

TECHNOLOGY AUDIT

CA ecoGovernance v1.0







CA, Inc.




BUTLER GROUP VIEW

ABSTRACT

Energy efficiency and the need for effective carbon accounting have become, or are becoming, significant issues for most enterprises, with the challenges in meeting Corporate, Social, and Environmental Responsibility (CSEER) requirements pushing the need for a more proactive IT response centre stage in the support of organisation-wide activity. Senior business managers are realising that there is a significant gap between corporate Green (or sustainability) goals and the organisation's ability to attain them, and CA ecoGovernance is designed to help organisations to bridge this gap, providing capabilities to measure and effectively manage energy use, carbon emissions, and sustainability efforts across the enterprise. Developed by CA's ecoSoftware group, an incubation business unit which develops, pilots, and proves emerging technologies to help solve corporate energy and sustainability challenges, CA ecoGovernance is currently in limited-availability release with a wide-availability release scheduled for Q4 2009. In Butler Group's opinion, CA ecoGovernance is a much needed carbon and sustainability management application that can support organisations with the ever increasing requirement to cut costs and carbon emissions through the effective management of Green initiatives; supporting and demonstrating compliance with regulations and policies, and communicating such with both internal and external stakeholders.

KEY FINDINGS

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|  Supports Corporate, Social, and Environmental Responsibility efforts enterprise-wide. |  Encompasses ecoActivity Management, Risk and Compliance Management, and Portfolio and Initiative Management. |
|  Built on the same governance platform as CA Clarity PPM and CA GRC Manager. |  Provides over 140 dashboard portlets such as graphs, tables, and charts out of the box. |
|  Currently only in limited-availability release with early adopter customers. |  The wide-availability release of CA ecoGovernance will be in Q4 2009. |

Key:  Product Strength  Product Weakness  Point of Information

LOOK AHEAD

CA anticipates a wide-availability release of CA ecoGovernance in Q4 2009, with enhanced capabilities relating to data collection and calculation, assessments, and information dashboards to be added.

FUNCTIONALITY

The business drivers for Corporate, Social, and Environmental Responsibility (CSER) are increasing every day: energy prices are rising, regulatory pressures are multiplying, stakeholders are demanding that enterprises are more socially aware, and the popularity of ethical brands is growing. Within the UK, the Climate Change Act 2008 set a target for the reduction of targeted greenhouse gas emissions – that the net UK carbon account for the year 2050 is at least 80% lower than the 1990 baseline (up from a previously stated 60% reduction) – and gave ministers powers to introduce measures necessary to achieve a range of greenhouse gas reduction targets.

Hence CSER has become, or is becoming, a significant issue for every enterprise and the challenges in meeting these responsibilities have pushed the need for a more proactive IT response centre stage, with senior business managers (across all business functions) rapidly appreciating that there is a significant difference between corporate Green (or sustainability) goals and the organisation's ability to deliver against them.

Product Analysis

Organisations are being faced with a number of factors that are driving corporate sustainability expectations: the need to cut costs, particularly energy costs; the expanding scope of mandatory carbon reporting and reduction, and increased participation in voluntary carbon programmes; increased interest in, and scrutiny of, corporate environmental sustainability; and increasing stakeholder expectations in respect of the disclosure and reporting of energy and sustainability data. Importantly, different organisations will have different carbon and power issues but all will require support in addressing them.

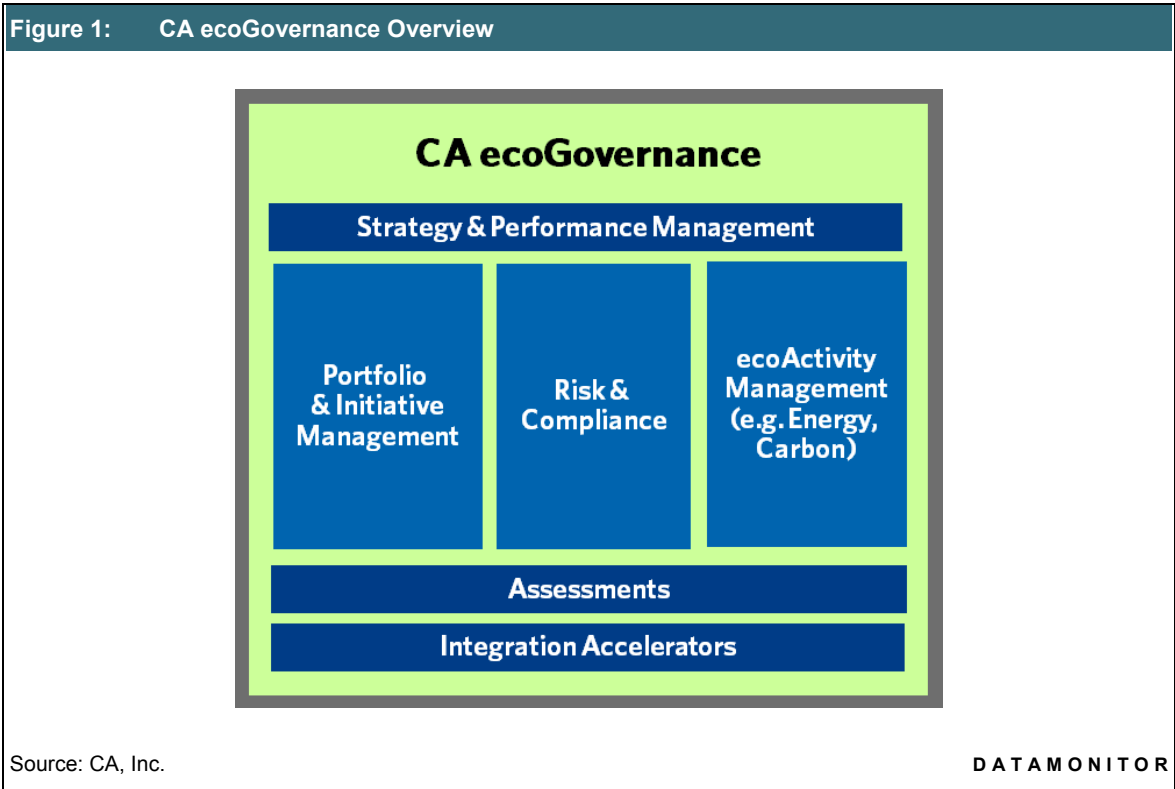
CA's ecoSoftware group is an incubation business unit which develops, pilots, and proves emerging technologies to help solve corporate energy and sustainability challenges. It presently offers two ecoSoftware solutions – CA ecoGovernance and CA ecoMeter, both available in limited-availability release – that are aimed at helping organisations to meet energy and sustainability goals such as cutting energy costs, managing consumption, and reducing carbon.

Traditionally, ad hoc efforts across organisational silos have made the achievement of corporate sustainability goals overly complex and both operationally and financially suboptimal. Using a centralised information repository and leveraging the technology platform also used by the CA GRC Manager (Governance, Risk, and Compliance) and CA Clarity PPM (Project and Portfolio Management) solutions, CA ecoGovernance can help an organisation to follow an efficient and systematic approach to meeting its environmental goals, assisting with the effective delivery, quantification, and communication of sustainability outcomes.

More specifically, CA ecoGovernance can help organisations as follows: to reduce consumption and spend associated with electricity and other natural resources; to more efficiently survey and assess energy use and other environmental impacts; to communicate opportunities, issues, challenges, outcomes, and benefits more efficiently and effectively to customers, employees, executive management, and other stakeholders; to better manage risks and help to comply with, and help to demonstrate compliance with, environmental policies and regulations; to capture, measure, calculate, disclose, manage, or mitigate carbon emissions; and to improve the corporate environmental profile by engaging in the right set of sustainability initiatives.

This is achieved via support for a variety of sustainability management processes and activities which include the following: define strategy, identify risks, manage compliance, capture ideas, select initiatives, execute projects, assess outcomes, and track performance; ultimately focusing projects, teams, and resources to deliver against key corporate sustainability goals. Product functionality also includes assessments that can be used to identify where progress needs to be made, and scarce investments directed, such that organisational objectives can be met.

The product was born from CA’s own energy management and sustainability requirements and, in its initial form, CA ecoGovernance is already demonstrating its value in customer environments. With the ongoing feedback from its early adopters, Butler Group is certain that the product will continue to be refined to further deliver against corporate requirements to understand energy consumption, manage change initiatives, and demonstrate how Green initiatives are reducing carbon emissions.



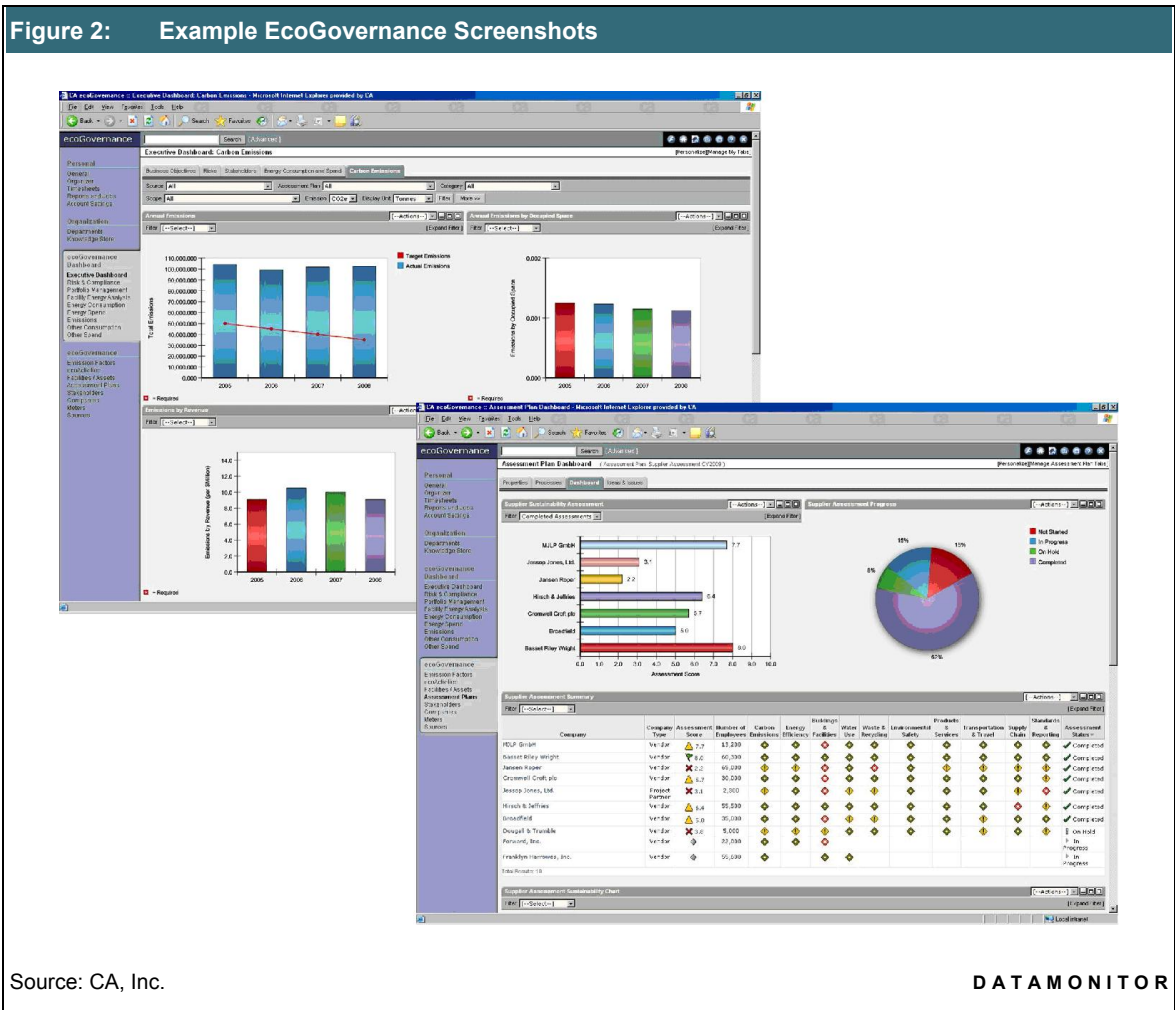
Product Operation

CA ecoGovernance leverages CA’s knowledge and experience in the Governance, Risk, and Compliance (GRC), and Project and Portfolio Management (PPM) arenas to deliver a set of capabilities that can help an organisation address the challenges of CSER. As depicted in Figure 1, ecoGovernance is comprised of three core modules: ecoActivity Management, Risk and Compliance, and Portfolio and Initiative Management.

ecoActivity Management

The ecoActivity Management module supports the corporate-level calculation, tracking, and visualisation of the consumption of energy and other natural resources. The types of ecoActivity that may be tracked include, but are not limited to, energy (such as electricity, natural gas, and oil), business travel, water, and waste. Costs are also tracked and carbon emissions are calculated using carbon accounting capabilities. Patterns of carbon emissions cost, and energy and natural resource consumption can be visualised using a variety of graphical tables and graphs with over 140 dashboard portlets such as graphs, tables, and charts provided out of the box.

Figure 2: Example EcoGovernance Screenshots



Source: CA, Inc.

DATAMONITOR

Risk and Compliance

The Risk and Compliance module delivers functionality to help organisations with the identification, measurement, and mitigation of environmental risks, and to help with the tracking of compliance with internal policies and external regulations.

Portfolio and Initiative Management

The Portfolio and Initiative Management module delivers project management and project governance capabilities that facilitate the centralised capture, storing, and management of ideas; supporting the monitoring of project progress and using portfolio management capabilities to evaluate, compare, select, and manage sustainability projects. Initiatives can be systematically evaluated against financial and environmental criteria and aligned with strategic business objectives to help an organisation select, and invest in, the right environmental initiatives.

The three main modules are supported by:

- Assessments functionality – which facilitates the setting up, assigning, and tracking of assessments of an organisation’s environmental performance. Out-of-the-box assessment templates are provided for internal energy consumption and carbon emissions, and the environmental performance of suppliers and vendors.
- Integration Accelerators – tools to accelerate the capture of operational data from a variety of data sources.

Finally, CA ecoGovernance's Strategy and Performance Management capabilities can help an organisation to track and manage corporate-level business objectives, key performance indicators, key risk indicators, compliance control testing, stakeholders, policies, and targets in the pursuance of its sustainability goals.

The CA ecoGovernance solution is built on the same business governance platform as CA Clarity PPM and CA GRC Manager to provide a well-proven, highly scalable, and robust foundation that delivers enterprise-level capabilities such as audit trails, document management, security, and powerful studio environment. CA ecoGovernance is provided On Demand via the Internet using Software-as-a-Service (SaaS), allowing customers to achieve a quicker time to value. Currently, supported browsers include Internet Explorer 6.0 Service Pack 1 (version 6.0.2800) or higher, Internet Explorer 7.0, and Mozilla Firefox version 2.0 or higher for Microsoft Windows.

CA is currently working closely with CA ecoGovernance pilot customers on the documentation of success stories, which it hopes will include the quantification of Return On Investment (ROI) based on lower costs associated with energy and natural resources; faster, more efficient, and more accurate sustainability reporting; market opportunities associated with new and enhanced greener products and services; and enhanced market reputation. However, CA does not discount a lesser corporate focus on financial savings in this area as enterprises seek efficient ways to demonstrate reduced carbon impact and an improved reputation for sustainability.

Product Emphasis

As environmental strategies continue to rise higher in the list of corporate priorities, organisations face a difficult juggling act between boosting their Green credentials, meeting regulatory obligations, and in some cases potentially adding business cost in doing so. However, IT functions are uniquely placed to help the business realise commercial and Green benefits through the provision of energy consumption data, both within and outside of the data centre, and governance-enabling software that can facilitate a reduction in energy costs, energy and other natural resource consumption, and carbon impact. The utilisation of CA ecoGovernance, in particular, can help an organisation to improve investment allocation in, and positive outcomes from, sustainability initiatives, with increased project alignment, management, and oversight (with more efficient and more accurate sustainability reporting), and enhanced employee and stakeholder engagement.

It is difficult to compare CA ecoGovernance against a Green Management software market as the product is entering a space where products have yet to reach a level of consistency and maturity; whilst existing products can help organisations to reduce costs and add to their Green credentials, they are typically more narrowly focused on compliance or calculating carbon or are vendor product specific or in areas such as remote device management or collaboration and e-working. Hence, CA's ecoSoftware group is entering relatively uncharted territory with its enterprise-level governance-enabling software for energy, carbon, and sustainability.

DEPLOYMENT

CA ecoGovernance is provided On Demand using SaaS; thus a project to deploy software and supporting technology on customer premises is not required. Alternatively, it only requires a browser and an Internet connection to function (from a customer perspective); there is no client to install, no hardware to support, and nothing to upgrade locally. The system is typically implemented incrementally (by product module), with CA recommending that a customer identifies an area that can deliver immediate value, such as operational energy tracking or carbon accounting, and starts with this area alone. The implementation time for an individual product module can vary depending on several factors, but is typically three to four weeks for initial planning, data entry, and dashboard review. Once an organisation is ready, other modules may be added and CA offers a range of services and relationships with leading global and regional consulting partners, to provide implementation and consulting assistance. Integration to CA ecoGovernance is normally accomplished with XML Open Gateway (XOG) and/or Generic Execution Language (GEL).

The product is designed to be straightforward to use and, in terms of day-to-day management, it is expected that CA ecoGovernance administrative tasks would be a part-time activity for individuals within the customer organisation. CA Services and partners can provide a custom training plan to meet an organisation's training needs, and administrator training for CA's underlying governance platform products is also available as instructor-led (classroom and virtual) and Web-based training. Ongoing technical support is provided by CA Support; details can be found at <http://www.ca.com/us/technical-support.aspx>.

PRODUCT STRATEGY

CA ecoGovernance is currently in limited-availability release with a wide-availability release scheduled in Q4 2009. CA's short-term strategy in respect of the product is to obtain early adopter customers (including pilots), prove ROI through the early adopters, develop a partner ecosystem, establish CA as a relevant player in the market, and push towards an October 'Adoption' launch for both CA ecoMeter and CA ecoGovernance.

The target market for CA ecoGovernance is vertical agnostic, comprising all commercial, industrial, and government sectors. CA believes that the product is relevant to the needs of large and medium-size, commercial or non-commercial organisations across all sectors, including Finance, Services, Manufacturing, Retail, Technology, Government, and large-scale educational institutions. CA expects the target market for CA ecoGovernance to be large companies with annual revenue in excess of US\$500M but can see that the product may also be of interest to medium-sized companies. Within the targeted customer base, primary users and buyers will include the following roles: Chief Sustainability Officer, Sustainability Director or Climate Change Director; Facilities Director; and IT Director or Data Centre Director. CA also perceives potential secondary buying groups that may include Finance, Marketing, Legal, Operations, and Product Management.

CA's main routes to market for CA ecoGovernance are expected to be through its direct sales organisation, through partnerships with major consulting and services organisations, and through partnerships with more specialised consulting companies. In support of the product, CA has relationships with a growing range of business and technology partners.

The software is available on a subscription basis via SaaS and CA is currently evaluating a number of potential pricing models with early adopter customers. In the run up to CA ecoGovernance's wide-availability release in Q4 2009, CA is also working on a range of enhanced capabilities relating to data collection and calculation, assessments, and information dashboards.

Whilst Green issues have been on the corporate agenda for the last few years, enterprise-level vendor support through directly targeted solutions has been minimal and CA is delivering ecoSoftware solutions in what is, at best, an emerging market space. Both CA ecoGovernance and CA ecoMeter start to provide the sustainability-supporting technology ecosystem that organisations will need to meet the challenges, from both regulatory and reputational requirements, that they will face in the medium term; thus Butler Group considers CA to be ahead of the vendor pack in this area. CA are also aware that CA ecoGovernance does not fall exclusively within a single, conventionally recognised market space and will thus compete in various areas against offerings from vendors such as SAP, ESS, and SAS.

COMPANY PROFILE

CA, Inc. is one of the world's largest IT Management software providers. Founded in 1976, CA today is a global company with headquarters in the United States and 13,200 staff in more than 40 countries. CA serves more than 99% of Fortune 1000® companies, as well as government entities, educational institutions, and thousands of other companies in diverse industries worldwide. It is a publicly traded company on the NASDAQ, with the stock symbol CA.

Table 1: Financial Details			
Year ending March 31	2009	2008	2007
Revenue (US\$ Million)	4,271	4,277	3,943
Change on Previous Year (%)	0	8	5
Total Net Income/(Loss) (US\$ Million)	694	500	121
Source: CA, Inc.			DATAMONITOR

CA states that its software and expertise unify and simplify complex IT environments – in a secure way – across the enterprise for greater business results. Its ecoSoftware group is an incubation business unit which develops, pilots, and proves emerging technologies to help solve corporate energy and sustainability challenges. There are presently two ecoSoftware solutions – CA ecoGovernance and CA ecoMeter – both available in limited-availability release, which are aimed at helping organisations needing to meet energy and sustainability goals such as cutting energy costs, managing consumption, and reducing carbon.

Whilst it is too early for CA to be referencing its pilot and early adopter customers, CA itself uses CA ecoGovernance to track sustainability projects, energy consumption, energy spend, and carbon footprint at over 100 facilities worldwide; calculating CO₂ emissions (based on regional or national factors), and evaluating and reporting on diverse sustainability initiatives that include Food Services, Printing, Travel Services, and IT.

SUMMARY

Sustainability issues are becoming an important consideration for both IT and the business, as CSER has forced organisations to become more proactive – both with stakeholder communications and in incorporating environmental factors into operational, strategy, and governance procedures. Common issues suffered by organisations include the fact that they struggle to efficiently collect, aggregate, analyse and act on the right CSER information effectively enough to achieve what is possible through sustainability initiatives; and this includes CSER data from supply chain partners. Many organisations also still don't elicit and understand the concerns of their key stakeholders, particularly customers and employees, and miss out on a variety of benefits by not actively engaging with them.

In Butler Group's opinion, CA ecoGovernance is an application that can help an organisation to address these issues, supporting the corporate activity required to effectively manage Green initiatives to reduce carbon exposure and to comply with increased energy and carbon disclosure in the face of expanding regulations and enhanced stakeholder interest, and in energy management initiatives as a component of corporate sustainability programmes.

Table 2: Contact Details	
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Source: CA, Inc.	DATAMONITOR

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