

## **“The Proverbial Widget Has Changed.”**

Friday May, 6 2011 by WTCSD Staff Writer, Crystal Harris

**WORLD TRADE CENTER San Diego hosted industry leaders to discuss one of the most important issues facing companies today: What does being “green” mean and how can it help a company sustain a competitive advantage?** The symposium not only provided insight to companies on how they could move towards a greener future, but also discussed government and industry initiatives related to carbon footprint accounting and reporting. Participants at the symposium gained inside knowledge of the advantages in moving towards a green supply chain and how ‘green’ legislation gives companies a leg up against competitors.

**Dr. Simon Croom, Professor and Executive Director, Supply Chain Institute of the University of San Diego**, gave opening remarks at the symposium urging participants to be sure to take away from the discussions a greater understanding of the value in operating a green supply chain. He introduced **Douglas Sander, Partner, Baker & McKenzie LLP**, who covered the international aspects of green supply chain. How does a supply chain go green if it is linked to companies in countries all over the world? Sanders stated, “The proverbial widget has changed.” Even though some of going green is voluntary, it then becomes obligatory. It is important to know who determines the standards in an international green supply chain and how to know which standards apply. With no cookie cutter solution, compliance risks are unique to each situation whether it’s dealing with violations on product labels, regulations, reputation, or brand impairment.

**Matt Clouse, Director of Renewable Energy Policy & Programs, U.S. Environmental Protection Agency**, discussed U.S. policies and government initiatives, the GHG Reporting Program, and voluntary programs such as Climate Leaders, which supports the tracking of emissions throughout a supply chain. He announced the work of the U.S. government to implement ‘tailoring’ by 2016, which would seek to limit the environmental impact of industries in a reasonable way.

**Jock O’Connell, Principle Consultant, The ClarkStreet Group**, focused on modes of transportation used for incoming freight to ports such as Los Angeles and Long Beach. He also talked about California’s Environmental Protection Agency and why some businesses may find it difficult to understand and comply with California’s air quality regulations. “If they don’t understand the regulations, they don’t have to comply with them, right? Wrong.” O’Connell stated learning about California’s EPA is an opportunity to grow further understanding about the regulations within an industry as a whole.

After the break, participants heard a panel discussion that included **Alison Bird, Environmental Affairs FedEx; Randy Boeller, Social and Environmental Responsibility Hewlett-Packard; and David Hester, VP Kyocera America**. This was a great opportunity to ask questions about green supply chains and how these industry leaders manage environmental impact and cost effectiveness. Randy Boeller said, “Companies with high sustainable outlooks outperform others within their industry.” Randy gave the example that Hewlett-Packard originally used wooden pallets to transport products, parts and equipment and entertained the idea of using plastic pallets. By switching over to plastic pallets the expense of the pallets increased, but the overall freight cost decreased, thus lowering their carbon footprint and within the first year saved them over ten million dollars.

The keynote speaker for the day was **Cathy Rodgers, Vice President of Global Opportunities & Business Development for IBM Global Services**, who talked about the importance of a green supply chain not only for the current industries, but also for future generations who will receive the benefits from a changing supply chain. Rodgers said, “Change is not about what we do, but rather everything we don’t

that makes a difference.” Cathy cited that 11.6 million barrels of oil are wasted every year from PC’s being left on overnight; 30% of the food in developed nations goes to waste; and 45% of the traffic in Manhattan is cars circling the block to find parking spaces. She believes sustainability is now a business imperative and research shows that 25% of consumers will consider a brand shift if it means an ethical improvement, regardless of cost. Even now, five out of six CEOs say the goal is no longer just about profitability because there has been, “...a shift from buyer beware to seller beware.” Since buyers are becoming more informed it is important for businesses to focus on their triple bottom line: people, planet, and profit. The supply chain has become the fourth dimension and it is important to balance carbon output with service, quality and cost.

After lunch, participants could choose to attend one of two workshops on either Advanced Carbon Footprint Modeling with **Dr. Corinne Reich-Weiser of Climate Earth**, or Triple Bottom Line Sustainability Strategies presented by **Dr. Omar Romero-Hernandez of the Haas School of Business, University of California Berkeley**. **Dr. Robert Judge of Information and Decision Systems at SDSU** summarized the symposium and closed the loop with important takeaways for the participants.

The day ended with an outdoor reception and, true to form, the San Diego sun was shining, flowers were in bloom, and green supply chains seemed like a perfect order for the day.