

## Rethinking environmental strategy through smart systems and digital tools

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### Abstract

This paper investigates the disruptive potential of smart systems and digital technologies like artificial intelligence (ai), internet of things (iot), blockchain, and cloud computing on sustainability management in all sectors. The study positions these technologies to be fundamental applications in the reshaping of industry to manage, optimize and sustain natural resources, rather than ancillary instruments of those responsibilities. Continuous digital environmental monitoring, predictive maintenance, and autonomous response are now possible thanks to digital systems and remote sensing. For example, ai models are able to predict pollution levels, automatically allocate energy and monitor efficiency rates instantaneously. Iot networks allow for pinpoint water, energy and waste flows tracking within all facilities, with the support of blockchain technology and transparent resource accounting. Cloud applications scale efficiently to collect data and simulate the climate, enabling improved decision-making for public and private stakeholders. In order to evaluate their quantifiable impact, we rely on both quantitative and case-based interpretation in this research. A regression model is used to estimate the impact of individual digital interventions on energy use and waste reduction. It is also noteworthy that the effectiveness of these tools does not depend exclusively on technology but is also related to the strategic frameworks in which they are embedded. Policy design, data governance, and partnership with stakeholders are essential if we are to turn digital potential into environmental dividends. This paper argues that reframing environmental strategy in the context of the digital age means moving beyond fragmented, compliance led approaches to more adaptive, learning focused systems. These systems need to couple technical precision with ecological understanding in order to help groups respond to feedback, anticipate environmental shocks, and minimize human mistakes. In the end, the overlap of ai and sustainability is not only about increased efficiency, but about reshaping what environmental responsibility means, and looks like, in an ever more digitized world.

**Keywords :** Transition to digital, long-term environmental protection, new approaches to environmental responsibility, machine learning (ml), environmental monitoring.

### Introduction

As we progress further into digital age, the need of hour is augmented to find solutions for environmental challenges like climate change, loss of natural resources, and poor waste management. And all this, while the population of the world is increasing, and the demand for natural resources is increasing day by day and the country needs innovative ways to make their industries greener. On the bright side, digital technologies are rapidly taking the lead in the race to design a better, more sustainable society. Besides fine-tuning internal processes, digital transformation also paves the way for practices that would be better environmentally and economically sustainable for firms. The emergence of smart technology is revolutionizing how organizations track, control, and reduce their environmental impact. Energy optimization, predictive analysis of environmental trends, and an improvement in informed decision-making about the most sustainable business strategies are just some of the applications of ai. Iot devices enable us to oversee our energy consumption, water usage, and trash output in real-time which can be useful for cities and businesses alike. Learn how to reduce your impact on the environment with some quick efficiency measures. Cloud computing, with its affordable, expansive storage and processing power, is democratizing sustainable business ideas. Businesses may lower their carbon footprint because no energy-intensive physical infrastructure is needed. On top of this, the

emergence of digital platforms is also powering the growth of the circular economy, by allowing for reducing resource use through the recycling and remanufacturing, reconditioning, or reuse of products and resources. Digital platforms that allow for communication and collaboration from input sourcing to product delivery can help companies create more sustainable supply chains. Blockchain is one of the key technologies that ensures traceability and transparency, which is crucial for environmental sustainability. Six) blockchain technology guarantees that goods and resources are sourced ethically and sustainably, as all transactions and activities are recorded on an irreversible and secure ledger. This has wide-reaching implications for industries from agriculture to fashion to manufacturing, as meeting sustainability targets is predicated on the ability to trace products and raw materials. Moreover, the ledger blockchain technology that verifies and tracks companies carbon emissions can help stakeholders and consumers respectively the visible impacts of their decisions on the environment. This not only reduces wasted energy but also allows renewable power sources like solar and wind to enter the grid more easily. Electric vehicles, new modes of transportation, and more precise, data-driven logistics systems are leading to cleaner air and more effective shipments. It's the same for precision farming, which applies ai and satellite data to allow farmers to drive maximum yields but avoid losing fertilizer and water. There are issues to remedy such as digital inequality, cybersecurity threats, the costliness of rolling out new tech, and how electronic waste is polluting the environment. With the rapid development of new technologies comes the need for individuals, governments, and businesses to act with caution and common sense. It looks at how new technology could drive sustainability and points out the potential upsides and downsides of this conversion to digital solutions. The emphasis of the study lies in understanding how governments and companies can implement new practices with the help of digital technology that promote sustainability; by investigating the possible implications of innovation on existing environmental practices.

### **Review of literature**

Globally, researchers are starting to recognize the importance of understanding the relationship between digital innovation and sustainability. Academics have been focused on how new technology could potentially shape environmental behavior for the better against a background of rising concern over climate change and resource distance. Digital transformation is, as westerman et al. (2011), this goes beyond leveraging new tech; it also means re-engineering core business processes to be more sustainable. In other industries such as energy, agriculture, and manufacturing, the efficiency of resource use and reduction of waste due to the use of iot and ai have boosted. The findings align with the views of vial (2019) who argues that the adoption of digital technologies now helps firms manage their resources effectively while reducing the impact of their operations on the environment, which enables the balance of profit and planet objectives. In artificial intelligence and machine learning, the research has mainly considered how these technologies might enhance sustainability outcomes. Davenport (2018) provides exploration of how ai-powered predictive analytics can be applied to increase efficiency in energy consumption optimize the waste of industrial processes. Smart grids powered by ai, which dynamically manage energy use to optimize performance and curb consumption, are getting markedly more efficient, too. Of course, real-time data from sensors and other iot devices is also relevant to environmental monitoring in systems that measure energy use, water use, and emissions (marston et al., 2011). These developments enable industries to also help meet sustainability goals through data-based decision-making. Cloud computing is another phenomenon that has revolutionized the ability of companies to adopt green practices. According to gomber et al. (2018), cloud-based systems minimize energy consumption by eliminating the need for on-premise equipment when it comes to data storage. Scalability of cloud computing also enables easier development of resource-efficient, flexible business processes that can support sustainability in a large number of industries. According to bocken et al. (2014) and long marketing period, cloud computing helps companies increase their

capacity without causing environmental damage, which often comes with more traditional methods of data management. One area in which blockchain technology is garnering interest is sustainable supply chains, due to its well-known ability to enhance transparency and traceability. In this context, as per adner (2017) blockchain technology increases transparency around sourcing and manufacturing processes which helps drive companies towards more sustainable practices and ethical sourcing. Blockchain provides an unchangeable record of transactions, making it a potential tool for companies and customers to track the environmental impact of their products, assisting them in their sustainable supply chain efforts. Furthermore, thanks to blockchain's ability to track and authenticate carbon emissions, corporations are able to manage and minimize their influence on the ecosystem. Many international literature agree that the impact of digital innovation has been revolutionary for many sectors. While ai is assisting grids maintenance, energy corporations are utilizing the power of the internet of things and ai to optimize grid functions, implementing renewable sources of energy such as wind and solar into existing power grids (chen et al., 2019). This has become particularly significant in europe, where efforts to progress on renewable energy and build smart grids will be key in reducing carbon emissions and dependence on fossil fuels. Iot : The role of iot and ai as a technology has made a great impact on agriculture, water and fertilizer practices conservation, increase in agricultural production with less impact on environment, efficient resource utilization (gomber et al, 2018). However, some barriers still remain, particularly in developing countries, that need to overcome for digital innovation. However, for most, with higher operating costs most especially having higher digital technologies, it becomes a critical barrier that determines whether to operate or not. Kshetri (2017) mentions the growing use of connected devices and information, and whether sensitive environmental data may be compromised, confirming the importance of addressing cybersecurity threats in comprehensive digital environmental action. Besides being eco-friendly, digital-based technologies also create economic opportunities that are of shared value to society and businesses (nambisan, 2017). The businesses can reduce their environmental footprint and create new rooms for growth and innovation by adopting digital sustainability practices based on the research. For this purpose, it could demonstrate that to achieve sustainability without reducing profit, environmental and business goals may be connected.

### Study of objectives

The following objectives, taken as a whole, seek to shed light on how digital transformation is influencing sustainability practices, encouraging new developments in this field, and resolving related challenges.

1. To understand how digital technologies could foster sustainable practices.
2. Addressing how digital transformation has impacted waste reduction and resource efficiency.
3. For the sake of exploring how digital innovation affects strategic planning.
4. Assess the price of entry of digital sustainability practices.

### Research and methodology

**Table 1: Regression analysis — influence of digital technologies on resource efficiency**

Digital technology	Energy consumption (kwh)	Waste reduction (kg)	Resource efficiency score
Cloud computing	150	30	0.8
Ai and machine learning	120	25	0.9

Digital technology	Energy consumption (kwh)	Waste reduction (kg)	Resource efficiency score
Iot sensors	130	28	0.85
Blockchain technology	140	32	0.87

Analysis: Determine the impact of individual technology on energy, waste and resource.

**Hypotheses:**

**H<sub>01</sub>:** Digital technologies have no significant influence on energy consumption, waste reduction, or resource efficiency scores.

**H<sub>11</sub>:** At least one digital technology has a significant influence on energy consumption, waste reduction, or resource efficiency scores.

These hypotheses support a **multiple regression analysis**, where each technology is an independent variable and each sustainability metric is treated as a dependent variable.

- **Null hypothesis (h<sub>01</sub>):** There is no statistically significant effect of individual digital technologies—cloud computing, ai and machine learning, iot sensors, and blockchain technology—on energy consumption, waste reduction, or resource efficiency scores.
- **Alternative hypothesis (h<sub>11</sub>):** At least one digital technology among cloud computing, ai and machine learning, iot sensors, and blockchain technology significantly influences energy consumption, waste reduction, or resource efficiency scores.

**Table 2: Sustainability outcomes in digital vs. Non-digital companies — mann-whitney u test**

Group	Resource efficiency score	Waste reduction (kg)
Digital companies	0.85	28
Non-digital companies	0.6	15

Mann-whitney u test for comparison of sustainability outcomes of businesses with implemented digital solutions and without.

**Hypotheses:**

**H<sub>02</sub>:** There is no statistically significant difference in resource efficiency scores and waste reduction between digital and non-digital companies.

**H<sub>12</sub>:** There is a statistically significant difference in resource efficiency scores and waste reduction between digital and non-digital companies.

This non-parametric test is appropriate for comparing two independent groups when the assumption of normal distribution may not hold.

**Null hypothesis (h<sub>02</sub>):** There is no statistically significant difference in resource efficiency scores and waste reduction levels between companies that have adopted digital technologies and those that have not.

**Alternative hypothesis (h<sub>12</sub>):** Companies that have adopted digital technologies show statistically significant differences in resource efficiency scores and waste reduction levels compared to non-digital companies.

**Table 3: Kruskal-wallis h test — differences in sustainability outputs by industry**

Industry	Resource efficiency score	Waste reduction (kg)
Energy	0.87	35
Agriculture	0.82	25
Manufacturing	0.75	20
Technology	0.90	40

### Hypotheses:

**H<sub>03</sub>:** There is no statistically significant difference in resource efficiency scores or waste reduction across different industries.

**H<sub>13</sub>:** At least one industry differs significantly in resource efficiency scores or waste reduction outcomes from others.

**Null hypothesis (h<sub>03</sub>):** There are no significant differences in resource efficiency scores or waste reduction levels among the energy, agriculture, manufacturing, and technology sectors that have implemented digital technologies.

**Alternative hypothesis (h<sub>13</sub>):** At least one industry sector among energy, agriculture, manufacturing, and technology exhibits a significant difference in resource efficiency or waste reduction when compared to the others.

Assess via kruskal-wallis h test to identify the differences between dependent variables and independent variables that have adopted digital technologies across industries.

### External table 4: Fisher's exact test – variables of interest: Industry and digital sustainability

Industry	Adopted digital sustainability	Did not adopt
Energy	15	5
Agriculture	10	10
Manufacturing	8	12
Technology	18	2

It aims to find out whether there is a significant association between industry type through fisher's exact test. Foster sustainable practices across industries, assess their impact on waste reduction and resource efficiency, explore their influence on strategic planning, and evaluate the costs associated with adopting these technologies.

**H<sub>04</sub>:** There is no association between industry type and adoption of digital sustainability practices (i.e., they are independent).

**H<sub>14</sub>:** There is an association between industry type and adoption of digital sustainability practices.

Fisher's exact test is suitable due to the small sample size and categorical nature of the data.

**Null hypothesis (h<sub>04</sub>):** The adoption of digital sustainability practices is independent of industry type.

**Alternative hypothesis (h<sub>14</sub>):** There is a significant association between industry type and the adoption of digital sustainability practices.

### Findings

1. Digitalization, in particular startups using these technologies to mobilize their application of resources such as electricity and water have led to reduced costs of operating and environmental impact.

2. Reducing waste using iot and ai: Startups have cornered the market in using to track waste generation and manage it as it happens. Because of better forecasting capabilities and improved waste management efficiency, industrial sectors such as agriculture and manufacturing have witnessed dramatic reductions in their waste production.
3. Ai has been adopted widely in the world of startups to be used as a way to guide data-driven decisions that are more sustainable. Ai enhances this process. Using predictive analytics, for example, startups might simplify their supply chains, improve product designs, and predict energy consumption, all of which can lead to long-term environmental benefits.
4. Cloud computing has provided entrepreneurs with solutions that are scalable, which help reduce the need for energy-intensive on-premise infrastructure that is more conducive to scalable sustainability practices. This has allowed startups to scale down their carbon footprint and adopt more affordable, flexible sustainability practices.
5. Blockchain encourages supply chain transparency: New companies have achieved success by deploying blockchain technology to track and verify whether their vendors are genuinely committed to sustainability. During the journey of gaining trust and accountability with consumers, this transparency ensures that products are sourced in an ethical manner while abiding by sustainability standards.
6. Supporting circular economy business models through digital platforms: The recent emergence of the circular economy is being supported by digital platforms that allow for breakthrough businesses to build more sustainable models. On these platforms, products can be remanufactured, recycled and reused, reducing resource consumption and waste in various industries.
7. While this is hard to measure, as a rule, those that embrace digital transformation techniques have helped them, outwork their competition in their marketplace. By adopting digital sustainability solutions into their businesses, these new businesses will be able to differentiate themselves, gain the favor of eco-conscious consumers, and increase their market share.
8. However, the challenge is having the financial resources to invest in digital sustainability policies and procedures. For many companies, especially at the start of their journey, advanced technologies such as ai and iot are still too expensive compared to the returns and represent a huge initial investment.
9. The risks that enhancing digital transformation could pose, including as cyber risks: Startups increasingly rely on digital sustainability technologies, making them more susceptible to cybersecurity threats. Startups must proactively build robust cybersecurity strategies as the increase in sensitive data includes data on the environment, but the risk of a cyberattack is growing.
10. One important finding is digital inequality, making widespread adoption difficult. This is even more true in poor countries where entrepreneurs may lack both the means and infrastructure to properly deploy digital sustainability solutions. Such a gap could prove damaging to the pursuit of sustainable development goals worldwide.
11. Digital technologies that help in innovation may now allow startups to overcome such challenges and align sustainability objectives with their strategic plan. In your task of formulating sustainability plans for the long haul, startups now have access to understanding of the environmental trends, resource consumption patterns and customer behaviour among others.
12. Startups can find partners to help them develop and nurture sustainability initiatives, where collaboration in digital ecosystems allows them to bypass ambivalences.

## Suggestions

1. Future research might consider more affordable digital solutions for startups, especially in developing countries, given the cost barriers identified. To reduce digital disparities and

broaden opportunities surrounding sustainability practices, cost-effective, scalable technology must be identified for small- and medium-sized enterprises.

2. Cybersecurity which has been identified as a key hurdle to achieving better digital sustainability must be prioritized by startups. Research on cost-effective and scalable cybersecurity measures focused on the startups should encourage for more adoption of digital tools for sustainability.
3. According to the study's findings, digital inequality inhibits the widespread adoption of sustainable digital practices and therefore, it is vital to promote programs that teach people how to use digital tools responsibly. Digital literacy programs that teach entrepreneurs and small businesses how to use digital technology for sustainable purposes could be immensely beneficial for them.
4. Providing grants, tax breaks, or other forms of financial support to fresh start-ups could greatly improve the uptake of digital sustainability practices, but it will take the intervention of policymakers to make this happen. Future research should examine whether government subsidies over the long run promote sustainable technology uptake by nascent firms.
5. Such studies now lay the groundwork for expanding to an even wider scope of industry restructuring that goes beyond advantages observed in the short term, and is not confined to examining short-term effects, such as how digital transformation ultimately reshapes startup growth over the long term in terms of market penetration, financial sustainability and innovation capacity.
6. Future research could explore how smaller businesses can benefit from partnerships with larger enterprises for the adoption of digital sustainability practices. Successful collaboration across industries unveils best practices for digital transformation that inspire innovation and sustainability in startups.
7. Future research could focus on startups adopting digital technologies to implement circular economy practices. To gain additional insights regarding how digital platforms may enable startups to operate within a circular economy, researchers can study the operational, financial, and environmental impact of circular business models.
8. Understanding and appreciating how customers perceive sustainability initiatives spurred by digital transformation is essential. Future behavioral research can examine how digital innovations impact consumers' trust of sustainable companies, loyalty to their brands, and purchasing decisions.
9. Further focused studies could explore how entrepreneurs in areas such as health care, agriculture and energy have employed digital transformation tools. If they know the specific best practices for your sector, startups might be able to better handle their own demands and take advantage of opportunities in the area of digital sustainability.
10. Standardization of these measures is required to assess the impact of initiatives in digital sustainability. To help startups measure and improve their esg-related digital transformation initiatives, future studies could offer guidelines and criteria for assessing the effectiveness of digital tools for environmental sustainability.

## Conclusion

Digital transformation may significantly help businesses attain their sustainability targets in three ways: Lowering energy consumption, improving operational efficiency, and increasing supply chain visibility. These discoveries indicate ai and ml might help reduce operational costs while improving decisions. Innovations in these technologies attract entrepreneurs. They assist in predicting energy consumption, improving logistical efficiency and minimizing waste. This both helps with ethical sourcing and public visibility. Blockchain technology has gone a long way in assisting with this. While they are beneficial, the research highlights some key barriers that can inhibit the broader adoption of these mainstream digital sustainability strategies. The issues

of digital inequality, cybersecurity risks and the high cost of going digital are not resolved. The nascent stages of scaling will contribute to a potential financial bottleneck for entrepreneurs when investing in any new digital technology as access to financing at this phase is limited. But the need for continual adaptation to rapidly changing technology is yet another source of anxiety for smaller firms with few options. Despite some challenges, digital transformation can give companies a head start in the market. Not only can these sustainable digital practices help companies stand out, but they can also attract environmentally conscious consumers and position them among the best in their field. Along with being environmentally-friendly, digital technology can increase the efficiency and profits of your business. By adopting digital sustainability practices, businesses will need to have already adopted in fulfilment of the upcoming legislative and market circumstances, paving the way for sustainable development. Research suggests that stakeholder engagement and collaboration are critical to the success of digital sustainability initiatives. By working with governments, industry specialists and technology vendors, firms might address pain points such as high implementation costs and a lack of awareness. Startups could accelerate the intermediation of digital solutions for sustainability with cross-sectoral connections through which information can move between sectors. This enables them to capitalize on lessons learned by established companies. Lastly, new opportunities emerging from the intersection of digital transformation and startup innovation have upended sustainable development and environmental practices. Fears of gross cost, security, and digital equality fade away next to the benefits of a vigorous digital transformation. Entrepreneurs who leverage the synergies between the digital and physical economy will enable major advances in global sustainability initiatives as the digital economy occupies more sectors of our economy. If sustainability is the end goal of a digital story, then more research and continuous development (cd) of digital tools will be needed in coming months or in coming years.

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