



# How Category Management can drive sustainability

Confederation of Swedish Enterprise

*Jonathan O'Brien*  
*Version 3*



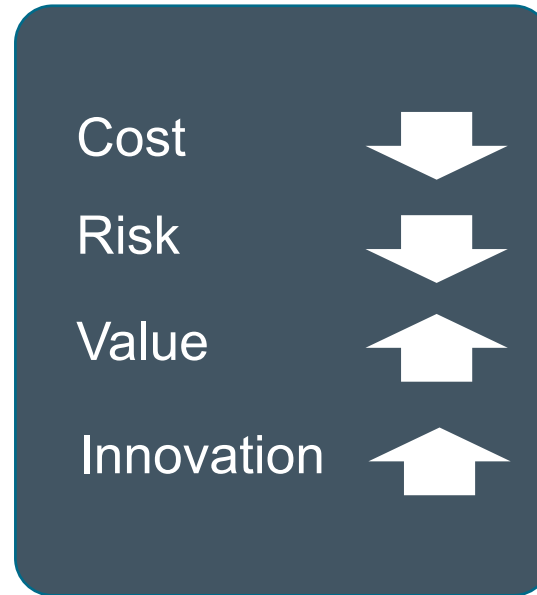
**SVENSKT NÄRINGSLIV**  
SWEDISH ENTERPRISE

# How organizations use category management is changing

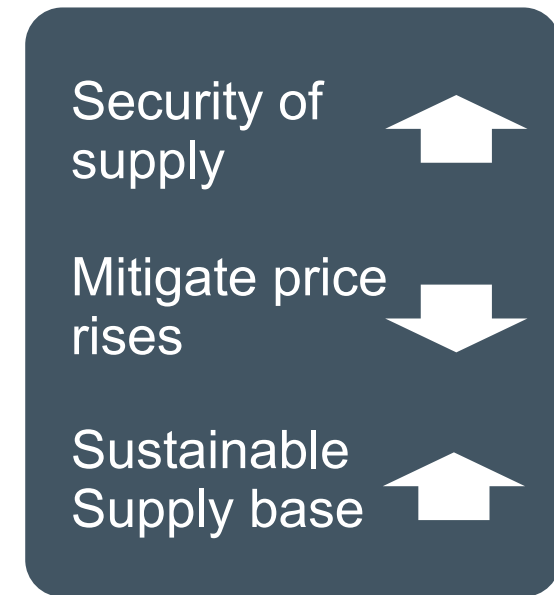
20 years ago



2 years ago



Today



**The benefits possible from Category Management depend upon what we set out to realize**

**Sustainable procurement is not about a whole new process, instead it is about putting on a 'sustainability hat' and doing things differently**



# Supply side sustainability requires sharp focus, aligned to organizational goals

What are we trying to achieve?



- Meet regulation
- Reduce risk
- Satisfy stakeholders
- Realize a goal eg SDGs
- New competitive advantage

Organizational level

Vision

Sustainability goals

Procurement level

Sustainable procurement strategy and goals

FOCUS

What we buy

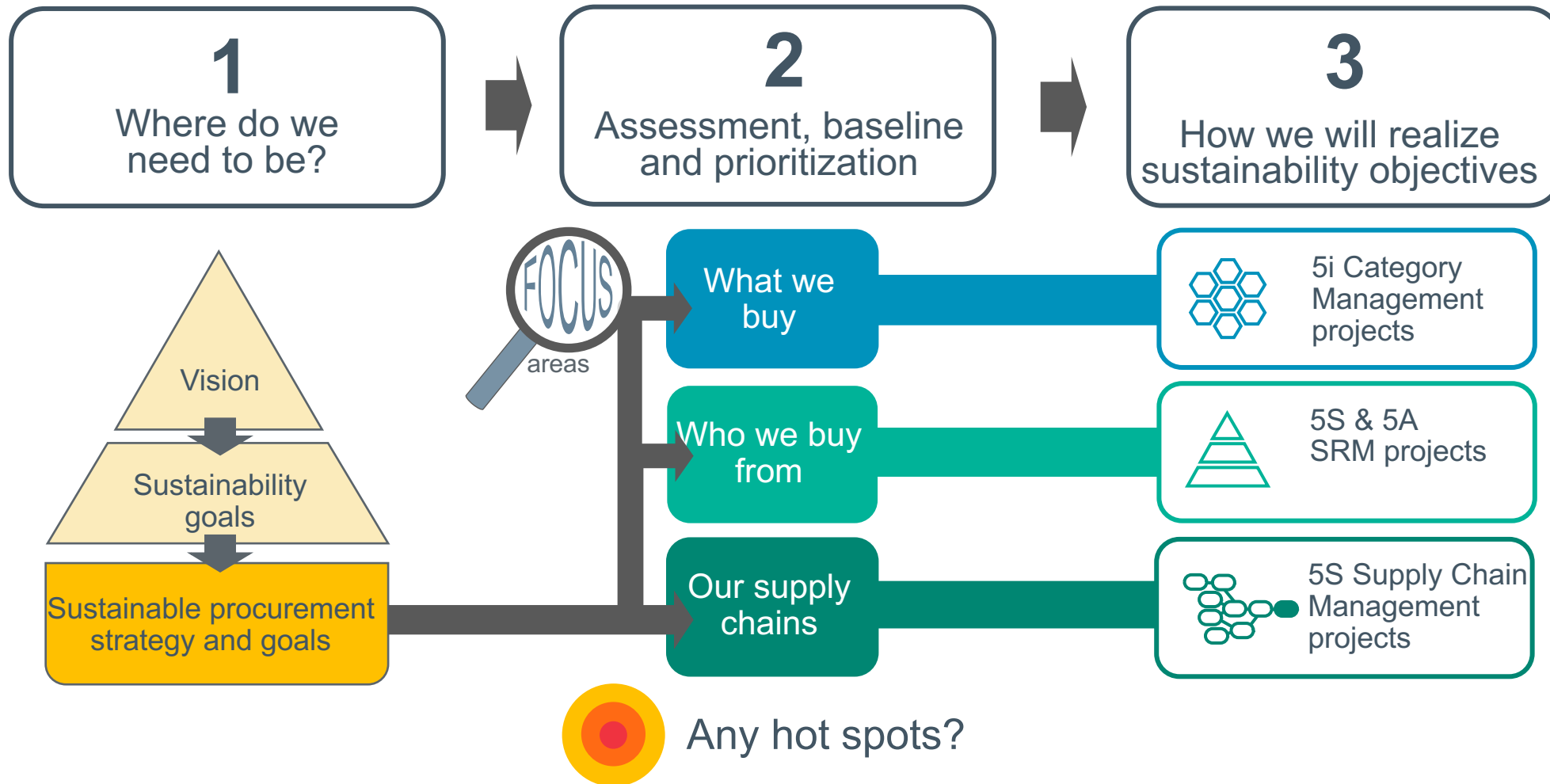
Who we buy from

Our supply chains

Typically to realize sustainability goals, 60% involve the supply base in some way



# There are three key steps to sustainable procurement



# Assessment, baselining and prioritization needs to happen in each focus area

**What we  
buy**

**Who we  
buy from**

**Our  
supply  
chains**



**FOCUS**

# Assessment of our current position can be a daunting task – Use ‘hot spot’ analysis can help



## What we buy



Hot spots?

- Products
- Services
- Materials used
- Processes involved
- Where these things originate from?
- Whole life emissions generated
- Who delivers the service?
- How sustainable is it?

***Easiest***



## Who we buy from



Hot spots?

- Current suppliers
- Future suppliers
- Where are they located?
- What happens there?
- Emissions generated
- How do they treat their people?
- How sustainable are they?

***Achievable***



## Our supply chains



Hot spots?

- What happens in the supply chain?
- Geographies involved
- Suppliers involved
- Logistics
- Variability and how easily things can change
- Emissions generated
- How are people treated?

***Most difficult***



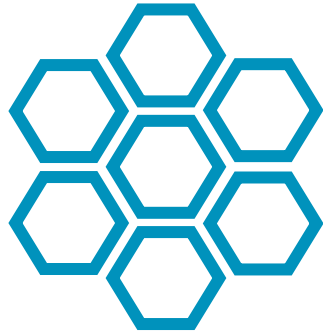


**Don the 'sustainability hat' and use familiar tools with a new objective in mind**





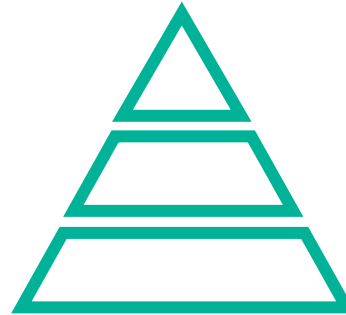
# We use category management to determine and implement new sustainable category strategies



## *5i Category Management*

Category strategies developed/ updated and implemented with a sustainability focus

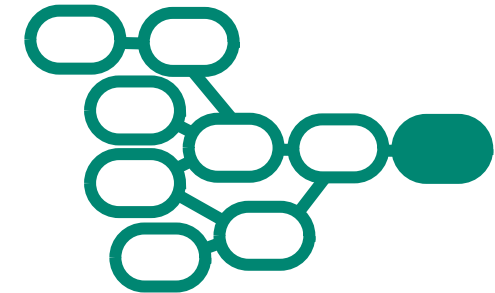
**What we buy**



## *5S & 5A SRM*

Segmentation, tiering and supplier interventions with a sustainability focus

**Who we buy from**



## *5S Supply Chain Management*

Supply chain understanding, management and other interventions with a sustainability focus

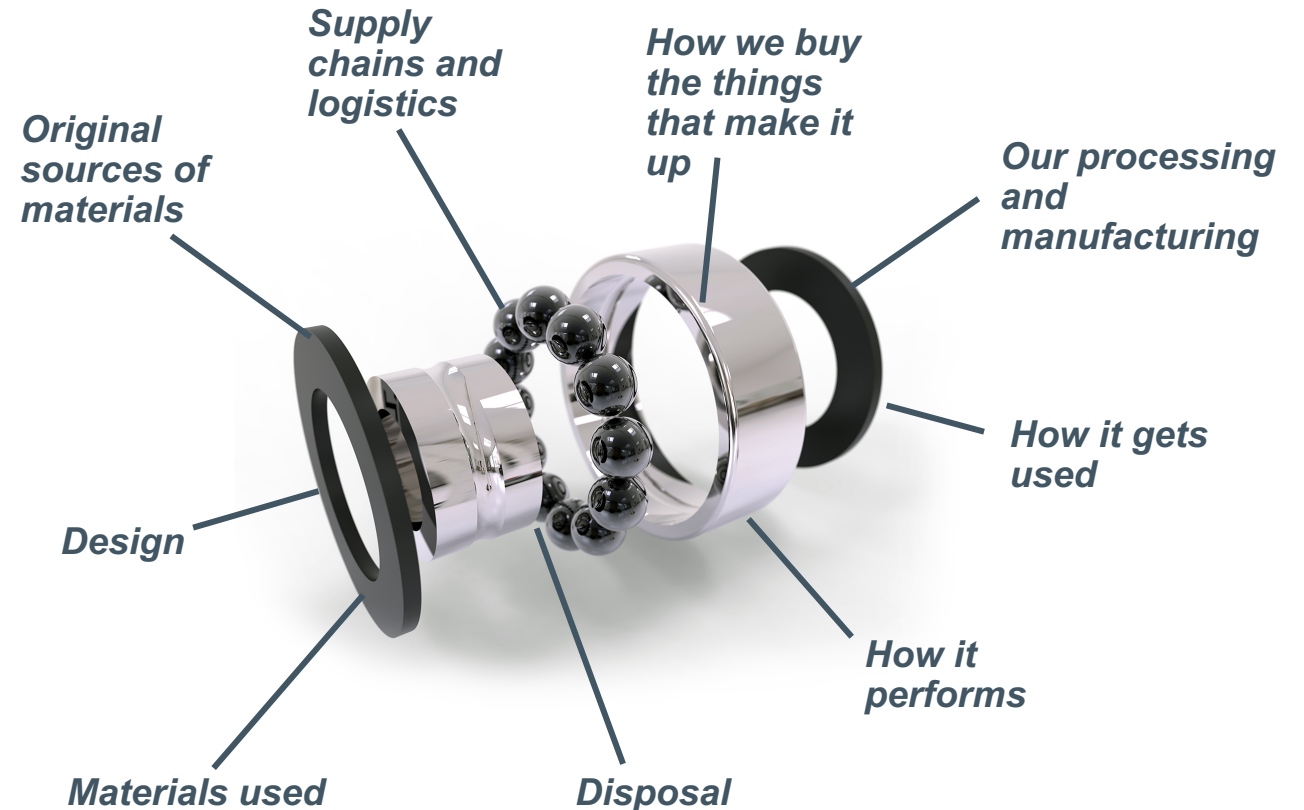
**Our supply chains**

# Sustainable category management can mean reengineering the category

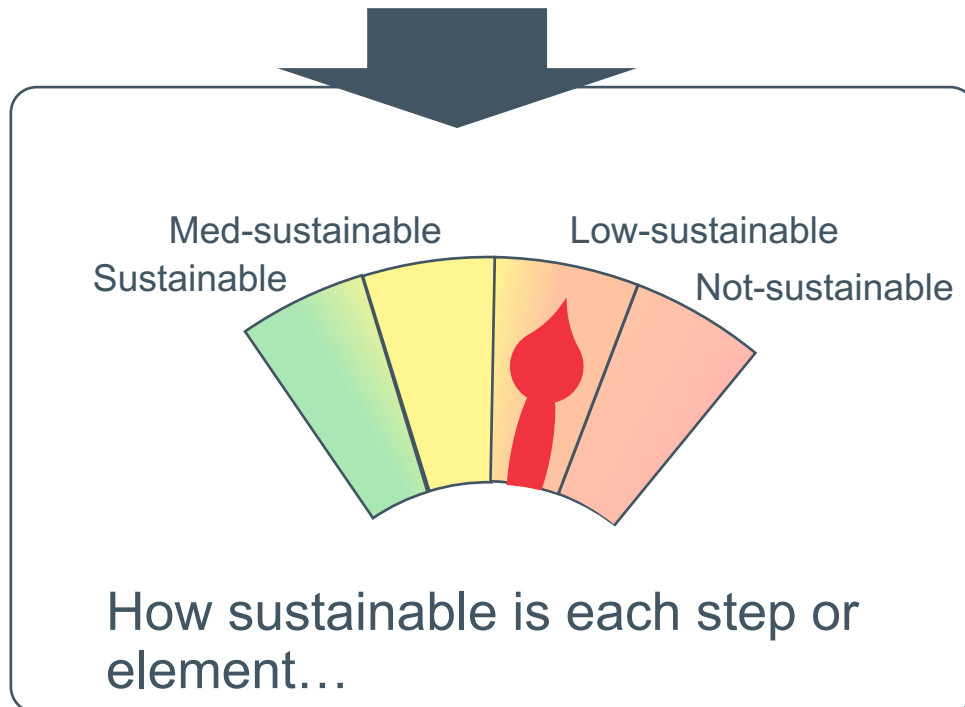
Sustainable category management drives a shift from 'business led categories with procurement challenging' to 'procurement led sustainability reengineering' based upon supply side changes needed to meet goals.



Hot spots can help know where to focus



# An 'end-to-end and whole life' perspective is essential



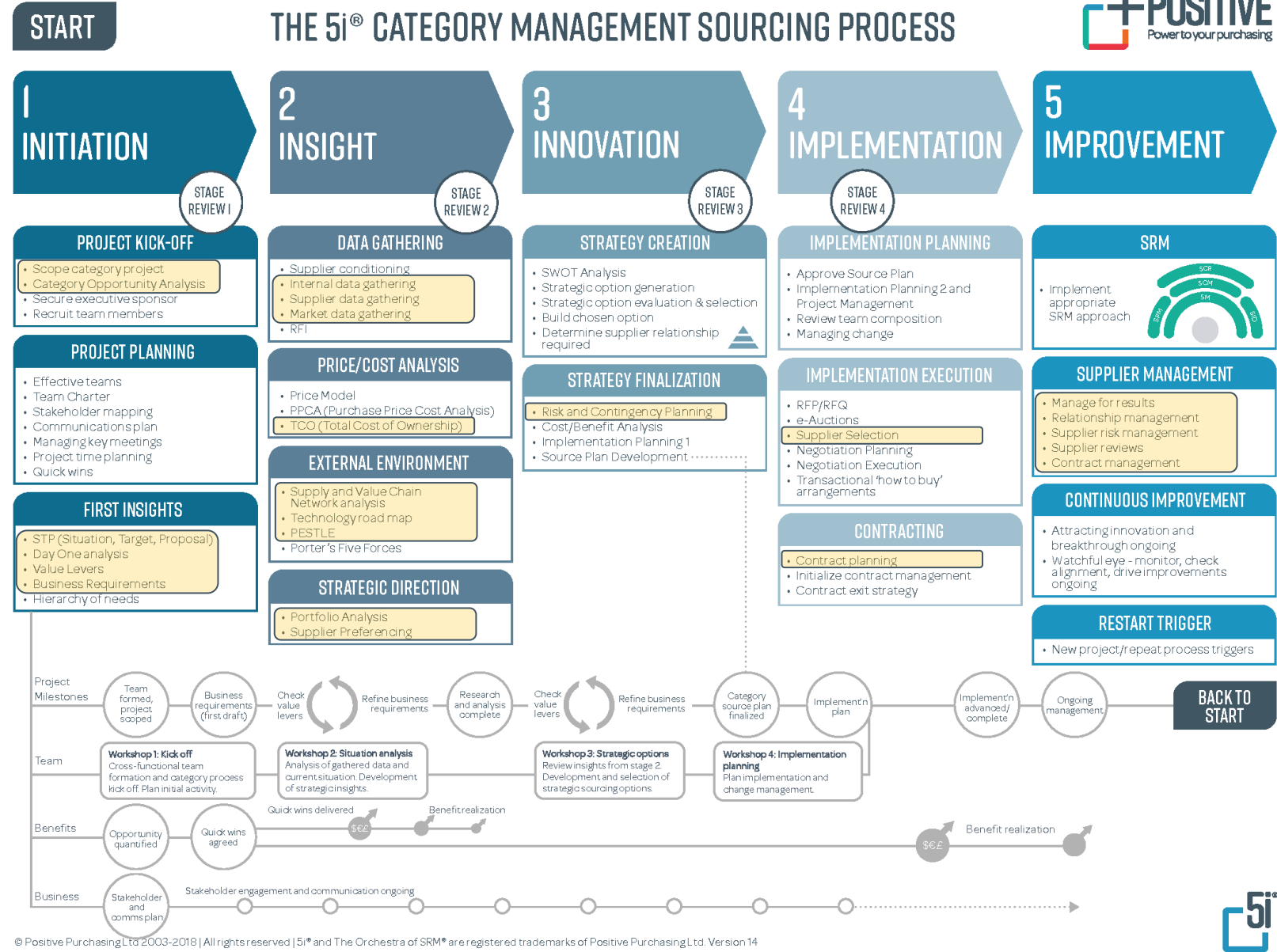
...in terms of

- Use of resources
- Emissions
- Waste
- Pollution
- Processes involved
- People (forced labour, child labour, working conditions etc)
- Social and communities we touch
- Data protection and privacy

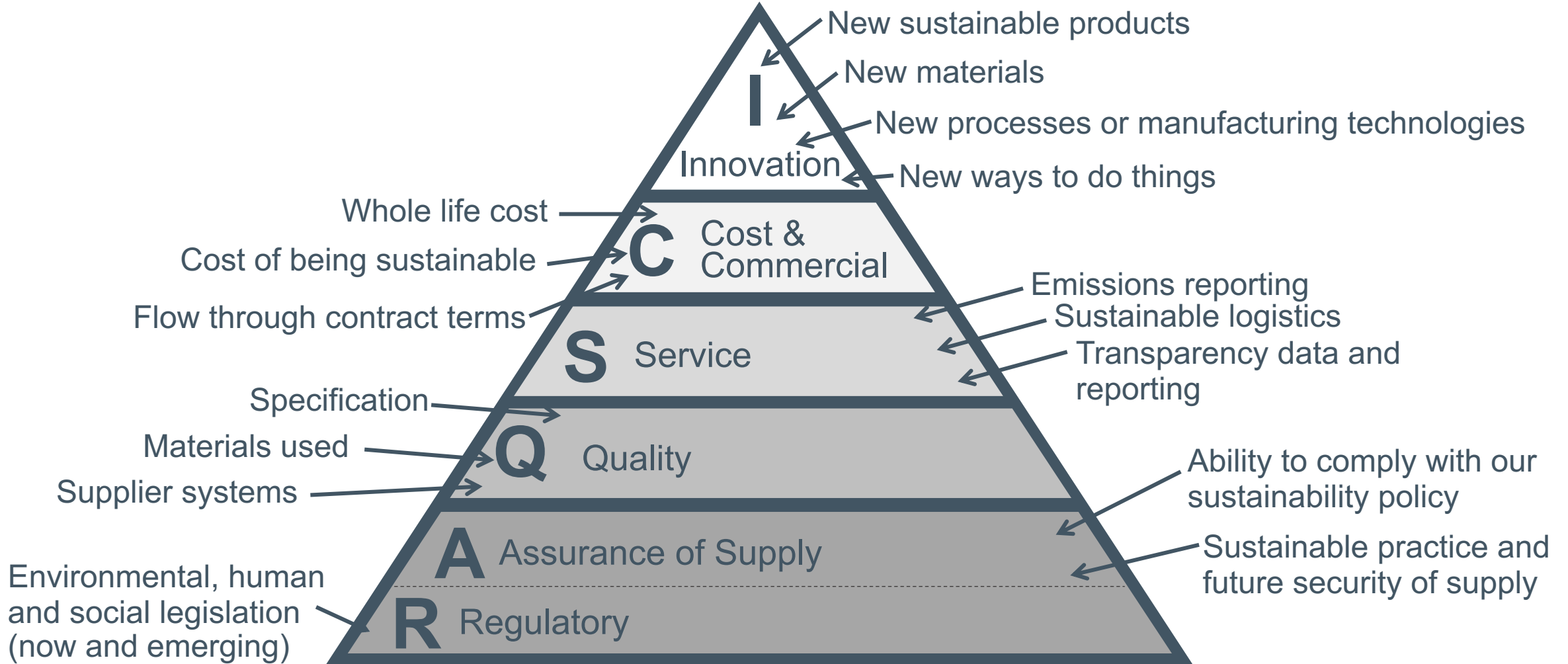




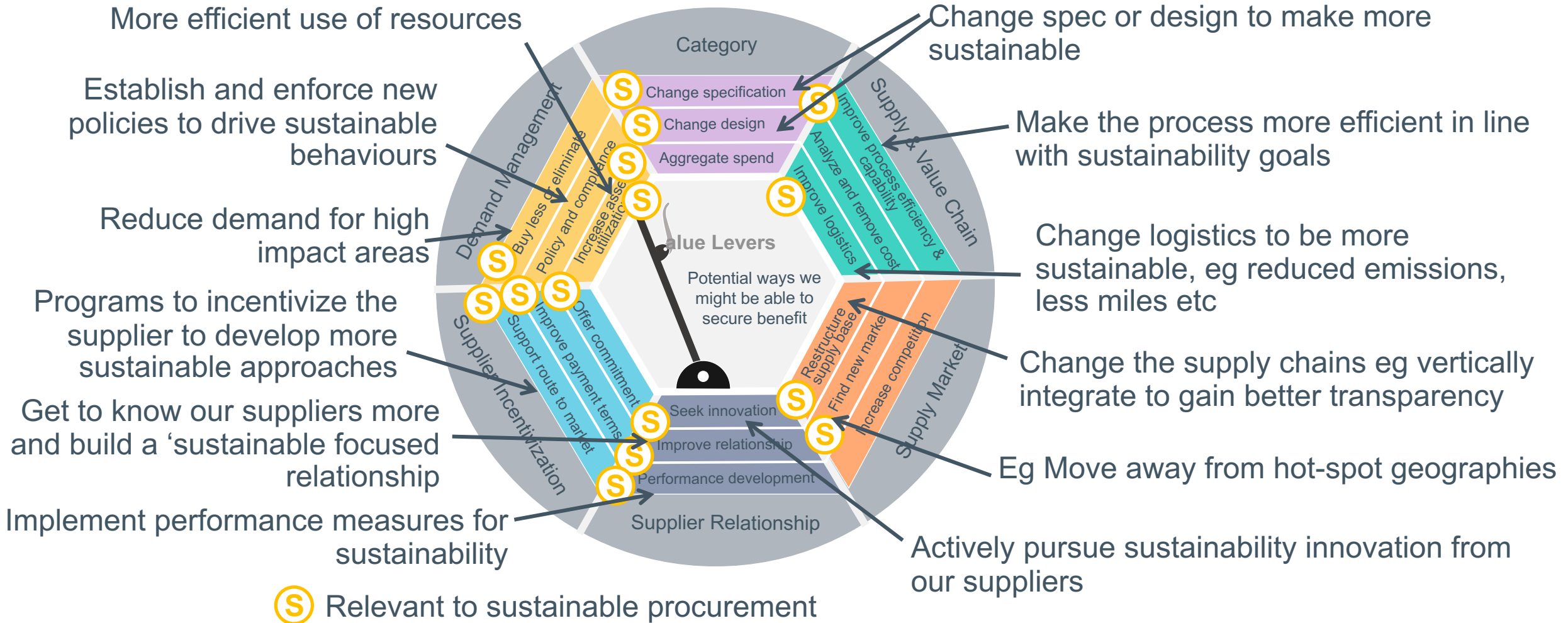
# A look at the detailed process – key touchpoints where we use the tools



# For example, consider how we develop Business Requirements using RAQSCI



# And the new role value levers bring us





**How will you wear the sustainability hat?**

