



Making the Case for Investment in Your Company's Sustainable Purchasing Program

Presented by the Sustainable Purchasing Leadership Council

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A thank-you to our project sponsor: EcoVadis

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Executive summary

Sustainable purchasing continues to gain traction as more organizations heed the broader call—from their customers, investors, employees, and communities—to operate in more environmentally and socially responsible ways.

Sustainable purchasing programs succeed because their leaders effectively manage goal-setting, implementation, and collaboration with cross-functional teams and external stakeholders. Successful program leaders continually build the capacity of their procurement organization and supplier base to meet rising sustainability expectations. And often, they require new tools to streamline data collection and reporting.

Gaining the budgetary resources to support sustainable purchasing coordination and embedding of best practices can be a challenge, even within companies where the big-picture benefits of sustainability initiatives are well understood by senior executives. We asked the sustainable purchasing champions at eight U.S. and international companies in a range of industries and sizes to share how they've made the case for investment in their company's sustainable purchasing program. (See list of panelists on page 22.)

While our panel of leaders identified many aspects to winning resources for a sustainable purchasing program, one key insight emerged again and again: Talk about your program needs in the context of how sustainable purchasing influences **much bigger dollar numbers**—such as revenue, market share, and overall procurement spend—that everyone in the company understands. In other words, show people that your investment requests are small, in dollar terms, compared with the business value they will deliver or protect, also expressed in dollar terms.

“Any investment in a sustainable procurement organization like ours has to be balanced with the outcome. If you start something small, and the business can see the value and the impacts that you’re making, you will typically get additional resources to help you scale that initiative.”

– Ben Ngobi, Accenture

In the sections that follow, we'll examine how to tailor and apply that core insight in conversations with key decisionmakers based on eight different business outcomes that our panelists identified as highly valued by senior executives. Along with how-to tips and success stories from the sustainable purchasing champions, we've also created several ready-made conversation guides that use examples of big-dollar business value in a compelling story context.



What does it mean to invest in a company's sustainable purchasing program?

Like any business initiative that involves a fundamental shift in perspectives and practices, transforming the sustainability of a large and complex supply base or supply chain doesn't happen by itself. To do it effectively requires strategic leadership, constant communication between internal and external stakeholders, capacity building within procurement and with suppliers, the engagement of subject-matter experts, and tools for streamlining data collection, performance measurement, and reporting.

Sustainable purchasing programs rely on four primary types of resources:

Staff Time. Sustainable purchasing champions typically need dedicated assistants who can help manage sustainable purchasing strategy development and implementation across the company. Staffing

might range from a portion of a full-time position at a small or mid-sized company to three to 10 full-time positions in a larger, multinational enterprise. The need for additional staff in larger companies reflects the greater effort required to develop strategy, coordinate implementation, train and monitor compliance, track and report data, and develop sustainability practices across supply bases and supply chains with tens of thousands of partners and hundreds or thousands of buyers.

Training. Effective sustainable purchasing programs often deploy several types of training at different levels of the company and supply chain. Investments may include sustainability courses for buyers, budget holders, and end-users of goods and services, as well as training for suppliers to develop their sustainability management and reporting capabilities.

Consulting. Program leaders often benefit from an outside perspective when they are seeking to focus sustainable purchasing efforts on the most strategic opportunities to impact the world and their company's bottom line. Examples include bringing in subject-matter experts to conduct risk assessments or impact spend analyses; inform the development of sourcing strategies for high-impact areas; or help audit, document, and report on sustainability issues. Leaders also can gain valuable insights through memberships in pre-competitive collaboration organizations and industry-specific coalitions.

Investing in sustainability does not mean paying more!

Making your case for sustainable purchasing program resources isn't about adding to the cost of products and services you procure. It's about putting in place the staff, training, processes, and tools that allow your organization to embed sustainability into procurement in ways that save money, reduce risks, increase innovation, and more.

Tools. Successful program leaders increasingly rely on home-grown or third-party tools that help the organization calculate the impact of purchases, compare the results of various purchasing choices, map its supply chain, collect sustainability data from suppliers, and rate suppliers' sustainability. (See SPLC's evaluation of Supplier Sustainability Ratings, www.sustainablepurchasing.org/splc-insight-guide-to-supplier-sustainability-raters, for additional guidance.)

In many cases, the programs are housed in procurement or supply chain departments but receive substantial funding and assistance from other areas of the business, including:

- **Corporate social responsibility**—especially for materiality assessment and subject-matter experts
- **Training budgets**—re-allocated to address sustainability topics
- **PR, Marketing, Communications**—for illuminating your program's purpose and showing results to customers, suppliers, and employees
- **Risk management**—for assessments and compliance audits

Building your case on business value and corporate goals

Although your specific approach will be driven in part by the culture and norms of your company, we found at least one common denominator: speaking in the same language as stakeholders. All of our panelists said they are most effective when they frame the need for resources in terms that underscore how sustainable purchasing advances corporate goals, such as:

- Increasing sales and profits
- Minimizing risk
- Satisfying customers and shareholders
- Building competitive advantage
- Reducing costs
- Strengthening supplier relationships and performance

These touchpoints for the value of your program are powerful precisely because they don't portray sustainability as doing good for goodness' sake. When sustainable procurement gets recognized as a proven driver of business success, people across your organization will ultimately invest in learning more about the environmental and social benefits of sustainability too.

Walking the talk: 8 proven ways to show impact

Our panelists' experiences with winning investment in their sustainable purchasing initiatives revealed eight common storylines that succeed at translating needs into opportunities to add value. We'll explore each of these proven approaches on the pages that follow.

1

TALK ABOUT CUSTOMER REVENUE

Add up the number of customers and key sales opportunities that use sustainability attributes in supplier evaluations.

SAMPLE CONVERSATION:

“Last year, we did \$ 1 billion in business with customers who asked about our purchasing and supplier sustainability practices. That number is growing year-over-year, as is the sophistication of the questions they are asking. We need \$ 100,000 and/or 1.5 FTE staff time to proactively satisfy this growing customer demand. Failure to do so could put \$ 1.25 billion worth of customer revenue at risk. [Include the story of an RFP lost.] Success will help us win new business with additional customers that value and prioritize supply chain sustainability. [Include the story of an RFP won.]”

WHY it works

You're changing the focus of this investment in resources from *what I need* to *what our customers want and demand*. That's a far more compelling reason for your executive lead or budget committee to back you up rather than push back.

"I make sure each expenditure for my program lines up with a customer requirement," says Cindy Bush at Tessy Plastics. "That has garnered me full rein to do what I need."

HOW to do it

- **Connect the dots.** Compare your program costs to the total amount of revenue coming from customers that put a high value on doing business with sustainable companies. Don't just include revenue associated with individual RFPs; add up the gross figure for all of that customer's business. A \$100,000 technology or staffing outlay that helps retain \$100 million in sales? That's a bargain.
- **Track the results.** Show your leadership the examples of specific customers' compliance requests that your program helps satisfy, and how sustainable purchasing has contributed to winning new contracts.
- **Spread the word.** Work with your procurement managers, sales representatives, and marketing leads to weave examples of the sustainable purchasing program's impact into their outreach.

WHAT success looks like

When business leaders at Sodexo ask Judy Panayos how sustainable purchasing influences the company's sales and what aspects are most important, she wants to be ready with more than just anecdotes about the value that customers see in her team's efforts. Panayos, who sits in the supply function, is working cross-functionally with the business development and sustainability groups to create a process for assigning hard numbers to sustainability's impact.

"We are analyzing the client data for keywords related to sustainability—such as supplier diversity, food waste, or local sourcing—and then quantifying business won, lost, or grown specific to the key terms," Panayos explains. "Using the value of those contracts, we will be better able to quantify how we contribute to Sodexo's growth and where we should be prioritizing new projects."

That measurable evidence of her group's business impact will help Panayos and the sustainability group defend budgets, and will demonstrate that new projects are aligned to specific, quantifiable client feedback.

"In this way we won't struggle to make business cases," she says. "We will be able to demonstrate for our leadership that our sustainable and responsible sourcing enables us to win and retain customers."

"I don't have to convince anybody to spend a little bit more on my program if the results are something that our customers will recognize: We did a better job for them, and we're delivering higher quality."

— Ann Dougherty, Roppe

2 TALK ABOUT YOUR INVESTORS

Sustainability issues carry growing weight in the financial market. Position your program as a visible lever of shareholder satisfaction.



SAMPLE CONVERSATION:

“Last year, we had investors with \$ 50 billion in market share ask about our supply chain sustainability. That number is growing year-over-year, and investors are asking increasingly sophisticated questions. We need \$ 250,000 and or 3.0 FTE staff capacity to make sure we are getting ahead of this trend. Failure to do so could put \$ 60 billion in shareholder capital at risk, as well as potentially incur added costs of fighting shareholder resolutions related to supply chain sustainability. [Include the story of an investor consultation that avoided a shareholder resolution or withdrawal of investment.] Success will help us attract new investment and lower our cost of capital as more investors make supply chain sustainability a priority.”

WHY it works

Socially responsible investing in the United States has grown from \$639 billion to nearly \$12 trillion in assets since 1995—a compound annual growth rate of 13.6%.¹ So if you're managing sustainable procurement for a publicly traded company, leadership needs to see how this work contributes to attracting investors and moving the stock price higher.

“Our CEO said, ‘I want us to be on the short list of the best companies as rated by the Dow Jones Sustainability Index,’” says Cesare Guarini at Clariant. “That gave me the immediate opportunity to tell my CPO, ‘We need to develop a strategy and have dedicated resources to drive a program in procurement.’”

Even in a privately held company, you can apply this same basic ethic toward building stronger relationships with key supporters in your community, industry, and regulatory spheres.

HOW to do it

- **Stay in tune.** Pay attention to what major investors are saying about environmental, social or economic sustainability issues that intersect with your supply chain—and reflect those priorities in your program strategies.
- **Be the solution.** Show how the resources you're seeking will help protect the company's reputation in the eyes of shareholders and quell potential concerns before they blossom into an expensive shareholder vote.
- **Shine a light on your successes.** Report back to company leaders on the shareholder concerns that you've satisfactorily addressed—and the tens of millions of dollars in investment capital you've helped protect—through the sustainable purchasing group's actions.

WHAT success looks like

Microsoft shareholders are never far from Tim Hopper's thoughts as he's setting the priorities for Microsoft's indirect procurement group. Hopper helps embed investors' expectations in the company's Responsible Sourcing program to ensure Microsoft is responding effectively to issues such as global climate change, modern slavery, and diverse supplier engagement.

“I definitely track how our sustainable purchasing program helps address their investment criteria,” he says. “In some cases where the investor has a specific concern, we'll meet with them multiple times to show the steps we're taking and make sure they're satisfied.”

Hopper's efforts have been instrumental in helping convince shareholders to remove a pending resolution and retain—or grow—their investment in Microsoft stock. To help illustrate the business impact of these engagements, Hopper calculates the number of Microsoft shares owned by the investor multiplied by the company's stock price on that day.

“That's part of the overall investor support metric that we share with our leadership,” he says. “Being able to measure the positive impact of our program on Microsoft's stock price has been critical for us.”

“Being able to summarize the positive impact that our program has on key stakeholders has been critical for us.”

– Tim Hopper, Microsoft

¹ The Forum for Sustainable Responsible Investment, 2018 Report on US Sustainable, Responsible and Impact Investing Trends, www.ussif.org/files/Trends/Trends%202018%20executive%20summary%20FINAL.pdf.

3 TALK ABOUT THE COMPETITION

Communicate the value of your sustainable purchasing efforts as a key differentiator.



SAMPLE CONVERSATION:

“Our competitor[s], XYZ Corp. and Acme, have 7 FTE staff working on sustainable procurement/supply chain efforts and are participating in groups and projects like supplier benchmarking and ethical sourcing coalitions. We need \$ 75,000 and 2.0 FTE staff capacity to do supplier performance auditing, which will help ensure we [stay ahead of, or don’t fall further behind] the competition.”

WHY it works

A growing majority of customers prefer to do business with companies that are making a demonstrably positive impact. And high-caliber employees, particularly millennials, want to join organizations that are serious about their sustainability journey. These and other competitive advantages will resonate with your leadership.

“When I talk about keeping those C-suite-level people engaged in sustainable purchasing, it’s really about showing how this can differentiate our company from the competition,” says Cindy Bush of Tessy Plastics.

HOW to do it

- **Know the terrain.** Study your competitors’ sustainability reports, social media feeds, and other communications. Ask organizations like the Sustainable Purchasing Leadership Council or industry groups for insights on what’s cutting-edge today among your competitors.
- **Create some urgency.** Help senior executives recognize that your customers are paying attention to sustainability issues and that the competition isn’t sitting idle.
- **Mind the gaps.** Build your pitch for sustainable purchasing resources around specific examples of where competitors are doing more—or doing it better—and where your company could be the first to stake a competitive advantage.

WHAT success looks like

Over the past six years before he left to start his own operational advisory practice, Roland Simon helped evolve Avery Dennison’s sustainable purchasing initiatives into a pivotal element of its overall brand identity and industry leadership. One of the keys to the company’s success has been reinforcing with suppliers and customers how sustainability works to their advantage.

“If you’re doing something that doesn’t equate to good business or differentiate you from the competition, it’s not sustainable,” says Simon. “Companies that want to navigate down the sustainable path have to first understand where their business model is likely to benefit.”

Avery Dennison started looking at its sources of wood fiber for the company’s paper products, which comprises roughly \$1 billion of procurement spend. “With the support of Rainforest Alliance, we traced the origin of our fiber to make sure none of it was being sourced illegally or unethically,” he says. “We had a great deal of support from our suppliers because they recognized that the long-term competitive position of the industry required sustainable standards.”

Simon also advocates for immersing all employees in sustainability through training and firsthand experiences. “We never allowed sustainability to be a peripheral project,” he adds. “It’s all about how to do what we do more sustainably.”

“As I start to propose projects, I say, ‘This is how we’re going to be a leader. It will cost us some money, but it’s going to help us grow by demonstrating our expertise. Clients who want that will award us more business.’”

– Judy Panayos, Sodexo

4 TALK ABOUT RETURN ON SUPPLIER ENGAGEMENTS

Explain how your focus on suppliers—beyond compliance—contributes to gains in efficiency, innovation, reliability, and other business-critical results.



SAMPLE CONVERSATION:

“Last year, our sustainable purchasing program touched suppliers doing \$ 10 billion in business with us. Much of our interaction with them involved data collection and auditing. We need \$ 125,000 and/or 2.5 FTE staff capacity to deepen our supplier engagement into partnerships that highlight the valuable sustainability innovations and insights of our suppliers—not just their compliance data—and that help our suppliers engage in similar ways with their suppliers.”

WHY it works

Your company's purchasing operations thrive or falter on the performance of dozens, hundreds, sometimes thousands of individual suppliers. Supplier training and self-assessment can be resource-intensive and, without significant follow-up, might fail to adequately reflect supplier performance. For this reason, it may be worthwhile to invest in a third-party supplier evaluation service (for more details, see SPLC's Insight Guide to Supplier Sustainability Ratings). Such tools offer scalability and verification of measurable results that you can leverage in presentations to internal leaders as well as external stakeholders. Budget decision makers may readily embrace a \$100,000 annual expense for supplier education and data collection if you show it protects or enhances anywhere from \$10 million to more than \$1 billion worth of business for your organization.

"My role, first and foremost, is to generate more value from our supply base," says Clariant's Cesare Guarini. "Therefore, I make sure that the people who own those business relationships with our suppliers understand why sustainability is an integral part—above and beyond cost, quality, service, innovation—of the business relationship."

HOW to do it

- **Find common ground.** Target the supply-chain performance areas within your supplier base that link directly to the company's larger sustainability goals—whether they be carbon neutrality or third-party recognition as a diversity champion—to create natural synergies in the eyes of your executives.
- **Set a target.** Define your resource requests in the context of a measurable outcome, such as dedicating at least \$100 million in procurement spend with suppliers that have a third-party certification of sustainability performance by 2025.
- **Show your progress.** Track how much spend you have with suppliers that are participating in your team's sustainability trainings, data reporting, audits, and scorecarding.

WHAT success looks like

One of the ways that Ben Ngobi and his procurement colleagues at Accenture continue to build support for their Supplier Diversity & Inclusion Program is by showing how such efforts may fuel innovation. That message helps elevate sustainable purchasing—and investments in diverse supplier development—to a key driver of business success, Ngobi says.

"We highlight how we're engaging a wider pool of suppliers that bring different types of innovation to Accenture," he explains. "For us, the ROI comes from finding diverse suppliers who maybe think differently and showing how their ideas can help us build even better solutions for our clients."

Through its Diverse Supplier Development Program (DSDP), Accenture matches senior executives with diverse supplier proteges for between 12 and 18 months to help grow their businesses. The company has set a goal to have at least 170 DSDP graduates among its suppliers by 2020, "and as of last fiscal year we are at 144 businesses that have been supported," says Ngobi.

Supplier diversity at Accenture has also evolved from a solely internal program to become an offering that helps improve client supplier diversity programs. "We now advise clients on how to implement a supplier diversity program, and it's a small, dedicated team that has moved the needle," Ngobi says. "As a result, our efforts are more supported because we are evolving our business as we help our clients."

"For us, the ROI is very much related to how we bring on innovative suppliers who may think differently and can bring a broader range of ideas to help us build great solutions for our clients."

— Ben Ngobi, Accenture

5 TALK ABOUT RISK AND REPUTATION

Make clear how your program helps uncover and address unknown or unresolved supply chain issues that could tarnish your brand.



SAMPLE CONVERSATION:

“Last year, we did \$15 billion of business in markets that require compliance or reporting on human trafficking, modern slavery, and chemicals disclosure and spent \$ 50 million in categories that have a risk of human-rights abuses within their supply chains. For example, [include a story of another company that encountered this type of issue]. We need \$ 500,000/5.0 FTE staff to make sure we can identify and minimize potential risks to our legal compliance and brand, and to help our suppliers embed sustainability in their own operations.”

WHY it works

While risk can be hard to quantify in dollar terms, everyone understands the danger of bad press over a human-rights complaint or the disruption inherent in having key suppliers sidelined by an unforeseen regulatory change. When you position sustainable purchasing as a proactive, front-line defender of your organization's good name—or even better, as a brand-building engine—executive decisionmakers become your champions.

“Every year at Avery Dennison, we tried to do something to make what's going on in sustainable procurement a reality for our leadership,” says Roland Simon. “We took a group of employees to Iceland to study the effects of global warming. Last year, our leadership team was in Hong Kong and we took a boat trip to witness all the plastic in the harbor.

“You see these things and it helps you better understand not just what the risks are, but how you as a company can do something favorable about them,” he adds.

HOW to do it

- **Identify blind spots.** How far beyond Tier 1 of the supplier base does your visibility extend? Build a case for launching or expanding assessment tools that enable you to sniff out and remedy weak links in the chain before they trigger a crisis.
- **Follow the headlines.** Pay attention to emerging hot-button issues in your industry or market, such as exposure to modern slavery or child labor, and highlight the value of ensuring those skeletons don't lurk in your supply chain closet.
- **Tout the value of prevention.** Compare the modest resources you're seeking to invest in risk avoidance with the expensive, long-term brand damage and lost revenue from just one significant reputational hit.

WHAT success looks like

Clariant doesn't wait for trouble spots to flare up in its \$1 billion annual procurement spend before coming up with a remedy. Cesare Guarini and his team use the intelligence gathered from annual assessments and audits to identify medium- and high-risk suppliers in every country where Clariant does business.

“Our procurement managers sit down with these suppliers to explain the issues and agree on a corrective action plan,” Guarini says. “When we come back, they need to show us that they've improved their score and are no longer a risk to our supply chain.”

Weeding out environmental, ethical, and safety risks from its supplier base has contributed to Clariant being rated among the top chemical companies on the global Dow Jones Sustainability Index, he adds.

Recently, the purchasing group's rigorous attention to sustainability hot-button issues also helped resolve a concern from Clariant's second-largest investor about colorants in some Clariant products that contain mica—a mineral that has been tied to child labor in India. Guarini was able to quickly verify that Clariant does not source mica from suppliers at risk of employing child labor.

“Examples like these,” he says, “can help you get a different level of commitment from your organization.”

“Even just putting together small training modules and initiatives to raise awareness of risk areas within the supply chain, that alone generates measurable value for your company.”

— Ben Ngobi, Accenture

6 TALK ABOUT CORPORATE STRATEGY

Highlighting sustainable purchasing's contribution to existing organizational goals enables your message to be heard all the way to the C-suite.



WHY it works

Many C-suite executives today are making sustainability a priority. You can use that mandate to open new doors and tap vital resources. But even without such an explicit rallying point, you can map sustainable purchasing's value to another corporate goal such as sales growth or brand reputation.

"In every business case that I do for embedding sustainability in procurement, I go back to the message that our leadership is saying this is important," Microsoft's Tim Hopper says. "This is how we're going to succeed as an organization and grow our clients and impact the world positively."

HOW to do it

- **Start with the end in mind.** Apply the litmus test of whether your desired resource investment will help advance a specific corporate objective. If the impact is clear, so will your path to a more favorable response from the C-suite.
- **Harmonize.** Building upon specific statements on sustainability by executive leaders can help sharpen your focus and win you buy-in at the same time. For example, if your CEO has signed on to climate-change goals, then focus your program investment requests on measuring and ultimately reducing emissions across the supply chain.
- **Hone your elevator pitch.** People outside the procurement sphere might have a hard time relating to the number of supplier audits you performed last year or the corrective actions you took. Speak in terms they value; for example, how your program supports billions of dollars in customer demand, or how it's improving the satisfaction of investors with millions of dollars in market share, local economic development impact, or business with diverse suppliers.

WHAT success looks like

Progress is a key word running through Citi's Mission and Value Proposition, its commitment to the United Nations Sustainable Development Goals, and its Supply Chain Sustainability Program objectives. Javette Hines cultivates that unified purpose alignment in her group's outreach to Citi employees and Citi's global supply chain.

In 2010, Hines helped develop a 26-point Corporate Responsibility Questionnaire (CRQ) that Citi uses to evaluate how suppliers manage a wide range of social and environmental issues. The CRQ gives Citi and its supplier base common goals and criteria for measuring progress.

"The critical piece from the very start was creating awareness and accountability around our expectations of suppliers," she says.

"With all that we do in our supplier organization around diversity or sustainability, it really comes back to what everyone across Citi is asking themselves: Does our work enable growth and lead to economic progress?" Hines adds. "Do we help drive significant change across the firm? Are we being the best for our clients, and will our efforts support the communities in which we do business?"

"Those are the questions that I'm asked when I go to the board of directors," she says. "And those are the things that, if I can answer 'yes,' show our return on investment."

"Most companies today, if they want to navigate down the sustainable path, they have to be in a position to first of all understand how their business model paints itself from a sustainability perspective in the first place."

– Roland Simon, formerly at Avery Dennison

7 TALK ABOUT COST SAVINGS

Help company leaders understand how sustainable purchasing efforts can enhance your company's bottom line.



PROCESS 12604
55%

WHY it works

Although most companies have a higher purpose in mind for their sustainable purchasing initiatives than cutting costs, there's undeniable appeal in showing that your program not only runs lean but also contributes to savings elsewhere in the company.

Tessy Plastics, for example, sells more than \$300,000 worth of scrap materials annually to recyclers. "There really hasn't been an expense for my program that hasn't been offset by the results," says Cindy Bush. "I'm able to say, 'We're putting money back in your pocket!'"

HOW to do it

- **Take credit where it's due.** Document the monetary value of your actions—such as reducing waste in the supply chain, encouraging greater recycling and reuse, and using locally sourced materials or services that require less fuel to deliver.
- **Be patient.** Set realistic expectations for achieving cost-oriented returns on the investment in your program; they will come as your efforts gather momentum and your successes become more repeatable.
- **Be a smart shopper.** Many of the resources you may seek, from training courses to supplier assessment frameworks, can be outsourced or contracted for a fraction of what they would cost to develop or staff in-house.

WHAT success looks like

Hired in 2015 to launch a comprehensive sustainability initiative at Roppe Holding Co., Ann Dougherty wanted to show business value right out of the gate.

"The first thing I did was look ahead to the second or third year of our program, when we'd be writing progress reports, and ask myself, 'Where can we get some solid achievements right now?'" Dougherty says. "Second, I looked at what resources outside of our company could be my allies in the process."

She spotted a ripe cost-saving opportunity in the company's manufacturing plants. Through the Industrial Energy Assessments Program (IEAP), created by the U.S. Department of Energy to help small businesses, Dougherty worked with teams of university students on three one-day analyses of Roppe facilities in 2015-2017.

"They measured the energy use and pricing at four of our plants, did a comparison with other manufacturing units of our same size, and modeled our potential cost savings from converting to more renewable energy," she says. "We got really good information that helped one of our plants save nearly \$200,000 the next year. It was a serious win."

"The fact that the CEO says we need to be doing something isn't always enough to persuade my procurement colleagues, because their top priority is delivering bottom-line savings. If you don't show the financial results, nothing else counts."

— Cesare Guarini, Clariant

8 TALK ABOUT SMALL STEPS

Focus on audacious goals, but pitch a manageable subset of actions; use incremental wins to build momentum for next steps.



WHY it works

Regardless of how deep your company's pledge of support for sustainable purchasing may go, spreading your efforts too broadly can yield underwhelming results. If you focus on changing course in one or two key areas over a longer stretch of time, the journey feels less jarring—and therefore easier to support—for suppliers and other stakeholders in your organization.

HOW to do it

- **Pick the low-hanging fruit.** As you're pursuing the kinds of transformative changes that fuel your passion for sustainability, don't overlook the more modest yet valuable opportunities to fine-tune your current operations and supplier practices. What improvements are most fully within your control? That's usually the straightest path to a business benefit.
- **Play to your strengths.** Look around the organization for examples of where you're already on a sustainable path, such as recycling or local sourcing, and build a strategy to take those efforts to the next level. Ask your customers, suppliers, and colleagues what sustainability support they want most from your procurement organization.
- **Establish a track record.** Each tangible milestone that you reach will help your program attract greater support among key decisionmakers—giving you the mandate to reach higher and move faster.

WHAT success looks like

The first chapter of Tessy Plastics' sustainability success story begins with a conversation in which one of the company's largest customers advised Cindy Bush to start small.

"Shortly after I came here in 2010, this customer launched a brand-new sustainability initiative and wanted to partner with us on setting some goals for Tessy," Bush recalls. "I told this person, 'It seems like too much—I don't know where to begin.'"

Pressed by the customer representative to name something Tessy Plastics could start doing quickly and well, Bush mentioned its new waste reduction and recycling initiative. "He told me, 'Set a target for that and start working toward it,'" she says.

Since then, Tessy Plastics has continued adding progressively more ambitious goals in nine categories as part of its TP3—People, Planet, Product—sustainability and corporate social responsibility strategy. The company has earned an overall score of A- from CDP in each of the last four years, and Bush delivered a presentation on Tessy's achievements at the United Nations in 2017.

"All it took to set this in motion was someone asking us to do something different tomorrow than we did today," she says. "I realized, as we were building our program, that it was okay to do this incrementally."

"Start small. Stand on a solid foundation, and then you can reach for more."

— Cindy Bush, Tessy Plastics

Our panelists

The Sustainable Purchasing Leadership Council (SPLC) is grateful for the insights provided by these experienced professionals:



Cindy Bush
Director of Environmental
Health and Safety
at Tessa Plastics



Ann Dougherty
General Manager of Sustainability
at Roppe Holding Co.



Cesare Guarini
Head of Procurement
Strategy Initiatives
at Clariant



I. Javette Hines
Director of Supply Chain Development,
Inclusion and Sustainability
at Citi



Tim Hopper
Responsible Sourcing Manager
at Microsoft



Ben Ngobi
Global Procurement
Sustainability Lead
at Accenture



Judy Panayos
Senior Director of Sustainability
and Supply Management
at Sodexo



Roland Simon
self-employed operations advisor,
former VP of Global Procurement
and Corporate Sustainability
at Avery Dennison

Final thoughts

In many respects, our panelists' most successful case-building practices overlap and complement one another. The collective takeaway from their experiences is this: Make sure you express the value of your sustainable procurement activities in terms of major business imperatives wherever possible.

By stating the ways in which your activities support external commitments, retain and build customer relationships, demonstrate responsible business practices to investors, and reduce risk of supply chain disruption or failures—to name a few examples—you help ensure company leaders will easily recognize the value of your program. And when you can contrast the modest investments you need with the immense value your sustainable purchasing activities can protect or attract, your argument will resonate even more strongly with business leaders.

As you make your case for additional resources, be sure to leverage data and analysis from any tools and services that company leaders have already approved. Quantifying progress and improvement in supplier sustainability (and showing the utility of the tools you invested in to track and measure that progress) will help you make the case for the next investment you need in order to expand your program.

With these lessons in mind, don't be afraid to ask for enough budget to build a robust program, even though the funding may be delivered in phases and you might have to adjust along the way. Setting out a big-picture vision of the contributions your program can make to realizing the company's highest objectives can raise your profile with leadership, and enable you to expand your capacity to do even more.

“Focus on what your company leaders are saying is most important. That’s your guiding star to build the awareness, education, policies, and support network that you need.”

– Javette Hines, Citi



Additional resources

Explore additional resources to support your sustainable purchasing efforts at www.sustainablepurchasing.org/making-the-case.

About the Sustainable Purchasing Leadership Council

Founded in 2013, the Sustainable Purchasing Leadership Council (SPLC) is a non-profit organization whose mission is to support and recognize purchasing leadership that accelerates the transition to a prosperous and sustainable future. SPLC convenes buyers, suppliers, and public interest advocates to develop programs that simplify and standardize sustainable purchasing efforts by large organizations. For SPLC, sustainability includes social, economic, and environmental stewardship. Learn more at www.sustainablepurchasing.org.