

Serious About

By Barbara Wichmann

SUSTAINABILITY

Sustainability and the Supply Chain Imperative.

Sustainability and environmental responsibility are causes I am proud to champion, and as a business owner, I will never tire of saying that a sustainable mindset is as good for business as it is for the environment. It's about doing more with less, and being more effective as a result. It's about being smart, strategic, and turning positive thought into positive action. Increasingly, however, it's also becoming a fundamental business imperative. And to really succeed, it's not something that we cannot fully achieve by working in silos alone. To that end, building a sustainable supply chain is something all businesses must seek to do to secure a more viable future. As small and medium-sized businesses (SMBs) and minority business enterprises, there are so many variables that we deal with, so any opportunity to try to mitigate risks that are broadly within our control is one that we should welcome.

There are many examples of major enterprises taking steps to make their supply chains more sustainable, not the least of which is **Ikea**, who through its investments in wind farms, produces enough clean energy to match a third of its global energy use, and is well on track to its stated aim of being carbon neutral by 2020. And that's not just good for the environment; Ikea reported significant savings in energy and operation costs as a result. Another global giant, the **Coca-Cola Company** has been working with the **World Wildlife Federation** (WWF) on sustainable sugarcane cultivation. Again, there's a strong business rationale behind this project: according to figures from **Accenture**, the supply chain accounts for between 50 percent and 70 percent of both total expenses and greenhouse-gas emissions for most manufacturing companies, so it makes sense to look to it to drive efficiencies and cost savings.

As business owners and leaders of companies which may not have the luxury of dedicated supply chain managers, we all know it can be hard to find the time to step back and map out our whole supply chain. But spending time reviewing and creating a sustainable supply chain is about reframing our mindset, taking the focus away from the short-term and day-to-day to shore up the future; it's an essential element of strategic planning. In his book, *The Big*

Pivot, green business strategist and frequent contributor to the *Harvard Business Review*, **Andrew Winston** asks executives to do exactly that, to move away from short-term targets to focus on longer-term goals and become much more efficient along the way.

In fact, a commitment to sustainability that focuses on the supply chain has many benefits. It galvanizes staff into working together towards a common goal, and instills a collective sense of pride as milestones are hit. It encourages a new form of collaboration by creating cross-functional teams—both within your company and with your supply chain partners. It is an opportunity to unearth better, more efficient and effective ways of working. It is a signal to your clients and community that you are putting into practice what so many others only speak to, and you serve them better as a result of it.

It's also really important to remember that this isn't a "one and done" kind of project. Goals need to be set in order for progress to be measured, and those goals need to be revisited and revised over time. Communication is another key element to success. While there may not be the headline-grabbing results that the likes of Ikea and Coca-Cola achieve, demonstrating a commitment to efficient, sustainably-sound practices can really help drive your competitive edge. Clear communication to all stakeholders also helps keep a collective focus on the task in hand.

As I mentioned in last issue's column, it's time for sustainability to stop being seen as some kind of separate "green" project, and start recognizing the innovation opportunity it represents. For me, a focus on the supply chain is that innovation opportunity and one, no matter the size of business or type of industry, that we can all take advantage of.



For further reading, please visit: www.pivotgoals.com, www.andrewwinston.com or contact me with your questions. ♦

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