LEVERAGING SUSTAINABLE BEHAVIORS WITH STAKEHOLDERS

Introduction

Up to this point in the class, we have discussed how an organization can develop its own set of sustainable behaviors and use them to move down the path to sustainable development. There seems to be a great deal of concern about taking a “local” approach to sustainable development as we have done in this course. The argument is that it will never be enough to make a difference in time to save the earth! However, there has been evidence presented in the early narratives that this is simply not true. Taking a global approach to sustainable development is no more reliable than the bottom-up approach covered here. You need to have both a top-down and a bottom-up program working in concert with each other to make sure that measurable progress can be made.

This module will briefly examine how the organization that is on the path to sustainable development can encourage its stakeholders to join it on the journey. This can be done first to help move the organization further down the path. For example, by purchasing items giving a preference to suppliers that are also on the path to sustainable development (i.e., environmentally preferable purchasing) can mean saving money when they pass along the savings they make by having better economic performance as a result of their sustainable development program. Second, you are sending a message that you encourage others to get involved. This helps expand the local efforts and move to move a region closer to sustainable development. Ultimately this will converge in a global effort.

Also examined will be some life cycle effects that are controlled by the organization such as product stewardship and extended producer responsibility. Much of this can be tracked using a tool called life cycle value assessment (LCVA). Finally, we will examine other issues associated with maintaining a sustainable supply chain.

Looking to the Supply Side

Whether as an individual, working for an organization or involved in a local government, everyone can encourage sustainable behaviors by buying sustainable products from companies that act in a sustainable manner. This is a very effective way to promote sustainable development at the local level and something that anyone can do. There is a formal program at the US Environmental Protection Agency called Environmentally Preferable Purchasing1(EPP). The US General Services Administration2 has a web site

1 US Environmental Protection Agency, Environmentally Preferable Purchasing Web Site: http://www.epa.gov/cpp/

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that classifies materials and makes them easier to purchase. A wide variety of different products are covered. You need to understand what EPP is and how it helps the organization that practices it move down the path to sustainable development.

A second way of dealing with the supply side of an organization is to become active in promoting the concept of sustainable development to all of the immediate suppliers and having them promote the concept to their suppliers. The New Zealand Business Council for Sustainable Development has published a business guide to help organizations set up and manage a sustainable supply chain. The Global Environmental Management Initiative (GEMI) has also published an informative guide for dealing with the supply chain. This latter document focuses on environmental and economic issues. It is important to realize that social issues are also very important and must be integrated into a sustainable development project.

One of the biggest problems with supply chain management programs is that they take the perspective of suppliers as being “out there!” These are separate companies and we cannot influence their behavior. Using the Systems Approach to process improvement, suppliers are viewed as “supporting processes.” They are an integral part of any organization. Without their products or services, the activities of the organization using them will stop. Since they are part of the operation, it is even more important to engage them in sustainable development activities. The procurement agents can require all suppliers to submit process maps describing how they make their product. Some companies require sustainable development reporting. There are even some companies that require an agent from the suppliers to spend between one day and one week in their operation each year to make sure that they are using the product to the maximum efficiency. In many cases, these representatives see how much packaging is thrown away when the product is being received. They go back to their operation and seek ways to either reduce the amount of packaging or to offer to take the packaging back and manage it with their packaging suppliers.

Transportation of supplies to the organization is also a problem that is now receiving increased attention. Are the transporters using the most sustainable means of transportation? Can the organization that purchases the supplies help the suppliers by scheduling shipments in a manner that help to conserve fuel and traffic?

All suppliers should be asked to recognize your organization’s sustainable development program and begin to participate in that program. It is best if the organization report to the suppliers on how the program is progressing and recognize the suppliers that are actively participating in the program. The amount of sustainable development

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2 US General Services Administration, Purchasing for the Environment: [http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8207&channelPage=%252Fep%252Fchannel%252FePsaOverview.jsp&channelId=12972](http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8207&channelPage=%252Fep%252Fchannel%252FePsaOverview.jsp&channelId=12972)


accomplished should reflect the efforts of the suppliers and, as you will learn below, the customers as well.

**Looking to the Customer Side**

There are also opportunities to promote sustainable development on the customer side of the organization’s life cycle. The first thing that can be done with the customers is for the organization to seek to participate in their sustainable development program. If they do not have one, a copy of the sustainable development program progress should be sent to them on a regular basis. Their purchasing agents should be encouraged to come and see how sustainable development is making the organization a more attractive supplier.

The US Environmental Protection Agency has a web site dedicated to the topic of product stewardship. A question that is asked in the sustainable development space is, “Should an organization be held responsible for how their customers use their product?” The American Chemistry Council (i.e., the trade association that represents the chemical industry in the United States) has a product stewardship code. Each company that is a member of the association is held responsible for the safe use of its products by the customers that it serves. Some of the responsibilities are expressed on the Dow Chemical Company web page. Should organizations making other products have similar product stewardship requirements?

There is also a Product Stewardship Institute that helps organizations seek to produce products that have the least environmental impact when they have reached their “end-of-life.” Another group, called the Product Policy Institute, is also involved in this area. This is a big issue in the area of sustainable development. Should a company be required to take back its products when the consumer is done with them? Some web sites discuss this developing area:

- [http://www.grrn.org/resources/producer_responsibility.html](http://www.grrn.org/resources/producer_responsibility.html)

Because of the growing interest in this area, organizations need to address it when developing their sustainable development programs.

**Using the LCVA Tool**

There is a very interesting life cycle tool that can be used to understand the value in the supply chain. It is called the Life Cycle Value Assessment (LCVA) tool. This tool is

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5 US Environmental Protection Agency, Product Stewardship: [http://www.epa.gov/epr/](http://www.epa.gov/epr/)
7 Dow Chemical Product Stewardship: [http://www.dow.com/productsafety/industry/stewardship.htm](http://www.dow.com/productsafety/industry/stewardship.htm)
8 Product Stewardship Institute: [http://www.productstewardship.us/](http://www.productstewardship.us/)
9 Product Policy Institute: [http://www.productpolicy.org](http://www.productpolicy.org)
described in a set of slides that can be found as a bullet to this narrative on the web page. There is also an example of a LCVA report posted so you can see the utility of the tool.

**Concluding Remarks**

This brief module will provide you with an idea of what an organization can do to leverage its sustainable development activities and to help itself move further down the path to sustainable development. These activities will also help expand the sphere of sustainable development to a regional and national (maybe even global) level with the bottom up focus of the local roots from which it came.