Maximizing Benefits from a Sustainable Supply Chain and ITP Supply Chain Initiative Summary

By Trevor Williams
ITP Supply Chain Initiative

• In December of 2010, the DOE held a one day workshop
• 44 participants from industry, NGO’s, trade organizations, government and academia
• Input was sought on key supply chain challenges
ITP Supply Chain Initiative

• A survey was sent out after the workshop asking “What the greatest challenge of implementing a supply chain energy efficiency program?”
  ▪ Resource constraints (71%)
  ▪ Difficultly accessing and managing supplier data (52%)
  ▪ Inability to measure and verify energy efficiency improvements (43%)
• Based on the results the DOE found that it could best assist if they developed
  • Case Studies
  • Best practices
  • Tools for implementation
ITP Supply Chain Initiative

• The DOE is working on case studies at Pepsi Co, Cummins, Nissan, Toyota and IBM
• Beta testing tools for supplier and buyer companies
• DOE is currently looking for five more companies to further develop the process
• A comprehensive listing of existing energy management resources will be published by the end of May
  ▪ Diverse federal programs
  ▪ Non-profit organizations
  ▪ Trade associations
  ▪ Utilities
• Old way of top-down, audit driven approach doesn’t work anymore
• The new supply chain sustainability approach is being adopted by many large companies
  ▪ Levi Strauss
  ▪ H&M
  ▪ Wal-Mart
  ▪ Procter & Gamble
• In this approach companies help their suppliers to identify and create efficiencies through continuously improving their sustainability
Benefits

- Suppliers can benefit from a more sustainable supply chain, better productivity and efficiency gains, cost savings and stronger competitiveness
- Buyers can benefit from stronger relations with suppliers and reduced risk of supply chain disruption
Implementation

Create a flow chart of the supply chains of different purchased goods

Define programs that enable suppliers to enhance performance in specific areas

Provide platforms to suppliers to exchange best practices

Support suppliers in implementing employee engagement strategies
Questions?