



PRESENTS

SUSTAINABILITY IN
PROCUREMENT

PLAYBOOK

2024

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KLOOPIFY

WELCOME



SEAN GALEA-PACE

Welcome to an exciting new dawn at CPOstrategy as we introduce you to our very first *Sustainability in Procurement Playbook*.

Over the past few months, we've worked with true leaders and visionaries from some of the world's biggest companies and hosted conversations all centred on exploring the importance of sustainable procurement practices in today's landscape.

The *Playbook* follows on from the *Sustainable Procurement Champions Index*, published in late 2023 in association with ProcureTech, which celebrates the individuals who are challenging the status quo and making an impact in sustainable procurement.

Our purpose was to create an engaging and easily consumable guide for a procurement practitioner currently implementing sustainability within the function.

With this in mind, the *Playbook* has been produced entirely through the narrative of 12 leaders working in the trenches who have

combined collaboratively to provide a real-life insight into the inner workings of sustainable procurement. It also draws from the multitude of challenges they face. However, inside these pages, there is real, actionable guidance that can help readers navigate sustainability within procurement.

The stories are honest, transparent, and revealing. It is a 'warts and all' walkthrough, where you will uncover the true value of implementing sustainability in procurement with expert advice on how to get there.

This is your story. This is our story.

Enjoy!

Sean Galea-Pace
Deputy Editor and Playbook Lead,
CPOstrategy





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KLOOPIFY: UNLEASHING PROCUREMENT'S POWER TO SAVE THE WORLD



driving Kloopify down a path of success in just under four years.

DANIELA OSIO, CEO AT KLOOPIFY, REVEALS ALL ABOUT HER COMPANY'S INTERESTING START TO LIFE AND HOW THE FIRM IS EQUIPPING PROCUREMENT TEAMS TO HAVE BETTER VISIBILITY INTO THEIR SUPPLY CHAINS TO ENABLE COMPANIES TO MAKE MONEY AS THEY TRANSITION TO PURCHASING MORE SUSTAINABLE GOODS AND SERVICES

Daniela Osio is used to dealing with change.

Having gone from a high-flying role at US manufacturer DuPont to leading a startup, you'd be forgiven for thinking it might take some time to settle.

But Daniela is not one of the crowd.

And having teamed up with her father, Ignacio Osio, who serves as Chief Operating and Analytics Officer at the company, Daniela is

"The birth of Kloopify started because as a procurement professional, I was put into situations where Chief Procurement Officers were looking at their teams and telling them, 'Hey, we need more data and we need to help our CEOs meet their sustainability goals,'" she tells us. "As I looked for solutions to help me, there just wasn't one out there. I was hungry and eager enough to say, 'Alright, well if no one's doing it, then it's my job and my responsibility to go out and try to solve this problem'. That was how we started Kloopify."

But, that's not to say the journey was straightforward. Rewind four years and the world was busy battling COVID-19 and all the disruption that went with it. For Daniela, the early stages of Kloopify were all about being agile and lean. "It's not always been a straight line," she explains. "We've continued to learn and pivot to better understand the challenges that organisations around the world are facing. While we've pivoted, the mission has always stayed true, which is to enable procurement to help save the world and to elevate CPOs into the c-suite by showing how procurement is a strategic advantage."



"WE'VE CONTINUED TO LEARN AND PIVOT TO BETTER UNDERSTAND THE CHALLENGES THAT ORGANISATIONS AROUND THE WORLD ARE FACING"

— DANIELA OSIO, CEO, KLOOPIFY

Today, Kloopify offers the fastest, highest quality way of understanding the sustainability impact of a business's purchases. In under a week, Kloopify empowers teams to take action and lower emissions. Leveraging AI to analyse impact data, the company extends the analysis by integrating supplier-specific data and mapping it back to transactions. Kloopify offers access to an affordable, auditable and granular analysis for global supply chains, regardless of a company's maturity on the data journey.

In today's fast-paced world, organisations require better visibility into the impact of their supply chain. With 80% of a company's carbon footprint coming from what it procures, being more environmentally conscious is now a key consideration in many boardrooms. Daniela explains that where Kloopify comes in is its ability to give organisations the data to recognise the impact of the things they are purchasing. "Organisations can then consider impact alongside price, quality and other KPIs," explains Daniela. "Because at the end of the day, this is what's going to allow businesses to differentiate themselves from others in the market. Especially in a world where in the commodities industry it's so difficult to gain more market share or differentiate yourself from others."

"Sustainability and impact data, which is directly tied to your supply chain, is the easiest way for you to differentiate yourself to make more money and to be able to have a more stable supply chain. What we're doing is tying the great work that procurement is doing within sustainability and leveraging it to generate commercial activity. It's about allowing companies that are doing the right thing for the world, not only to be celebrated for that work but be able to make money and to differentiate themselves in the market."

And for the first time, the supply chain is working in tandem with commercial teams – a move focused on helping the overall industry as well as helping to save the world. Daniela believes this is only a good thing as procurement gears up for its next step. "People and companies are evolving," she says. "There are great leaders today that have been progressing the procurement industry to be identified as more than just a cost savings function or an add-on to critical business because procurement is actually vital to business. I'm on the shoulders of a bunch of people before me who did a lot of great work to continue to elevate the procurement industry. It's my job to continue the work that has already been started. Right now, the



"I WOULD SAY JUST DO IT. JUST TRY. JUST GO FOR IT AND THE VALUE THAT IT'S GOING TO BRING TO YOU FAR OUTWEIGHS ANY POTENTIAL NEGATIVES ASSOCIATED WITH 'FAILURE'"

— DANIELA OSIO, CEO, KLOOPIFY

work that I'm bringing to the table to elevate the procurement industry is to tie commercial activity with procurement activity to show that there is a relationship between the two. To those who are leveraging Kloopify, tie these two things together and you will win both on the bottom and on the top line. There are a lot of companies now where the Chief Procurement Officer reports to the CEO because we are seeing how important procurement is to the entire health and success of an organisation."

As the world stands in 2024, sustainability sits close to digital transformation on the CPO agenda as one of procurement's most pressing priorities. With new technology's prominence in the industry clear to see, Daniela explains it is important to keep the problem in mind instead of the solution. "Be obsessed with the problem and not the technology," she affirms. "Be smart enough to know what technology is out there so that you can leverage those tools to solve the problem, but keep in mind that the tools are not the solution. AI in itself isn't a silver bullet

or the answer to everything. You have to be obsessed with understanding how people work and recognising the challenges they are facing. If it's not going to help our client solve the problem, then it's not worth our time."

Having switched gears in her own career, Daniela stresses the importance of following your heart and going after what you want. "It's never too late," she reveals. "All those excuses that you're putting together in your brain on how it's going to take so much time and how you think it's too late in your career to make a big change – it is never too late. And everybody, especially those later in their career who have more knowledge about how the industry works, know that having that knowledge is worth its weight in gold when you're starting a company. I would say just do it. Just try. Just go for it and the value that it's going to bring to you far outweighs any potential negatives associated with 'failure'. Just do it." ■



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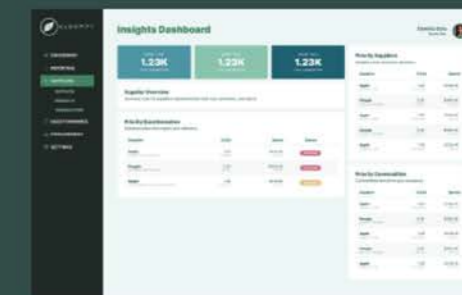


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"When we started our supply chain emissions were a black box. A month later, we have full visibility into the emissions generated along our global supply chain."

Anya Gandy
Head of Sustainability
Head of Procurement, CPO
Intel

"Procurement plays a huge part in our emissions, having a solution tailored to them has allowed us to make significant and meaningful progress."

Chad A Willis, A.A.E., ENV SP
Director, Planning & Environmental
Allegheny County Airport Authority



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BUILDING A FUTURE-PROOF ESG FRAMEWORK



Sustainability isn't just a 'nice to have' anymore.

Its influence is increasingly impacting business decisions and is affecting companies' strategies in a major way. Indeed, this pressure on businesses to incorporate Environmental, Social and Governance (ESG) practices is driven not only through customer or supplier demand, but also via government legislation and shareholders. Adopting ESG practices and developing a robust framework will mean driving long-term value, mitigating risks and building resilience.

In an exclusive in-depth chat with CPOstrategy, Philip Halanen, Head of Sourcing and Sustainability at Wyndham Hotels & Resorts, and Anna Spinelli, Chief Procurement Officer and Head of Mobility at DHL Group, explore the value of creating a future-proof ESG framework in procurement.



PHILIP HALANEN

Philip is accountable for the design and delivery of the Wyndham Hotels & Resorts EMEA sustainability strategy, including the implementation and growth of the Wyndham Green Programme. He is additionally responsible for providing subject matter expertise to both the business and external organisations regarding sustainability.

Philip is also accountable for the company's EMEA Procurement function, which provides Wyndham's partner hotels in the region a comprehensive network of preferred suppliers across all categories, with access to preferential pricing, products and services.

Philip sits on the supply chain committee of *The Sustainable Hospitality Alliance* and was recently included in the CPOstrategy *Sustainable Procurement Champions Index*.

Philip is frequently in demand as a panellist and keynote speaker, with recent engagements including A World For Travel, ATM, IHIF, Tourism & Travel News and The Hospitality Network.

ANNA SPINELLI

Anna joined DHL Group as CPO in June 2020 to lead a diverse and inclusive global procurement organisation committed to building a competitive and sustainable ecosystem between the supplier base and the Group. Since August 2022, she has been leading the mobility organisation, responsible for fleet management and electric vehicles engineering services.

Prior to joining DHL, Anna gained international experience in procurement, supply chain and operations, in differing sectors, including automotive, electronics, consumer goods, and telecommunications. She worked for some industry leading companies in Europe and the US including the likes of Fiat, GM, BMW Group, Royal Philips and Telecom Italia.

She holds a Master's Degree in Management Engineering from the University of Udine (IT).



BUILDING A FUTURE-PROOF ESG FRAMEWORK

Can you discuss the importance of building a future-proof ESG framework? What is the true value and how has it been implemented within your organisation?

Philip Halanen

“To me, future-proofing is an interesting phrase. It means ensuring that we design something correctly now to ensure it will continue to be relevant in months or years’ time – no easy thing to achieve, especially in today’s world! In my opinion, the starting point is communications. Communicate with your employees and explain to them why it is that you’re implementing environmental sustainability or an ESG framework in the business and what it is you want to achieve. Get their inputs too.

“In almost every piece of industry news I read, the word sustainability or the acronym ESG is thrown around, and it becomes part of that background chatter in our lives. As a result, I think some people might disengage when they hear the word either because they expect someone is already taking care of it or they don’t know what ESG means. And to a certain extent, people are likely to switch off because they’re constantly bombarded with reasons as to why it’s really important.

“So for me, to future-proof it, you have to be talking to people and understand firstly if they have any concerns or specific desires out of an ESG programme that you are going to put in place. It is also an opportunity for you to communicate your strategic vision to your employees or your stakeholders to make sure that it is well adopted. In order to have a good communication strategy, you need some kind of ownership around that. I think executive ownership is very important so a member of the

C-suite must believe in it. If you don’t have that kind of buy-in, it’s always going to be a difficult one to sell to the business and its stakeholders. Having that executive ownership and someone within a business who can then empower a team of people to create, refine, and deliver the ESG strategy and then be able to talk to your people while you’re doing that, is essential to future-proofing.

“The last thing, which is important, is embedding a degree of flexibility into your plans. I couldn’t tell you what’s going to happen tomorrow, let alone in six months, so being able to change and adapt your strategy is important. You need a level of flexibility to understand if a programme is working and if you have it right. You need to be able to change it and be confident that refining your programme might make it more efficient.”

“Finally, it’s all about how you work with your suppliers – and our aim is to join forces with them to make a positive impact”

— ANNA SPINELLI, CHIEF PROCUREMENT OFFICER AND HEAD OF MOBILITY, DHL GROUP

Anna Spinelli

“Sustainability or ‘living responsibility’, has been embedded in our mission since we created Strategy 2015 back in 2009. In recent years we have linked our mission ‘Excellence. Simply Delivered’ to sustainability in an even more explicit way.

“Sustainability is integrated into the group strategy at every level, starting with our purpose of ‘Connecting people, improving lives’. Following our sustainability agenda will help us to become the provider, employer and investment of choice and ultimately deliver excellence in a sustainable

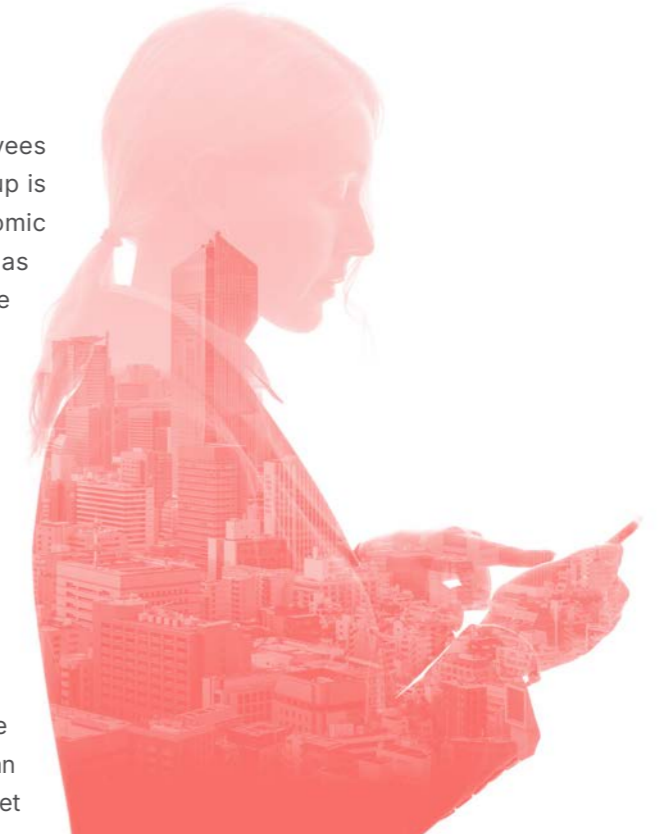
way. With approximately 594,000 employees in 220 countries and territories DHL Group is an essential driver of global trade, economic growth and individual prosperity and has a key role in leading the industry to a more sustainable future.

“For this reason, we feel it is our duty to reduce our carbon footprint and make our supply chains cleaner, compliant with regulations and proud to be a world-class role model for corporate governance ensuring equal opportunities and a safe working environment for our associates.

“Some examples of our aspirations along the respective pillars are: **E pillar** or as we say ‘Clean Operations for Climate Protection’. We have set ourselves the target of significantly reducing our greenhouse gas emissions by 2030. We will do this by committing to set an emissions target in line with the Paris Agreement and validated by the Science Based Targets initiative (SBTi). We are also investing an additional, up to €7 billion by 2030 to reach this target. Targets include >30% sustainable aviation fuels blending and electrifying 60% of our pick-up and delivery fleet by 2030.

“**S pillar** or as we say ‘Great Company To Work For All’. We are providing a safe, inclusive, and purpose-driven workplace and equal opportunities. We continue to take steps to attract and retain the best talent, e.g. by maintaining employee engagement at a level >80%. But we also want to increase women in management to at least 30%, and reduce our Lost Time Injury Frequency Rate (LTIFR) to well-below 3.1 by 2025. With these key measures and more, we will continue to foster the safety-first culture and create an environment of genuine diversity and inclusion and embed human rights awareness in our day-to-day work to prevent human rights violations.

“**G Pillar** or as we say ‘Highly Trusted Company’. We intend to serve both as a role model for



responsible corporate governance in our sector and as a trustworthy company. Ensuring our interactions with business partners, employees, the capital market and the general public are conducted with integrity and within the bounds of the law is vital to maintaining our reputation and is the basis for sustainable business success. We take steps to guarantee an honest and transparent business practice in compliance with the law by focusing on training executives in compliance-relevant content, building cybersecurity skills, shaping sustainable and stable relationships with business partners and fully integrating ESG metrics into management processes and incentive systems.”

LEADERSHIP INSIGHTS AND EXPERIENCES

How important is it that organisations communicate their commitment to ESG principles to both existing and potential suppliers?

Philip Halanen

“I think it’s absolutely critical.

"I have been on both sides of the fence in procurement during my career and the best relationships are the ones where there is a regular and trustworthy communication between both sides. It's critical to talk to your suppliers if you want your ESG objectives to be met, especially as your supply chain can be a key area of emissions, people and governance risk.

"Here's an example. If I have a supplier who's providing me with paper cups from China, in my mind as a procurement professional in London, I expect the products to have a perfectly clean and sterile manufacturing environment, the labour supply chain will be ethical, and there will be no use of forced or child labour. The shipping will be fully environmentally friendly, and then the product will arrive in full, completely undamaged. I'll still want it cheaper next year too.

"Well, that outcome won't be achieved if you don't communicate your ESG expectations to the supplier! You must talk to your suppliers to ensure that they are aligned with what you

"You should always be on the lookout for opportunities to identify where things might go wrong and learn from them"

— PHILIP HALANEN, HEAD OF SOURCING AND SUSTAINABILITY, WYNDHAM HOTELS & RESORTS

expect. You must talk to them to ensure that when they are responding to RFPs, your expectations are built into the price you're paying. If you don't do this at the front end, there will be no chance that you'll be able to deliver what you want to do as a business and keep costs manageable or controlled over time. I think it's very important to talk to suppliers.

"The other thing is typically suppliers know more about the products than you do as the buyer – it's their product! It's important to listen to what suppliers are telling you, especially during R&D processes, because it's a great way to understand the latest innovations in products or services, understand what future trends you need to be aware of and perhaps go back to that word future-proofing. Consider the scope that you've been given by the business and say, 'Is it worth us changing that scope to make sure that the product is going to be fit for our needs later down the line? It is very much a two-way thing and communicating with suppliers is absolutely critical."

Anna Spinelli

"Our supplier code of conduct (SCoC), available in over 40 languages, sets a clear foundation of the sustainable and ethical behaviour expected from our suppliers and during supplier onboarding we ask them to adhere to these standards. We also have SCoC training available in 11 major languages so that suppliers can also understand what they are signing up for. We reconfirm in our tenders our requirements and introduce the assessment companies we will use to validate that they are following the requirements of our SCoC.

"Where it makes sense, we have introduced scoring methodologies such as bonus/malus into our tenders to ensure we are selecting suppliers that perform better in terms of ESG. We have supplier webcasts and newsletters where we discuss a variety of topics such as our ESG aspirations and human rights in the supply chain. Finally, it's all about how you work with your suppliers – and our aim is to join forces with them to make a positive impact. This means we want to build long-term strategic relationships

with them to drive mutual benefit. Without the support of our suppliers, we will not be able to fulfil our aspirations."

EFFECTIVE STRATEGIES AND BEST PRACTICES

What are some of the biggest opportunities you are seeing in regards to developing a future-proof ESG framework?

Philip Halanen

"You should always be on the lookout for opportunities to identify where things might go wrong and learn from them. You can then turn this experience to your advantage. I have a pretty dramatic example of this, which I hope will never happen again.

"During the pandemic, there was one year where our industry was very badly hit. It was devastating, but it did present an excellent opportunity while everyone was at home and the hotels were shut, for me to pick up the phone to every single hotel that was still operating or had a general manager on site, speak to them in person, and say, 'This is what we're going to do with sustainability when this awful period is over.' It allowed me to explain our revised regional focus on ESG and our environmental sustainability programme."

Anna Spinelli

"We work closely with other departments such as clean operations, ESG Reporting Team and our global legal organisation to ensure we are staying on top of the changing legal landscape and trends.

"In addition, as a company, we have a Sustainability Advisory Council. This is an independent external body of experts from Science, Politics, Economics and other relevant fields. The

Sustainability Advisory Council advises the Sustainability Steering Board and other functions within the group on sustainability-related issues and plays a key role in supporting the implementation of the group-wide sustainability roadmap. The knowledge and experience of the council members ensures that a comprehensive outside-in perspective is obtained on all sustainability topics and further accelerates our endeavours. In this way, we can continuously improve and realise our goal of being the global leader in sustainable logistics.

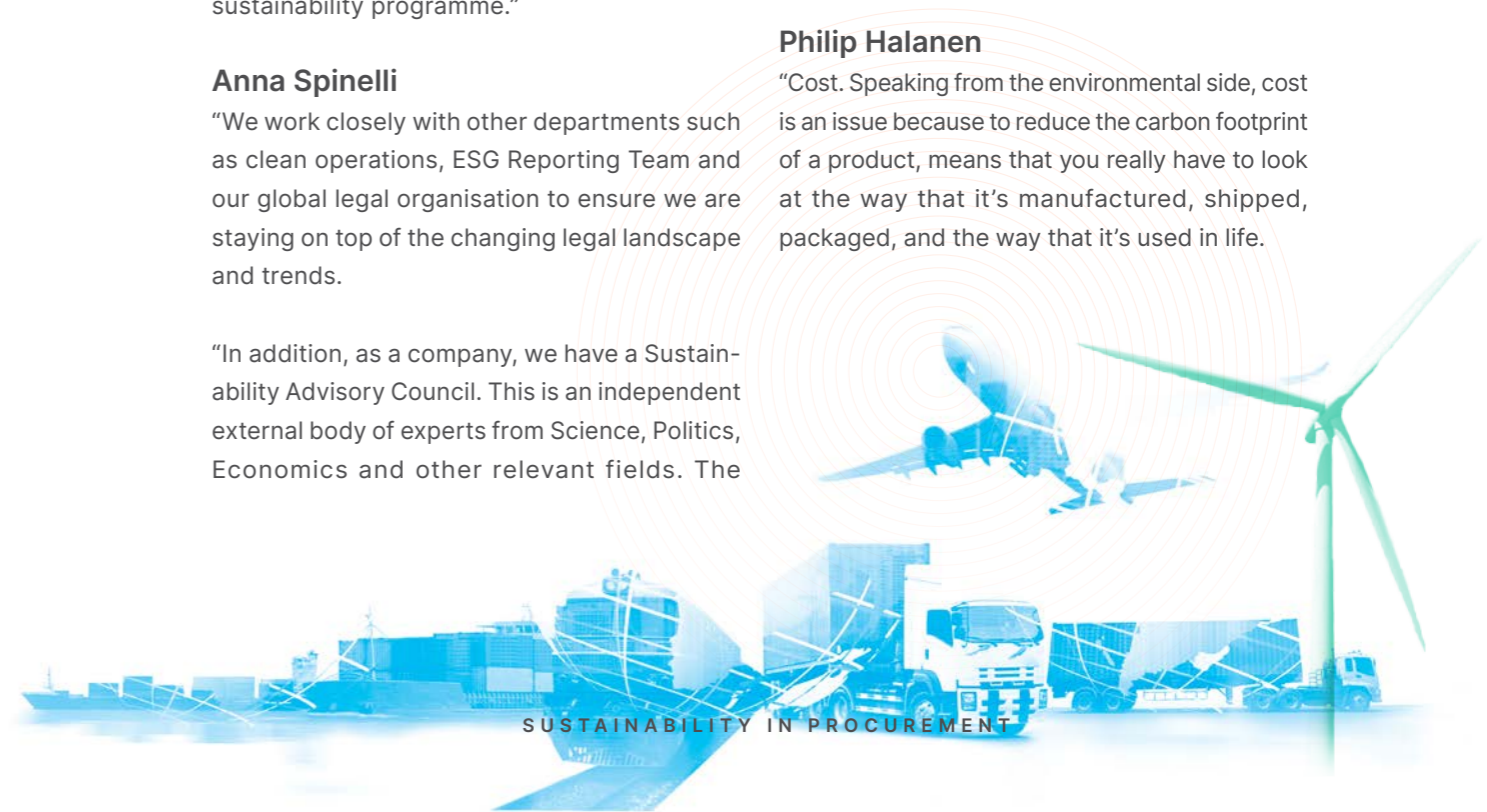
"We establish internal and external networks staying up to date on innovative trends, e.g. DHL Group itself is hosting the Era of Sustainable Logistics Global Summits to discuss solutions to the pressing issues of sustainable supply chains, social responsibility and economic growth in logistics. This is an opportunity for thousands of participants to connect with industry experts, thought leaders and innovators to explore sustainable solutions and opportunities for building a better logistics ecosystem."

CHALLENGES AND OBSTACLES

What have been some of the biggest challenges and obstacles you've faced when trying to build a future-proof ESG framework in procurement?

Philip Halanen

"Cost. Speaking from the environmental side, cost is an issue because to reduce the carbon footprint of a product, means that you really have to look at the way that it's manufactured, shipped, packaged, and the way that it's used in life.



“Inherently, some things are easier to decarbonise than others. The transport supply chain will use a significant amount of carbon so if you want to use a greener alternative, you’re going to be adding a lot of costs. If you want to use materials that are considered to be more environmentally friendly, you will pay more. At the moment, with an uncertain economic outlook globally and many elections happening this year, a lot of companies are nervous about their cash flows, and that becomes a major issue when trying to build a future-proof ESG framework.

“The other thing is complexity. Looking into your supply chains and your operations, it becomes very complicated to understand where there is social risk, whether that be issues within the labour supply chain, or your operations and the environments in which they operate. The complex nature of this topic and the expectation that people are doing something about it immediately is a challenge. Consumers expect that businesses will react rapidly to ESG issues in a world where we all expect instantaneous communication. But the reality is these are complicated problems that need thinking about carefully before you react with solutions that will tackle the challenges.

“Finally, the governance side. There is another challenge here because governments and jurisdictions are constantly evolving their requirements from a sustainability and ESG perspective. By the time you’ve enacted or reacted to specific legislation wherever it is that you operate, it’s increasingly likely that it will have changed, or the expectation will have moved.”

Anna Spinelli

“Availability of products such as Sustainable Aviation Fuel or understanding which of the many new innovations and technology types will be mainstream, for example hydrogen versus electric. When bringing in electric vehicles you

need to ensure the building infrastructure is ready to accept the new vehicles – this means you need to bring all the relevant parties together to ensure this is orchestrated in an efficient way. As we operate in 220 countries, ensuring we are complying with all the legislation out there is a challenge particularly when

“It’s about continuous improvement. It’s about making transparent the progress you are making”

— ANNA SPINELLI, CHIEF PROCUREMENT OFFICER AND HEAD OF MOBILITY, DHL GROUP

it comes to reporting as all the requirements are different.

“It is also a challenge to deal with data to support the execution of decisions. It is also about taking on roles and responsibilities of the company-wide ESG agenda, beyond the classical procurement scope. We have the governance role when it comes to suppliers regardless of where the ownership sits and so you need to align and communicate those minimum standards in an effective way. It is about the integration of ESG criteria into the selection criteria as a bonus/malus in comparison to classical commercial criteria to ensure acceptance.”

KEY TAKEAWAYS AND LESSONS LEARNED

What are some of the biggest lessons you’ve learnt in your career when building a future-proof ESG framework?

Philip Halanen

“Patience is a virtue in all walks of life, but I think it’s also something you need to have in business. Yes, you can force people to do things, but forcing people to do things often means that they’re not engaged. I talk about ESG to multiple different people every single day. And so to



me, I just have a level of understanding that comes with the role, whereas when I speak to somebody who’s just starting on an ESG journey, they won’t necessarily have that. If it’s their first step on the journey and they ask a very basic question but they feel that they’ve been answered in a way that’s either flippant or dismissive, it’s not going to keep them engaged. You won’t get the right outcome so it’s very important to keep patient.”

Anna Spinelli

“In my mind, there are some important prerequisites to being successful. Firstly, companies need to ensure that everyone from the shop floor to the top management in the organisation knows and fully stands behind the sustainability roadmap (cultural shift, training and education, setting targets, motivating the workforce, and learning from third parties). Next, you need to have proper and correct data – otherwise, you will not be able to measure your progress.

“Finally, it’s important to be selective on the areas you will focus on and select the ones that have the highest impact – and then set targets, measure against those targets, regularly publish them and communicate at all levels of your organisation. Then it’s about providing platforms for employees and suppliers to shine and get appreciation for contributions making progress on the journey.”

ADVICE FOR IMPLEMENTATION

What advice and way forward would you suggest for other procurement leaders on a similar journey?

Phil Halanen

“Don’t be afraid to make mistakes and also be prepared to own the mistake and learn from it. It’s also important to talk about it very openly because you’re never going to get it right the first time. In doing that, I think you share a learning experience with everyone. For me, it’s really key to be open. I know corporate life can often look on failure as a disaster, especially in the UK, but that more US outlook of entrepreneurial spirit where if you don’t get something right the first time, it isn’t a disaster, is effective. You learn from it, you brush yourself off, and you try again. Then inevitably you do better as a result of having had that experience. My key tip is don’t be afraid to fail, but when you do, learn from it and talk about it.”

Anna Spinelli

“It’s about continuous improvement. It’s about making transparent the progress you are making. Reflecting the ESG objectives across the organisation, identifying the early adaptors and most effective multipliers in your organisation will pay off. And ultimately building a competitive sustainable ecosystem will create new opportunities in the field of sustainability and lead to tangible improvements for our society.” ■

FOSTERING DIVERSE AND INCLUSIVE TEAMS



Creating diverse and inclusive teams is so much more than simply ticking a box.

By harnessing diversity into your organisation, it can lead to innovation and better decision-making while also marking your company as a welcoming workplace.

Achieving office diversity involves creating an environment where all members of staff feel appreciated and valued. Diversity isn't just about gender or race either. It could be religion, disability, age, language, sexual orientation or personality. It's about ensuring there is equal access to opportunities regardless of the individual.

In an exclusive intimate conversation with CPOstrategy, Shauna Gamble, Chief Procurement Officer at Bombardier, and Dr Jonathan Sims, Chief Procurement Officer at Equans, share their experiences of building and managing diversity and inclusivity within their teams.



SHAUNA GAMBLE

Shauna Gamble joined Bombardier in 2017 as Vice President of Procurement of the Business Aircraft division. Soon thereafter, Shauna's role was expanded to lead a newly-formed Aerospace Procurement and Supply Chain organisation, responsible for commodity strategies, contract management, supplier relations, purchasing, logistics, and inventory management for both business and commercial aircraft at Bombardier. In 2020, Shauna was promoted to Chief Procurement Officer of Bombardier Aviation. Bombardier is now solely focused on building and servicing the world's best business jets.

Since joining Bombardier, Shauna has made it her mission to transform Procurement Aviation into a best-in-class organisation. She initiated the Diamond Supplier Program to increase accountability across the supply chain and to raise the company's profile. The Diamond Supplier Program recognises outstanding supplier performance across Bombardier Aviation. Shauna also spearheaded the creation of a Procurement Academy at Bombardier, providing an opportunity for team members to improve their expertise at all levels.

A seasoned executive with excellent leadership, communication and negotiation skills, Shauna has more than 20 years of experience in global supply chain and operations.



BOMBARDIER



DR JONATHAN SIMS

Dr Jonathan Sims is an experienced, dynamic and client focused business leader, possessing excellent strategic, analytical and business transformation capabilities. With strong market and sector knowledge he has had proven success in leading corporate strategy to develop competitive advantages, whilst delivering sustainable value.

Having worked across a range of industry leading businesses, Jonathan has enjoyed senior level exposure to multiple business functions and projects including strategic procurement and supply chain management, organisational culture and strategic human resources, business transformation and general management. Jonathan's overriding quality is his ability to capitalise on business opportunities, forging and consolidating excellent relationships based upon confidence and delivery.

FOSTERING DIVERSE AND INCLUSIVE TEAMS

Where does diversity and inclusion sit on the c-level agenda today? Obviously, procurement leadership teams are spinning lots of plates but where does it rank among other priorities?

Shauna Gamble

"I would say the topic and the understanding of diversity and inclusion has exponentially improved over the past 10 years. Even when it comes to what diversity and inclusion means – it's incredible how there are various definitions depending on the industry, maturity and the size of a company. The global definition can't be disputed or explained any longer, and I think that's an exceptional advancement.

"Companies that are larger have structured themselves in a way where, and I think Equans does the same, they identify executive sponsors and leaders for seven or eight different definitions of groups in the company that cover various attributes of diversity. The ownership at the c-level is now very apparent and public – it's not buried inside the company. That accountability is now transparent whereas it wasn't in the past. If you expect a drive to come from the top of the house all the time, it will not. You need champions inside a company. I'm seeing more and more of those champions today which gives me a warm feeling that this isn't just a measurement but a movement."

Dr Jonathan Sims

"Very much so, Shauna. The maturity and focus upon diversity and inclusion over the last few years have increased significantly within our business. We have six networks that have been launched. We've got our access network for

neurodiversity, we've got Encompass for our LGBTQ+ network, we've got young professionals, working parents, and our RISE networks as well. They're all sponsored by a member of the executive committee. A lot of training has been provided to our management community to support our understanding of equality and diversity, particularly last year's focus around equity versus equality. I think we have learned a huge amount from that and we have been able to put that into practice within our teams which has had a huge impact. We've had a lot of external training around sponsorship rather

"We've got our access network for neurodiversity, we've got Encompass for our LGBTQ+ network, we've got young professionals, working parents, and our RISE networks as well"

— DR JONATHAN SIMS, CHIEF PROCUREMENT OFFICER, EQUANS

than mentoring, which has been our traditional approach. Last year's focus was using our networks to accelerate people's journeys, so we had some great success stories with that. I think we're starting to see some real differences take place within the business, but there's still lots to do, lots to learn and lots to improve on."

LEADERSHIP INSIGHTS AND EXPERIENCES

How do you measure success in diversity and inclusion? Because it's an ongoing journey that's never finished, isn't it?

Shauna Gamble

"I'm very much part of an operations supply chain team, so numbers mean a lot to us. The definition of success for me is that everyone understands what unconscious bias is. Everyone speaks about diversity

and we're talking about recruiting versus saying it's a requirement in a box on a checklist. It's about the pride in the diversity in your own individual organisation without being asked what your numbers are. It goes back to that day-to-day language because it must be part of our common understanding of what success is in an organisation. Many times we have to reinforce when we see greatness in a company that comes from a diverse team, reinforce it, advertise it, commercialise it. But it's that inherent natural vernacular that speaks of diversity in everything you do, not because you're doing it on purpose. That's the definition of success for me."

Dr Jonathan Sims

"I think that was really impressive, Shauna, and I think you have covered some really interesting dimensions. For us, we did focus on the data as a starting point, and it was clear that we had actions to address within the organisation for sure. We know we still continue to do so, and it takes time to work through that. Picking up on Shauna's point, I think we're continually learning what diversity and inclusion means in every aspect.

"I was reading an article the other day on diversity within religion at certain levels in the organisation. That is not always a focus. Our Women In Leadership Programme is a significant focus and I think we've had great progress in that. What has been refreshing about the programme is that we have seen really authentic progress because of the support we have provided to the genuine superstar individuals who have grown within our business and taken on new leadership roles because of the opportunities that have been genuinely open for people. And the best people have risen to the top. By virtue of that, it has really helped the composition of the senior leadership team, which is a good thing.

"I think success also looks like we acknowledge we don't know all the answers internally, and yet we keep looking externally for best practice and help to support us on the journey to be even more inclusive."

EFFECTIVE STRATEGIES AND BEST PRACTICES

What steps are leaders not taking already that they can look to in the next stage of their diversity and inclusion journeys? What can they drive forward?

Dr Jonathan Sims

"The standout success for this year, which was a new programme for us, was our Catalyst programme. We brought an external consultant in to help us launch and manage the programme. This was a bespoke talent programme for ethnic minorities within our business. This was the shift where it got a lot of focus from the senior leaders within the business. This was about how we could sponsor individuals at that level with the aspiration to see if we can take two to three years off the current trajectory and accelerate these people in the business by opening up our networks. It's something

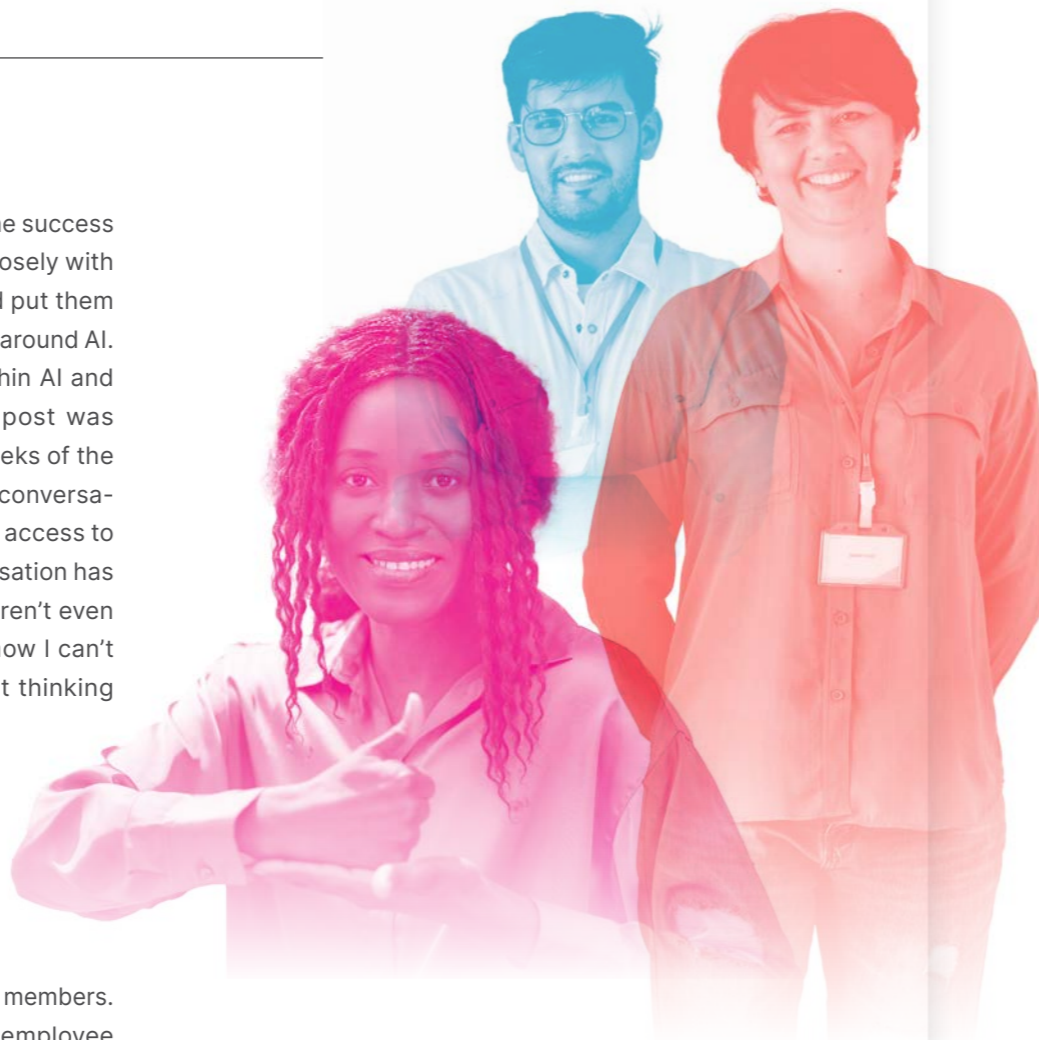


I've never really thought about, but the success of that has been huge. I work very closely with the legal counsel who I sponsor, and put them in touch with the academic networks around AI. I helped them build a real niche within AI and their first non-executive director post was secured within about six to eight weeks of the programme starting by facilitating a conversation with another CEO. The power of access to that network for people in the organisation has been huge. That's something we weren't even thinking about 12 months ago and now I can't imagine us moving forward without thinking about it."

Shauna Gamble

"When I joined Bombardier six years ago, I consulted with external entities, and a team of cross-functional internal stakeholders, to do a full skills assessment for our supply chain team members. That assessment was one that the employee did not have to share with their manager. Statistically, the strength in leadership with women was low. The assessment intended to drive a procurement academy for all of the supply chain team to give employees the skills they needed or wanted to get ahead in their career. And it became very evident that the number of women in leadership roles, and the number of women who didn't feel confident about being a leader, was coming out as one of the three areas that we wanted to focus on without seeing the individual results.

"But in fact, every employee took their results back to their leader and built their development plan with it. So, I was really happy with that, but it became very apparent that leadership and women had to be a focal area as an outcome of this assessment. We started the succession planning right at the first level entry of the supply chain. We asked who are our high potentials?



Who wants the career development and mapped them for all of the steps. We started a goal of working with those in entry-level positions to get them promoted and help them with the necessary skills to achieve that. There were lots of jobs coming up, but women weren't stepping in to put their hand up for it. We increased the number of women in leadership by 13% in a little over three years, but we scaled the number of women in the team by about 50%.

"It's because they understood there was a career path and a focus in the supply chain and that if they got in and went with the process, they had a faster track for their career than they did elsewhere. But that was us standing on a soapbox and driving that. It's amazing how we have strengthened the layers of the one, two, three. Now we're in a place at Bombardier where we have lots of women getting into director roles. It took about three years to get there and we've probably put seven or eight women into director roles in the last two years. The next step is how

do I get them to a senior director or a VP? I just felt that we needed to start from the bottom. If we wanted to tackle all angles at every turn, I think we would've bitten off too much and we would've failed the community."

CHALLENGES AND OBSTACLES

What are the biggest challenges in the way of achieving diverse and inclusive teams? What strategies would you suggest are implemented to overcome this?

Dr Jonathan Sims

"I think there's still a big education piece that needs to take place, as open-minded as we are to doing things differently. When we engaged our employee networks on talent development, there was a real drive within the networks for us

"An example of something that seems simple now but wasn't so simple at the time would be the review of the language that was in our job descriptions and how masculine some of that was. A man may look at 5% of it and think, yeah, why not? I'll apply. But if we can't appeal to 95% of the brief, then it is less likely a woman's going to apply. Getting the right level of expertise to make those job descriptions much more universally appealing and accessible will really encourage people that meet the requirements to throw their hat in the ring and come and compete for those openings and opportunities."

Shauna Gamble

"I couldn't agree more. There is a new language and a language that we who have been in the industry for a long time need to learn. For the next generation of employees that are joining the company, and those that have joined the company in the last five years, there are words that were traditionally used, that we cannot use anymore if it doesn't describe the community or the direction of their career correctly. The language in the job description is key, but even more so during the interviewing, right?

Are the people doing the interviewing using the right language that is relatable to the next generation of employees?

"How about you bring someone who joined the company two years ago with you and let them interject with some language that is relatable to that next generation person that's being employed? So some of that needs to happen around understanding what motivates each of the groups and employees, especially the next generation. If you can't articulate or draw out what motivates employees to stay and invest,

"It became very apparent that leadership and women had to be a focal area as an outcome of this assessment"

— SHAUNA GAMBLE, CHIEF PROCUREMENT OFFICER, BOMBARDIER

to have a shadow board. To create that as a real experience for people, you've got to have a lot of maturity within the business. I think that's possibly not there in all areas at this moment in time. We have looked at other ways of trying to deliver that experience and that's being very open and candid. There's still a need to take people on a journey for the amount of time that you've got to invest if you want to really accelerate the development of individuals that can look very different from the established executive team. If you're going to give people exposure to really strategic projects or confidential discussions and give them a real executive board experience that is something very different to what we have done in the past.

they will not stay and they will move on. It's a little bit like negotiating – find out what leverage you can get to encourage them to stay. And like Jonathan said, it could be training or a degree, it could be where they work and when they work, but understanding that motivation for longevity and using it as a bit of leverage as a leader is key. The proof is in the pudding. Advertise what you've done and show that you're listening."

KEY TAKEAWAYS AND LESSONS LEARNED

In terms of using different language, it must be challenging for legacy members of staff who have been within an organisation for a long period of time to change how they operate amid a transformative world. How much of a task is this?

Shauna Gamble

"It's not difficult to enlighten people if you take the time to enlighten them. We have made it mandatory for our directors to attend a course

on unconscious bias, whether they've been in the company for a year or 30 years. It's incredible that once you're put in front of a community or an entire employee base, you hold each other accountable. It's like a muscle that needs to be practised and some groups need more of that muscle being practised than others, but the awareness solves at least 50% of the challenge just by saying this is what unconscious bias is. I truly believe that the entire employee base at Bombardier wants absolutely the best for everyone. But we are all brought up in different generations and acknowledging that those generations are very, very different has made this an attribute of the leadership training that we do every year."

Dr Jonathan Sims

"There have been people in our organisation that have been around for a long, long time and I think things are changing quite dramatically in terms of how the leadership is evolving. Generally it's been embraced really positively

and I suppose the people that have been inside the organisation more recently, have reacted well to some of the new appointments and the changes in language and tone of what different people bring to senior leadership positions."

ADVICE FOR IMPLEMENTATION

If you were starting your diversity and inclusion journey now, what advice would you give as a place to start?

Shauna Gamble

"There are many communities that are now inside an organisation that speak to 100% of the company. If you're joining a company – investigate, don't be afraid to ask questions especially if you have a personal concern. Don't be afraid to ask where these communities are and become part of them. The second piece is to get involved when teams are doing events, and we do a lot of events tied to community wellness, growth, outside of our company. For example, we are trying to have 25,000 trees planted by 2025, so I'd suggest becoming a part of those events. Take the time just to invest in that a little bit. You will meet the most diverse, interesting, inclusive group of people that way. Try to get yourself to branch out, find out what else is going on in the company, and connect yourself to that. It will mean your

awareness of what's going on in the organisation, the opportunities and the inclusiveness will grow significantly. I think it creates this stickiness for the next generation to stay with the company versus the feeling they've done a job, they're a little bit siloed, alienated, and they want to move on to something more exciting in two and a half years from now. But it's also the responsibility of the leaders to share what the

attributes of stickiness are. Sometimes we get so bogged down and we're trying to do our job all day but it's a two-way street. Someone who's in a diverse role needs to ask those questions and trigger the conversation. I think there are lots of ways to create that stickiness."

Dr Jonathan Sims

"I think there are some incredible people within our industry and within different industries striving to solve this problem. I think it's about getting your head up and looking outside of the organisation you're in. I've learned a lot just listening to Shauna speak. This is a challenge that lots of people are trying to solve. An inevitable part of starting the journey is getting comfortable with being uncomfortable because it is uncomfortable. That's a good thing. The data's uncomfortable and the conversations are

"We have made it mandatory for our directors to attend a course on unconscious bias, whether they've been in the company for a year or 30 years"

— SHAUNA GAMBLE, CHIEF PROCUREMENT OFFICER, BOMBARDIER

uncomfortable. The reason why the traditional executive team is very male, pale and stale, is because that's kind of how it's looked for all these years. And realising that having conversations just within that community isn't going to change anything. I think bringing people in externally and listening to other stakeholder groups has helped us flag some of the big issues, and the large lumps in the carpet, that we need to deal with." ■

OPERATING WITH TRANSPARENCY



Without trust, an organisation won't be successful long-term.

Operating with transparency in sustainable procurement is vital to building relationships, demonstrating accountability and showcasing resilience throughout the supply chain.

Transparency has a lot of advantages, not least improved relationships with the likes of customers and stakeholders, but ultimately, it's all in the name of building a better, more sustainable world.

In an in-depth chat with CPOstrategy, Stéphane Masson, Senior Vice President, Global Procurement, at Marriott International and Mark Mills, Chief Procurement Officer at University of Pennsylvania (Penn), discuss the art of operating with transparency within sustainable procurement and explore what it really means.



STÉPHANE MASSON

Stéphane Masson is the Senior Vice President of Global Procurement at Marriott International. Stéphane was appointed to this position in 2017 following the acquisition and successful global procurement integration of Starwood Hotels and Resorts. After navigating the COVID-19 pandemic and subsequent supply chain complexity, Stéphane's global procurement organisation continues to deploy key procurement initiatives globally across Marriott's 30+ brands and 8,500+ hotels.

Stéphane focuses on optimising and expanding the relationships with group purchasing organisations, increasing synergies with Marriott's global contracts and increasing global spend compliance. Further, Stéphane oversees Marriott's global procure-to-pay platform which provides financial controls and insights into Marriott's spend with an increased overview of corporate spend. He also oversees the domestic travel programme and ensures procurement decisions advance supplier diversity globally. Stéphane recently lead the launch of HARP, which is an alliance of top hospitality companies, which will accelerate ESG industry progress.

MARK MILLS

As the University of Pennsylvania's Chief Procurement Officer, Mark Mills oversees approximately \$1 billion in university spend. Mark's team performs a variety of services on behalf of Penn, ranging from strategic sourcing and contracting, supplier management, procurement systems management, travel services, and procurement card administration. In performing these services, Mark and his team are driven by core goals that address economic inclusion, environmental sustainability, cost containment, and service excellence.

Mark joined Penn in 2011 bringing over 20 years of procurement and financial management experience. Prior to Penn, Mark held positions with such firms as Cigna, Johnson & Johnson, Unisys, BearingPoint, and Siemens. Mark earned a Bachelor of Science Degree in Business Administration from the University of Delaware, a Master's degree in Business Administration from Temple University, and a Master of Science degree in Organizational Dynamics from the University of Pennsylvania.



OPERATING WITH TRANSPARENCY

Firstly, can you discuss the importance of operating with transparency. Why is it essential for procurement functions today?

Stéphane Masson

“Transparency is extremely important to our customers and suppliers to be confident in our business practices. Due to evolving regulations around the globe, we have to make sure that we operate with full transparency, especially in certain markets like the European Union which require a high level of transparency in reporting. There is also a shift in customer and owner perspective. Today, customers want to know if we are doing the right things and look to us to share sustainability related information on our properties. Owners are also getting more educated in the sustainability space and want to make sure we operate the hotels responsibly. This is all a big shift with major transformations happening but it’s great because it’s pushing everyone to be more transparent and responsible.”

Mark Mills

“I agree with everything Stéphane said. We may have fewer regulatory requirements in terms of reporting, but transparency is important in a few ways. From our standpoint, it’s about awareness. We have many customers – fellow staff, students, faculty, and alumni. That’s not to mention external stakeholders. We want them all aware of the things that we’re doing that are important to them.

“I also think the ongoing heartbeat of reporting and making sure that we’re bringing that awareness to our stakeholders is its own measure of accountability. It holds us to account for the things that we’re working on. Universities

are about trying to improve the world through education and research. We try to carry forward shared values to drive sustainability impact with our procurement activity. Many times, policies differ across companies and institutions and we’ve found that by being transparent, it creates momentum with forward thinking policies. That could be, for example, inclusive procurement and buying from Black-owned businesses in the city of Philadelphia and how we go about that. The more we talk about that (and listen to others), the more our colleagues say, ‘We could

“Today, customers want to know if we are doing the right things”

— STÉPHANE MASSON, SENIOR VICE PRESIDENT, GLOBAL PROCUREMENT, MARRIOTT INTERNATIONAL

be doing that’. It creates this kind of contagiousness, especially when we’re reporting out to the external community. It’s also definitely a two-way, or multi-way street as we’ve adopted many policies and practices from others who have been generously transparent.”

LEADERSHIP INSIGHTS AND EXPERIENCES

In what ways has operating with transparency changed from 10/15 years ago?

Mark Mills

“For me, the last 10-15 years happens to be when I moved into higher education procurement in the City of Philadelphia. What I see are rich, public networks of collaborators that are getting together and holding each other to account and sharing forward-thinking ideas. To share an example, I’ll go back a few years to the time of the George Floyd murder. While we were already working toward more equitable business inclusion, inarguably there was a light shone for all on the inequities that have persisted

as a result of systemic discrimination. Together we used this awareness to take an even harder look at the economic aspects and did everything we could to work across our network, share data, share challenges, and share successes, which has resulted in significant progress.

“In wanting to help lift our diverse businesses, we determined that putting immediate pay terms in place for small and diverse suppliers would accrue mutual benefit. We announced that policy through a newsletter, social media, and in-person network gatherings. Then, the next thing we heard was that a peer university adopted the same policy. Then a major corporation did the same thing. In fact, in one instance, we’d heard that one company’s C-level leadership said, ‘If Penn is doing it, we should too.’ This type of sharing creates that contagiousness. The next thing you know this one thing we did is starting to manifest itself elsewhere. Personally, I’ve only seen this level of transparency in recent years.”

Stéphane Masson

“I absolutely agree with what Mark just shared. We are talking much more publicly about the visible impact of human activities on Earth. There is still a new mindset because we see what impact we are having. It’s clear there is a massive cultural change. When I say cultural change, it’s also a generational change. Today, we have a new generation of investors, customers, leaders and workers and this subject matters to them. Again, regulations are getting much stricter than they used to be. It’s a global focus – not just a focus for one specific country. Historically it was the northern countries in Europe that were very climate focused. Now it’s spread out across everywhere.

“But now too, while fully complying with the anti-trust regulations, there is much greater collaboration amongst companies and organisations to find solutions.”

EFFECTIVE STRATEGIES AND BEST PRACTICES

How does the integration of technology and digital platforms enhance transparency in monitoring and reporting sustainable procurement practices?

Mark Mills

“I feel like technology is always giving us great stuff but is just not quite where we want it to be in some cases. We have a university-wide, online marketplace and we’re able to share certain information about local diverse businesses and green products. We can even share which suppliers have made green pledges and things like that. But it’s all a little bit imperfect because people will ask a question, ‘What does that mean?’ It’s admittedly difficult to provide the perfect answer in all cases.

“I think we need to make sure the information we’re delivering through our systems is as informed and precise as possible. We also have that ongoing issue as we struggle with telling people what our overall carbon footprint is for our supply chain. We have a billion dollars of spend with a diverse mix of services and goods. If we were a manufacturer, we’d surely



have more discrete SKUs and might be able to impose certain reporting from suppliers. But it's just really difficult in our industry to measure that.

"I certainly don't think we should give up on it. The market for measuring impact is evolving and I'm hopeful we'll see workable solutions in the not-too-distant future. I'm anxious to get to a point where I know that a researcher who's purchasing for their lab can easily make the best sustainable decisions in all situations. We're just not quite there yet."

CHALLENGES AND OBSTACLES

What are some of the biggest challenges and obstacles that you've overcome to incorporating transparency within sustainable procurement? What strategies can be used to help with this?

"Start now to look at the best talents you need to help you to solve this problem. It's not just a procurement issue, it's a company issue you are trying to address and resolve"

— STÉPHANE MASSON, SENIOR VICE PRESIDENT, GLOBAL PROCUREMENT, MARRIOTT INTERNATIONAL

Mark Mills

"It's about this ability to offer concrete, pressure-tested facts on supply chain impact over the life cycle of all the things that we buy. That's just enormously difficult. It makes some of the efforts challenging because some people will ask questions like, 'How do I know that this is better than this?' And we know that can be difficult. I also think that the varied conclusions we come to mean that different solutions can affect the ease of education and it can create a little bit of indecisiveness. We often engage in

debate with our children. We have two electric vehicles at home, and they question what type of vehicle is really the most sustainable given full life cycles. As part of that debate, there's the question about immediate carbon impact versus long-term impact of moving more bluntly away from fossil fuels. It's tough to always have the right answer and of course, that sort of debate happens regularly. It presents particularly complex challenges as it relates to institutional procurement policy and practice.

"Trying to weave all this together into a compelling strategy can then be challenging in any category of spend that we have. At the same time, there are many simple things that we can do that drive those irrefutable, smart decisions. Going back to the transparency point, it's important that we communicate smart wins so that people know

that we're operating toward a more perfectly sustainable environment without letting all the other noise get in the way even as we deliberate over the more prickly challenges."

Stéphane Masson

"I agree with Mark. We don't know what we don't know. Unfortunately, the solutions we are trying to explore are varied and may not apply to all regulations and we don't always know the risk or consequences associated with each solution. It's a challenge to meet all the various regulations. For an international corporation like us, we have to comply with all at the same time, while meeting our goals and planning for the future.



"The next issue I'm facing is the vendor community. Some large corporations could be pretty well advanced, but the large corporations represent only a portion of our total spend. The majority of our spend is between small and middle size companies where they may not have the expertise, money, resources, and knowledge to be prepared for what's coming today. And the last one is understanding and training. We plan to spend a lot more time educating and training vendors and colleagues to understand what we are trying to achieve and why it's critical to advancing our ESG goals and commitments."

What about the potential risks and consequences that organisations face by having a lack of transparency within their procurement processes, particularly when it comes to sustainability?

Stéphane Masson

"I will say three. Number one is reputation because if you don't show enough transparency and do enough reporting in that space,

people will think something is wrong and your reputation will be impacted. The second risk is the financial impact. If you don't have a clear reporting process in place, for regulators it could be pretty expensive financially due to fines or penalties. The last one is our competition. Whoever provides the best transparency in this space will win the customers and investors. We have seen a number of our customers want to understand what we do in sustainability before they book a room, such as what will be the CO2 impact of their stay in our hotels? There is a lot we could lose by not doing the right things today."

Mark Mills

"I agree with that. To bring up an example from several years ago, there was a list that came out from one of the environmental publishers, who ranked colleges on their positive sustainability impact. They had a large set of functional categories that they measured and one of those was purchasing. We were amid a leadership change at the time, and we just didn't report, so we got a very low score in the procurement area because we didn't arm our responders with the right information. That in turn brought our score down. We didn't make the list as high as we wanted. Some surely looked at that list thinking, 'Oh, wait a minute, the University of Pennsylvania doesn't really do a great job in procurement.' In practice, we were doing well, but we didn't speak about it, so there's the big risk in not sharing what we're doing.

"You also just need to celebrate those things that you're doing well to make sure people are aware and feel good about the work. Our buying environment is in some ways similar to Stéphane's with a centre-led procurement function that supports decentralised buying decisions. We need to operate with high levels

of trust. If we're communicating and being transparent, it builds a different level of contentment. It also grows the culture around sustainability and helps people latch onto the strategy."

Stéphane Masson

"In terms of building a competent workforce, if you want to be able to attract and retain the best talent, you also need to be able to be in front of the space too. You need to communicate your efforts and work in sustainability. People will not stay with a company that is not part of the culture, especially the new generation. It's the key to retaining a good workforce."

KEY TAKEAWAYS AND LESSONS LEARNED

What are some of the biggest lessons you've learnt in your career when operating with transparency?

Stéphane Masson

"Transparency to some extent is linked to the words trust and accountability. Clearly, we are in a new world where trust is certainly one of the most important components of our business today. Without trust there is no repeat business, and if owners and vendors don't trust you, they will not invest or want to work with you. I will say transparency is associated with trust because transparency makes all of us accountable."

Mark Mills

"First, I challenge the point that you can't over-communicate. I'd disagree and argue that you need to effectively and concisely deliver messaging that doesn't irritate recipients and result in you being tuned out. At the same time, I don't think you can be too transparent. If you're being transparent on those things that are important to an audience, it goes a long way to building that trust and to growing a culture that you want to develop. I also think it's a good idea to get out in front of things. We shouldn't only

be transparent when somebody asks. Rather, we should be transparent when it's just a matter of proactively sharing information. I also argue that it can be a competitive advantage. We don't talk about competitive advantage in the higher education space as much, but as a university, we compete for the brightest students; we compete for the most esteemed faculty; we compete for major research funding; etc. At a departmental level, we compete for talent in the form of recruiting and retention. When we operate with transparency, we create more informed

"Communicate smart wins lots so that people know that we're operating toward a more perfectly sustainable environment without letting all the other noise get in the way"

— MARK MILLS, CHIEF PROCUREMENT OFFICER, UNIVERSITY OF PENNSYLVANIA (PENN)

customers, stakeholders, and teammates, who know that we're all operating toward common goals. This helps us all succeed."

Stéphane Masson

"Transparency also drives accountability. If you communicate transparency about something, it means you are accountable to deliver it and people will measure that. Accountability will be the next word to trust."

ADVICE FOR IMPLEMENTATION

What advice and way forward would you suggest for other procurement leaders on a similar journey?

Mark Mills

"Firstly, understand what you want to be transparent about. It starts with knowing the measurable goals of the organisation, but

also the values that you're trying to uphold as you're doing that. Then create an effective reporting and messaging structure around it. Collaboration is also key, when I think about the area of sustainability itself. We partner with our Penn Sustainability Office extensively because they offer so much in terms of expertise and resources that complement our team. Together we can create a collaborative environment where we're not only helping initiatives move forward, but we're talking about them in the right ways."

Stéphane Masson

"The ultimate goal for Marriott is to achieve net zero emissions by 2050. Historically, procurement organisations used to work on an annual P&L, a very short-term approach. We rarely had multi-year plans. We now focus on 10, 20, 30-year plans for sustainability because it's not a sprint, it's a marathon, it's complex, and

it keeps evolving and changing. My advice is start now and have a long-term plan; attract the best talent you need to help you to solve this problem and secure the necessary long terms investments. It's not just a procurement issue, it's a company-wide issue you are trying to address and resolve.

"You must be transparent by communicating about it. Say what you are planning to do and report what you did. You might make some mistakes down the road. There is no question about it because it's all still new so errors might occur. However, keep learning about that and if you fail openly talk about it, improve and move on. It will take a lot of time and effort to do it, but transparency will be one of the key words used most heavily during this journey." ■



UTILISING NEW TECHNOLOGIES

Technology is having an influence in procurement like never before.

The industry is undergoing a tremendous amount of digital transformation and innovation in the midst of a tidal wave of technological change. Procurement is no longer a boring department siloed out the way of all the action, nor a function that operates with mundane and antiquated paper processes.

Indeed, artificial intelligence (AI) is taking over the world and it is up to CPOs and their teams to look at how it can be embraced and made to work for procurement.

In an exclusive revealing conversation with CPOstrategy, Chris Shanahan, Vice-President of Global Sustainability Supply Chain at Thermo Fisher Scientific and Henrik Bruun-Pedersen, IT Procurement Director at Rambøll and formerly in a similar role in Maersk, share their experiences of utilising new technologies within their teams.



CHRIS SHANAHAN

Chris Shanahan is the Vice-President of Global Sustainability for Thermo Fisher Scientific. Chris was tasked in September 2022 to establish a global sustainability model for the company to drive their efforts in environment and human rights practices across the supply chain. Chris joined the company in January 2018 as Chief Procurement Officer, to lead the company's efforts to leverage their scale in the marketplace and build capability and process across the company, while transforming the supply base.

Prior to joining Thermo Fisher Scientific, Chris served as the Senior Vice President Global of Procurement, Facilities, and Real Estate, for Becton Dickinson. Before BD, Chris served in leadership positions in procurement, supply chain operations and materials management with Smith Kline Beecham, Sterling Drug, and Essilor in Europe. Chris is an Adjunct Professor in the Supply Chain Master's program at Fairleigh Dickinson University.

Chris is also the co-author of *The Procurement Leader's Handbook*. He earned his M.B.A. at The Open University.



HENRIK BRUUN-PEDERSEN

Henrik Bruun-Pedersen is Director, Head of IT Procurement at Rambøll, the largest engineering services company in Denmark. Prior to this, Henrik worked for the shipping conglomerate, Maersk, also in the role as IT Procurement Director.

Henrik is also the founder and chairman of an open source sustainability concept called: Technology Sustainability Index, offering a free-of-charge solution to all IT Procurement professionals towards implementing a sustainability focus on IT tenders and IT vendor management processes.

UTILISING NEW TECHNOLOGIES

Can you discuss the importance of utilising new technologies in procurement to you? What is the true value and how has it been implemented within your organisation?

Chris Shanahan

“When you reflect on the evolution of technology, things have been changing considerably over the years. When we think about this within Thermo Fisher Scientific, we have numerous platforms that we utilise. There’s the typical procure-to-pay platforms to the leveraging of RPA and AI activity that looks at all the data. One capability we have takes SKUs purchased at different sites in our network and compares pricing to ensure we are getting the same cost linked to contracts from suppliers. To improve the process, we have process mapping tools in place to track transactions to understand where things are progressing in the queue.

“If you evolved into other types of technologies or software platforms, there are many choices available, so it is critical to think through requirements and ensure you select a platform that meets your needs. Best-of-breed does not always work for the environment you are working in. One area that has emerged over the last two years is around how to keep track of greenhouse gases and tracking Scope 1, Scope 2 and Scope 3 activity to ensure your base data is accurate. We built an internal data lake that covers the over 100 ERP instances we have in the organisation. It’s really around how you extract data. Another challenge is generative AI and defining how to use it. Within the company, we’ve created a firewall using gen AI and we have some strict rules about how you use it, what you can do and what you can’t do. It’s how you manage it and how that grows over time.”

Henrik Bruun-Pedersen

“I fully agree with all of Chris’s comments on the standard tools to make processes run. Looking towards AI I have mostly seen this



used within the area of IT developers, which is also how such tools were used in Maersk to build customer platforms. I have been in recent discussions between procurement and legal teams, where the focus is on how we come closer to actually utilising these tools within our area of expertise? But using AI in procurement is a bit more tricky as the data you may want to have analysed easily ends up being a mix of semi-confidential things, which you’re not able to share into a public or external AI engine due to confidentiality. You need this AI engine to be internal and it’s very difficult to build an internal AI engine focused on best practices with contracting or law.

“It’s easy to state that we would like to use AI in procurement processes, but how do you actually do this without also at the same time exposing your full contract landscape? That’s the tricky part. So, do we use AI? Yes. Are we using it in the space I’m in? No, not yet. But we certainly would like to. It would definitely be a step up the efficiency ladder but we haven’t cracked the code on how to get this going.”

LEADERSHIP INSIGHTS AND EXPERIENCES

What are your experiences and success stories around introducing new technologies into workflows and processes? Has it been well received or has there been resistance to overcome?

Henrik Bruun-Pedersen

“In essence, new technologies often end up being new processes as these things are very inter-linked. The approach towards new technology will include many of the same change management elements that process changes will also entail. Both require colleagues and stakeholders to understand why you want to do things differently. I think it’s important to look at it this way because it’s never just a tool change.

“There’s also a cultural element to handling and managing change, as the optimal approach will vary depending on the culture in question. Some

want to do this then it doesn’t work. It’s really interesting when Henrik described that if you think about the globe, each culture is different, and Europe’s got some differences whether it’s Scandinavia or wherever. Each country has a different way of doing things and I think, especially US companies, they make the mistake of saying we can drive a single process across Europe. No, you can’t. You have to think that through.

“You have to look at the value proposition and the reason for doing it because changing the way people work, that’s the hardest part of the change. We introduced a new software here in

April 2023, which was collecting water waste and our internal greenhouse gas emissions for Scope 1 and Scope 2. We introduced that on the ground with the facilities leaders in each side. We had them engaged and got them to think through how we did this and it’s probably one of the easiest changes I’ve ever been associated with in my career in terms of implementing

“Here in Denmark there has to be a reasoning behind why you want to change something in order for the organisation to fully accept a new way of working”

— HENRIK BRUUN-PEDERSEN, IT PROCUREMENT DIRECTOR, RAMBØLL

cultures are more reluctant to adopt directions from management without questions or challenges, whereas other cultures (ie. Denmark), where the first reaction to a change is not ‘yes’, but ‘why?’

“Here in Denmark there has to be a reasoning behind why you want to change something in order for the organisation to fully accept a new way of working. Changing a system or solution is more than just swapping a few buttons, it requires cultural understanding.”

Chris Shanahan

“I think Henrik’s correct. If you go back to the typical model where it’s all about people, process and technology, we can all put the technology in place, but if you don’t actually manage the people and give them the value proposition on why you

a new software and a new way of working. The team saw the value because this is something they were crying out for.”

EFFECTIVE STRATEGIES AND BEST PRACTICES

How can new technology bridge procurement’s talent shortages?

Henrik Bruun-Pedersen

“It’s difficult to say how far the AI world is going to go in procurement because whatever predictions you make, they will likely be wrong anyway. But I see some of the more analytical activities within procurement being handled by an AI engine in the future. Perhaps instead of spending time creating risk logs, technology could be used to create the risk register based on predefined rules, and then our time would be focused on

taking action. That would also mean time being spent on more value-adding activities. If you can automate both data creation and the initial review phase, it would be nice – and then you need some bright minded procurement people to look at the flags being raised. There will likely be some roles that will become obsolete due to AI at some point, however the use of AI will lead to optimisations that will benefit everyone both in terms of process speed and cost.”

Chris Shanahan

“Technology is a supplement to what we need. It’s really around how do you actually enable procurement colleagues to spend time on the things that matter versus the more transactional elements. I think the other challenge is the shortage of talent. Part of this is, as I reflect over the last 30+ years, that the role of procurement has changed. The visibility of what procurement and supply chain looks like has changed. I still think we have work to do in the college and university systems to keep getting people to come into our practice because not everyone grows up and says they want to be a procurement or supply chain leader. I think, perhaps, that people understand the words ‘supply chain’ a little more because of what’s happened over the last three to five years.”

CHALLENGES AND OBSTACLES

What, for you, are the biggest hurdles in the way of utilising new technologies in procurement?

Chris Shanahan

“It depends on what you’re doing. There’s definitely a user play here. If you put something in that’s not user-friendly, it’s harder to get colleagues to actually use it. You need to really look at a platform and ask if it is user-friendly? If I think about procurement, there are so many different platforms or technologies you can have within one function. Thinking through

streamlining the landing page that is easy to navigate and work through. Then you have the debate whether you go for best-of-breed across the different technologies or go to a one systems approach? There are pros and cons for each of these.

“For me, it all comes back around to the user interaction, getting feedback, but also explaining why we are doing it. It’s about being able to clearly share to the procurement community on the ‘why’. And sometimes you put things in place that creates work, it’s more administrative but it’s not always driven by procurement but instead driven by the framework of how the company runs and what you need to report out on. That has always

“What works in the US doesn’t work in Europe, LATAM or Asia sometimes or vice versa. Within Europe it sometimes doesn’t work the same in each country”

— CHRIS SHANAHAN, VICE-PRESIDENT OF GLOBAL SUSTAINABILITY SUPPLY CHAIN, THERMO FISHER SCIENTIFIC

been a challenge on why you put things in. I think the second area, that’s always been a common theme, is data. It’s about getting the right data, quality of data and how you maintain that. That is a constant challenge in many companies.”

Henrik Bruun-Pedersen

“One element I would like to mention based on experience is that procurement technologies can sometimes end up far down the investment priority list. Customer facing solutions generally come first, however it is important as a procurement professional to ensure the investment committees or decision boards are aware of the upsides available by improving or optimising the procurement system landscapes.”



KEY TAKEAWAYS AND LESSONS LEARNED

What are the biggest takeaways and key lessons learnt when utilising new technologies in procurement?

Henrik Bruun-Pedersen

"I've always been keen on tracking down who the informal decision makers are. It's important to find out who the influencers are in various departments. If there are a few departments you work with, find out who are the opinion makers behind the scenes and then get those people on board. Of course, you need to build a proper change process, and the communication process and project planning has to be done properly, but successful implementation is also about teaming up with the right people informally. This means that when you go live, you start on a positive. That is probably one of the biggest lessons learned, because you can do everything right, but if you don't have the right opinion-makers with you then you may not be successful anyway."

Chris Shanahan

"In any change you need a clear charter. The governance structure is important, with key decision makers in place. Depending on the size of the change, it's about making sure you have the right steering governance structure in place to review progress and discuss topics where there's a barrier that you need help with and decisions made in that direction. When you think about change and putting in new technologies and processes, there are regional/country differences, it's not a one-size-fits-all approach to a process. You need to build that into the actual thinking as you roll out any technology or process. What works in the US doesn't work in Europe, LATAM or Asia sometimes or vice versa. Within Europe it sometimes doesn't work the same in each country. Some countries have different requirements, so it's about rethinking through everything. I've made errors over the

years and underestimated the variations around the world on how work gets done. This is where the work is. It is where you're making sure you get the requirements set up correctly at the start. That's the key."

ADVICE FOR IMPLEMENTATION

If you were starting your journey again from scratch, what advice would you give as a place to start?

Henrik Bruun-Pedersen

"Seeking inspiration from peers is something I'd encourage. Getting insights on process design, governance models, risk identification processes and organisational setup are always highly beneficial, and it is highly likely you will be able to

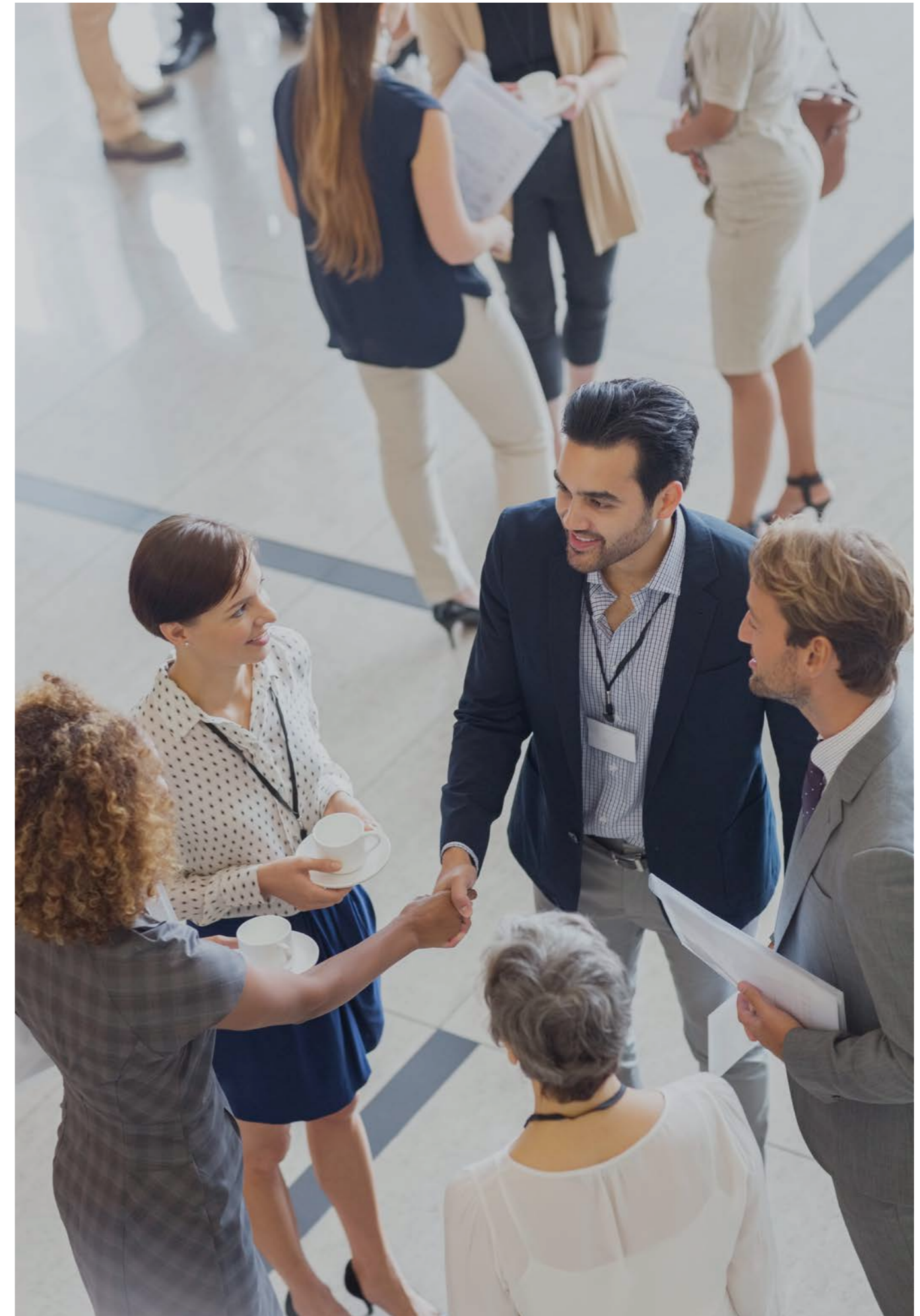
"Don't underestimate the layer underneath the leaders"

— CHRIS SHANAHAN, VICE-PRESIDENT OF GLOBAL SUSTAINABILITY SUPPLY CHAIN, THERMO FISHER SCIENTIFIC

find a peer group or community of procurement professionals who already have experience with the implementation of the specific solution at hand."

Chris Shanahan

"Listen to the team and make sure you build out the resourcing to the level that's required. I think I have underestimated this in the past, that's for sure. Another area is to make sure you have the right governance structure and executive sponsor that is truly bought into the topic, to give guidance and when necessary, help navigate the barriers that will always appear. As you look at your stakeholder mapping, make sure you get the right people with the actual influence. You might assume it's the leader, but typically it's a person under the leader that's giving the leader the advice. Don't underestimate the layer underneath the leaders." ■



INTERNAL ENGAGEMENT AND UPSKILLING TEAMS

Empowering and uplifting procurement teams is essential to success in the modern workplace.

When it comes to incorporating sustainability into the procurement process, embedding positive environmental, social and economic change can lead to significant benefits for both an organisation's top and bottom lines.

Indeed, a successful company lives and dies by its people. Encouraging employees to get on board with a robust sustainability agenda via engagement ensures everyone is aligned with organisational sustainability goals and ambitions. When staff are on board and understand the importance of why change is necessary, they are more likely to want to play an influential role and drive the strategy forward.

In a revealing conversation with CPOstrategy, Alisa Bornstein, Chief Procurement Officer, Europe, at Visa and Jo Parkin, Sustainable Procurement Director, and UK Chapter Co-Chair of The Sustainable Procurement Pledge, discuss the power of internal engagement and upskilling procurement teams.



ALISA BORNSTEIN

Alisa Bornstein is an international procurement leader with a business-oriented approach and three decades of experience in various senior roles, including global and regional CPO positions. Her expertise lies in leading and transforming procurement in both mature and emerging markets across diverse industries such as technology, telecom, semiconductors, fintech, finance, and payments.



In January 2021, Alisa joined Visa as Vice President, where she now leads the European Sourcing organisation. Her primary focus is on driving transformation, operational excellence, and championing Environmental, Social, and Governance (ESG) within the supply chain.

Alisa is an acknowledged industry leader, having been listed several times among the Top 15 Global Chief Procurement Officers. She is a fervent advocate for value creation and business-centric procurement, leveraging its unique position within the company ecosystem to enable supplier innovation, collaboration, and contributing to building a better world.



JO PARKIN

Jo is a sustainable procurement director with over 25 years' experience of managing supply chains across multiple industries from financial services to retail. Her most recent role was ESG Supply Chain Director for Capita PLC, responsible for leading its sustainable supply chain journey across both private and public sector. Jo is also co-chair for the UK Chapter of the Sustainable Procurement Pledge. (www.spp.earth)

The Sustainable Procurement Pledge (SPP) is an international bottom-up and non-profit organisation for procurement professionals, academics, and practitioners, driving awareness and knowledge on responsible sourcing practices and empowering people in procurement. It is estimated that global supply chain spend is \$10-15 trillion a year and SPP's vision is for all supply chains, across the world, to have embedded sustainable procurement practices by 2030. To find out more please visit www.spp.earth or [here](#) on LinkedIn.

INTERNAL ENGAGEMENT AND UPSKILLING TEAMS

Can you discuss the importance of internal engagement and upskilling teams in procurement? What is the true value and how has it been implemented within your organisation?

Alisa Bornstein

"Internal engagement is pivotal for procurement, as it aligns our procurement strategy with overarching business objectives. It facilitates superior communication, understanding of needs, decision-making processes, and fosters collaboration across the business. This leads to enhanced efficiency, cost savings, risk mitigation, and innovation, thereby delivering added value.

"Furthermore, internal engagement and collaboration ensure the specific needs and goals of the business are met, enabling us as a procurement function to make informed decisions in support of these goals.

"In the context of sustainability in procurement, internal engagement is undeniably essential. Like many organisations, we are on a path to mature our sustainable procurement practices and are committed to upskilling our teams. Our focus is on cultivating a culture of responsible procurement practices across the entire organisation, with the ambition to win everyone's hearts and minds for this cause.

"This is why cross-functional collaboration and alignment are of paramount importance."

Jo Parkin

"Procurement functions operate best where there is a high level of engagement with other departments, but in my experience, sustainable procurement raises the bar for engagement to another level. Other functions are used to procurement focusing on topics such as budget and cost savings, inflationary impacts, and risks to supply chain continuity. Unless sustainability is already embedded throughout the organisation, you first need to put it on the procurement agenda. Teams who are successfully embedding sustainability across their supply chains have underpinned the activity with internal alignment and external engagement. If you don't have that internal engagement or fail to upskill your procurement teams, it's hard to get off the starting blocks. Supplier relationship managers, procurement teams and those who manage third parties need to be upskilled and empowered so that they are able to embed sustainability in every supplier negotiation and meeting that they have. We do not have time to lose, we need pace, and this can only be achieved through collaboration."

LEADERSHIP INSIGHTS AND EXPERIENCES

How do you currently measure and assess the overall engagement level of your team?

Alisa Bornstein

"Through the enhancement of sustainability consciousness and engagements, we are forging a robust network of advocates and collaborators, individuals who resonate with our core values. We gauge involvement both explicitly and implicitly via our ongoing ESG initiative within the supply chain.

"Visa, as a payment technology company, connects billions of consumers, merchants, banks, and governments worldwide. As such, we bear the responsibility to operate in a manner that upholds the well-being of both people

and the planet. In procurement, we take this responsibility very seriously, integrating ESG as a crucial criterion in our sourcing over the past few years. This is implemented through our supplier management arm within the procurement organisation.

"Our goal is not just to reduce our environmental footprint, but also to foster ethical and inclusive practices at Visa. This includes supporting small and medium-sized businesses and local companies everywhere, every day. We are passionate about creating a positive impact within our value chain, as ESG is the

"It was possible to include a question about ESG awareness and then track improvements year on year. An uplift in awareness can then be a specific objective – achieved through the delivery of a communication and training programme."

EFFECTIVE STRATEGIES AND BEST PRACTICES

In what ways do you identify the skill gaps within your teams and aim to rectify it?

Alisa Bornstein

"We conduct comprehensive capability evaluations, incorporating critical elements such

"You need to overcommunicate some of this to make sure it's heard. You need to reach your audiences by tailoring the messages sometimes"

— JO PARKIN, SUSTAINABLE PROCUREMENT DIRECTOR, AND UK CHAPTER CO-CHAIR OF THE SUSTAINABLE PROCUREMENT PLEDGE

cornerstone of our operations. Our aim is to source responsibly. While we do not manufacture anything, the services we provide are guided by clear ESG and sustainability goals. We are committed to taking the necessary steps to deliver on our ambitions."

Jo Parkin

"I have successfully managed to measure internal ESG engagement within the team by using an organisation's annual people survey.

as sustainability, diversity, and inclusion. Our ESG in Supply Chain Program is deeply integrated within the supplier management team. This compact yet empowered team plays an instrumental role, with capabilities being of paramount importance. We assess progress gaps against our objectives through this lens.

“We’ve established a progressive development programme, encompassing training and job-shadowing rotations. Our unique initiative, ‘Go Share’, facilitates this rotation, ensuring individuals gain fresh insights and expertise from diverse experiences.”

Jo Parkin

“Capability assessments identify skills gaps but, when focusing on sustainable procurement, new regulations and reporting requirements is another way to identify areas to upskill the team.

“To rectify any gaps, it’s important to have a specific communication and training plan. ESG messages, applicable to all, are ideal for team-wide communications but where the level of knowledge varies, a more specific, targeted training plan is required. The reality is that not everyone in the team will have the same understanding but, by taking time to identify gaps and to tailor the training to specific groups within the team it is then possible to deliver strong results.

“I also would like to call out economic instability, price increases and general supply challenges impacted by wars and political instability”

— ALISA BORNSTEIN, CHIEF PROCUREMENT OFFICER, EUROPE, VISA

“One way that I have supported Supplier Relationship Managers (SRMs) was by providing on-the-job training through active participation in their supplier meetings. I worked with the SRMs in creating an ESG agenda, talking about sustainability, understanding the supplier’s

plans, policies, and focus areas. Together we agreed specific ESG-related KPIs, enabling the SRM to monitor progress. An alternative option is to adopt the train-the-trainer approach. It is possible to upskill team members by running a pilot, demonstrate progress to a smaller group and then let them run programmes of their own.”

CHALLENGES AND OBSTACLES

What have been some of the biggest challenges and obstacles you’ve faced when trying to build engagement and alignment into procurement practices?

Jo Parkin

“I think the biggest challenge when building internal engagement is about getting ESG on your stakeholders’ agenda. If possible, take your messages to the top of the organisation – if the board is engaged, as it helps to build that alignment elsewhere.

“The other challenge is around making people understand how their role impacts the planet. It’s about building awareness of how actions at work have an impact. That’s why having aligned goals, objectives, and a high level of engagement is key. Developing case studies, reporting through procurement dashboards, or external reporting are all powerful ways to demonstrate progress. I’ve found case studies are particularly impactful when suppliers also want to publicise the work you have done together.”

Alisa Bornstein

“There are complex challenges of implementing ESG and supply chain initiatives across Europe. Factors such as economic instability, price fluctuations, and supply issues influenced by political unrest and wars can slow down investments in ESG and supply chain.



“Moreover, the adoption of ESG is uneven across Europe, with cultural nuances impacting the progression of initiatives. In Europe, you deal with numerous markets, each with its own specific regulatory rules.

“Supplier diversity is another aspect of ESG that I am passionate about, but it’s challenging to address effectively. There is uneven progress within the European Union states, which necessitates an understanding of, and an adaptation to, these inconsistencies.

“A significant challenge is the lack of standards for measuring suppliers’ ESG performance. While attempts are being made to develop dashboards and Key Performance Indicators (KPIs), there is no uniformity in terms of definitions and measurement methods. This lack of standardisation complicates the process of implementing and monitoring ESG and supply chain initiatives in many organisations.”

KEY TAKEAWAYS AND LESSONS LEARNED

What are some of your most effective strategies and best practices for harnessing engagement?

Jo Parkin

“One of the most effective strategies I have experience of to increase engagement and bring about a cultural shift, was to make net zero an objective for all employees so this fed into their performance reviews and impacted their bonuses. One element of the objective focused on the number of suppliers in each business area who had science-based targets (SBTs) in place. Baselines were agreed, net zero leads for each business area were set up along with dashboards to track progress and we harnessed their engagement as it was then personal for those business areas too.”

Alisa Bornstein

“What Jo described is something I’m very fascinated about. At Visa, devising effective strategies for fostering engagement holds substantial importance. We are constantly in pursuit of the most efficient strategies and approaches to maximise our impact.”

ADVICE FOR IMPLEMENTATION

What advice and way forward would you suggest for other procurement leaders on a similar journey?

Jo Parkin

“I think I have four points for other procurement leaders on a similar sustainable journey.

“First, always act with integrity. Lead by example, use pilots, use stories and have results that provide evidence to support what the team has achieved.

“Second, is around measurement. Measurement is important and gains wider internal engagement although reporting can take much time and effort and shouldn’t take focus away from actually delivering goals.

“My third point is about clear communication. You need to over communicate on occasions to make sure the message is heard but you also need to engage your audience, so messages do need to be tailored.

“Lastly, my fourth point is that we should use external organisations such as the Sustainable Procurement Pledge along with outside networks and resources to collaborate. We need to move at pace to save our planet and we don’t have the luxury of time. Collaboration is always key for internal engagement, but I believe that collaboration externally between myself, Alisa and other like-minded procurement professionals is vital for us to embed sustainability in supply chains. It’s good to ask each other

what we are focusing on, what’s worked and what hasn’t. I would advise people to build their network, reach out to each other and just be honest in sharing progress so that we can drive change faster together.”

Alisa Bornstein

“We need to move fast – we have no time to lose. What Jo mentioned about using external sources’ knowledge, building the networks and moving fast together is very important. But we also need to deliver, so we need to execute with excellence and that will be crucial for the upcoming years.”

Jo Parkin

“It’s about driving that change together. Saving the planet is bigger than each and every one of us and it’s bigger than the organisations we work for. The influences we have as procurement professionals across supply chains, the deals that we do and the impact our actions can have can be enormous. And that’s where I think that collaboration to learn from one another is critical.” ■

“With some people you’re pushing against open doors and it’s brilliant. But actually in the business world, some people care but don’t have the time or they have other priorities”

— JO PARKIN, SUSTAINABLE PROCUREMENT DIRECTOR, AND UK CHAPTER CO-CHAIR OF THE SUSTAINABLE PROCUREMENT PLEDGE

COMPETITOR AND SUPPLIER COLLABORATION

Working with rivals.

A few decades ago, it might have sounded like an alien concept. But when it comes to sustainability and saving the planet, there is no higher reward than working with competitors and suppliers.

Competitor and supplier collaboration play an influential role in promoting ESG and sustainability within supply chains. It allows access to sustainable materials and processes, enables shared learning and best practices as well as working on risk reduction and resilience. Collaboration is a driving force to achieving a better world for tomorrow.

In an exclusive conversation with CPOstrategy, Veronica Mercer, Head of SCM Purpose, Sustainability at Vodafone, and Chad Wilkerson, Director, Sustainability and Infrastructure Sourcing at T-Mobile discuss how fundamental competitor and supplier collaboration is to achieving sustainability within telecommunications (telcos).



T Mobile



CHAD WILKERSON

Chad Wilkerson is an Executive Sustainability Leader and Global Enabling Sustainability Initiative board member with over 20 years of experience.

With his leadership, T-Mobile became the first and only US wireless provider to create and achieve at the end of 2021 an ambitious plan to source 100% of its total electricity usage with renewable energy. Chad strives to positively impact our communities, environment, and society. He does this while achieving T-Mobile's aggressive enterprise-wide sustainability goals and serving the wireless provider's internal and external customers. He and his team are responsible for minimising costs, managing risk, and overseeing the procurement of energy, facility services, and construction across T-Mobile's network and real estate portfolio.

During Chad's tenure with T-Mobile, the company has grown its network, more than tripled its customer base, increased its energy efficiency, while reducing waste and emissions in retail stores, commercial buildings, data centres, and network locations.



VERONICA MERCER

Veronica Mercer leads global supply chain sustainability and D&I for Vodafone Procurement Company, representing Vodafone on the Telco industry board JAC (Joint Alliance for CSR).

Her previous roles have focused on direct and indirect category management in supply chains in the UK, Switzerland, and Luxembourg, across multiple industries including banking, pharma, and consulting. She is currently undertaking a postgrad in sustainable leadership part-time at Cambridge University.



COMPETITOR AND SUPPLIER COLLABORATION

What does delivering excellent competitor and industry collaboration mean to you and how have you implemented it within your organisation?

Veronica Mercer

"It's always important to start with the 'Why'. Vodafone has a strong purpose-driven culture intent on closing the digital divide which is a difficult problem to solve. It's always important to have your customers and communities front of mind. Customers want products that work, are competitive, offer great service, and they also want to make sure that that doesn't come with a huge impact on the planet.

"On the subject of sustainability, it's really important to collaborate where possible because so much of our supply base is shared. We always operate within the guardrails of antitrust and competition law, and ensure we protect IP. Working together ensures simplification, meaning that goals can be achieved quicker – and we don't overburden our partners with multiple 'asks'. We're seeing a lot of that happening which is fantastic.

"For example, we collaborate on the telco common eco rating standards initiatives for devices, the Joint Supply Chain Audit Program, and our partner programme where we offer Procurement-as-a-Platform."

Chad Wilkerson

"I'd echo Veronica's points. I feel that in the telco industry we get a little spoiled because of the supply pool. We could probably name five suppliers immediately and I'd have a pretty good chance of saying that we all have that as a shared supplier because of the OEMs that operate in the space. It's a little bit more specialised and has a more limited supply pool. "But if I open it up outside of the telco space,

I think that there's an opportunity with every industry and these are not unique suppliers to us. They're working with several companies and looking for shared opportunities because you can have 10 different people asking you to do a cursory assessment.

"To take the audit path for example, ask for a self-assessment questionnaire from your supplier. You can have 10 of them that are cursory, or you can do one that's a little bit more in depth and really serves more of a purpose. It saves the supplier time and also provides more information to the customers which are the end users in this case. There's an opportunity to do better and to be more

"I think it's always important to start with the why"

— VERONICA MERCER, HEAD OF SCM PURPOSE, SUSTAINABILITY, VODAFONE

efficient. That's probably one of the things if you look at sustainability overall, where there's always an efficiency somewhere in there – you just have to look for it."

LEADERSHIP INSIGHTS AND EXPERIENCES

How do you identify common challenges or opportunities that could be addressed more effectively through collaboration?

Veronica Mercer

"It's an interesting question because I think it's important to define areas where collaboration is going to get you there more quickly, instead of activities that make more sense to do independently. You have to look at factors such as scale and speed. When you've got more and more members working together, there is the danger it slows things down, so you need good governance to work effectively as a group."

Chad Wilkerson

"To build on some of that, what I have found to be successful, and maybe it's an approach others can follow as well, is that it all starts with requirements. If every company is able to articulate what those requirements are, you can start looking at where those shared requirements are across companies. That'll lead you to identify where those efficiencies exist. And also by starting there, what Veronica mentioned is the antitrust, and companies have to be careful in how that's done. You can identify those opportunities where we're asking for 10 points of action from our supply base or whatever that may be and that can lead to more collaboration opportunities."

EFFECTIVE STRATEGIES AND BEST PRACTICES

To what extent are you open to sharing non-competitive information with industry peers for the advancement and betterment of the entire sector?

Veronica Mercer

"Again, it always has to be in the interest of customers and done in a way that does not result in a lessening of competition – you have to put customers first. Your antitrust laws and where you can and can't collaborate are clear and transparent. The World Economic Forum stated that about 30% of CO2 emissions come from industry players and there is a greater

need to collaborate. If you start with that aim and you're very clear about what areas you can and can't collaborate on, then you don't come up against any particular challenges. How we choose to collaborate in specific areas is a matter of defining what the end goal or ambition is and asking what the problem is that we're trying to solve. Companies will have different priorities, which means they may partake in some projects that are relevant to them but not others."

Chad Wilkerson

"When you're looking at it from a need-based POV, it does help define the environment we're operating in. To that point, there are several working groups. There are some that you can quickly identify as they help satisfy what we're trying to achieve. So, you sign onto those and then there are also other committees or working groups that you don't participate in.

"The groups serve as a facilitator instead of me reaching out to Veronica and saying, 'That one's a little more inefficient'. They often have a stated goal upfront, so it's an easy gatekeeping mechanism or filter. It lends itself to identifying what the end goals are and determining what you are trying to achieve while making sure that you're aligned."



CHALLENGES AND OBSTACLES

What are some of the biggest challenges and obstacles you've overcome through competitor and industry collaboration within sustainable procurement?

Chad Wilkerson

"We've touched on a few already but I think almost everyone tries to be more conservative on antitrust competition. Companies are all on different stages of the journey, some may be at the beginning and asking how we even measure emissions or how we get our baseline in there. There are always obstacles that exist. The good thing about collaboration is there can be sharing of ideas, best practices, and lessons learned. That's actually one of the benefits of the collaboration across the industry and supply chain as you look upstream and downstream, that knowledge can flow in all directions.

"It's good to know there are several ways to succeed. There are multiple avenues to achieve the end goal here. There may be some that are a common thread that every company is looking at and trying to attack, but there are several different levers you can pull depending on everyone's unique situation. I think that there could also be an obstacle if people you're working with have different mindsets or agendas."

Veronica Mercer

"There are a number of challenges. However, collaboration and sharing best practices helps us solve these problems. We also look to other industries who are at different stages of their journey, which can also be extremely helpful for learning best practice. The 'Sustainable Procurement Pledge' is a really great example of knowledge being shared across the industry, whereby they have consolidated the knowledge of member organisations and created 'The

Guide', which shares some of the challenges, learning, successes, and case studies we commonly encounter.

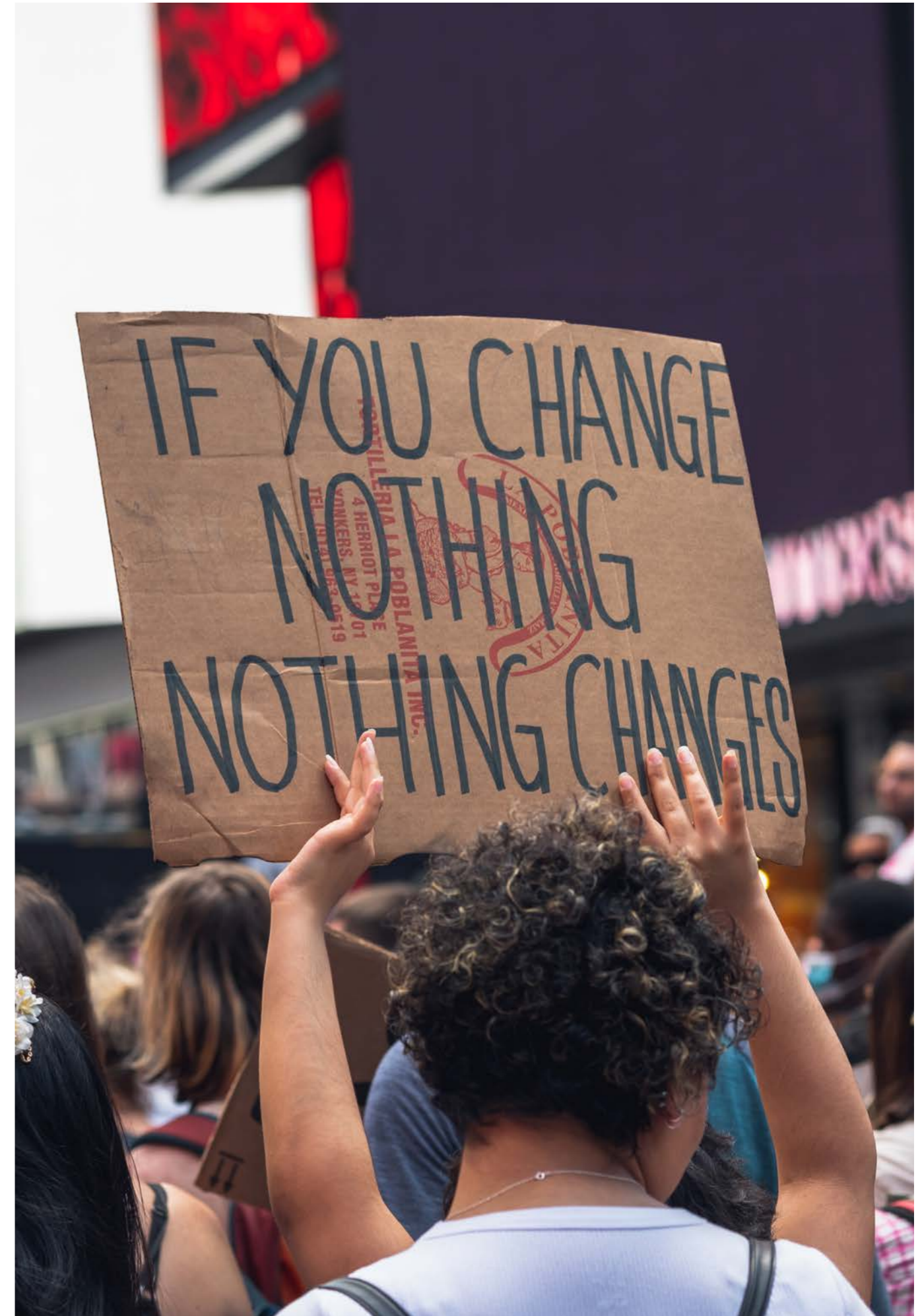
"Within the telco industry we are often further downstream in the ecosystem supply chain. It's even more important to work with our partners to help drive down the Scope 3 emissions (those which come from our purchased goods and services). It's also really important that we get our arms around data measurement in the supply chain because most industries rely heavily on using average measures (spend X co-efficient average for that industry) and we are transforming this, creating processes and technologies which enable us to move to the capture of real time accurate emission data. This will allow us to see the result of efforts to reduce environmental impacts and CO2.

"Our in-industry groups such as GSMA and Joint Alliance for CSR (JAC) enable us to engage

"We've only got one planet. It's really important just to get started and to understand that everyone has an impact and contribution, whatever their role"

— VERONICA MERCER, HEAD OF SCM PURPOSE, SUSTAINABILITY, VODAFONE

with peers within the antitrust protocols, and a key area we are focusing on is climate change, and addressing these shared problems together accelerates our journey. A great example of this is on the network waste alliance with GSMA and Shields which ensures we optimise our re-use of network waste before considering buying new."



KEY TAKEAWAYS AND LESSONS LEARNED

Given the influence new technology such as AI and machine learning is having in procurement, how is it driving forward the collaboration agenda?

Veronica Mercer

"This could be a whole chapter or book. There's unlimited opportunity for technology as an enabler for collaboration and sustainability. What is critically important though is the availability and accuracy of your raw data because applying technologies such as automation, machine learning and AI will only provide predictable outcomes based on the data, so having that clean raw data or pool of information to start with is absolutely key. There are a lot of market entrants with solutions, but it really depends on the size and scale of your organisation and the outcome you're trying to achieve, which drives the technology you select, and whether you build or buy. Clearly, AI is developing at such a rate and has a huge power to transform procurement and supercharge our sustainability efforts."

Chad Wilkerson

"When Veronica mentioned the new solutions, platforms or things coming out on the market, every time a Corporate Sustainability Reporting Directive (CSRD) gets announced or new requirements come out, there's suddenly a whole new base of interest in the market with a solution to sell that. If you look at it from a serious standpoint though, I totally agree. The raw data needs are there and voicing those concerns is important. If you look at the technology piece, there is an opportunity. Recently, a consulting firm released how many companies are still using spreadsheets to do their calculations and ESG reporting, which is

"It's good to know there are several ways to succeed. I guess that's one of the fun things in that there's not one single way to achieve the end goal here"

— CHAD WILKERSON, DIRECTOR, SUSTAINABILITY AND INFRASTRUCTURE SOURCING, T-MOBILE



a larger percentage than you'd expect. There is an opportunity if you're looking at technology that facilitates collaboration. If there's a common platform that's at least gathering that raw data and providing it to all the companies, then there's an opportunity there for efficiencies and some standardisation going back into some standards that the industry sets for itself. This enables an opportunity to create a common framework when platforms exist. Also, one of the things you're starting to see as you start introducing technology such as generative AI,

is while it's great to have the data and be able to report it, where do you take your action?

"With the insights that come out of data and AI opportunities, you begin to see the insights pointing you towards the opportunities and the impact if they're addressed. You're able to see the possible impacts a bit sooner, and

Chad Wilkerson

"I recommend accelerating building out the networks. ESG tends to be a little bit more collaborative or at least more open to collaboration than some other fields from what I've seen. I would say reach out and build that network earlier and seek out those opportunities to learn from others as you start. Someone's experienced it before, so you might as well learn from them. I think that's one of those things in this field because there are several people who want to share that knowledge, their experiences of how they overcame something, or what their thought process was. Even in our conversation today, I've already made a few notes from what Veronica said that will help me going forward. That all comes from talking to others. Begin that process earlier, sign up or reach out to find out what organisations may be available in your field that you can tap into."

Veronica Mercer

"We've only got one planet. It's really important just to get started and to understand that everyone has an impact and contribution, whatever their role. Especially when this is such an important ambition around climate change. It won't be perfect to start with, but we all learn along the way. We have found that harnessing the energy and passion and creating a community of champions is very powerful in driving change and creating greater engagement."

then take that into consideration. Does it look like there's an opportunity there? It's new technology. You may have to question it a few times, but I think that is at least something that you're beginning to see which are the insights coming out of it. And then ask: 'What should we do with these?'"

ADVICE FOR IMPLEMENTATION

What advice would you suggest for other procurement leaders looking to competitor collaboration?

"It's extremely encouraging that there are so many peers and communities you can learn from. Within the broader sustainability ambition, companies are looking at each other for best practices, and collaborating where it makes sense. Now, there's much more openness to sharing learnings because everybody wants to accelerate towards similar goals." ■



