

*BrainNet and SMI organize green procurement conference for decision makers*

## **Green Procurement Day at the EBS: strategies for sustainable procurement**

**Bonn, March 10, 2010 – Value creation characterized by environmental and social sustainability is increasingly key to the very existence of companies. As the interface with the company’s value creation chain, procurement is subject to particularly tough requirements. The “Green Procurement Day”, held at the European Business School (EBS), focused on real-life, successful and efficient sustainability management. New research findings and corporate practice were presented and discussed at the conference, jointly organized by the Supply Chain Management Institute (SMI) and BrainNet.**

“At present companies face the challenging job of making their processes environmentally and socially sustainable without weakening their competitive position,” says Dr. Jan Herrmann, Practice Head of Green Procurement at BrainNet and joint organizer of the conference. “Through our conference, we want to speed up the development of the necessary strategies and instruments and put current approaches through a practical and methods-based test.”

The conference was well attended with senior level decision-makers from around 20 leading companies present. Companies like the chemical group AkzoNobel and Deutsche Telekom AG provided these high-caliber attendees with extensive insight into their green procurement strategies in “Best Practice” presentations and workshops. The discussion panels and results of studies presented by SMI and BrainNet also clearly showed that “green” procurement is not only a driver for a sustainable transformation of processes in many companies, but a factor with a direct and positive impact on the success of the company.

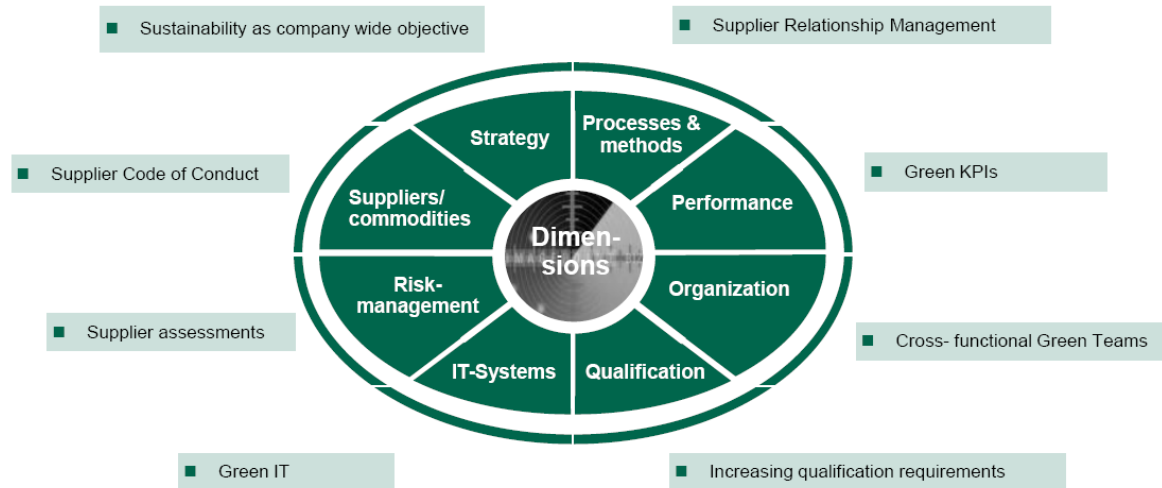
“As our analyses show, green procurement has already become a key competitive factor. Companies which have set up their supply chain management in the right way and more importantly with a focus on sustainability enjoy a rate of return considerably higher than their competitors,” stresses Herrmann. “But SCM with real sustainability needs firstly close collaboration with all parts of the company, such as finance and risk management, and secondly the explicit support of senior management.”

### **Supplier development as a key factor**

Dick Bartelse, Global Purchasing Director Powder Coatings at AkzoNobel explained how this approach can deliver real success. The world's largest supplier of paints and Coatings has formulated and published a clear sustainability strategy with specific goals. AkzoNobel works with suppliers and individual retailers to improve the "ecological footprint" of the entire value creation chain. "Including the suppliers in all stages is a key factor in the success of green procurement," says Bartelse. "It is only by thinking beyond the limits of our own company and optimizing the entire chain that we can offer our customers products to satisfy the most stringent sustainability standards. Network management will therefore become a key element of green procurement."

### **Green actions – in several dimensions**

To achieve overall optimization, procurement needs to “tackle” all relevant dimensions and Herrmann believes that many companies are still struggling with this concept. Prof. Dr. Constantin Blome, Research Director Sourcing in Emerging Markets at the SMI agrees. “Unfortunately many CEOs accept deficits when it comes to sustainability. Usually this is because they have no experience in the matter and are not prepared to think ahead. But this is the very area where we should be learning from the ‘green pioneers’ who over the last few years have established joint ventures with sustainable suppliers and secured themselves a distinctive edge over the competition on emerging markets,” says Blome. Another surprising discovery was that only a few of the conference attendees made the link between green procurement and cutting costs in procurement. Specific business cases, showing the economic input of ecological commitment, for example in the case of improved travel management which reduces CO<sub>2</sub> emissions and travel costs, may help change this.



The eight procurement dimensions with examples of “green” actions  
 Source: BrainNet, 2009: Green and Sustainable Procurement: Drivers and Approaches

Alongside internal hurdles, the biggest challenge for “green and sustainable procurement” is binding and global methods for verifying standards. There are still no internationally binding codes or certification processes and these are urgently needed for effective supplier and process management. “The subject is far from being clear at all levels. The ‘green pioneers’ also have plenty of room for improvement,” concludes Herrmann. “In response to specific requests from attendees, we are now planning the next ‘Green Procurement Day’ in the first half of 2010.”

### **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, São Paulo, Shanghai, St. Gallen, Stockholm, Tampa and Wrocław.

The 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)

### **BrainNet – people creating connected solutions**

#### **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)