



## Sustainable Supply Chain Implementation

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Supply Chain Sustainability is a business issue affecting an organization's entire operating network in terms of environmental, risk, and waste costs. Sustainability in the supply chain is increasingly seen among senior executives as essential to delivering long-term profitability and has replaced monetary cost, value, and speed as the dominant topic of discussion among procurement, manufacturing and logistics professionals.

At Reclipse Group, Supply Chain Sustainability is a core competency that we have been sharing with our clients long before the global spotlight began shining so brightly on this critical subject.

### Background

Supply chains are critical links that connect an organization's inputs to its outputs. Traditional challenges have included lowering costs, ensuring just-in-time delivery, and shrinking transportation times to allow better reaction to business challenges. However, the increasing environmental costs of these networks and growing consumer pressure for eco-friendly products has led many organizations to look at Supply Chain Sustainability as a new measure of profitable operations management. This shift is reflected by an understanding that sustainable supply chains frequently mean profitable supply chains.

Many companies are limited to measuring the sustainability of their own business operations and are unable to extend this evaluation to their suppliers and customers. This makes determining their true environmental costs highly challenging and reduces their ability to remove waste from the supply chains.

One of the key requirements of successful sustainable supply chains is collaboration. The practice of collaboration – e.g., sharing distribution to reduce waste by ensuring that half-empty vehicles do not get sent out and that deliveries to the same address are on the same truck – is not widespread because many companies fear a loss of commercial control by working with others. Investment in alternative modes of transportation – e.g., the use of canals and rail – can play an important role in helping companies reduce the cost and environmental impact of their deliveries. These are merely some of the countless options along the entire chain where collaboration can lead to greater sustainability.

### Three Phases of Sustainability

**Phase 1: *Getting the basics right.*** This is the basic level and the phase in which the majority of organizations reside. Companies employ simple measures such as switching lights and computers off when left idle, recycling paper, and using greener forms of travel with the purpose of reducing the day-to-day carbon footprint. Some companies also employ self-service technologies such as centralized procurement and teleconferencing.





**Phase 2: Learning to think sustainably.** This is the level where companies begin to realize the need to embed sustainability into supply chain operations. Companies tend to achieve this level when they assess their impact across a local range of operations. In terms of the supply chain, this could involve supplier management, product design, manufacturing rationalization, and distribution optimization.

**Phase 3: The science of sustainability.** The third level of Supply Chain Sustainability uses auditing and benchmarks to provide a framework for governing sustainable supply chain operations. This gives clarity to the environmental impact of adjustments to supply chain agility, flexibility, and cost in the supply chain network. Moving toward this level means being driven by the current climate (in which companies recognize the significance of cost savings through green operations) as well as pushing emerging regulations and standards at both an industry and governmental level.

*For more information about Sustainability contact Paul Tasner - [Paul@ReclipseGroup.com](mailto:Paul@ReclipseGroup.com)*

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OF THE WORLD  
AS WE KNOW IT**

.....And we feel fine!

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