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## The Low Carbon Agenda

No.9 / October 2008

### Innovation, Innovation, Innovation

With the economic situation continuing to look bleak you may think that this is a bad time for radical innovation. But many entrepreneurs swear that a recession is an ideal time to introduce new products and services as customers are looking for better/cheaper solutions and set up costs can often be negotiated down.

So this month we are looking at the most radical solution to cutting your carbon footprint - providing innovative low carbon products and services to existing or new customers.



All the very best,

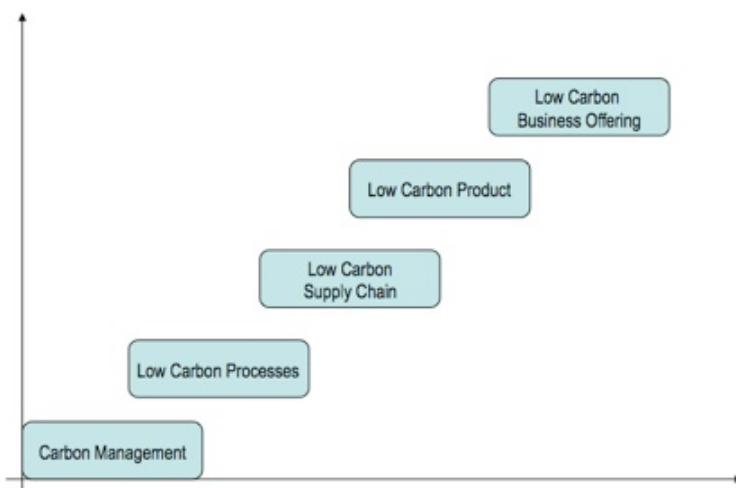
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### Context

Back in edition 4, we looked at the available strategies to reduce the carbon footprint of your business (see diagram below). The first four involve delivering the same sort of product/service that you do now, but with a lower carbon burden over an increasingly wide scope of the product/service lifecycle. However to deliver the kind of cuts in carbon emissions required by national and international targets (see news below), we're going to have to break from the past and deliver customers' needs in a radically different way.



### Low Carbon Innovation

There are a number of examples of innovative products and services that cut carbon emissions. The rise of the mp3 player and on-line sales has slashed the carbon involved in creating and distributing (and wasting) CDs. Car clubs reduce the numbers of cars on the road and shift the

cost away from the purchase price and towards a 'per km' basis, discouraging car use for shorter journeys. Web services such as eBay and freecycle have created markets for second hand goods, lengthening product life cycles and cutting waste.

Opportunities for innovative products and services can be grouped into four different categories:

- Replacing products with services (eg car clubs, leasing equipment and facilities, chemical management services);
- Replacing physical products with information (eg mp3s, cable movies on demand, digital photography, ebooks);
- Providing enabling services which allow customers to take low carbon options (eg eBay, freecycle, video conferencing);
- Developing novel enabling products (eg renewable energy systems, low carbon fuels, meters and control systems, new processing technologies like process intensification and nanotechnology).

## Execution is the Key

The success of a new product or service is usually not down to how clever the innovation is, but how well the idea is put into practice. Apple did not invent the graphical user interface, the mp3 player or the smart phone, but the Macintosh, the iPod and the iPhone were so brilliantly designed and so gracefully user friendly that they broke out of the niche and into the mainstream. So if you have an idea that you think will change the world, you must remember that only a very small proportion of your client base will share your wonder - the rest will ask 'what will it do for me?'.

So if you do have a groundbreaking idea, make sure that you look at it from your customers point of view and ask yourself - would I buy this? And good luck!

## Next Month

Next month we'll be looking at the controversial issue of carbon offsetting.

## Low Carbon News

The UK Government has raised its target for carbon emissions to be cut to 80% of 1990 levels, but there is still little detail on how this will be delivered. This target still excludes international aviation and shipping.

New UK Energy & Climate Change Secretary Ed Miliband has also pledged to amend the energy bill to create "feed-in tariffs", allowing small-scale energy producers - including the general public - to sell electricity at a guaranteed price. This policy has been credited with an explosion in renewables in Germany and other European countries.

The [Carbon Trust](#) is offering interest free loans to small/medium size enterprises in England and Scotland and all businesses in Wales and N Ireland. Up to £200k (£400k in NI) is available for 4 years to upgrade equipment to improve energy efficiency.

## Tip of the Month

Install automatic lighting controls that detect when a room is occupied, particularly in windowless rooms (such as staff kitchens, stores and washrooms) where lights are often left on continuously.

The small print:

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