Sustainable Supply Chains: Challenges Facing Industry

*A Personal View*

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*Accelerating Quality in Operational Supply Chains*
The Purpose of a Business Is......

“To Maximize Shareholder Value”  
(Rochester Business School, NY, 1976)
An Alternative View

“Optimize Stakeholder Value.....
Supply Chain Dynamics

The “QCD” Triangle of Tension in the supply chain

Why “trade-offs” Aren’t always simple

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Simplified Manufacturing Supply Chain

NB: I’ve used “Manufacturing” as a relatively easy-to-understand example: In fact, we can adapt this diagram to cover virtually any type of supply chain, including “service” operations with little or physical content.
Supply Chain Sustainability Questions

- Location?
- Transport media?
  - Energy use
  - Carbon emission

• New or “Revert” Material?
• Energy Usage?
• Location?

• New, repair, upgrade?
• Energy Usage?
• Location?

• Central Vs Local?
• Energy Usage?
• Carbon?
Conclusions?

• What business needs, in my view is:
  – Better ways of visualizing, understanding and calculating the full impact of “green” improvements, taking into account energy usage, carbon emission, CSR issues AND cost – both of investment in developing the “green operation” and in running it.
  – Better tools for creating business cases for green changes that will “stack up” against those for more traditional investments – i.e. clearer views of real savings we could access, including “impact on sales”.