

## Sustainable procurement and the “New Normal” – 5 key actions

The Covid 19 crisis has shook the world in a way that has not been seen since World War 2. There is no going back to Business as Usual and the “New Normal” will prevail, whatever that means. Supply chains that were previously considered robust collapsed under pressure in weeks, panic buying prevailed around the world as health services struggled to buy essential supplies, quality control and due diligence was ignored and sub-standard goods were delivered only to be rejected on arrival and some healthcare trusts found their inventory management processes were not fit for purpose. Organisations around the world will need to rethink the concept of resilience.

There is a growing body of evidence that governments and civil society will demand a greener and more ethical “New Normal”; cities around the world such as Milan are planning traffic free city centres, walking and cycling will be new normal, governments such as New Zealand are abandoning the Holy Grail of GDP for measures of national wellbeing and the French government is placing green conditions on any bailouts. The economic success of the mostly American tech giants, one of the winners in this crisis, will see corporate ambition to achieve sustainability goals despite the opinions of their president.

So, what does this mean for procurement?

- **We need a sustainable procurement policy** that cascades through the supply chain. Regular readers of my blogs will know I have long advocated ISO 20400. We need it and we need it now.
- **We must understand our supply chains.** Many organisations around the world have no idea what happens in their supply chains below Tier 1. My team’s work a few years ago to trace the origins of hi-vis vest revealed it had more air miles than Richard Branson. To develop a resilient supply chain we must first understand what it looks like. Transparency will be part of the New Normal.
- **Is competition dead?** Probably not entirely but organisations have had to learn to work together to face down a global threat. Collaboration will be key to delivering the New Normal.
- **We need to build capacity in our supply chains.** If we don’t invest in developing the capacity of our supply chains and simply demand they do things differently, the inevitable result will mean fishing in a smaller pool of more capable suppliers. I am not an economist, but I understand if there is less supply and more demand the price will go up.
- **What you measure is what you get.** The culture of “let and forget” has to go. We need to really understand if our supply chains are delivering the value and sustainability objectives we have set. This will require pro-active performance management using real time data.

New Normal? – I can’t wait!

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