

ACHIEVING SUPPLY CHAIN SUSTAINABILITY

Simple activities that can be implemented rapidly
company-wide

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Due to increasing pressure from society many companies are trying to attain sustainability into their supply chains.

Sustainability implies adapting operations so that they are within the limits imposed by nature and society. Prerequisites to reach sustainability usually involve acting legally (do what is necessary, operate within the law), ethically (do what is right, operate with integrity), and responsibly (do more good than bad), unfortunately, if not bound by the limits imposed by nature and society, acting within the law, responsibly and ethically is not enough to be categorized as sustainable.

A sustainable supply chain operates legally, ethically, and responsibly but also ensures its activities have minimum to zero negative impact on the environment over the long term.

The road to sustainability is not an easy one but it is a necessary one, the good news is that at the end of the journey there is a lot of benefits for both, the organization and the community.

Depending on the type of organization there are many activities that can and need to be completed in order to attain sustainability, some are very easy to start and complete, others are harder, require long implementation times and cost more money to implement.

Start with the simpler activities. This has two important benefits, first, good results can be observed in the short term and second, people involved and those around get motivated by the results to continue with the improvements and get ready to face the harder, more time consuming activities.

Simple activities that can be implemented rapidly company-wide include:

1. Make sustainability part of your company culture.
 - a. Engage all employees.
 - b. Create efficiency goals.
 - c. Celebrate success.
 - d. Measure your savings.
 - e. Get ideas and input from employees.
2. Reduce water consumption
3. Recycle. Set up the five-bin recycling system
 - a. Bin #1 is for paper.
 - b. Bin #2 is for hard plastics and metal.
 - c. Bin #3 is for soft plastics (Styrofoam, milk cartons, tetra packs, and so on).
 - d. Bin #4 is for compost.
 - e. Bin #5 is for garbage--the stuff that ends up in the landfill.
4. Use less plastic
5. Reduce business related travel. Current communications technology makes some travelling unnecessary.

6. Use electricity wisely
 - a. Turn off all computers, printers, photocopiers, and other equipment that doesn't need to be left on at the end of the day and leave them off until you need to use them again.
 - b. Check that all computers/monitors are set to their most energy efficient settings (e.g., monitor set to shut off after 15 minutes of no use).
 - c. When leaving a room for more than a few minutes, switch off the lights.
 - d. Use compact fluorescent bulbs instead of incandescent ones.
 - e. Take advantage of natural sunlight as much as possible.
7. Eliminate paper or plastic cups and paper towel.
8. Use non-toxic cleaning products. Encourage your cleaning company to use green cleaning products and if they will not, switch to one of the many companies that now do use environmentally friendly products.
9. Use least amount of materials necessary
10. Aim for a paperless office. Though the paperless office may seem unrealistic, at least try to cut down on printed material. Read on-screen and only print documents when necessary.
11. Production wise, make only what is needed
12. Find ways to use the least amount of resources
13. Deliver goods in most efficient ways
14. Lower inventory levels
15. Reuse boxes and pallets
16. Decrease packaging
17. Fill trucks to capacity
18. Use renewable energies
19. Reduce damaged / defective goods
20. Institute a casual dress policy. Not having to wear suits in hot summer months can help keep cooling costs down (and make for a happier workplace).

After the simpler activities become routine in your operation then it is time to work on the more complex, time consuming, and usually more expensive activities like:

1. **Do business with green vendors.** Establish proper sustainability evaluation parameters in the vendor selection process
2. **Minimize overproduction through efficient demand planning.**
3. **Ensure ethical sourcing and introduce transparency.** Supply chain managers need visibility into how suppliers extract or produce raw materials to ensure they are following sustainability standards.
4. **Decrease fossil fuel consumption by optimizing routes.** Until logistics moves to electric and other more sustainable vehicle options, route optimization is one of the best ways to reduce the environmental impact of transportation and distribution.
5. **Fully utilize containers and transportation to consolidate shipments.** An empty container is a wasted container. Predictive analytics forecasts where and when goods will arrive, allowing for the consolidation of shipments from multiple suppliers to multiple final destinations.

6. **Establish monitoring program for existing or potential environmental risks.** Many supply chains are already impacted by climate change and other environmental factors. Issues such as wildfires in the western, rising sea levels, water scarcity and lower agricultural yields have a profound impact on the efficiency, quality, and speed of the supply chain. Have contingency plans prepared.
7. **Engage Leadership.** As with any worthwhile undertaking, a commitment from the top is critical. Leadership needs to understand the strategic value or business case for sustainable procurement to the organization.
8. **Identify the drivers of waste.** Identify the weaknesses. Correcting problems that generate waste offers several benefits and enables organizations to reduce purchases, make better use of the products they do purchase or produce, and cut disposal fees.
9. **Measure.** Once companies identify the drivers of waste, they need to measure how much is occurring. What percentage and what types of products are going to landfills or compost? Knowing that a product is being discarded at a higher rate than similar items can help identify actions to reduce waste and cut costs. Once you take the first step to measure and examine what is happening, you'll notice opportunities for change.
10. **Set goals.** Targets can encourage creativity. An organization does not need to know exactly how it will reach the goal when it sets it. Often, achieving the goals requires a combination of both larger, more sweeping actions, and small, incremental steps.
11. **Analyze the transport network.** Companies often can reduce the amount of energy used to transport materials and products.
12. **Conduct a backhaul analysis.** One thing that chews up costs, as well as the environment, is empty trucks returning to the point of origin. Loading products onto those trucks means fewer trips and less wasted fuel.
13. **Analyze warehouse design efficiency.** A layout that reduces the number of times an item is handled and cuts the distance traveled between actions can reduce both labor and energy costs.
14. **Go beyond compliance.** Focusing strictly on compliance, often through supplier audits, can keep organizations from maximizing the benefits of greener supply chains.
15. **Collaborate.** Seek partnerships that help you make a more sustainable enterprise.
16. **Involve procurement.** The procurement department can ask suppliers whether their products can be recycled at the end of their lives, and whether the supplier is trying to reduce waste and energy use. Over time, such questions should lead to a greater selection of sustainable products at reasonable prices.
17. **Leverage technology.** Technology can help organizations streamline their sustainability efforts. Technology can provide value across a range of supply chains and can help companies train employees and vendors on their supply chain sustainability initiatives.

18. **Optimize packaging.** Companies often can reduce both costs and resource consumption by modifying their packaging.
19. **Reuse when possible.** Often, products can be reprocessed multiple times. That reduces resource consumption and saves money, because the products can be repurchased at a fraction of their original prices.
20. **Analyze returns processes.** Often, companies struggle to process returns efficiently, this is an area that frequently presents many opportunities to improve processes and reduce costs.
21. **Focus on total lifecycle cost.** You must look not just at the purchase price, but also at the total cost of ownership. Consider the energy, water, and labor required to maintain, operate, clean, and dispose of an item, as well as the initial investment. Once all these factors are included in the calculations, you will notice green products often become competitive.
22. **Maintain continuous focus on building a greener supply chain.** It does not make sense to put off taking steps to green your supply chain. Nor does it make sense to work at it only sporadically. Many companies analyze and streamline their transportation network every three to five years. While that is a start, their energy use often inches back up in the interim. Get engaged and keep a continual focus on your supply chain.

By doing this you are on your way to creating a world class supply chain, one that is less vulnerable to shifts in the price of fuel, materials, and energy. Plus, the greener a supply chain is, the more likely it is that your supply chain is legally compliant around the world. When there is no waste and no emissions, there is not much for governments to regulate.

A forward-looking supply chain strategy, combined with the right technological solutions, will help organizations build more sustainable, responsible, and ethical supply chains. And that is good for everyone.

A supply chain going sustainable is a supply chain going worldwide class.

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