

ADCONIA INSIGHTS



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focus of society

Over the past three years, the topic of „sustainability“ has become a determining factor in all areas of society. Sustainability is now part of the considerations of consumers, manufacturers and politicians.

A future-oriented corporate strategy either already contains „sustainability“ as a central component or has to include it in the short term.

Marketing strategies, party programmes or the directors of programming of all major media have discovered it as one of the important topics or even as the one dominant topic. Certificates and audits are shooting up like mushrooms.

It is hardly surprising that „the“ sustainability issue has been catapulted to the top chart position for Procurement and Supply Chain in all industries.

At the same time, however, it is exciting to observe that this topic is not reflected in the short- and medium-term targets of those responsible for Procurement and Supply Chain. In many places, there is a lack of easy-to-grasp metrics, tools, processes and/or of their operationalization.

The so-called ‘three column model’, which can also be applied to all aspects relevant to Procurement, mentions the equal implementation of ecological, social and economic goals as the basis for sustainable development.

The essential meaning of these three dimensions can be summed up as follows:

- From an ecological perspective, sustainability aims to achieve a lifestyle and way of doing business that only uses natural resources to the extent that the resources are able to regenerate.
- Economic sustainability requires from all individuals to live based on the idea of an intergenerational contract. A permanent living „above economic conditions“ inevitably leads to serious losses for future generations. The sustainability of an economic system, for example, can only be guaranteed if it can and will continue to exist in the long term on its own merits.

- Social sustainability focuses on social balance within the state or a community of states and seeks to balance the various social groups. There must be a lasting social agreement on economic and social issues in order to achieve this balance.

The issue of sustainability in Procurement and Supply Chain should not be associated with a limitation of opportunities or diminished prospects for growth.

In fact, it aims to ensure that Procurement and Supply Chain strategies are not geared towards short-term successes, but rather that a balance according to the ‘three column model’ provides all actors involved with a lasting basis for successful economic activity. In the sense of an increased planning security for the own enterprise as well as a reduction of supply and cost risks, the successive conversion to a lasting and thereby transparent Value Chain is necessary.

In general, there is no need for a radical turnaround at the moment. Rather, the conversion to the described sustainability can take place step by step and in a manner that is compatible with the performance of the company and its previous supply chains. However, prior condition is that target figures and the resulting optimised processes are defined at an early stage and stored with an appropriate schedule.

Since more and more regulatory interventions and requirements can be expected from the state (e.g. CO2 tax, energy turnaround, etc.) and consumer behaviour is continuously shifting towards sustainability in consumption, transport and capital goods, companies will only maintain successful if they approach a changeover early and proactively. This secures competitive advantages and considerably reduces the costs of necessary changes.

Crucial for the transformation to a Supply Chain orientation towards sustainability is the willingness to perceive this topic not only as a marketing trend, but as a fundamental entrepreneurial task that secures the future viability of the company

Author
Gregor van Ackeren