

**BFM BUSINESS****01 BUSINESS FORUM – 10/07/2021 – 15 :31 :57****Guest : Jean-Louis BOUCHARD, Chairman of ECONOCOM****Frédéric Simottel:**

Our guest today is Jean-Louis Bouchard. Hello, Mr Bouchard! Thank you for spending time with us. So, you're the chairman of Econocom. And let's begin with a few facts about Econocom. You make €2.6 billion in revenue. But with the crisis, there was a slight downturn. We'll get on to that. Your operating income is up a bit. So how has Econocom managed to get through the crisis? And how do you see the start of 2021?

Jean-Louis Bouchard:

Well first, 2020 was already very intense! Because all at once, in early March, all businesses shut their doors. So we had 8,000 employees in France being called upon by everyone to rescue them, to go beyond their systems and set up remote working. Can you imagine?

Frédéric Simottel:

And to speed up digitalisation?

Jean-Louis Bouchard:

And back then, there weren't any face masks and the like, so Econocom really had to make huge efforts and there was great admiration from our clients. They watched people swinging into action to rise to the challenge. So it was a significant undertaking. And there was that climate of panic. Even big French firms were no longer paying their rent. So the whole experience was a real learning curve for us. And we overcame it. Now, 2021 has begun brilliantly! Demand is strong. I don't want to talk about remote working again too much, but it's pretty demanding, requiring lots of networks and equipment. And then there's the shortage of material: everything that comes from China and throughout Asia.

Frédéric Simottel:

And is that what you see everywhere? When you talk with bosses of digital service firms and software developers in France? Are we really now in a phase of recovery with businesses that have huge needs?

Jean-Louis Bouchard:

Yes, businesses really do have big needs right now and there are considerable supply shortages. But at Econocom we've got a special business activity that I'm going to talk about. And that's leasing. In this field, France's state-backed business loans have been pushing back leases. So, for example, we finished 30 June with a backlog of orders that was much bigger than usual.

Frédéric Simottel:

Now, the reason we've invited you here today, Mr Bouchard, is to talk about corporate social responsibility or CSR. It's a major issue today. And I want to talk about CSR at Econocom. At Econocom, CSR is in several fields, isn't it?

Jean-Louis Bouchard:

Yes, at Econocom CSR is in several fields. But above all, CSR has been part of Econocom ever since the company was founded! I founded the group 48 years ago. I was born during the war and in the post-war years I was brought up on a farm. And do you know what the best model of the circular economy is? A farmyard! When you try to mirror nature, you always get closer to the truth! I began Econocom with second-hand computers. Back then, when a computer wasn't used anymore it was just left under a cover somewhere! Would you believe it? So I had the bright idea of buying them, first to trade in them and then to lease out these second-hand computers. And for 48 years, our job has been rooted in a key principle: to prolong the lifespan of equipment. Usually, a piece of IT equipment lasts for three to five years. But now we can make one last for up to eight years!

Frédéric Simottel:

We can often get confused about CSR, with its grand ideas and what actually gets done on the ground. You say we've got to tackle CSR with an entrepreneurial approach, don't you? We need to be determined and business-minded about it. It's not just about pleasing people.

Jean-Louis Bouchard:

The carbon footprint of digital technology goes up by 10% each year. So it's really important to stop this increase. And you need an entrepreneurial approach to achieve this. So we've got business activities for measuring a client's energy consumption. We've got business activities that help finance a client's improvements in consumption. And above all, we've got the three aspects of the circular economy.

That is, we help with the choice, we help the customers. For example, why go to the cloud where energy consumption is much lower for data storage, up to 88% savings. Then there's the choice of equipment and networks. And lastly there's implementation and recycling. We recycle 4,000 to 5,000 pieces of equipment each year. And for this volume, we rely on 30 people working full-time who are from the redistributive economy, so there are people with disabilities we call on to refurbish computers.

Frédéric Simottel:

And do you feel that among businesses the mentality is changing too? Perhaps before they looked at you and said all this recycling is nice but their sales mattered to them more, whereas now they look at you and take a real interest in your criteria that you promote?

Jean-Louis Bouchard:

Yes, the tables have turned entirely! Before, we were the ones advising clients by asking them if they really needed brand-new equipment for what they were doing. Whereas now, international and even French calls for tender almost always involve 20% of demand for recycled or second-hand equipment for responding to a call for tender. So it's become truly fundamental.

Frédéric Simottel:

So today, for you, should CSR apply to you as Econocom, or to your clients, or to the whole ecosystem in general?

Jean-Louis Bouchard:

Well, Econocom is CSR-based by birth! And we take a close interest in gender equality and the employment of people with disabilities – we employ 77 people with disabilities – We monitor our carbon footprint for the whole group, which has fallen by about 50% over the last three years, and we monitor the carbon footprint of our own digital systems, which fell by 49% last year.

And of course all of Econocom's fleet is in electric cars, we have 2 or 3,000 cars in circulation, everything has been switched to electric. Finally, we are very careful. For example, you know that fixed workstations consume much more energy than a laptop; all our employees are equipped with laptops.

Frédéric Simottel:

And so do you push your customers a little bit in that direction or do you not have to push them much today?

Jean-Louis Bouchard

We don't push them, but we have the experience, so we know how to measure, it's our job, it's essential.

Frédéric Simottel:

And regarding that entrepreneurial spirit, how is CSR about taking risks, innovating and testing?

Jean-Louis Bouchard:

The name 'Econocom' comes from 'Economic Computer'. So since the outset, the company's been a non-consuming operation in the circular economy. We already encourage all that. We're neither a manufacturer nor a software developer. We're an intermediary between supply and demand. In every circumstance, we're there to offer advice. And the best advice is to develop modern up-to-date solutions that meet demand. For example, we've just signed a partnership agreement with Schneider Electric as there are people on the client's side and people in our own group who are able to invent and build. And that's an approach that's typical of our company.

Frédéric Simottel:

And for you, Mr Bouchard, is it an asset for you to say that Econocom is a responsible business? And today does that mean something in the market?

Jean-Louis Bouchard:

First, the simple fact of being a business already means being responsible! Before, the company didn't exist. It was granted the right to exist. In return, we've got responsibilities that necessarily regard society, the environment and social affairs. And that's in return for enjoying the right to do business.

Frédéric Simottel:

And how do you respond to all this talk today about digital technology consuming so much energy?

Jean-Louis Bouchard:

Well, digital technology represents 4% of global carbon consumption. That's considerable and it needs to be tackled. But the fact that it's growing by 10% per year, well that certainly needs to be tackled! And it's perfectly doable. So let's do it.

Frédéric Simottel:

And do you invest in innovation? For example, in sensors and things like that?

Jean-Louis Bouchard:

We invest a lot in start-ups, in education, etc. So we play a role in development. And we invest in solutions, for example what we were talking about earlier: solutions for measuring consumption. You always need to start by measuring!

Frédéric Simottel:

Thank you, Mr Bouchard, chairman of Econocom, for talking with us about all these issues. So, Econocom is a responsible business. And as you've reminded us, this has been the case from the outset: the name comes from 'Economic Computer'. Thank you for coming to talk with us about all this. We hope to see you again soon to track all these indicators alongside your clients.