



# SUSTAINABLE PURCHASING

## Supplier Development Training Toolkit

### “How-To” Guide

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## Toolkit Purpose

Many organizations wish to engage their suppliers on sustainability, especially small and medium enterprises (SMEs) who are often resource constrained. SPLC developed this toolkit to empower sustainable purchasing professionals and supplier development councils to run training workshops to develop the sustainability capabilities of SMEs. The toolkit is designed for organizations that already run trainings for suppliers as well those that are new to it. It is designed for sustainability purchasing professionals to use on their own, or in concert with consulting assistance to deliver the training. The toolkit is designed as a one-stop-shop to support training development, with materials expected to be taken and customized to suit organizational priorities and supplier needs.

## Toolkit Contents

The toolkit includes the following templates that organizations can customize to meet their training needs.

1. [Training Workshop Agenda](#)
2. [Training Slides and Speaker Notes](#)
3. Materials for four different Breakout Sessions (Modules):
  - A. Sustainable Policy Development [Slides](#) and [Worksheet](#)
  - B. Overcoming SME Barriers to Responding to Sustainability Requirements [Slides](#)
  - C. Sustainability Self-Assessment Checklist [Slides](#) and [Worksheet](#)
  - D. Buyer/Supplier Dialogue on Sustainable Purchasing [Slides](#)
4. [Justification Letter](#) for management to secure resources for delivering the training
5. [Invitation Email](#) for suppliers to attend workshop
6. [Invitation Email](#) for purchasers to attend workshop
7. Post- Workshop [Survey Template](#)



## Intended Training Outcomes

The training content is designed to help SMEs understand:

1. What sustainability is
2. Why sustainability is increasingly important for succeeding in business at every scale
3. Why sustainability is important to the purchasing organization
4. How to get started in incorporating sustainability into everyday business, in ways that are accessible and complementary to business goals.

Depending on the breakout session modules used, some SMEs will draft a sustainability policy and/or conduct a sustainability self-assessment during the workshop. SMEs should also feel that participation in the training was a good use of their time and added value to their work.

In addition, some organizations may find this training material valuable in helping their own purchasers or buyers better understand:

- Sustainability concepts
- The value that SMEs can provide in pursuing sustainable purchasing goals
- The barriers that SMEs face in meeting sustainability requirements and selling goods or services to your organization.

## The Importance of SME Sustainability Capacity Development

Having all businesses, including SMEs, become truly sustainable is a requirement for realizing the vision of a sustainable economy, community, and environment that we all want to live in. We cannot achieve the goal of a sustainable global economy if SMEs, which make up 90% of all global businesses,<sup>1</sup> and 99% of US businesses,<sup>2</sup> are left out or exempt from efforts to improve. Moreover, SMEs make up more than 50% of most large organizations' supply base, and large purchasers often have internal or external mandates to purchase a minimum amount of goods and services from SMEs.

Large purchasing organizations have an incredible opportunity to introduce SMEs to sustainability and coach them on it, thereby providing SMEs with a valuable skill set that will help them compete in their markets. Large purchasing organizations also have an obligation to develop SMEs' sustainability capabilities. Just as it is a liability for large organizations to do business with SMEs that do not understand safety, cybersecurity or financial management, it is increasingly a risk to work with SMEs that are not aware of the environmental and social impacts of their operations.

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<sup>1</sup> Elizabeth Gasiorowski-Denis, "The Big Business of Small Companies," March 4, 2015, International Standards Organization, accessed May 2018 at: <https://www.iso.org/news/2015/03/Ref1937.html>

<sup>2</sup> Small Business Administration, FAQs, accessed May 2018 at: [https://www.sba.gov/sites/default/files/FAQ\\_Sept\\_2012.pdf](https://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf)

It is also a matter of equity. Typically, large suppliers can more easily hire experts and consultants to pursue training and operational changes to meet sustainability procurement requirements. As large purchasing organizations increase their sustainability expectations, they must proactively support sustainability capability development by SMEs, otherwise SMEs will be further disadvantaged in competing with large suppliers.

### Keys to Success

SPLC has conducted several supplier development trainings and workshops, and has surveyed the collective experience of members of its' Supplier Development Working Group (SDWG) to develop this toolkit.

Based on this experience, our observation is that a supplier development training program is likely to be successful if the purchasing organization hosting the training:

- ✓ Secures buy-in to invest staff time and resources in it. We strongly suggest using SPLC's Guidance for making the case and for finding existing resources/capacity.
- ✓ Provides *valuable* information to suppliers, including information that: helps them win business (with your organization or others); save money; save time in getting up to speed on sustainability; and/or add meaning to their work.
- ✓ Understands and communicates about why sustainability requirements can present barriers for SMEs, and addresses those needs in the context of training. Most SMEs have limited resources of bandwidth to access technical sustainability expertise and pursue sustainability certifications.
- ✓ Makes it a two-way street. Developing suppliers without preparing one's own buyers to recognize and value SME's sustainability capabilities can undermine the credibility and benefits of the effort. Engaging one's buyers in developing SME's sustainability capabilities is a great way to advance embedding sustainability in their work, empower them with the skills to coach suppliers on sustainability, and help them see where they might be inadvertently blocking sustainability innovation coming from SMEs.

## Step-by-Step Instructions to Using the Toolkit and Delivering a Successful Workshop

**Step 1.** Read this “How To” Guide in full.

**Step 2.** Review:

- The Workshop Agenda (1),
- Training slides for the main session (2) and
- The Break-out Session Modules (3A-D).

**Step 3.** Identify partner organizations and /or individuals with resources, supplier relationships, and/or content experts who can help you produce the Workshop.

**Step 4.** Use the Justification Letter (4) to secure management buy-in and resources for conducting the workshop.

**Step 5.** Secure meeting space and refreshments.

**Step 6.** Select break-out sessions suitable for your organization's goals and your suppliers' needs.

**Step 7.** Decide who will welcome, present and lead the main and breakout sessions.

**Step 8.** Customize the materials to suit your organization.

**Step 9.** Use the invitation email template to invite suppliers to attend the workshop (If doing the buyer-supplier dialogue break-out, use the email template to invite buyers to the session).

**Step 10.** Actively conduct outreach with participants, leveraging partner networks. Consider calling potential suppliers to make sure your invitation was received and to encourage participation.

**Step 11.** Do a practice-run of the presentations and refine materials as needed.

**Step 12.** Hold the workshop!

**Step 13.** Collect feedback from participants using Survey template (7) or other method. Review and analyze the survey results.

**Step 14.** Share your learnings and customized materials back with SPLC!

## Maturity Model for Efforts to Develop Supplier's Sustainability Capabilities

SPLC [BENCHMARK](#) provides a simple maturity model to understand *purchaser* progress in implementing sustainability, including working with suppliers. The model defines four levels of leadership maturity for each aspect of an organization's sustainable purchasing program:

- **Initiating** Some ad hoc activities.
- **Developing** Activities building toward an integrated program.
- **Improving** Integrated program improving performance over time.
- **Leading** Program achieving leadership performance.



SPLC recommends that purchasing organizations draw upon the [BENCHMARK Maturity Model](#) supplier engagement questions and maturity levels when developing a supplier training approach. Specifically, SPLC suggest addressing the following aspects of leadership as found in SPLC BENCHMARK<sup>SM</sup> in working with suppliers:

**SUPPLIER COMMUNICATIONS:** How does your organization communicate its sustainable purchasing commitments to suppliers?

- *INITIATING* - The organization's supplier information website expresses a general commitment to sustainable purchasing.
- *DEVELOPING* - The organization's supplier information website describes the time-bound goals and strategies the organization has committed to.
- *IMPROVING* - The goals and strategies are included in ongoing two-way dialogues, such as supplier summits and annual business reviews.
- *LEADING* - The organization's executive leadership communicates the time-bound goals and strategies to the organization's full supply base.

**SUPPLIER DEVELOPMENT:** To what extent does your organization actively support the development of suppliers' sustainability performance?

- *INITIATING* - Suppliers are provided general information about how companies can improve their sustainability performance.
- *DEVELOPING* - Suppliers are provided information or tools to help them assess their current sustainability performance against best practices and/or peers.
- *IMPROVING* - Supplier training on sustainability is provided, hosted, and/or subsidized by your organization.
- *LEADING* - Suppliers that achieve a certain level of sustainability performance are recognized and/or rewarded by the organization

**SUPPLIER EVALUATION:** To what extent does your organization evaluate its suppliers' enterprise-wide sustainability?

- *INITIATING* - Questions about a supplier's sustainability programs are sometimes included in solicitations on an ad hoc basis.
- *DEVELOPING* - Questions about a supplier's sustainability programs are included in solicitations in high risk/priority categories.
- *IMPROVING* - The organization periodically assesses the sustainability capabilities of its suppliers in priority segments of its supply base (e.g., high risk categories, top 100 suppliers), and incorporates those assessments into its supplier relationship management.
- *LEADING* - The organization uses third party verified reporting platforms, rating systems, or certifications to assess its suppliers' sustainability capabilities, and incorporates those assessments into supplier performance reviews and/or scorecards.

**SUPPLIER INNOVATION:** To what extent does your organization actively promote supplier innovation?

- *INITIATING* - Offers an opportunity for all suppliers to provide input on procurement processes.
- *DEVELOPING* - Hosts a meeting for all interested suppliers at least once per year, to receive input on how to improve procurement processes to foster supplier innovation.
- *IMPROVING* - Actively engages the supplier community on a pre-competitive basis in advance of tendering
- *LEADING* - Established mentoring programs to develop and grow suppliers' capacity to deliver innovations that address environmental, social, and economic impacts.

## Additional Resources

In addition, SPLC recommends consulting the following additional resources that may be helpful to large purchasing organizations in developing SME training:

- [SPLC benefits of sustainable purchasing](#)
- [SPLC sustainable purchasing solution strategies](#)
- Workshop Agenda from Minnesota's 2018 SME training [Example \(Annotated version\)](#)
- [Brochure](#) from Minnesota's 2018 SME training
- [60 resources inventoried by SPLCs Supplier Development Working Group \(SDWG\)](#)
- [B Impact Self-assessment Tool](#)