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# Supply & Demand Chain <sup>®</sup> *Executive*

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Pictured: The "Green Team" at Method Products, Inc



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By the Editors of *Supply & Demand Chain Executive*

# 2008 Green Supply Chain Awards

Recognizing companies bringing Sustainability to the Supply Chain

Green and “sustainability” have become new watchwords for the supply chain. Whether or not you believe that green supply chain goals are practical or attainable, and regardless of your feelings on topics like global warming and fair trade, the fact remains that more and more companies are beginning to incorporate green goals into their corporate social responsibility programs, and chief executives are looking to their supply chains to help meet those goals.

This year *Supply & Demand Chain Executive* is recognizing small, midsize and large companies that are taking steps to realize green goals with our 2008 Green Supply Chain Awards. We saw significant interest in the inaugural edition of the awards, receiving more than 50 submissions. From among the nominated companies our review panel selected 21 that stood out for their projects to incorporate sustainability objectives into their own supply chains or to enable sustainability in their customers’ supply chain. The recipients of the 2008 Green Supply Chain Awards are listed in the following pages, along with a description of their projects.

## Building Sustainability into the DNA

**Private Sector Award Winner: Method Products, Inc.**  
*San Francisco, [www.methodhome.com](http://www.methodhome.com)*

Chemical engineer Adam Lowry and his former roommate Eric Ryan founded Method Products eight years ago with a vision of bringing nontoxic, environmentally safe and yet highly effective cleaning products to market. Today, the company’s innovative product designs can be found at many of the best-known retailers in the U.S., UK, Canadian and Australian markets.

The company incorporates recyclable and/or compostable packaging across its entire product line, maintains an uncompromising approach to the use of non-toxic raw materials in every product it sells, and takes advantage of solar-powered manufacturing and warehousing facilities whenever possible. It moves products by sea, rail and road – always in that preferential order.

Method also has worked with its third-party partners in manufacturing and logistics to instill its principles into their operations as well. As a result, its contract manufacturers re-circulate their waste water to protect the local sewage system and waterways. Method is a manufacturing member of the EPA’s SmartWay Transport Partnership, and it formed a joint venture with the J.B. Hunt Company designed to deliver its products using a biodiesel-fueled, energy-efficient fleet.

## Extending Sustainability into the Supply Chain

**Public Sector Award Winner: The City of Calgary – Supply Management Division**  
*Calgary, Alberta, Canada, [www.calgary.ca](http://www.calgary.ca)*

Calgary’s Supply Management Division has set a long-term goal to ensure that the goods and services purchased by the city are produced according to recognized ethical and environmental standards. Another goal is to increase awareness of how a supply chain can affect the environment, and vice versa.

Supply Management’s main strategy provides for the adoption of a “sustainable, environmental and ethical procurement policy” (SEPP) to ensure that purchasing decisions include these criteria.

The SEPP is implemented through two components, including, first, a supplier code of conduct (SCC) and “assessment of leadership vendor questionnaire” that allows Supply Management to evaluate how a supplier operates its business from an ethical and environmental perspective. The second tool is custom specifications for a product or service.



**Method Products, Inc.** Left to Right: Jason Crouch, director of Procurement, Adam Lowry, co-founder, Drummond Lawson, environmental chemist, Gerry Chesser, vice president of Operations, and Paul Tasner, senior director of Operations

## Green Supply Chain Award Winners

Private Sector Award Winner: Method Products, Inc.  
 Public Sector Award Winner: The City of Calgary –  
 Supply Management Division  
 Supplier Award Winners: Bell Incorporated, CHEP,  
 Container Exchanger

## Green Supply Chain Enablers

### Logistics Providers

- Averitt Express
- Con-way Inc.
- MDSi
- Transplace
- UPS
- CaseStack
- Freight Management, Inc.
- Ryder System, Inc.
- Schneider National, Inc.

### Service Providers

- Global4PL Supply Chain Services
- Profit Point
- Spinnaker

### Solution Providers

- IHS Inc.
- ILOG Inc.

### Employee Services Solution Providers

- GetThere
- Rearden Commerce

In 2007 SEEPP was applied to four commodity areas: apparel, food, chemicals and custodial services. In 2008 the policy was extended to include print services, furniture, special events, consumer electronics, stationary, courier/freight, promotional items, paints, plastics, flooring and appliances. As a contract within these commodity areas comes up for renewal, the SEEPP is applied.

## Leading Green from the Top

**Supplier Award Winner: Bell Incorporated**  
 Sioux Falls, S.D. ([www.bell-inc.com](http://www.bell-inc.com))

Bell, one of the largest and fastest-growing independent folding carton companies in North America, has achieved Cradle to Cradle certification for courier envelopes. Postal Service customers use more than 200 million of the envelopes every year, and the certification, developed by design firm MBDC, verifies that every Bell supplier that contributes to the manufacture of the envelopes uses environmentally safe and healthy materials; designs for material reutilization, such as recycling or composting; uses renewable energy and energy efficiency; ensures efficient use of water, and maximum water quality associated with production; and institutes strategies for social responsibility.

## Making Green Pallet-able

**Supplier Award Winner: CHEP**  
 Orlando, Fla., [www.chep.com](http://www.chep.com)

CHEP, a leader in pallet and container pooling solutions, has established sustainable development criteria as a core component in the design and execution of all its products, services and processes in order to meet its goal of improving overall supply chain efficiency and sustainability.

An EPA SmartWay Partner, CHEP has incorporated the use of more eco-friendly methods of transportation such as barge and rail into its transportation optimization and reduction initiatives. On the material recovery, reuse and recycling side, it has undertaken biomass renewable energy generation and recycling programs for wood,

corrugate, steel and plastic. And on the supply side, the company sources all of its lumber from certified managed forests, which help prevent deforestation through responsible harvesting, reforestation and biodiversity preservation.

Based on the 240 million pallets that the company issued in 2007, the company estimates that its offerings helped eliminate 1.3 billion pounds of solid waste and saved enough electricity to power every household in a city like Wilmington, Del., for a year.

## Containing Carbon

**Supplier Award Winner: Container Exchanger**  
 Atlanta, [www.containerexchanger.com](http://www.containerexchanger.com)

In addition to its goal of achieving carbon neutrality for its offices by the end of 2009, Container Exchange offers its clients returnable packaging broker services, reselling folding bulk containers, metal storage bins, plastic industrial totes, plastic pallets and used Gaylord boxes throughout the U.S. market.

Container Exchange acts as a matchmaker between companies looking to dispose of returnable packaging and those looking to acquire the packaging. The company currently is running at a rate of 400,000 lbs. of repurposed material per month.

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# Green Supply Chain Enablers

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## Solution Providers

**IHS Inc. (Englewood, Colo., [www.ihs.com](http://www.ihs.com))** Green is, at its heart, a product issue, and IHS has the data that drive the green product lifecycle. The company provides expertise and information designed to help companies manage product lifecycles and enable green performance. Its areas of expertise include eco-friendly and lead-free design, green chemical performance, high reliability and sustainability, strategic obsolescence management, and supply chain and product change management.

Earlier this year the company expanded its green portfolio with the acquisition of Dolphin Software, a provider of solutions for chemical data and formula information; and Environmental Software Providers (ESP), a provider of enterprise information solutions to help companies manage their corporate-wide sustainability programs.

**ILOG Inc. (Sunnyvale, Calif., [www.ilog.com](http://www.ilog.com))** If green supply chain has a guru, it surely is David Simchi-Levi, the MIT professor turned software visionary who has led the development of ILOG's LogicNet solutions. Simchi-Levi has written and spoken extensively before industry audiences about applying supply chain optimization to the challenge of reducing a supply chain's total carbon footprint.

ILOG has built Simchi-Levi's vision into its LogicNet Plus 6.0 XE solution, offering a Carbon Footprint module designed to help evaluate the impact of various supply chain network configurations and transportation strategies on their carbon footprint and provide alternative plans that will reduce carbon emissions. The goal: enable companies to make environmentally sound choices when designing and managing their supply chains.

## Service Providers

**Global4PL Supply Chain Services (Santa Clara, Calif., [www.global-4pl.com](http://www.global-4pl.com))**. Global4PL Supply Chain Services' green supply goals are to help companies achieve the maximum reduction of the carbon footprint and minimize their negative effects to the environment by enabling its customers to achieve what it calls "green cost-efficient supply chains." The

company's services include understanding how its clients source their raw materials to identify more efficient sources of supply closer to the clients' operations to eliminate unnecessary movement of goods; incorporating environmental and quality criteria factors into the sourcing and request for quotation processes; analyzing and reducing packaging requirements; and optimizing the frequency and pattern of companies' shipments to achieve better consolidation and optimization volume of their shipments, reducing both the number of movements and the cost of their movements.

**Profit Point (North Brookfield, Mass., [www.profitpt.com](http://www.profitpt.com))**. Profit Point has developed Green Network, a standalone planning software package used to design supply chain distribution networks that must balance profitability and environmental impact. Green Network can be used to measure a company's operational footprint while it analyzes the placement and location of production facilities, distribution centers and warehouses over a multi-period planning horizon. The solution also allows a company to model its existing or proposed supply chain for a geographic area, with its locations, flow limits, costs and any number of environmental byproducts, including carbon dioxide.

**Spinnaker (Denver, Colo., [www.spinnakermgmt.com](http://www.spinnakermgmt.com))**. This supply chain consultancy has adopted internal green goals around reducing solid wastes and energy consumption, and decreasing greenhouse gas emissions. The company has regular discussions with members of its supply base to cover "green" topics and discuss the steps they are taking to promote sustainable and environmentally favorable behaviors. In addition, sourcing teams under its management often include questions on outbound requests for products/services where providers must describe how they will support corporate responsibility goals and environmental initiatives, and help to operate the supply chain efficiently.

## Employee Services Solution Providers

**GetThere (Southlake, Texas, [www.getthere.com](http://www.getthere.com)) and Rearden Commerce (Foster City, Calif., [www.reardencommerce.com](http://www.reardencommerce.com))**. The easiest way to get people to make greener choices is to make the greener choice easy to make. Both GetThere and Rearden Commerce offer employee business services solutions that aim to do just that.

GetThere, a division of Sabre, launched GetThere Green, which it bills as the first green corporate travel program, to enable corporations to integrate environmentally focused travel policies, educate travelers about the carbon footprint of their journey and influence choices travelers make in the booking process. The program integrates carbon data and allows companies to embed a carbon calculator in the booking process. It also supports the designation of "green partners" to highlight certain air, auto, hotel and rail suppliers.

The Rearden Personal Assistant from Rearden Commerce offers an online solution for managing an array of business services based on company policies and employees' own personal preferences. The solution now offers information on the environmental impact of air travel to its users through a carbon calculator that can provide information, for example, on more eco-friendly travel choices, such as opting for a Web conference rather than air travel.

## Logistics Providers

Logistics is one of the most active industries for green supply chain activities. The following companies distinguished themselves with a range of activities aimed at greening their own, and their customers', supply chains. *For more information on each of these companies' activities, go to [www.SDCExec.com/2008greenawards](http://www.SDCExec.com/2008greenawards).*

- Averitt Express
- CaseStack
- Con-way Inc.
- Freight Management, Inc.
- MDSi
- Ryder System, Inc.
- Schneider National, Inc.
- Transplace
- UPS