

THE ENVIRONMENTAL AND  
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BUSINESS ADVANTAGE COLLECTION

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Chris Laszlo and Nadya Zhexembayeva  
*Editors*

# Developing Sustainable Supply Chains to Drive Value

*Management Issues,  
Insights, Concepts,  
and Tools*

**Robert Sroufe  
Steven Melnyk**



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*Developing Sustainable Supply Chains to Drive Value: Management Issues, Insights, Concepts, and Tools*

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## Abstract

As we enter the 21st Century, we find ourselves faced by two major developments. The first is the emergence of the supply chain as a strategic and tactical weapon. With the emergence of the supply chain, the unit of competition has shifted from the firm to the supply chain. However, with the advent of the supply chain, it is important to recognize that we have to view strategic objectives within a context that stresses not simply the internal operations of the firm but also the elements and stakeholders of the supply chain—elements that include the supplier base, customers, logistics linkages, relationships, transparency, and visibility. We realize that the supply chain is no stronger than its weakest link.

The second development is that of sustainability. This paradigm shift is more than simply being environmentally responsible. Rather, it is overall sustainability as measured in terms of the firm's ability to reduce waste, improve profitability, generate strategic competitive advantages, and ensure that it is safe and treats its employees well. In the past, sustainability was viewed as a marketing fad; this is no longer the case. Sustainability is increasingly becoming at a minimum an expectation and a requirement for doing business (i.e., an order qualifier) and under many conditions something that differentiates firms and makes them more attractive to potential customers (i.e., an order winner).

These two developments, while often treated as separate entities, are very interrelated. It is this interrelationship that forms the major focus and thrust of this book. Essentially what "Developing Sustainable Supply Chains to Drive Value" does is to present the reader with an integrated, business-oriented treatment of sustainable supply chain management that explores why it is no longer enough for a firm to focus on sustainability within only the four walls of the firm. Rather, in today's business environment, sustainability must involve the supply chain in a deliberate and integrated fashion. To succeed with sustainability, a firm must ensure that this outcome is not only present within the firm but is also present within the supply chain. As the insights, tools, and concepts within this book will illustrate, the market and consumers will punish those firms that promise sustainability but that are not able to deliver on this promise because of problems in the supply chain.

The book is intended to be a standalone read for professionals, resource for executive education, and supplementary text for existing MBA supply chain management courses. This book provides a multi perspective approach to sustainability and value chains to allow understanding from a variety of disciplines and professional backgrounds. If you are a business professional wanting a 2- to 3-hour introduction to sustainable supply chain management (SSCM), we suggest you review Chapters 1, 2, 4, and 7 so you can more quickly be ready to put learning into action, whether at the office or in the classroom. For a more in-depth understanding of SSCM as a driver of value, we can't help but recommend you read each chapter and more fully engage in the action-learning process.

Key features of this book include, but are not limited to:

- Short vignettes of important trends to start each chapter.
- Relevant management issues.
- Evidence-based management examples from leading multinational companies along with small and medium enterprises spanning supply chains.
- References to appropriate tools, emerging technology, and practices.
- Chapter Action Items and Audit Questions for the reader to take a deeper look at integration opportunities involved in sustainability and supply chain management.
- An action-learning approach to applying concepts and tools so that readers from any functional perspective will be able to see where they are in terms of their ability to implement and manage a sustainable supply chain including guidelines on how to move forward with their first supply chain sustainability initiative.

## Keywords

action learning, audits, benefits, best in class, business models, carbon, carbon disclosure project, carbon footprint, collaboration, culture, design for sustainability, dashboard, design thinking, enablers, energy management, environmental profit & loss statement, environmental management systems, environmental protection agency, environmental standards, freight, greenhouse gas (GHG) protocol, global reporting initiative, greenhouse gas emissions, implementation, innovation, integration, integrated bottom line, less than truckload, life cycle assessment, metrics, multi-criterion decision analysis, natural capital, new product development, obstacles, operationalize, order losers, order winners, performance measurement, pollution prevention, process design, product design, quality management self-audit, social capital, supplier assessment, supply chain operations reference model, smart way program, supply chain management, sustainability, system design, standards, sustainability portfolio, sustainable value added, the natural step, toolkit, tools, total quality management, transparency, triple bottom line trends, universal breakthrough sequence, value generation, waste.



