



**IN**

# SIGHTS

**September 2021:**

**Top Trending Topics for Purchasing & Supply Chain - A new KPI tops the list: Carbon**



***The trends we found in our survey of over 100 SMEs in July and August 2021 has a „new“ KPI that seems to be taking root: carbon footprint. Was this overdue? The fact is that in Germany in particular, but also in many EU countries, the rapidly increasing pricing by the state regarding to CO2 emissions is turning this into a significant business factor. At the same time, products, services and thus also companies as such are perceived in the market and by consumers as being responsible.***

First and foremost, this responsibility aims at a consistent, measurable transparency of CO2 emissions. And in a next step, the credibility of the company as it defines and implements measures to minimize its direct and indirect CO2 footprint. While a short time ago the Greenhouse Gas Protocol (GHG Protocol) and the scopes 1-3 defined therein were still something for the specialist audience interested in decarbonizing the atmosphere, these concepts are now rapidly finding their way into corporate goals and annual reports. At the same time, together with our clients, we repeatedly find that there is a lack of structures, processes and tools for the operational implementation of sustainable CO2 management within companies.

## **External supply chain accounts for the lion's share**

The awareness that it is not sufficient to operationalize CO2 management, e.g. to convert the company's own vehicle fleet and to rely on

energy from renewable sources for production, goes hand in hand with the realization that in a value chain based on the division of labor, the external supply chain in particular often represents the lion's share in the overall accounting of the carbon footprint to be drawn up and the resulting measures. Neither the supply chain/purchasing departments are really prepared for this, nor can other areas of the company actually support them due to the lack of existing structures and processes. The ray of hope is that there are now structured approaches and methods for setting up the necessary structures for transparent CO2 balancing and the resulting action management and integrating them efficiently into existing processes and organizational procedures.

## **Risk management as a comprehensive design element**

Without wanting to devalue the other top trending topics, we would like to explicitly address a second topic that is proving to be a „stubborn“ topic both in management and in the technical departments: risk management. Similar to CO2 balancing, the need to bring this topic, which is perceived as rather unwieldy, onto the corporate agenda has now almost universally reached the management floors. Risk management as a comprehensive creative element of entrepreneurial activity - away from what used to be perceived as a compulsory administrative task. It is about more than just retrospectively checking the solvency and creditworthiness of strategic suppliers through credit rating agencies.

# Further development of Methods and tools

A creative risk management anticipates corporate goals, needs, innovations, markets, interconnected supply chains, digital networks, global political developments etc. The further development of methods and tools in risk management has experienced a great push in recent years. It is time for companies that are internationally or even globally positioned on both the customer and the supply chain side to make use of these possibilities and opportunities. To do this, the structural and procedural prerequisites must be created promptly in the companies and the employees must be trained.

Our customers always appreciate our pragmatic yet innovative solutions. Feel free to contact us at [info@adconia.de](mailto:info@adconia.de).

**Author**  
**Gregor van Ackeren**