

Five Steps to Sustainable Operations and Supply Chain Management

According to the World Commission on Environment and Development, sustainability is the capability to meet present resource needs without compromising the ability of future generations to meet their own needs¹.

To sustain for the sake of future generations, firms must incorporate a comprehensive sustainability strategy in their Operations and Supply Chain Management (OSCM) strategy. Sustainability in modern firms has focused on three dimensions including economic success, environmental impact, and corporate social responsibility, called “the triple-bottom line”.

The triple bottom line is a sustainability framework that assesses the social, the environment, and the economic impact of a company on its stakeholders. The triple bottom line framework is based on the principle that the success or the failure on sustainability goals cannot be measured only in terms of profit and loss but must also be determined in terms of the welfare of the people of our planet. As part of the triple bottom line strategy in OSCM, companies can reduce their carbon footprint, energy usage, and recycling efforts.



Reducing carbon footprint can be attained by streamlining processes, removing inefficiency, reducing waste, and optimizing resources. For example, firms can optimize their transportation routes to reduce fuel consumption and carbon emissions across the supply chain.

This is great, but how can you establish sustainable OSCM in your company? You may follow these five steps.

- 🌐 Step 1: Start change management initiatives for a sustainable OSCM culture.
- 🌐 Step 2: Form an OSCM team with assigned responsibility and accountability.
- 🌐 Step 3: Identify costs and set realistic goals.
- 🌐 Step 4: Establish good processes, procedures, and practices and follow them earnestly.
- 🌐 Step 5: Improve by streamlining the established processes and celebrate success.

Step 1: Start change management initiatives for a sustainable OSCM culture.

The “bottom-up” approach encourages greater buy-in from all employees. This approach improves employee collaboration and morale for effective change management. It increases trust between employee tiers even though it takes more time than the “top-down” approach.

¹ WCED. (1987). Our Common Future. Oxford, U.K.: Oxford University Press.

Implement a lot of training and knowledge transfer across employees to change the culture of the company towards a sustainable OSCM implementation. If this approach does not work for your company, then use the top-down approach to implement a unified vision and culture.

Step 2: Form an OSCM team with assigned responsibility and accountability.

Responsibility, as compared to accountability, is bound to morality and ethics. Responsibility is an employee's duty to perform assigned tasks or activities. Every employee of an organization has a responsibility. Accountability in organizations deals with the reporting and justification of project outcomes to superiors. Team formation is critical to the success of any project. This activity helps to clarify roles and responsibilities.

Step 3: Identify costs and set realistic goals.

Identify all costs involved in transportation, logistics, purchasing, manufacturing, storing, and travel. Inspect all costs of the operations and supply chain. Identify all spending, analyze the costs, and set improvement metrics. For example, if you use a lot of energy in your plants, warehouses, and offices, think of installing alternate forms of energy like solar or even LED lights.

Step 4: Establish good processes, procedures, and practices and follow them earnestly.

This is where the rubber meets the road! The right use of the right emergent and state-of-the-art technologies is absolutely important to establish good processes, procedures, and practices for your company. You can create value using digital transformation as digital solutions can help make operations more efficient despite challenges like ongoing supply chain disruptions. Integration of key technologies and processes across operations is critical to building an intelligent digital ecosystem for your enterprise.

Step 5: Improve by streamlining the established processes and celebrate success.

Improve by streamlining the processes that were conceived in the last step. You may want to improve processes surrounding your suppliers, distributors, logistics providers, transportation partners and even retailers to enhance solid structural connectivity and technological coordination and collaboration. Celebrate milestones to boost the morale of your employees and keep the vision to a sound sustainable OSCM strategy!

Contact Cognishen.com (info@cognishen.com) for more information and to deploy key digital transformation technologies.

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