

## The green supply chain DNA

How to retool your supply chain for the sustainability driven, data rich future



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Japanese beef connoisseurs have demanded it for decades. Curious epicureans at Tokyo restaurants can request the ‘certificate of authenticity’ for their bovine meal, which outlines the cattle’s pedigree (three generations), the cow’s farm of origin and its farmer. It even sports a nose-print of the cow you’re about to enjoy.

The Japanese cow represents an unlikely microcosm of the future of our consumer marketplace and its implications on the supply chain. Tomorrow’s marketplace will be bursting at the seams with information. For any product consumers buy, they will be able to summon a dazzling array of information on their phones, tablets or computers, and access the entire history of the products of their choice. Consumers curious about the wool from a sweater, for instance, could find out which pasture the sheep grazed on, the name and photo of the sheep farmer and the location where they can recycle the sweater when they’re ready for a new style. When that data is at your buyers’ fingertips, which products and services will they choose? This future is closer than you think and it has implications for how you manage your supply chain.

# The growing demand for green data

Most consumer organizations are no strangers to the need to disclose operational information to their key stakeholders. However, a new movement is afoot that is changing the nature and depth of those disclosures. Driven largely by the lifestyles of health and sustainability (LOHAS) demographic, consumers are increasingly seeking deeper connections with the products and services they buy. Products are no longer viewed solely as accessories to a lifestyle; now products are lifestyle. And consumers want a lifestyle that corresponds to their values and beliefs.

As a result of this trend, many companies have begun to disclose information about their supply chains, both at the corporate level and at the product or service level. Many global retailers began releasing supply chain data years ago in response to non-governmental organization (NGO) demands. This trend has gained momentum in recent months with many high profile global companies disclosing details about suppliers and international manufacturing performance results. While some consider these releases a response to mounting NGO pressure, others see it as a pre-emptive attempt to avoid bad publicity.

Notably, risk avoidance may not even be the primary impetus for disclosure. Instead, many companies now use track and trace web portals, RFID tags, QR codes, eco-labels and other digital technologies to share their sustainability data as a way to create value.

Several companies are experimenting with product level footprints. Patagonia's 'Footprint Chronicles' website, for instance, had allowed curious consumers to look up the distance travelled for a Nano Puff Pullover<sup>1</sup> or one of 15 other featured products. Icebreaker, a manufacturer of wool activewear, includes a 'baacode' on its website that allows visitors to trace the wool from a baselayer to a station in New Zealand, and even see video footage of the wool farmers. Timberland published a Green Index<sup>2</sup> for many of its famous leather boots, disclosing factors such as their climate impact, chemicals used and resource consumption. Rather than simply presenting a list of raw materials, Timberland helps customers interpret multiple layers of data to create a new story about its products.

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Consumers will be able to discern which products are more environmentally friendly or socially conscious through the data-rich supply chain.

The initiatives aren't limited to individual companies either. The Sustainability Consortium<sup>3</sup> brings together blue-chip consumer businesses, including many prominent heavyweights who share the goal of reducing the social and environmental impact of their products.

The movement does not stop there. After ramping up the sustainable performance of their internal operations, many organizations are now focusing on improving the performance of their extended supply chains. The trend has even extended beyond the consumer packaged goods industry, with some insurance companies now offering carbon neutral insurance packages for corporate clients.

On the plus side, creating a sustainable supply chain does more than position companies to meet mounting regulatory demands for disclosure, especially in relation to their greenhouse gas emissions. It can also deliver more tangible rewards. When DuPont launched its bio-fuels business, for instance, it focused on creating a sustainable supply chain that delivers both triple bottom line<sup>4</sup> benefits and 'triple top line' benefits—linking sustainable growth to improvements in its reputation, revenue and investment portfolio. The results to date are impressive. In 2011, DuPont's Industrial Biosciences business line, which is devoted to reducing its customers' environmental footprint, posted revenues of \$705 million.

## Lean towards green

What do these trends mean for your organization? If you're not examining how to retool your supply chain to create value, now is the time—before upstart companies start eating into your market share. Recently-founded companies like Bullfrog Power (supplier of 100% renewable power), Chipotle (purveyor of “food with integrity”), Method<sup>5</sup> and Seventh Generation (responsible household cleaning products) are rapidly changing the landscape for incumbents and winning consumer loyalty. The large incumbents have responded by adopting ‘sustainable brands’ to complement their traditional offerings. Similarly, in 2011, H&M launched its ‘Conscious Collection’<sup>6</sup> catering to fashionistas with a conscience. Even traditionally “dirty” oil and gas, manufacturing and mining companies are getting in on the act. The landscape is changing and if your organization doesn't get on board, you risk being left behind. Worse, you may miss the opportunity to create new value for your business.

As a result of these shifts, “green” has become the new imperative for today's supply chain professionals. If supply chain management (SCM) was about getting the right product to the right customer at the right time, it's now about delivering on that promise with the right information. This includes data about where the product's materials came from, how it was made and how it was delivered. By sharing this information, you equip consumers to discern which products are more environmentally friendly or socially conscious—and those products with green supply chains will win in the market, driving a sustainable shift in how supply chains are managed.

Delivering on these promises, however, poses a significant challenge for the uninitiated. Not only does it mandate changes to your supply chain, but it requires more sophisticated data management capabilities. That may explain the variable adoption rate of this approach. Studies<sup>7</sup> show that, while some organizations are readily embracing this shift by re-examining their supply chain's value proposition, others are proceeding more cautiously by focusing primarily on associated costs and risks.

After all, sustainability is difficult and the data sets are messy, particularly in light of the fact that sustainability data lacks the 100-year history of its nearest cousin, financial data. As a result, questions abound. Where can you find information about your products' environmental or social footprint? Once the data is gathered, can it be reported on a consistent basis, year-in and year-out, even when people change, departments change and products change? How should your company even begin to approach the sustainability of your suppliers? Most critically, can gathering and reporting on this data actually create value?

Although there are no hard and fast rules, experience shows that you can both create value (build competitive advantage) and protect value (manage risk) by rigorously analyzing, reporting and managing sustainability data across your entire supply chain, and by pursuing opportunities that arise as a result of that analysis. It all begins with an intuitive framework and an understanding about how to leverage green data in the supply chain.

# The green supply chain data framework

The biggest challenge facing organizations ready to implement a green supply chain, involves identifying the critical opportunities that create the most value and best align with the organization's strategy. This is a tall task given both the complexity of the data available and shifting marketplace demands. Because each industry and organization has vastly different green supply chain imperatives, a one-size-fits-all approach is neither pragmatic nor justifiable. That doesn't mean, however, that the approach you select must be complex.

Rather, to deliver information of value, your organization simply requires a new lens through which to examine green data. One of the best frameworks uses the following three-step process to guide your efforts to create or protect value by leveraging green data:



## Step 1: Collect

The first challenge when building a green supply chain is simply collecting data. Not only do you need to identify the green data that will satisfy your organization's stakeholders, but you also have to coordinate its collection with your various partners across all links in the supply chain.

## Understand requirements

To take advantage of the green data future, optimizing your supply chain starts by understanding your stakeholders' green requirements. Regulators, for instance, have long sought to prevent companies from releasing harmful waste and emissions into the environment<sup>8</sup>. Governments in both Canada and the U.S. now require large emitters to report greenhouse gas emissions and other air pollutants.

Consumers are driving change as well, through increased awareness of production and sourcing practices, resulting in shifting preferences for product eco-labeling. A recent study reported that 22% of customers purchased a green product during a trip to a major retailer. The same study reports that green shoppers visit stores more frequently, buy more products on each trip and demonstrate more brand and retailer loyalty<sup>9</sup>.

As regulators, consumers and other stakeholders peer deeper into environmental outputs, your manufacturing and engineering functions will come under greater scrutiny. As a result, supply chain professionals need to guarantee performance to increasingly strict environmental specifications. The cases of large global brands releasing data on supplier performance strikes to the heart of supply chain transparency.

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The implications of this shift reverberate across all levels of the supply chain. Beyond purchasing input materials that conform to design requirements, procurement professionals will need to confirm that the materials meet these specifications on arrival. This means auditing supplier processes and may mean auditing the supplier’s suppliers. Similarly, logistics professionals are increasingly being asked to report the carbon footprint of each shipping mode, while production professionals must now account for all system inputs and outputs—not just the quantities of finished goods and materials scrapped, but also water, gas emissions and energy use. To build a green supply chain that meets the needs of your organization and customers, you must take the time to understand all your stakeholder requirements.

This kind of data management is inherently complex, particularly when you consider that emerging green data requirements exist at all levels of the enterprise—across master, transactional and reporting data.

To overcome this complexity, begin by identifying the data most likely to drive business success and meet customer and regulatory demands. This varies depending on your stakeholders. Internal stakeholders, for instance, require data to support decision making and optimize operations. On the other hand, external stakeholders generally look for reporting transparency about your products and services. Patagonia focused on key stakeholder interests including, for example, the source of raw materials the size of its transportation carbon footprint, and energy consumed. To collect data effectively, then, you need to capture the requirements of your various stakeholders.

Once you identify the appropriate data elements, it’s time for a methodological approach for collecting the data. This includes building a collaborative relationship with vendors who may otherwise be reluctant to share their internal processes or participate in any data initiative. To overcome this reluctance, be sure to share the value of green data with your suppliers.

### Traditional vs. green data

	Traditional data elements	Green data elements
<b>Master data</b>	Vendor master <ul style="list-style-type: none"> <li>• Performance ratings</li> <li>• Address</li> <li>• Item master</li> <li>• Price</li> <li>• Size and weight</li> </ul>	Vendor master <ul style="list-style-type: none"> <li>• Sustainability ratings</li> <li>• Distance from logistics hub</li> <li>• Item master</li> <li>• Material components</li> <li>• Eco-label certification</li> </ul>
<b>Transactional data</b>	Shipping orders <ul style="list-style-type: none"> <li>• Mode</li> <li>• To / from addresses</li> </ul>	Shipping orders <ul style="list-style-type: none"> <li>• Shipment estimated carbon footprint</li> <li>• Distance traveled</li> </ul>
<b>Reporting data</b>	Key performance indicators (KPIs) <ul style="list-style-type: none"> <li>• Scrap rates</li> <li>• Production cycle times</li> <li>• Satisfaction / return rates</li> <li>• Corporate reporting</li> <li>• Financial reporting</li> </ul>	KPIs <ul style="list-style-type: none"> <li>• Unit material and energy use</li> <li>• Greenhouse gas (GHG) emissions</li> <li>• End of life disposal costs</li> <li>• Corporate reporting</li> <li>• Sustainability reporting</li> </ul>

As additional costs may be associated with obtaining new data points, it's also important to incorporate your green data requirements into your sourcing strategy.

When collecting data, it helps to keep in mind the old IT adage about data quality: Garbage in, garbage out. The same goes for green data, which can only help create or protect value if it is complete and accurate. Sharing green data that lacks integrity can cause repercussions as significant as sharing incorrect financial or product data, undermining both your profitability and your brand trust and loyalty.

Building strong data processes will allow organizations to accomplish two goals. First, by collecting the complete and correct data you reduce data risk to your enterprise. Second, this new data provides the baseline for creating value through supply chain optimization and reporting activities, as investigated in the following sections.

### Ask

1. Which green data elements do your stakeholders most value?
2. What are the possible risks of omitting high-profile data elements or the risks of reporting incorrect data?
3. What are the costs associated with gathering these data elements?
4. How can you work with your suppliers to collect, cleanse and manage your green data?

## Step 2: Optimize

The second challenge for the green supply chain involves turning design into reality. Building a green supply chain requires you to revisit the drivers of your traditional optimization activities. You can manage this in two steps. First, understand the sustainability requirements for your supply chain. Second, incorporate those requirements into the optimization function and leverage the green data you've collected to recalibrate your supply chain. By bringing green data into the mix, you will likely also uncover new and innovative opportunities to reduce waste and enhance service levels.

On the plus side, supply chain professionals have ample experience optimizing each step of the supply chain to find opportunities to reduce waste and improve service levels – and many of the traditional drivers of supply chain optimization are fundamentally green. Inventory managers look to minimize inventory levels while maintaining required customer service levels. Production managers aim to minimize material inputs and scrap. Transportation managers work to minimize costs by eliminating double handling, optimizing volumes and effectively using backhauls while getting products to the right place at the right time. Additionally, cheaper modes of transportation (rail and ocean freight) tend to be greener than expensive modes (air and truck). This is a great starting point for evolving into a sustainable and transparent supply chain.

## Re-optimize

Once you understand your stakeholders' sustainability requirements and have collected the right data, you can begin to re-optimize your supply chain to improve environmental performance. To succeed in this effort, the behaviour of your supply chain needs to shift.

To include environmental performance measures (waste produced, energy and materials consumed, GHG emissions, etc.) in supply chain management, you must revisit how your supply chain creates value for your organization. If value is created by delivering product as quickly as possible, reconsider how your supply chain is built to accomplish that task. Are there more direct logistics routes possible? Can you bring manufacturing closer to distribution? Can you, like UPS in the following table, instruct your drivers to only take right-hand turns? All options may improve traditional and green supply chain measures. Adding green measures to the optimization function may shift the outcome in unexpected ways. New data inputs for the optimization process result in new outputs – and opportunities arise at each stage of the supply chain when you include green factors in the equation. Here are some examples of those emerging opportunities, as well as suggestions for the green data you need to collect at each stage:



Stage of the supply chain	Organizational function	Sample emerging / potential opportunities	Sample green data collection requirements
<b>Develop</b>	<b>Product innovation &amp; development</b>	<p>Earthcycle<sup>10</sup> developed a biodegradable packing material out of Palm Husk Fiber, a solution that is cost, weight and environmentally conscious.</p> <p>Product specifications should include the environmental impact of input materials and total cost of ownership, including recycling/disposal costs and environmental impact of use.</p>	<ul style="list-style-type: none"> <li>Downstream recycling and disposal costs</li> <li>Packaging material inputs and environmental footprints</li> <li>Manufacturing process wastes – quantities and costs</li> </ul>
<b>Plan</b>	<b>Supply chain planning &amp; strategy</b>	<p>Nike indicated that inbound logistics accounted for 23% of its climate impact and plans to reduce this by improving container management and shipping patterns<sup>11</sup>.</p> <p>Including sustainability metrics such as carbon emissions in distribution network analysis can result in non-traditional planning approaches. Sustainability measures must be added to planning activities, including optimizations for energy use and waste factors. Green modes of logistics must be incorporated into S&amp;OP calculations.</p>	<ul style="list-style-type: none"> <li>Energy and waste disposal costs into capacity management</li> <li>Marketing and sales trend analysis towards sustainable products</li> <li>Supplier sustainability performance and cluster</li> <li>Macro performance indicators from supply chain partners</li> </ul>
<b>Source</b>	<b>Sourcing and procurement</b>	<p>Early results on sustainable supplier engagement for many leading companies points positive correlation between sustainability performance and financial performance is starting to emerge<sup>12</sup>.</p> <p>Organizations must rethink how they evaluate supplier performance. 10% to 25% of RFP questions should focus on a supplier's sustainable performance. Green procurement strategy must consider supplier certification requirements, supplier sustainability metrics and data collection agreements.</p>	<ul style="list-style-type: none"> <li>Supplier sustainability performance</li> <li>Sustainability audits</li> </ul>
<b>Make</b>	<b>Manufacturing operations</b>	<p>A global manufacturer recently launched an initiative to make its assembly plants landfill-free. Annual financial returns for such programs can reach millions in recycling revenue.</p> <p>Manufacturers must understand their sustainability performance and articulate it in operational reporting. The inclusion of environmental footprint management into organizational objectives is essential for reaching performance targets.</p>	<ul style="list-style-type: none"> <li>Equipment and building waste and emissions data</li> <li>Electricity and material inputs consumption by process</li> </ul>
<b>Deliver</b>	<b>Logistics &amp; distribution</b>	<p>UPS identified a unique solution optimization in 2004<sup>13</sup> by instructing drivers to only make right turns during delivery. In 2007, the company reported saving nearly 30 million miles in shorter routes, saved three million gallons of gas and reduced CO2 emissions by 32,000 metric tons.</p> <p>Logistics managers must manage for reliability, speed, cost and environmental impact to see such performance improvement.</p>	<ul style="list-style-type: none"> <li>GHG emissions data by mode and route</li> <li>Route and distance data</li> <li>Transportation routing and turn data</li> <li>Vehicle idling times</li> </ul>
<b>Returns</b>	<b>Reverse logistics</b>	<p>The advent of product steward programs by suppliers indicates how companies are dealing with regulations and penalties for product disposal. The increase of recycling programs designed to reclaim materials point to the value that can be mined from the end of life of many products.</p> <p>Logistics managers, warehouse managers and R&amp;D professionals must consider the potential for environmental-related costs when designing product return processes.</p>	<ul style="list-style-type: none"> <li>Recycling and disposal costs</li> <li>Regulatory disposal penalties</li> </ul>

These examples highlight some of the advantages associated with integrating sustainability objectives into your supply chain optimization process. As these trends evolve, new value drivers are also likely to emerge across the supply chain.

### Step 3: Report

The third challenge for the green supply chain involves publishing data on the performance of supply chain operations. Reporting is critical for several reasons:

- It sets a bar, and an expectation with stakeholders, that drives action – either in response to external feedback from stakeholders or as part of internal corporate efforts to improve reported performance in the future.
- It informs strategy and accelerates organizational analysis and learning, both when the internal report is developed and when you respond to directed stakeholder feedback.
- It creates value for the organization by acting as a mechanism to engage suppliers, partners, customers and other stakeholders. This, in turn, helps strengthen your brand, enhance your reputation and build trust through transparency.
- Reporting collectively drives the industry as a whole by spreading leading practices, impelling competitors to closely review peer reports to see if they're "keeping up with the Joneses".
- It also allows leading organizations to communicate both supply chain performance (historical data) as well as innovations (forward-looking optimizations), ultimately facilitating the identification of strategic risks and opportunities.

## Ask

1. What is the environmental impact of your current operations?
2. How do your stakeholders expect you to improve that performance?
3. How are green data metrics best incorporated into optimization analysis?
4. What strategy will allow you to achieve more efficient and sustainable operations?

To reap these benefits, however, your organization needs to select the appropriate form of reporting. Some companies, for instance, report supply chain optimizations, such as UPS's right-hand turn program. Others, such as Nike, report on the performance of their suppliers against defined criteria. Reporting can even be as simple as applying eco-labels, standards or certifications that promise a defined level of product or service performance.

Some of the most innovative organizations report on performance at the product level, as demonstrated by Timberland and Patagonia disclosing the environmental impact of selected products. Such unprecedented transparency at the product level inspires consumers, deepens the brand and purchasing experience, and encourages improved performance at both the supplier and industry level.

# Grow up green

## Find the right balance for your organization

Given the disparity of information you need to collect, the demands of your supply chain and the variable reports your stakeholders expect, there is no one-size-fits-all approach for addressing your data requirements. The requirements of an international consumer goods distributor differ completely from those of a regional manufacturer. To identify the opportunities that influence your supply chain, you need to examine the heart of your value drivers—a fact amply demonstrated by the variable approaches adopted by companies such as DuPont, Patagonia and H&M.

The collect, optimize and report framework is a good place to begin, as each of its activities interconnect to create a transparent and sustainable supply chain. By improving green data collection, for example, you can better optimize and report on supply chain activities. Improvement in one area is likely to enhance the others, leading to an upward evolution for an organization.

There is a cost, however, associated with this positive evolution. Data collection, management and reporting can be expensive, as can be the analysis needed to improve performance. To embark on a green data initiative, you must evaluate the costs, benefits and risks. Each firm has a sweet spot on the maturity scale that will provide the optimal value for an organization.

The following supply chain maturity model depicts four levels of maturity you can achieve with the collect, optimize and report framework, enabling your organization to determine your current and desired positioning for each component.

	Follower	Mature	Leading	Innovator
	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Trails the competition</li> </ul>	<ul style="list-style-type: none"> <li>Beyond compliance</li> <li>Formal sustainability strategy and goals</li> <li>Not leading competition</li> </ul>	<ul style="list-style-type: none"> <li>Differentiative via comprehensive sustainability strategy</li> <li>Leads competition</li> </ul>	<ul style="list-style-type: none"> <li>Competitive advantage through sustainable value creation</li> <li>Recognized leader that sets the pace</li> </ul>
Collect	<ul style="list-style-type: none"> <li>Limited data collection capabilities</li> <li>No formal collection standards</li> </ul>	<ul style="list-style-type: none"> <li>Product detail collected but on a limited set of attributes</li> <li>Limited formal standards</li> </ul>	<ul style="list-style-type: none"> <li>Product data available at multiple supply chain stages</li> <li>Formal standards with vendors</li> </ul>	<ul style="list-style-type: none"> <li>Data is timely, comprehensive and accurate</li> <li>Formal standards with regular audit</li> </ul>
Optimize	<ul style="list-style-type: none"> <li>Supply chain managed with limited or no consideration for green opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact tracked with focus on waste and reducing footprint</li> </ul>	<ul style="list-style-type: none"> <li>Local (at each link in the supply chain) and global optimization</li> <li>Multiple wastes considered</li> </ul>	<ul style="list-style-type: none"> <li>Out of the box thinking to turn cost centres into possible profit centres</li> </ul>
Report	<ul style="list-style-type: none"> <li>Limited to no reporting on green performance of organization</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability report focuses on corporate performance; limited supply chain focus</li> </ul>	<ul style="list-style-type: none"> <li>Reports on supply chain innovations and supplier engagement</li> </ul>	<ul style="list-style-type: none"> <li>Reports comprehensively on green data performance of product or services</li> </ul>

# Create sustainable value

## Find better ways to do business

As the DuPont example shows, using green data to optimize the supply chain and report on its performance delivers triple top line benefits—enhanced revenue, decreased costs and a stronger reputation or brand value.

Revenue enhancements can be expected for companies that leverage their green supply chain to develop new products or services, or that attract a greater share of the wallet through improved brand awareness. When H&M launched its 'Conscious Collection', for instance, it leveraged a responsible supply chain to meet consumer demand for green products; thanks to a surge in product demand, H&M is now the single largest purchaser of organic cotton. Similarly, Patagonia organic cotton T-shirts frequently attract 100% price premiums over similar cotton T-shirts sold at generic retailers. Sometimes revenue can even come from unexpected sources: manufacturers are finding new revenue streams through a host of recycling activities.

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Cost savings are the mainstay of supply chain optimizations and there are myriad examples of companies driving value through the analysis of green data in their supply chain.

Emissions or energy reduction initiatives, as well as waste reduction initiatives, lead to savings. By reducing fuel consumption, UPS's right-hand turn only policy saved the company three million gallons of fuel in 2007, resulting in \$11 million dollars<sup>14</sup> of savings. In a similar vein, since 2005 FedEx has adopted an array of energy-efficient vehicles, including hybrid-electric and trucks fuelled by compressed natural gas, liquid natural gas and liquefied petroleum gas. The company reports a decrease of 472,700 metric tons of carbon dioxide emissions and a savings of 53 million gallons of fuel since 2005<sup>15</sup>, which equates to \$201.4 million in savings. Bloomberg reports an enviable 200% return on its sustainability investments, with every \$1 spent on sustainability saving \$2 in operating costs. According to company reports, its demand reduction and capital investment projects have delivered over \$25 million in net savings since 2008<sup>16</sup>.

Reputational benefits derive primarily through reporting, stakeholder engagement and communication. Benefits can be both pre-emptive, as in the case of firms releasing of factory audit results, as well as responsive, as with many retailers historical release of the same. Long-time leaders, like Canadian reporters Suncor, TELUS and Teck, have found their reporting activities contribute to a strong social license to operate and to overall brand value. Reputational benefits from reporting can also boost employee morale, resulting in enhanced productivity, retention and turnover. Further, deeper benefits result as reporting begins to drive improved stakeholder relations and more innovative strategy development.

# Retool the supply chain

“Green” is now part of the supply chain professional’s mandate. While the traditional SCM customer service equation is getting the right product to the right customer at the right time, the right product increasingly includes information about where the materials came from, how it was made and how it was delivered. Consumers discern which products are environmentally friendly or socially conscious through the data-rich supply chain. Those companies with green supply chains will win in the market, driving a sustainable shift in how supply chains are managed. In light of this transformation, consider the following opportunities to create value in your supply chain:

## **Identify hidden supply chain risks**

Assessing each stage of the supply chain to identify risks allows organizations to mitigate potential reputational damage as a result of data-hungry NGOs or activist consumers probing the supply chain.

## **Gather data on green performance**

Partnering with suppliers and internal operations to collect green data across the supply chain facilitates the identification of areas of waste for improvement, leading to cost savings and process efficiency and resulting in win-win opportunities.

## **Identify new revenue opportunities through responsible sourcing**

Assessing marketplace trends and customer demands can lead to new insights to launch new products or services, differentiate from the competition or command higher prices for products or services.

## **Raise the bar on competition through aggressive reporting**

Reporting on green supply chain initiatives can create barriers to entry for new entrants and advance the performance of the industry as a whole. Developing industry standards and obtaining certification bolsters reputation and protects value.

## **Unleash the green supply chain**

The supply chain is positioned to be a critical value creator for new sources of cost savings, new revenue streams and reputational strength. Organizations effectively positioning themselves to take advantage of this will uncover untapped opportunities to apply bold thinking and fundamentally change the landscape, creating a new blueprint for a green supply chain.

## Get started

### **1. Get buy-in**

Speak to your executive to discuss the business case, benefits, opportunities and risks of greening your supply chain. Appoint a champion for the initiative.

### **2. Be pragmatic**

Analyze supply chain risks and opportunities. Focus on key areas of concern and interest. Set goals and objectives for the initiative.

### **3. Get started**

Design and launch the process to identify potential opportunities for detailed review. Hire and retain credible experts to help you execute and deliver.

### **4. Communicate**

Report back to the executive on progress. Engage key influencers along each stage of the supply chain. Work with suppliers and customers to co-identify risks and opportunities for further review.



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