

CASE STUDY

UTILITIES

Sustainable development and global sourcing



CONTEXT AND CHALLENGES

Our customer is a world leader in the delivery of services to local authorities. Sustainable development is one of the cornerstones of its communications policy and, therefore, its strategy.

Even if our customer does not buy significant volumes of materials and components in low-cost countries, it is fully aware that many of its suppliers do.

The risk for our customer is that suppliers who fail to respect sustainable ethics become an integral part of its supply chain.

APPROACH AND METHODOLOGY

Argon Consulting designed a series of procedures for sustainable purchasing for sourcing in sensitive categories, in which the risk of unacceptable sourcing by direct suppliers was considered to be high.

The joint Argon Consulting/customer teams audited the primary procurement sources of the suppliers. Any sources that did not meet the sustainable development standards set by the customer were replaced by alternative sources offering prices at least as competitive as those of the supplier.

The gains made by changing sources were passed on to the customer in full. Purchasing's contribution to sustainable development was obtained in the short term, while making additional savings too, and maintained in the long term through the definition and implementation of a comprehensive series of procedures to guarantee sustainable development.

RESULTS

The project achieved the following results:

- Effective rules and procedures applying to sustainable purchasing, which are now being implemented in the group's other entities
- Audits of suppliers and the suppliers' suppliers
- A package explaining the sustainable sourcing initiative, which was handed over to the group's communications department