



MEDIA ATTENTION AND SOCIAL DEMANDS HAVE HIGHLIGHTED THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY, WHICH DICTATES THAT BUSINESSES MUST TAKE RESPONSIBILITY FOR HOW THEY AFFECT THE ENVIRONMENT AND SOCIETY IN WHICH THEY AND THEIR SUPPLIERS OPERATE. HOW YOUR PROCUREMENT FUNCTION IS ABLE TO RESPOND TO THIS CHALLENGE MAY HAVE REPERCUSSIONS ON YOUR BRAND AND WHO IS PREPARED TO BUY WHAT YOU OFFER. SO WHETHER IT'S DRIVEN BY A RESPONSE TO MARKET DEMANDS OR A GENUINE DESIRE TO DO GOOD, IMPLEMENTING SUSTAINABLE PROCUREMENT WILL DELIVER POSITIVE ECONOMIC RESULTS.

Your Challenge!

- To add value to your brand / corporate image by implementing sustainable procurement.
- To be able to use sustainable procurement to demonstrate Corporate Social Responsibility (CSR) when responding to tender/RFx documents.
- To be able to demonstrate sustainable procurement as part of your total cost of ownership value proposition in order to meet key customer requirements.
- To respond to changing market demands to include sustainable procurement as part of your risk management plan and triple bottom-line reporting process.
- To proactively manage business risk in relation to pending legislative change around carbon emissions and other CSR issues.

The Solution

As procurement specialists, Management Toolbox can integrate sustainable procurement into your business and throughout your supply chain.

The long term goal of a project to implement sustainable procurement is to enable your organisation to integrate, and manage the risk associated with sustainable environmental and social performance along with the conventional economic factors. This is classic triple bottom-line reporting and it's becoming increasingly important.

However, for your business it is critical that the process of integrating sustainable procurement does not materially disrupt your operations, or affect your economic viability. As experienced change agents, Management Toolbox will help you balance your organisation's various needs in this regard, as required.

Moving your organisation along the path towards fully integrated sustainable procurement requires a combination of many little steps over time. Management Toolbox breaks the journey down into short phases to help maintain focus; break down the

long-term vision into palatable short-term viewpoints; and achieve project scope, budgets and timetable.

The critical issue is to get you started on the road towards sustainable procurement now. Because the potential costs of not proactively managing the CSR aspect of your organisation may be greater than not making the investment over the long term.

Integrating CSR into your procurement function in a sustainable way requires a phased approach to develop, assess, implement, manage, monitor and verify the strategy. From end-to-end the project would move along the following stages:

- **Development of a Sustainable Procurement Strategy** – We will work with you to develop a strategy that is in line with your corporate goals. This strategy will be the platform from which all sustainable procurement activity evolves.
- **Gap Analysis** – Using the strategy as a baseline, we will carry out an audit of your current practice to identify where it is not in line with your policy.
- **Implementation** – Using the Gap Analysis to prioritise initiatives, and a combination of project and change management skills, we will work with you to implement initiatives throughout your organisation as required.

The process of implementing the opportunities for sustainable procurement is on-going over the life of an organisation. Our approach is to prioritise each initiative by ease of implementation versus return on investment. Using this priority matrix, you can decide how fast, and the depth with which you implement the changes necessary to comply with the strategy.
- **Continued Management** – The Management Toolbox way is to implement sustainable change within your organisation. Therefore, as we work through the implementation process, we work to leave you with the tools, templates, processes and know-how to maintain the build upon the change initiatives.
- **Supplier Management** – Once your own house is in order, the next step is to work with your suppliers to oblige them to implement sustainable practices within their business and supply-chain.

Working with suppliers covers a range of issues from sustainable, environmentally friendly practices (such as reducing carbon emissions), to improved work conditions (for example, abolish child labour or 'sweat-shop' conditions, etc.).

Managing supplier relationships in order to satisfy your CSR requires a delicate hand to ensure continuity of supply and to afford suppliers the opportunity to implement sustainable procurement within their business. For non-New Zealand based suppliers, your sustainability standards need to be mindful of local cultures, social and environmental constraints.

- **Monitor and verify continued compliance** – The consequences of failing to maintain, monitor and verify compliance with your sustainable procurement strategy can have a significant impact if the wrong people identify a problem before you do. Especially when sustainability has become a valuable part of your brand.

We will work with you to establish a suitably robust system to monitor your internal commitment to sustainability, and verify your suppliers compliance.

- **RFx Development or Response** – An increasing number of organisations require evidence of sustainability from suppliers as part of their tendering process. The potential cost to your business of not being able to demonstrate and calculate the value of sustainability could be huge. Consequently, you will also need to ensure that when suppliers tender for your business, they can show their sustainable procurement practices.

We will help you structure your RFx or response documentation and associated processes so you will be able to obtain or provide the necessary information.

What may seem an impossible task is made possible by a dedicated controlled approach, backed up by a change management process aimed at embedding the concept of sustainable procurement into the everyday minds and actions of all levels of management and staff throughout your organisation.

The Management Toolbox Approach

Management Toolbox has leveraged its extensive procurement, supply chain, vendor relationship and business improvement knowledge to deliver you the skills to implement a sustainable procurement model.

Developing and implementing a full sustainability strategy is a long-term project that takes commitment and vision. It takes a full 360 view of your business, and the discipline to approach the task in a way that will return results over the long-term. Management Toolbox uses a phased approach to projects – breaking

them down into multiple 90 day timeframes to make them manageable.

Throughout each stage we work with you to report to senior management and/or board level in a way that helps them accept and understand the real return on investment. An important part of this process is to be able to calculate and understand that the project will deliver a return on investment, even if it is not immediately apparent when using the traditional procurement view of 'annual savings'.

There are three main stages, and within each stage the project will be further broken down into 90-day phases if necessary. The stages are:

Stage One: Opportunity Assessment – this stage is about evaluating your position in relation to generally accepted corporate social responsibility. We will look at how your current business goals sit with CSR, and how sustainable your current procurement function is. The focus during this stage is to:

- Develop Sustainable Procurement Strategy
- Prepare Gap Analysis
- Develop an Initiative Prioritisation Matrix

Stage Two: Implementation – Using the Initiative Prioritisation Matrix developed in Stage One, we work with you to identify how best to implement the opportunities in a way that delivers the greatest return within the given timeframe.

Implementation is an on-going and continual task to bring your current practices up-to-date, and ensure all future practices comply. Using Management Toolbox to lead the project to the point where your internal procurement function is able to take over allows you to ensure you have the resource to achieve focus, velocity and project success.

Stage Three: Handover – The handover stage is critical to delivering a sustainable solution to your business. During the life of the project, Management Toolbox will continually work with you to hand over knowledge, tools, templates and processes to your internal staff, so your organisation can implement, monitor and grow your commitment to sustainability.

CONTACT US:

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