



Make it an “**agreenment**”



WHAT DOES THE 1657 GREAT FIRE of Meireki in Edo, Japan have to do with the business practices of 2010? The subsequent efforts by the citizenry to rebuild the Edo economy forced them to acknowledge that they had depleted their supply of building materials. They introduced sustainable forest management practices to protect their economic interests.

The role of North American supply professionals is to keep the cost of supplies and services down. The means to that end includes importing low cost products from offshore suppliers. This cycle encourages lower cost goods that may not be environmentally compatible although still complying with legal requirements. Supply decisions must result in achieving the lowest price. Otherwise, the supply group is not seen to be doing its job. This value proposition bias favours the economic criterion.

Industrial and retail products have been principally designed for disposal (DfD) instead of being designed for the environment (DfE). The model promotes consumptive entitlement and not conservation. To change the value proposition, the supply chain from the drawing board through to disposal must be reassessed. Where organizations continue to pass along externality costs associated with end-of-life product disposition, few things will change. Change comes from customers expecting business to shoulder more responsibility and find greener options.

Supply professionals need to be assertive and challenge the leading suppliers to step up to the plate with innovation. For example, Acklands-Grainger's (A-G) success with a zero packaging program for a major Canadian university led to a scalable solution for many of its customers. A-G created a system of reusable totes which requires no additional packaging materials.

This saves A-G time and materials and saves its customers from segregating unnecessary packaging into a recycling process or landfill sites.

Food and beverage packaging suppliers are utilizing renewable and compostable materials from sugarcane and other biopolymer sources to make plates, bowls, cups, bottles, and food containers reducing the dependence on polyethylene products. Waste is a new source of wealth.

Electric cars were a great theory a few years ago. Today, their ability to connect the economics and the environment, while meeting the expectations of society (the 3Es) is making them a reality. Hybrids caught our attention while electric vehicles have caught our imaginations. From Tesla and Might-trucks to the Volt and ZENN, electric vehicles are becoming mainstream products. Demonstrated design innovation in the auto sector has expanded energy sustainability.

Being cost effective creates the synergy for organizations to consider more items to be substituted for greener alternatives. Leading organizations also use the *savings* to finance the cost of alternative materials to encourage the supply of more responsible options. If supply professionals are pragmatic and prioritize their interests, seldom will it cost more to find responsible options to replace conventional items. By bundling green products into commodities such as cleaning supplies or paper, progress can be made to advance the green agenda.

When we consider the life-cycle costs of virgin vs. 30 percent post-consumer waste (pcw) or 100 percent pcw paper, we make a different decision. Life-cycle cost models which factor in the cost of emissions or other externality costs (landfill fees or energy consumption) are an effective way of advocating for solutions.

These studies show that buying 30 percent pcw content copy paper is the best value. However, a recent poll revealed 66 percent of customers continue to buy virgin paper! If we only consider the short-term or out-of-pocket costs we will continue to accept decisions which compromise our ability to meet the needs of the future – to paraphrase the Bruntland Commission.

The cradle-to-cradle model is much different from the cradle-to-grave model we were lectured on only a few years ago. William McDonough's cradle-to-cradle philosophy points out that nature designs it right in abundance – while people redesign goods for the economical advantage of a few. Visionary leaders see the merit of the 3Es as a formula for success. Only realizing two out of the three variables is not a sustainable proposition.

For all of the wins with buying green, a short-coming to these tactics can be that it stops at the low hanging fruit. Going beyond green is the opportunity for post-2010 thinking. The next steps are to engage with socio-economic entities; resource conservation; and emissions management. These latter taxonomies of buying responsibly are admittedly more difficult. But no more difficult than business experienced when implementing zero defect programs or just in time manufacturing practices. Supply management becomes the conduit in many organizations to contribute ideas upstream and downstream, to influence the DfE options through *agreements*. An **agreement** is a deal which results in a more sustainable solution.

Socio-economic ventures with private or public sector organizations connect social entrepreneurs with meaningful work for the disenfranchised in our communities. Since 2003, Vancouver's Social Purchasing Portal has been a successful prototype of social enterprise in action. It has connected doz-

ens of businesses stimulating local sources of supply for goods and services while building community values. The Ocean Wise seafood conservation program encourages restaurants to support healthier fisheries. Vancouver's H.A.V.E. Café and the BC Restaurant and Food Association culinary program trains people that are "employment barriered" to attain entry level jobs. Starworks Packing & Assembly is a social enterprise which competitively sells labour-intensive services, including the labelling of pre-packaged foods; assembling gift packs for natural wellness products; palletizing of electronic waste; and packaging Olympic pins, to name a few. Starworks was created to employ people with developmental disabilities.

Supply professionals over the next decade will be dealing with emission management strategies. As a beginning step, a Province of BC edict requires public sector operations to prepare to be carbon neutral by July 2010. Shortly afterwards large private sector emitters will be monitored to develop the baseline for the cap and trade system which is under discussions. This will tip the scales in favour of more responsible decisions around the design of products or infrastructural needs and the consumption of resources. It requires organizations to absorb externality costs through the costs being borne by the products they sell. Going green connects the economics to the environment and societal expectations. *MM*

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