

THE VALUE OF SUSTAINABLE SUPPLY CHAINS

INTRODUCTION

What is a sustainable supply chain?

- A sustainable supply chain takes into account the environmental, social and economic impacts of purchasing decisions and balances them for the long term.
- Changes in the global economy have increased the value of the environmental and social aspects of this balance over the past decade. Companies now need to transform the way they look at their supply chain in this new economic reality.
- Minimizing the environmental footprint of the supply chain, while accounting for the tradeoffs between sustainability goals and other business objectives will improve the company's financial performance.

GETTING STARTED

A recent study indicates that firms, especially small firms, benefit from increased consideration of the environment. Further, small firms can benefit from developing and proposing green economic incentives.

THINGS TO CONSIDER

- Are your primary materials sustainable?
- Do you know the working conditions at your suppliers?
- Where do your suppliers buy from?
- How does your product impact your customer's sustainability?

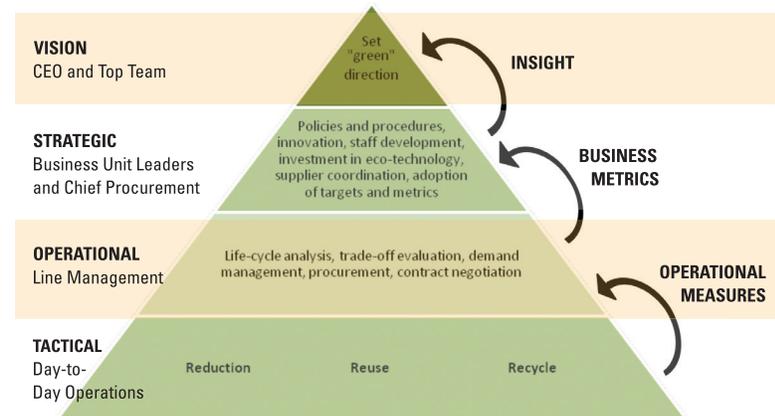
One of the most powerful aspects of the green movement is that firms of all sizes are making these changes in a transparent manner. Corporate best practices are readily available to help you start your own sustainability journey with your supply chain.

Corporations with major green supply chain initiatives include:

Wal-Mart <http://walmartstores.com/Sustainability/9292.aspx>

Proctor & Gamble www.pg.com/en_US/sustainability/operations_suppliers/supplier_engagement.shtml

IBM www.ibm.com/ibm/responsibility/supplychain.shtml



What part of the organization should be involved?

Researchers at the University of Tennessee have found the following insights looking at lean manufacturing and green/sustainability initiatives:

- Firms' lean and green initiatives overlap. Projects initiated to meet lean objectives often provide unanticipated green benefits, particularly in energy reduction.
- Supply chain relationships are increasingly important with respect to gaining benefits from both lean and green initiatives. The success of lean and green initiatives is highly dependent on support from, and interaction with, suppliers and customers across the supply chain.

Firms will be looking for green suppliers as they develop their sustainable supply chains. How can your firm be ready for this and be better than your competition?