MAXIMIZING THE EFFECTIVENESS OF YOUR SUSTAINABLE PURCHASING PROGRAM

SPLC SUMMIT 2015
WORKSHOPS – ROUND 2
SEATTLE, WA / WEDNESDAY, MAY 27, 2015
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• Remember the Principles: Understand, Commit, Get Results, Innovate, Be Transparent

• Maximizing – the activity we’re discussing – comes after Preparation and Design, so you will probably know more than you think you’ll know

• Maximizing is a blend of strategy design and implementation using a mix of project-based tactics

• Although the relative weight of sustainability dimensions will vary for each program and for any one program over time, ALL programs will have environmental, social and economic dimensions
Many possible areas of work – environmental, social and economic – require that successful programs first prioritize.

Under the Guidance, you’ll use Strategy Cycles to help assess and prioritize issues surrounding:

- What do we buy?
- From whom do we buy it?

Multiple Strategy Cycles may be run simultaneously.

Consider the relationship of Strategy Cycle Prioritization to Materiality (SASB, GRI)
**Six steps to a strategy cycle**

- **Launch** – convene the team + select leader
- **Analyze** – collect and analyze spend date
- **Plan** – define project scopes and create Strategy Plan
- **Commit** – build and sell the business case
- **Implement** – execute project plans (remember to have metrics!)
- **Report** – know ahead of time who you’ll be reporting to (note there may be different “levels” of information sharing)
Focus *both* on what is bought and whom it is bought from

- Product- or category-level attributes (consider entire lifecycle)
- SPLC Guidance has list of impacts to mitigate and ones to maximize
- Supplier analysis should look at
  - Environmental, social and economic performance
  - Upstream impacts – knowledge and actions
  - Common practice to use 80/20 rule here
- **Stakeholders need to be a part of your analytical process**
  - Do you have existing methodology for stakeholder contributions?
PLAN THE STRATEGY; GET APPROVAL

- **Must first define overall scope. Consider**
  - Quickest wins
  - Maximum impact overall
  - Stakeholder demands
- **Project design → individual project plans**
- **Project plans = Strategy Plan (facilitates management approval)**
- **Establish project-level success criteria**
- **Build business case at both the Project and Strategy levels**
RUN THE PROJECTS

• Be sensitive to resource capacity
• Collect data; verify on a regular basis
• Debrief at the end of each project
  • What met expectations?
  • What resources were missing?
  • What are the unexpected outcomes?
  • What can be replicated?
  • Other questions
• Case studies up next
• Drill down comes afterwards
• Questions for discussion