

Build a Sustainable Procurement Program

Supporting corporate sustainability has appeared on procurement leaders' top-10 agenda for two years in a row in The Hackett Group's 2022 and 2023 Procurement Agenda and Key Issues studies.

Almost all companies expect to have sustainable procurement programs in three categories by 2025:



ECONOMIC DEVELOPMENT

Business ethics: anticompetitive practices, corruption, etc.

Programs in scope today

89%

Projected programs in scope in 2025

100%

SOCIAL WELL-BEING

Labor and human rights: child labor, diversity, working conditions, etc.

Programs in scope today

90%

Projected programs in scope in 2025

100%

ENVIRONMENTAL PROTECTION

Environmental: waste, energy consumption, pollution, etc.

Programs in scope today

88%

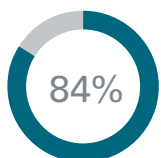
Projected programs in scope in 2025

100%

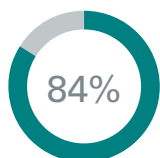
Source: Sustainable Procurement Study,
The Hackett Group, 2022

WHY THE PUSH FOR SUSTAINABLE PROCUREMENT?

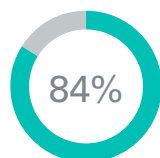
Procurement organizations consider these to be their primary objectives:



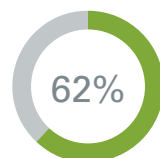
Compliance



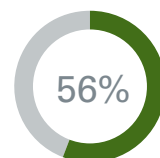
Reduced risk exposure



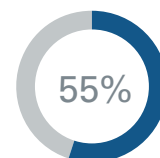
Emission savings



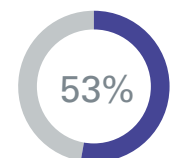
Brand value/
increased sales



Switch to
green energy



Energy savings



Improved customer satisfaction

HOW TO READY THE ORGANIZATION FOR SUCCESS

Top performers in our Sustainable Procurement Study assess and audit their suppliers for sustainability compliance at higher rates than the peer group.

ASSESSED

Direct spend
5.0X
Greater

Indirect spend
7.1X
Greater

AUDITED

Direct spend
2.0X
Greater

Indirect spend
2.2X
Greater

Source: Sustainable
Procurement Study,
The Hackett Group, 2022

TOP PERFORMERS COLLABORATE AND COMMUNICATE MORE WITH SUPPLIERS THROUGHOUT THE SUPPLY CHAIN

Scope of responsibility across the supply chain

Percentage of organizations



Source: Sustainable Procurement Study, The Hackett Group, 2022

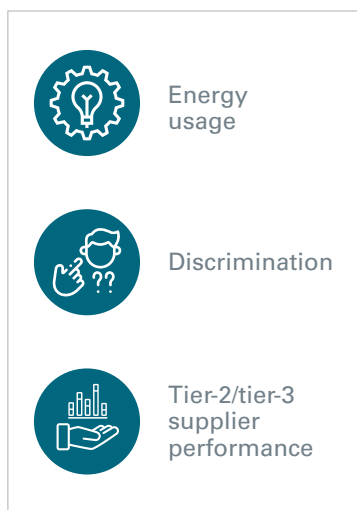
DEMONSTRATING THE IMPACT OF SUSTAINABLE PROCUREMENT

Many procurement organizations miss opportunities to show the impact of their sustainability initiatives. The key is to have metrics that represent the program benefits, supplier and program performance. Here are a just few examples:

OVERALL SUSTAINABILITY BENEFITS



SUPPLIER SUSTAINABILITY PERFORMANCE AND COMPLIANCE

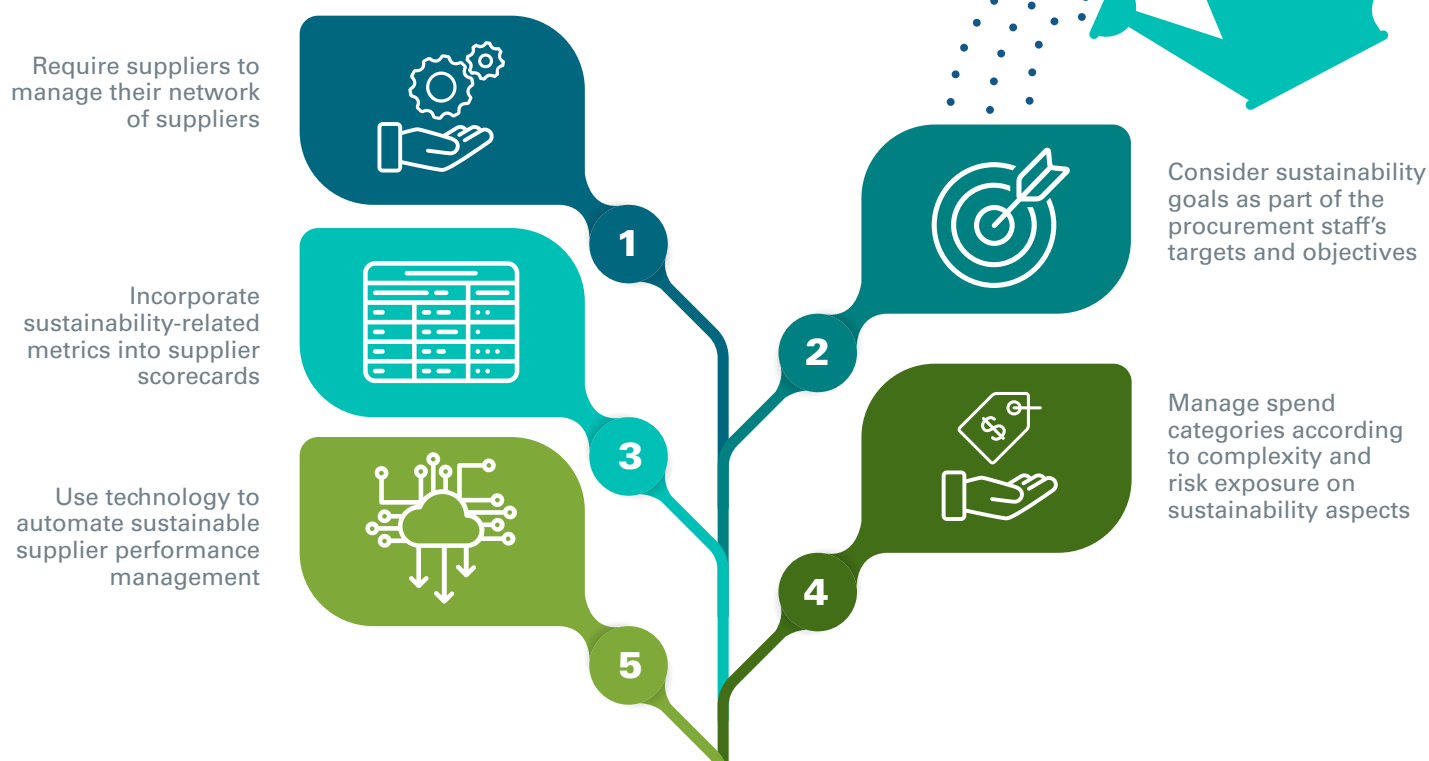


SUSTAINABLE PROCUREMENT PROGRAM PRACTICES



BUILD YOUR SUSTAINABLE PROCUREMENT PROGRAM USING BEST PRACTICES

Based on our study of top performers, The Hackett Group has identified nearly 30 best practices for sustainable procurement. These are a just a few:



CONTACT US TO LEARN MORE.