

*New study shows current developments and “Best Practice” approaches in sustainable supply chain management within European companies*

## **Green Procurement Remains Crisis-proof**

**Bonn, June 25, 2009 – More and more European companies are focusing on sustainable procurement strategies that even the global economic crisis is unable to throw off course. This is the result of the recently published trend study entitled “Green and Sustainable Procurement Today – A Perspective on Leading European Companies” by the Supply Chain Management Institute (SMI) of the European Business School (EBS). At the management levels of the companies surveyed, strategies for constructing sustainable added value chains feature high on the agenda. The study published in “BrainNet Science Edition” reports on the status quo of sustainable procurement, illustrating which implementation strategies are particularly successful and where the greatest obstacles to implementation lie.**

The study was occasioned as part of a cooperation agreement between the SMI and BrainNet: it comprises the results of a survey of top managers from 49 European companies which, together, represent a procurement volume of more than Euro 137 billion.

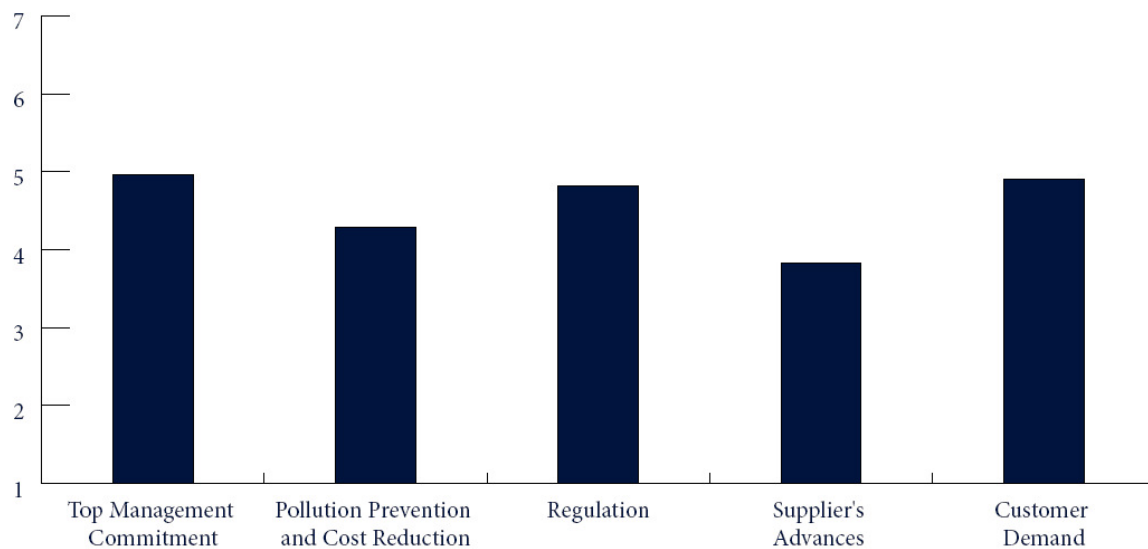
The key results of the study include:

- Applicable to all companies: the closer the position to the end customer, the more probable sustainable procurement processes are.
- The companies surveyed exhibited very different degrees of maturity in terms of the implementation of Green and Sustainable Procurement. The study identified a quarter of companies as exemplary “best performers,” half as exhibiting average development and the remaining quarter as stragglers.
- The front-runners approach the task proactively and pragmatically: every other “best performer” states that they pursue a proactive approach, and more than a third label themselves as “pragmatic” as regards the implementation of Green and Sustainable Procurement.

“The support of top managers makes a crucial difference as to whether a company can achieve the position of ‘best performer’ in sustainable procurement – this is even a more powerful driver than legal requirements,” explains Professor Constantin Blome,

Research Director Sourcing in Emerging Markets at the SMI and co-author of the study. “The successful pioneers of ‘Green and Sustainable Procurement’ also focus on long-term, cross-departmental strategies. For stragglers, sustainability is frequently over and done with once a project is completed.”

### Drivers to Green and Sustainable Procurement (Scale: 1 = weak, 7 = strong)



#### **Drivers to Green and Sustainable Procurement**

Source: Blome, Constantin; Henke, Michael; Luibl, Simone; Reuter, Carsten; Zhou, Li: “Green and Sustainable Procurement Today – A Perspective on Leading European Companies,” Wiesbaden 2009

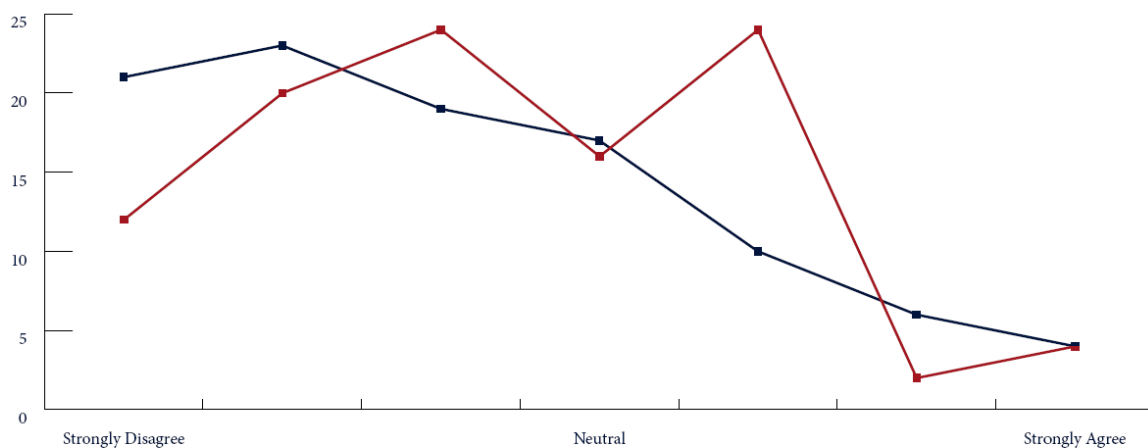
- One central feature of ecological purchasing strategies is the concentration on suppliers: when looking at the ecological standards of the surveyed companies, it is noted that four out of the five most important parameters focus on the quality or activities of suppliers.
- Ecological supplier management that is also based on social and ethical standards is the key to successful Green and Sustainable Procurement. However, the companies’ perspective in this regard is currently still too narrow: while the monitoring and analysis of suppliers plays an important role, the crucial development of suppliers is being neglected.

“Many companies are not adequately informed about the time bombs that are ticking away in their added value chains. After all, it’s not just about high standards within their own four walls: overlooked environmental legislation, poisonous substances in product components or suppliers employing child labor can damage the company’s image long

term and bring with it serious financial and legal consequences,” says Simone Luibl, Practice Head Green Procurement at BrainNet and also co-author of the study. “The application of a company’s own social standards and environmental guidelines should therefore also be a key criterion when choosing a supplier. The best price isn’t of any help whatsoever if, for instance, the supplier is taken to court over environmental offenses that taint the image of the customer. Many companies have learned this lesson the hard way in recent years.”

- The economic crisis is having only a limited impact on the further development of purchasing strategies geared towards ecological and social standards. Only one in five study participants believes that the crisis is having a negative impact on sustainable procurement concepts. A full 63 percent generally say no to the question as to whether the financial crisis is threatening their Green and Sustainable Procurement programs.

**Does the current financial crisis have a negative impact on Green and Sustainable Procurement? (-)**  
**Does a downturn in our profitability have a negative impact on Green and Sustainable Procurement? (-)**



***Impact of the financial and economic crisis on the further development of Green and Sustainable Procurement***

Source: Blome, Constantin; Henke, Michael; Luibl, Simone; Reuter, Carsten; Zhou, Li: “Green and Sustainable Procurement Today – A Perspective on Leading European Companies,” Wiesbaden 2009

“All companies that do not have sustainable procurement on their agenda today will in two or three years be facing enormous problems – and that’s when we’ll see who set the right goals in the time of crisis,” says Luibl.

The study “Green and Sustainable Procurement Today – A Perspective on Leading European Companies,” as well as printable image material, can be obtained from [brainnet@maisberger.com](mailto:brainnet@maisberger.com).

## **About the BrainNet Supply Management Group AG**

BrainNet is one of the leading international brands for supply chain management consultancy. Employing 220 members of staff, BrainNet turns over €30 million globally. BrainNet develops and realizes tailored solutions for more than 80 of the companies listed in the Global Fortune-500 and around 240 fast growing SMEs. For years, BrainNet has had offices in Bonn, Boston, Budapest, Chicago, London, Mumbai, Munich, Shanghai, St. Gallen, Stockholm, Tampa and Wroclaw.

The current study, “Hidden Champions of the Consulting Market” by the Scientific Society for Management and Consulting (WGMB) puts BrainNet as the number 1 purchasing consultant in Germany. The company is – together with Roland Berger – also the only consultancy to be listed in the Hidden Champion top 5 ranking in all the supply chain management disciplines (purchasing, internal supply chain & processes and distribution logistics).

Through its close collaboration with the Supply Chain Management Institute (SMI) at the European Business School (EBS), BrainNet offers a totally unique value-creation chain ranging from research and training young talent at leading business schools to implementing consultancy projects and strategic qualification of top managers and supply chain managers.

For more information about BrainNet, please go to [www.brainnet.com](http://www.brainnet.com)

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### **BrainNet Company Contact**

BrainNet Supply Management Group AG  
Sven Marlinghaus, Partner  
Teufener Strasse 25  
CH-9000 St. Gallen  
t + 41 (0)71 - 226 10 60  
f + 41 (0)71 - 226 10 69  
m + 49 (0) 175 - 9395032  
[s.marlinghaus@brainnet.com](mailto:s.marlinghaus@brainnet.com)  
[www.brainnet.com](http://www.brainnet.com)

### **PR Contact / Graphical Material**

Maisberger, Gesellschaft für strategische  
Kommunikation mbH  
Dimitrij Naumov/ André Nowak  
Kirchenstrasse 15  
81675 München  
t +49 (0)89 41 95 99 -63 / -15  
f +49 (0)89 41 95 99 -12  
[brainnet@maisberger.com](mailto:brainnet@maisberger.com)  
[www.maisberger.com](http://www.maisberger.com)