

## 10 WAYS TO START OR ENHANCE YOUR SUSTAINABILITY PURCHASING STRATEGY

Sustainability Purchasing can be as simple as choosing office products with recognized green certifications, buying from local suppliers or leasing equipment for temporary needs instead of buying it. Depending on the size and scale of your organization and your supply chain, sustainable purchasing programs can be very sophisticated, including scorecard evaluations that follow a 'total cost of ownership'<sup>1</sup> approach, Supplier Codes of Conduct<sup>2</sup> to govern fair labour practices and human rights in the supply chain, or collaborations among purchasers and suppliers to address key sustainability issues such as the carbon footprint of products or local employment for disadvantaged groups.

The key when starting out is to follow the 'KISS' principle; keep it simple. Get started now by using the following 10 steps whether you are a small to medium sized organization or a large firm with an international supply chain and annual spend in the hundreds of millions. These steps and approaches are proven and scalable. Don't reinvent the wheel. You'll find it's easier than you may think and the potential impacts on your organization, the community and the environment can be incredibly transformative.

### 1. Find Allies in your Organization

If you spend some time reviewing case studies, you'll see that a sustainability purchasing strategy usually starts as the project of a few sustainability champions in an organization. Talk to your colleagues and senior executive about sustainability purchasing and how it can benefit the organization – use the Sustainability Purchasing Network's Guide to the Business Case and Benefits of Sustainability Purchasing (available at: [www.buysmartbc.com/resources.html](http://www.buysmartbc.com/resources.html)) as a resource to help you articulate the benefits and for insights on how to manage the costs. Support from the top is critical. Strike up a committee or cross functional working group that meets regularly to discuss and work on sustainability purchasing initiatives.

### 2. Tap Into Key Resources

Few have the time and resources available to them at work to conduct original research. For reliable and current information on sustainability purchasing, contact the Sustainability Purchasing Network to find out what is new, what is being done and who is doing it. Check out the Network's Resources webpage for top resources on sustainability purchasing (available [www.buysmartbc.com/resources.html](http://www.buysmartbc.com/resources.html)).

### 3. Draft a Policy Statement and Make a Plan

Putting a policy in place is an important step – especially for larger organizations that may have a culture that is policy driven or oriented. A policy is a formal signal inside and outside of your organization that sustainability purchasing is a priority. A good policy should clearly state what sustainability purchasing means to you and what qualities you are looking for in the products and services you buy and the organizations you buy them from. The good news is that there are great examples you can draw from as you draft a policy that makes sense for your organization. Ensure you understand your organization's spending and consumption patterns in order to focus your policy. Identify the organization's single point of accountability to implement your policy and plan. **TIP:** Don't wait to start buying items on the shopping list in step 8 while you go through a policy development process. Many of these things can be done at the same time.

<sup>1</sup> A Total Cost of Ownership (TCO) approach assesses the true profitability and sustainability of business investments by considering costs across the entire life cycle of a product or service. See Item #7 for more details.

<sup>2</sup> Supplier Codes of Conduct are designed to communicate a buyer's expectations to their suppliers, and cover social aspects, such as working conditions and human rights, and environmental performance

# Sustainability Purchasing Network

## **4. Start a Sustainability Conversation with Current Suppliers**

Start up a two-way conversation on sustainability purchasing with your suppliers. Share your organization's interests, needs and policy if you've developed one. Communicate your goals and standards. Take time to get to know who your suppliers are and what they do. Think about your most strategic suppliers and their products, services and operating practices. You may wish to draft up a simple survey on sustainable practices and ask that your organization's top 10 suppliers fill it out and return it to you. This will give you a good idea of your current starting place and it can help you identify social or environmental performance areas you would like your suppliers to improve upon. Outline the expectations you have for your suppliers and how they will be assessed to ensure that they put in place the processes and procedures that fulfill their obligations.

## **5. Find Ways to Use Less of What You Already Have**

A simple and very effective thing to do when getting started is to be more efficient in how you use what you already have. Try to squeeze a bit more use out of products before they are disposed. As one example, try to print and photocopy double-sided on paper and re-use misprints and drafts as note-paper where possible. Before purchasing something new, take a step back and ask yourself if it is really necessary. If so, only purchase the quantity actually needed and sure to be used.

## **6. Choose New Suppliers Committed to Sustainability**

When getting ready to go to market for a new product or service, use the opportunity to find out more about the sustainability performance of prospective companies and their products and services. You might want to create a questionnaire for suppliers as part of an Expression of Interest or Request for Proposal that asks for information about the company's environmental performance, track record on community-based initiatives, local economic development, and/or ethical standards – whatever is most important to your organization. Determine how you will use this additional information in your process of selecting a supplier. Create clear metrics for measuring this as part of your review of supplier performance. You may also wish to ask potential vendors to complete a questionnaire that describes their environmental and social impacts and practices. This can help you identify those suppliers and their products and services that are most aligned with your organization's social or environmental priorities. Remember to do the low-hanging fruit first. Identify quick wins such as simple improvements in energy efficient products that can both deliver bottom-line results and kick-start your sustainable purchasing initiative.

## **7. Take a “Total Cost of Ownership” Approach to What You Buy**

You already spend valuable time on your purchasing – now take a few more minutes to consider the life cycle of what you want to buy. It will be well worth your time! A Total Cost of Ownership (TCO) assessment adds up the financial costs over a product or service's life cycle – the acquisition costs of the item or service *plus* any staff costs, training, training aids, support equipment, transportation and logistics costs, operating costs, maintenance costs, and withdrawal from service and disposal costs. With this information you may find that the product that looks more expensive up front, is actually cheaper over the life of the product. Check out the Network's TCO Workbook (available at: [www.buysmartbc.com/resources.html](http://www.buysmartbc.com/resources.html)) for practical help.

## 8. Make a “Top 10” Sustainability Shopping List

There's a wide array of high quality and reasonably priced 'sustainable' products and services available on the market. A shopping list is a simple and powerful tool to get you started. Write down common items that you buy that have the seal of approval from credible certification systems such as the ISO 14001, EcoLogo, Energy Star, Green Leaf, LEED, Fair Trade, and Certified Organic. See the Network's sample shopping list for ideas at <http://www.buysmartbc.com/resources.html>. You can usually substitute some of these products and services with minimal impact on your budget or operations. You can post this list in your office and refer to it when your organization needs one of the items on your list.

## 9. Set Goals and Track Your Activities

What is it that your organization really wants to achieve? Consider creating an opportunity for colleagues in your organization – including the senior management team – to spend some time with this question. Clear sustainable purchasing goals accompanied by measurable targets assigned to a timeframe are likely to be most helpful. An example of a goal is to review the sustainability performance of your top 10 suppliers or your top supplier with over 10% of your purchasing budget and set an objective to engage them on your sustainable purchasing needs. Once you have goals in place, ensure you have a regular schedule to track your performance and make improvements where you fall short of your expectations.

## 10. Communicate and Reward Achievements

Spreading the word about your success in sustainability purchasing is a powerful way to promote your organization and its products and services within and outside of your organization. Half the battle is getting the word out and people on board. Tell the good news internally and watch the boost in productivity and employee satisfaction. Tell the good news to suppliers, consumers, and other stakeholders and watch relationships improve and sales increase. And remember that through case studies, testimonials and fact sheets, you can convey the highlights of what you have done and how you have done it to the media and award and recognition agencies. Communicate to all levels why these efforts are being undertaken, what will be measured and how you are going to get there.

### Acknowledgements



This Case Study was developed by the Sustainability Purchasing Network for Industry Canada. The Network supports organizations in their efforts to develop and improve their sustainability purchasing practices. As a source of research, information, networking, training, and business-to-business projects on sustainability purchasing, the Network offers the following services:

- Case studies on best practice in sustainability purchasing
- Guide to the business case for sustainability purchasing
- Tools for advancing sustainability purchasing policy and practice
- Training workshops
- Learning circles and online dialogues to network and share best practices
- Collaborative projects such as buyers clubs, product fairs and initiatives to support economic sustainability
- A newsletter with news, events, resources, tools and updates
- Technical assistance and advisory services

For more information, tools and resources, visit the Network's website at [www.buysmartbc.com](http://www.buysmartbc.com).