



# **MAXIMIZING THE EFFECTIVENESS OF YOUR SUSTAINABLE PURCHASING PROGRAM**

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**SPLC SUMMIT 2015**

**WORKSHOPS – ROUND 2**

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# SETTING THE CONTEXT

- 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**



# **PRIORITIZATION**

- **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)**



# STRATEGY CYCLES

- **Six steps to a strategy cycle**
  - Launch – convene the team + select leader
  - Analyze – collect and analyze spend data
  - 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)



# SPEND ANALYSES

**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



**THANK YOU**

- **Case studies up next**
- **Drill down comes afterwards**
- **Questions for discussion**