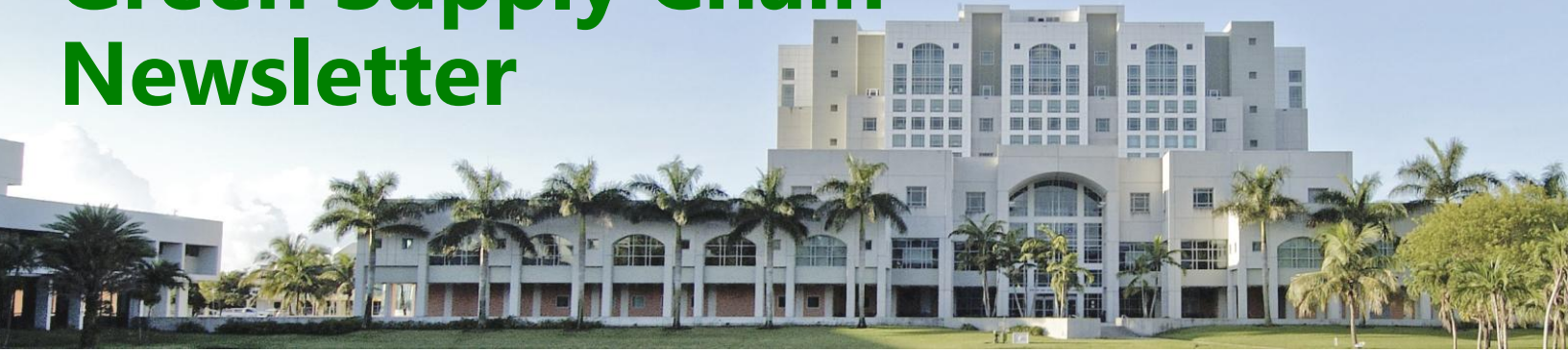


Green Supply Chain Newsletter

November 2008



FIU | FLORIDA INTERNATIONAL UNIVERSITY
College of Business Administration
Ryder Center for Supply Chain Management

In this edition:

Green Really Means Business

Find out how Wal-Mart and other companies drive ROI and better stock performance

Going Green in the Supply Chain

Discover the main challenges to becoming an effective green logistics manager

Beyond the Green Hype

Learn why going green is more than just about following the market trend

Green Procurement

Saving money or saving the environment? Why not both?

Huge Nationwide Rallies call for "Green Jobs" Now!

A different perspective on how to rebuild the economy

FEATURE STORY:

Green Really Means Business

Research shows that eco-friendly business can enjoy above-average return on investment as well as better performing stock. Even for a large retailer like Wal-Mart, the benefits of going green have made a significant impact on their bottom line. New innovations in manufacturing and transport have revolutionized the way Wal-Mart conducts its business in China, and consequently, around the world.

The rising costs of oil and raw materials have revolutionized the landscape for global corporations. Companies are being forced to find new ways to reduce energy use and this in turn has made "going green" both strategically important and economically viable. Companies today are feeling the urgency to reduce costs and are turning to "green" strategies for answers. [More](#)

Going Green in the Supply Chain

There are arguably three main challenges which supply chain managers still need to overcome if effective green logistics management is to become a reality:

- 1) *Lack of appropriate technology* in place to support companies and their efforts to go "green."
- 2) *Business processes needed to capture the appropriate data* in the supply chain and therefore make great use of their existing technology.
- 3) *Trade-off between green requirements and lean practices.*

Effectively addressing these issues can not only lead to a greener strategy in the long run, but a more competitive one as well.

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This edition courtesy of:



About Us:

The **Ryder Center for Supply Chain Management** at Florida International University is a supply chain management education and research center that develops and delivers education in supply chain management to the business community and provides solutions to emerging supply chain management problems by promoting problem solving and research between FIU faculty and the business community. Each issue of this newsletter features information about recent green supply chain management articles that will expand your knowledge and expertise.

Going Green in the Supply Chain

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Managers face increasing trade-offs when it comes to “going green”. Smaller batches for example, improve efficiency in manufacturing but may contradict “green” initiatives if these batches lead to more frequent transportation of shipments.

Outsourcing may be profitable as costs may be lower elsewhere, but there is an increase in shipping costs which negatively affects the “green” supply chain. Many managers are looking to network design and planning systems as a solution to these and other “green” supply chain challenges. [More](#)



Huge Nationwide Rallies Call for 'Green Jobs Now!'

Despite recent economic woes, Americans came out in masse recently to urge leaders to jump start the clean energy economy. Across all fifty states, over 100,000 people rallied at the “Green Jobs Now: A Day to Build the New Economy” events. More than 650 communities participated making this one of the largest and most diverse days of citizen actions focused on economic issues in American history.

Participants urged leaders to look beyond short-sighted solutions to environmental problems such as offshore drilling and instead focus on creating “green” jobs related to sustainable industries such as wind and solar power that could generate millions of green jobs that help lift people out of poverty. For many Americans, it’s not just a matter of rebuilding the economy; it’s a matter of rebuilding it “green.” [More](#)

A promotional banner for the Green Supply Chain Forum. The background is a close-up of a green leaf with several water droplets. One droplet is in sharp focus, showing a reflection of the Earth. The text is overlaid on the right side of the banner.

FEATURED EVENT
Green Supply Chain Forum
Miami, Florida
February
19-20, 2009

More Information at:
<http://business.fiu.edu/greensupplychain2009>

Transform
your logistics and transportation footprint.

Create
an environmentally sustainable supply chain.

Learn
how some of the world's most respected companies practice "green" - straight to the bottom line.

Beyond the Green Hype

Although everyone loves to sing the praises of “going green”, many companies are hesitant to embrace actions that might negatively impact profitability and competitiveness. Supply chain managers today need to seize the long-term opportunity of having a “green” brand image which will almost certainly become the new standard in the future – regardless of how uncertain the timing may be. Managers who choose to “green” their supply chain now by focusing on reverse logistics, green product design, and supply network compliance stand to reap great rewards in the future.

If governments continue to pass environmental laws, a trend that currently shows no signs of waning, managers will need to become more adept at reverse logistics to prevent harmful materials from entering the environment. Managers will also increasingly need to address green product design and create products that are biodegradable and free of pollutants to conform to new laws. Finally, managers will need to ensure supply network compliance to prevent many of the lamentable stories that have permeated the media recently such as the use of sweatshops, lead paint in toys, and tainted drugs from contract manufacturers. [More](#)

'Green' Procurement Goes Into the Black

Most managers today feel they are forced to choose between saving the environment and saving money. However, many businesses today are making the case that it doesn't have to be one or the other. Case in point, three large corporations: IBM, Herman Miller, and GlaxoSmithKline have found success in the environment and in their budgets by adhering to the three R's of Green Supply Management “reduce, reuse, recycle”.

IBM focuses on sustainable sourcing and has found great ways to reap benefits from its environmentally friendly policies. Herman Miller has found ways to reuse its products and therefore extend their lifecycle by applying “green” concepts. GlaxoSmithKline invests in research to find innovative ways to save energy and water. Regardless of the “green” strategy each of these companies has chosen, their actions prove it doesn't always have to be saving trees or saving money. [More](#)