



## "Responsible Purchasing: Beyond Cost to Value Creation"

*Creating Value through adoption of Responsible Purchasing practices*

**11<sup>th</sup> - 12<sup>th</sup> December 2008**

In Archamps (French Geneva Border), FRANCE

PRESENTATIONS, VIEWPOINTS, CASE STUDIES AND DEBATES FROM THREE COMPLEMENTARY PERSPECTIVES:  
practitioners, academics and consultants.

## Agenda

### Wednesday 10<sup>th</sup> December 2008

- 16.00 – 17.00** Talent Assessment Method  
EIPM Job Reference Matrix: a look at different job profiles in Purchasing
- 17.00 – 18.00** Question & Answer Session
- 18.30** Registration
- 19.00 – 20.00** Aperitif at the Hotel Best Western
- 20.00** Networking buffet at the Hotel Best Western

### Thursday 11<sup>th</sup> December 2008

- 08.00 - 17.00** Registration Desk Open
- 08.00 – 08.30** Morning Networking Coffee
- 08.30 – 08.45** **EIPM**  
*Bernard Gracia, Director "Welcome address"*
- 08.45 – 09.30** **EIPM**  
*Dr Peter Laurence, Research Director*  
*"Managing the Ongoing Challenge of Responsible Purchasing"*
  - What are the key cornerstones and enablers of Responsible Purchasing?
  - How is Responsible Purchasing impacting today's procurement operations?
  - What skills are needed to take on Responsible Purchasing?
- 09.30 – 10.30** **Key Note: SHELL**  
*"Contracting and Procurement Role as Change Agent – working with the Business and Suppliers to improve Sustainable Development", Mr Paul Massih, Vice President Contracting and Procurement Strategy*
  - Greening of supply chains and social responsibility are not optimal
  - A long journey that requires commitment at every level
  - To be effective green procurement has to be integral to sourcing & category strategies
  - Procurement organizations are uniquely positioned to help set the "Green" direction
  - Shell's view on responsible energy and sustainable development
- 10.30 – 11.00** Coffee break

11.00 – 11.45

### **A.T.Kearney GmbH**

*“The Sustainability Challenge”, Jules A. Goffre, Vice President”*

- The Sustainable Challenge – What is it...What is it not?
- How does it impact companies – how does this vary by industry?
- Why Supply Management is Key?
- What are companies doing in Sustainable Procurement?
- What are critical success factors?

11.45 – 12.30

### **IBM Global Business Services**

*“Building a Smarter Planet”, Sarah Procter, Managing Consultant*

Sarah Procter will discuss the smarter planet opportunity as it pertains to sustainable and socially-responsible procurement. She will examine the importance of sustainable procurement agenda and opportunities presented in the context of current major global political transitions and economic flux. Sarah will consider whether we need to adopt a new approach to developing procurement strategies and whether this enterprise-centric approach needs to be re-thought to support the sustainability agenda.

- Building a smarter planet – the current smart planet opportunity and what this means in a procurement context
- Inhibitors to companies taking any real action
- Dispelling some common myths
- Possible approaches and how to enable the right focus
- How to start? Is the measurement issue a barrier to progress? How to collaborate effectively cross-industry?
- What IBM has done/ is doing

12.30 – 13.15

### **SAFRAN**

*“The Sustainability of the Relationship with Strategic Suppliers”,  
Dr Laurent Jehanin, Vice President Purchasing Strategy and Support*

For key strategic suppliers, the customer-supplier relationship is extremely strong and long term.

To improve purchasing performance through only supplier price decrease, could have dramatic effects: supplier margin squeeze, R&D decrease, financial trouble...

Two possible consequences:

- Many suppliers will disappear
- Powerful surviving suppliers will emerge through mergers and acquisitions and will become more powerful than their customers.

For this very limited suppliers category, the only sustainable model is to improve the value creation of the whole supply chain before taking its share.

This presentation will explore one segment of the economical pillar of Sustainability (along environment protection and social responsibility) from well known approaches like supplier development to less explored, like branch restructuring.

13.15 – 14.30

Lunch

14.30 – 15.15

### **TOYOTA**

*“The Toyota Way in Purchasing”, Mr Mark Adams, Vice President Purchasing*

- Practical deployment of business values through the supply chain.
- A model for growth that survives hard times in the industry
- Sustainability of business relations with safety and quality as the basis of expectation
- Up to date views on risk sharing and risk management

15.15 – 16.00

### **PHILIP MORRIS**

*« Responsible Purchasing », Mr Jean Noel Puissant, Procurement Planning Director*

Jean-Noel Puissant will review Philip Morris International practices on :

- **Value Protection**  
Actions to protect the company assets and manage new risks in our dealings with external partners
- **Ethics**  
Measures to build and maintain ethics in all aspects of supplier relationships
- **Social Responsibility**  
Programs to address key social concerns throughout the Supply Chain

16.00 – 16.30

Coffee break

**16.30 – 17.15 BEROE**

*“Greening the enterprise”, Vel Dhinagaravel, CEO*

- **Benchmarking**  
How does your supply chain’s carbon footprint compare with that of your competition? How can you use a lower carbon footprint as a competitive differentiator?
- **Supply Chain Red Footprint**  
It is also important to map a footprint of your value chain, which is colour coded to indicate the areas that contribute the most to the carbon footprint Mitigation plans then need to be put in place to eliminate the “red-spots”
- **Carbon Tax Calculator**  
It is also important to calculate the potential impact of different proposed carbon taxes on the cost of your key input categories (this could be as high as 12% for some categories)

**17.15 – 18.00 MIGROS**

*“Sustainable Development: Purpose and Performance”, Mrs Paola Ghillani, Member of the Board*

- What do we mean by Sustainable Development and what is its purpose
- How to integrate Sustainable Development in the corporate strategy and in the Purchasing process as a value proposition
- Example of a pioneer: MIGROS, leading retailer in Switzerland
- Purchasing: Purpose & Performance

**18.00 – 18.45 SWITCHER**

*Mr Robin Cornelius, Founder & President*

Switcher, a Swiss textile company recognised for its logo, a yellow whale, has nothing to hide. It is transparent and clear in its messages.

- The company’s vision and mission
- Social and environmental engagements/ projects
- Switcher foundation
- Traceability Website: [respect-code.org](http://respect-code.org)

Robin will share with delegates how Switcher has integrated their business – Strategy into a practice, world class sustainability platform.

**19.30**

Reception & Gala Dinner in Geneva: “La Broche” Restaurant de l’Arquebuse  
Rue du Stand 36 CH – 1204 Geneve. Tel +41 22 321 22 60

## Friday 12<sup>th</sup> December 2008

**08.25 - 08.30** Introduction of the day

**08.30 – 08.45 EIPM**

*Bernard Gracia, Director*

**08.45 – 09.30 VODAFONE**

*Mr Chris Thompson, Head of Supply Chain Transformation*

**09.30 – 10.15 McKinsey & Company, Inc.**

*“ Creating Value in a Green Supply Chain”, Dr Nicolas Reinecke, Principal*

For every CPO one of the most pressing topics of today are the sky-rocketing prices for energy and raw materials. In addition to that, the climate change has induced regulators to introduce stricter regulation, which will impose further costs to emission sources and to energy throughout the supply chain. Finally the ongoing public debate about the climate change and other environmental topics makes consumers rethink their spending behaviour. In today’s markets it has become essential for every company to show environmental stewardship and to ensure good environmental performance of their products. Going forward companies have to react quickly to avoid to become squeezed between rising input costs from the supply chain and eroding sales due to changing consumer behaviour.

Increasing energy efficiency and reducing greenhouse gas emissions requires a substantial effort. Companies have to invest in creating data transparency on energy costs and emissions, they have to adapt processes to strengthen cross-functional work on energy efficiency and they have to build up the required expertise.

A key tool to create transparency is extending existing TCO-analysis to cover energy costs and CO2 emissions.

Engaging with suppliers and analysing their operational and energetic performance reveals that many levers to increase energy efficiency exist, especially in the areas of assembly and logistics.

**10.15 – 10.45** Coffee break

**10.45 - 11.30 NOKIA**

*“ Towards Sustainable Sourcing through Collaboration, Beyond Cost to Value Creation”, Jean-François Baril, Senior Vice President Sourcing, Pertti Paasovaara, Vice President of Finance & Business Development*

- How are ethics, environment, labour and health & safety fully embedded within ways of working
- Emphasising importance of transparency within complex supply chains  
– getting the right balance
- Recognising the importance of mindset, long term commitment and applying a global approach that is sensitive to local differences
- Exploring how to create business value from supplier collaboration & capability building

**11.30 – 12.30 ECO VADIS & AXA**

*Responsible Purchasing: "New KPI's for Suppliers Relationship Management", Pierre-Francois Thaler, Eco Vadis, Mr Lefaivre, Vice President – Procurement Process & Tools, AXA*

Using a mix of theory and concrete examples, Eco Vadis will show that a well structured sustainability KPI can be integrated in procurement processes to manage supply risk and improve performance

- **Need for new performance indicators?**  
80% of procurement Directors consider Sustainable Procurement a priority... but only 10% have achieved their objectives (\*)  
Lack of Sustainable Procurement "tools" & "performance" indicators is #1 issue for Procurement Directors (\*)  
Procurement Executives are looking for the KPI's which will allow them to compare Suppliers Sustainability Performance
- **How to build a Sustainable Procurement KPI?**  
Methodology and link with emerging CSR standards (GRI, Global Compact,...)  
Commodity specific approach
- **Case studies:** Eco Vadis statistical data on the CSR performance of suppliers (per industry, size, region) and main issues (ex: CO2, water, ...)  
Presentation of a customer Case Study: how to integrate sustainability performance indicators in a Procurement organisation
- **Value Creation Risk Management**  
Cost reduction  
Innovation

**12.30 – 14.00** Lunch

**14.00– 14.45 EIPM**

*"Sustainable Development: the Role of Purchasing", Mrs Kay Bayen, Coaching & Development*

**14.45 – 15.30 VEOLIA**

*Geneviève Ferone, Sustainable Development Director*

**15.30 – 16.00** Closing remarks, **Mr Bernard Gracia, EIPM Director**

**16.00** Close of the conference

**16.00** Networking Coffee Break

**16.45 – 17.00** Bus Departure to the airport



THE SOURCE  
FOR PURCHASING

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