; another is that businesses understand that carbon reductions often go hand-in-hand with cost-saving energy reductions and other competitive advantages.

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