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WasteWise Update

INSIDE

Helping
suppliers
reduce waste

Forming
partnerships

Creating
policies
for suppliers

Resources

Government
purchasing



BUILDING SUPPLIER PARTNERSHIPS



Printed on paper that contains at least 20 percent postconsumer fiber.

Building Supplier PARTNERSHIPS

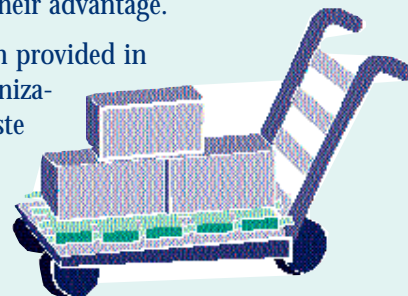
GARBAGE IN, GARBAGE OUT *refers not only to your computer but also to waste received from suppliers in the form of excess packaging, rejected products, and inventory that expires before it is used. While most organizations would not consciously pay suppliers for garbage, many do just that since suppliers include the cost of the packaging in all orders. Don't forget, organizations not only have to pay suppliers for the cost of excess packaging and transportation, they also have to pay another company to dispose of the waste or depend on commodity markets for recycling.*



Convincing suppliers they should reduce packaging or change distribution systems is not always easy. Has your organization encountered any of the following reasons for not approaching suppliers? If so, this issue of *WasteWise Update* can help you by showing how other organizations have overcome these barriers.

- We don't have the staff to evaluate options. To overcome this barrier, one **Maytag Corp.** facility dedicated an intern to study the facility's distribution system. This study resulted in recommended options for cost savings and waste prevention.
- We can't influence our supplier because we are a small company. **NACHI Technology**, which employs only 115 people, convinced its customer **General Motors** to change the way it does business—resulting in mutual cost savings. Similarly, the **Minnesota Chamber of Commerce**, with only 26 employees, convinced its caterer to distribute employee lunches in bulk, thereby reducing waste by 50 percent. What was the caterer's incentive? Maintaining customer satisfaction *and* cost savings. In addition, when the supplier for **Royal Crest Dairy** couldn't provide a returnable packaging system, the company found a new supplier who could.
- Our management hasn't made our suppliers aware of how important waste reduction is to our company. In order to inform suppliers how much **Roche Vitamins Inc.** values the environment, the company officially requested that all suppliers reduce waste by 25 percent. **SC Johnson Wax** hosted a meeting with 70 supplier organizations from around the world to establish its Partners in Quality program.
- Our supplier doesn't know how it can reduce our waste. To build a team attitude and foster cooperative efforts, **Clorox** invited its supplier's shipping and distribution staff to visit Clorox, and the supplier invited Clorox's line personnel to visit its plant.
- We use multiple suppliers at each of our facilities, each of which has its own procurement system. **ComEd** overcame this barrier by streamlining its procurement of inventory with short shelf lives. The company reduced its vendors from six to one, saving \$500,000 in the process.
- Our government agency is committed to large purchasing contracts that have limited flexibility. The **Commonwealth of Massachusetts** offers advice to other government partners on how they can use large purchasing contracts to their advantage.

We hope the information provided in this *Update* helps your organization to successfully find waste prevention opportunities through supplier partnerships.



Though Small, NACHI Technology Achieves Big Results

You don't have to be a large company to be a leader in waste prevention and recycling. Just ask **NACHI Technology**. Although it employs a modest 115 employees, NACHI has successfully worked with its customers—including automotive giants such as WasteWise partner **General Motors (GM)**—to implement packaging reduction and reuse. They've also achieved considerable savings in the process—almost \$55,000 per year.

NACHI manufactures precision ball bearings for the automotive industry. Although a relatively small company, its product is used in 60 percent of all vehicles on the road today. NACHI takes its environmental commitment seriously. In fact, it is the only company in Indiana to have won two Governor's Awards in the areas of pollution prevention and recycling.

"Our company knows that the environment and the economy go hand in hand," says Dan Nebesio, vice president of operations for NACHI. "We've worked hard to show our customers that waste prevention and recycling really pay off. Any savings we achieve, we share with our customers primarily through a reduced price for our product."

In particular, NACHI worked with GM to make two fundamental changes: switching to a more standard pallet size and adopting a smaller, reusable box with reduced packaging to ship its product. Convincing GM to make the switch, however, didn't happen overnight. It was a gradual process that took roughly a year to achieve. In fact, when NACHI first began working with GM, there was no discussion of packaging other than meeting GM's special standards for pallet size and for the boxes used in shipping raw material and finished bearings.

Now, when making shipments to GM, NACHI simply reuses the boxes and pallets that it receives from incoming deliveries to its facility. Making this switch allowed NACHI to avoid the cost of purchasing new boxes and custom-sized pallets. In the process, the company has gone from emptying its waste compactor two to three times a week to once every 10 days.

So how did NACHI convince GM to make the change?

NACHI took a multifaceted approach. First, the company put together a qualified team to work on the project and to

develop a strategy to implement the changes. This involved identifying a project champion to lead the effort and coordinate the project. NACHI worked hard to show GM that reducing and reusing packaging was a win-win situation that offered cost savings to both companies. NACHI also took a value-added approach. Since customers expect high-quality products, the company showed its customer that it is willing to go the extra mile. NACHI explained to GM that using smaller, 40-pound boxes, for example, was safer for GM's employees and could help reduce the risk of worker injuries.

"Maintaining a close relationship with your customers is also critical," adds Nebesio. "It's important to keep the lines of communication open so there's a constant exchange of information between you and the customer."

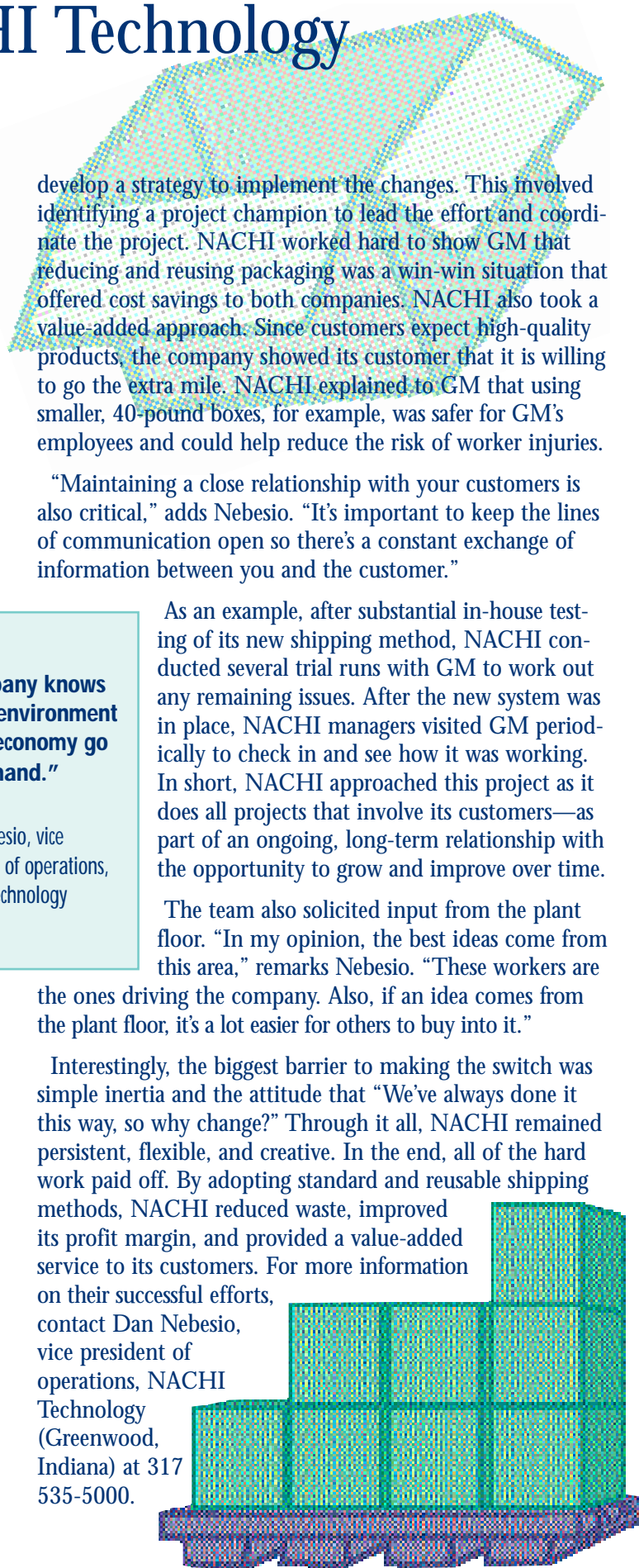
"Our company knows that the environment and the economy go hand in hand."

—Dan Nebesio, vice president of operations, NACHI Technology

As an example, after substantial in-house testing of its new shipping method, NACHI conducted several trial runs with GM to work out any remaining issues. After the new system was in place, NACHI managers visited GM periodically to check in and see how it was working. In short, NACHI approached this project as it does all projects that involve its customers—as part of an ongoing, long-term relationship with the opportunity to grow and improve over time.

The team also solicited input from the plant floor. "In my opinion, the best ideas come from this area," remarks Nebesio. "These workers are the ones driving the company. Also, if an idea comes from the plant floor, it's a lot easier for others to buy into it."

Interestingly, the biggest barrier to making the switch was simple inertia and the attitude that "We've always done it this way, so why change?" Through it all, NACHI remained persistent, flexible, and creative. In the end, all of the hard work paid off. By adopting standard and reusable shipping methods, NACHI reduced waste, improved its profit margin, and provided a value-added service to its customers. For more information on their successful efforts, contact Dan Nebesio, vice president of operations, NACHI Technology (Greenwood, Indiana) at 317 535-5000.



MAKING TIME TO FIND LESS WASTE

While the Maytag repairman might have time to spare, employees at the Maytag Corp.'s Herrin Laundry Products Facility are busy designing and manufacturing products such as washer and dryer units. For the Facilities and Industrial Engineering Department, finding time to investigate new waste reduction opportunities, especially those involving coordination with vendors, is a challenge.



Investigating the Options

To help meet this challenge, facility staff encouraged a summer intern to scope out various waste reduction options—and the results paid off. The intern projected that by working with vendors to implement a wide range of packaging

reduction programs, the facility could save more than \$82,000 per year. The intern also estimated the facility could prevent nearly 200,000 pounds of cardboard and almost 150,000 pounds of wood—3,730 pallets—from entering the facility. The cornerstone of the facility's packaging reduction programs is a reusable container system designed, in close coordination with the vendors, to reduce packaging associated with shipments of washer and dryer timer parts. Vendors now use the containers to package and ship parts; Maytag uses the containers at workstations along the assembly lines and ships them back to the vendor for reuse.

To make this project a reality, Dan Kantorski, an Illinois EPA intern assigned to the Herrin facility during the summer of 1996, worked closely with the facility's vendors. As part of this project, he performed a plantwide packaging audit, identified vendors from whom packaging could be reduced, and worked with those vendors to reduce excess packaging. Making this initiative a success also involved working closely with internal departments, such as Purchasing,

Environmental, and Facilities and Industrial Engineering, to identify feasible solutions. Rene DeGroof, a senior environmental engineer at the Herrin facility who worked in cooperation with Kantorski, advises, "The two key steps to a successfully coordinated project are finding a dedicated employee to oversee

the project and involving all departments and vendors at the earliest stages. Maintaining good lines of communication throughout the project is also essential."



Finding Time and Dedicating Personnel

While DeGroof acknowledges that an assessment of incoming packaging use and the development of recommendations can be done by outside consultants, summer interns, or individuals

from within a plant, he emphasizes that the essential element is finding an individual or team that is dedicated to the project. "Typically, when a facility manager tries to perform this assessment on top of doing everything else required to keep a plant running properly, the assessment often gets pushed to the bottom of the stack because it is not an emergency," DeGroof explains. By assigning Kantorski the task of conducting background research and developing recommendations, it took less than 12 weeks to complete the plantwide audit of incoming packaging, analyze the vendor sources, and work with the selected vendors to develop recommendations. As part of the audit, Kantorski gathered data on the quantities of washer and dryer units produced per day, the parts used to make each product, the quantity of parts used per unit, the quantity of boxes used for each part per year, and the weight of each box and other internal packaging materials.

Kantorski's analysis revealed that, although the Herrin facility works with 27 vendors to receive parts and supplies on a regular basis, 8 vendors accounted for more than 60 percent of the total incoming corrugated cardboard packaging. Once he identified the vendors contributing the most packaging, he contacted them to discuss options for reducing it. For each item or part involved in the redesign project, he gathered data on current packaging practices including container dimensions, part weights, part dimensions, part volumes, and use of containers at workstations along the assembly line. He entered all the information

"The two key steps to a successfully coordinated project are finding a dedicated employee to oversee the project and involving all departments and vendors at the earliest stages."

—Rene DeGroof, senior environmental engineer, Maytag Herrin facility

into a database and began developing new options to reduce the amount of excess packaging entering the facility. Options identified included reusable shipping containers, reusable bulk paint containers, and reusable corrugated cart liners.



Involving All Departments and Vendors Early

Maytag asked for vendor input during the early stages of planning. This allowed Maytag to incorporate vendor suggestions into the final plan, facilitating movement of the containers within the

Maytag facility and between the facility and the vendors. Kantorski coordinated with the selected vendors and the trucking lines used to deliver the parts. Many of the vendors suggested ways to redesign trucking routes in order to simplify coordination and management of the reusable containers. Working with the trucking lines, Kantorski helped reschedule product delivery and pickup loops to optimize movement of the reusable containers. He also determined the optimum number of containers to store on site, which was a critical component of the program for two main reasons. First, the number of containers available in a given location must meet the needs of each vendor and its pickup schedule. Second, providing sufficient storage space for containers can often involve significant capital investments if a company needs to create the storage space or redesign their sprinkler system to meet any new storage requirements. After analyzing each option, based on cost-effectiveness and the potential for packaging reductions, the Herrin facility selected the reusable container system that best met its needs and began implementing its reusable container programs with a number of vendors early in 1997.

In addition to involving vendors early, DeGroof recommends involving purchasing officials from the start, "If everyone is involved from the beginning, it helps implementation run smoothly and quickly once the company decides on a reusable packaging system." As soon as the facility decided which reusable containers to use, Maytag's Purchasing Department readily approved the purchase of the reusable containers.

Commenting on the overall experience, DeGroof notes, "By letting a dedicated person take the project and run with it, setting aside time to examine incoming packaging and communicating effectively with our vendors, Maytag successfully modified its packaging system to save money and reduce incoming waste from vendors." For more information, contact Rene DeGroof, senior environmental engineer, Herrin Laundry Products (Herrin, Illinois) at 618 988-8431, Ext. 372.

Royal Crest Dairy Moves to a Waste-Reducing Supplier

Royal Crest Dairy has served as a role model for the dairy industry through its demonstrated commitment to waste reduction for more than 30 years. In 1965, this family-owned, independent, home-delivery dairy became one of the first dairies in the country to offer reusable, recyclable, high-density polyethylene (HDPE) plastic milk containers. Royal Crest collects, cleans, and reuses these containers up to 100 times before recycling them. Today, the company prevents over 40 tons of waste per year through this reuse process!

While the milk bottle reuse program is extremely successful, the chemical process of cleaning the bottles created a new waste stream for Royal Crest. The cleaning chemicals came in large HDPE barrels that, once used, piled up quickly and took up more storage space than Royal Crest had to spare. According to Royal Crest's Risk Manager Ace Ratliff, company managers—finding themselves "waist deep in 55-gallon barrels"—provided the impetus to pursue a less wasteful disposal method. The company first examined the possibility that it might be able to locate a recycler who was willing to pick up the chemical barrels. Unfortunately, the awkward size of and the chemical residue in the barrels made the drums difficult, if not impossible, to recycle.

Royal Crest turned to its chemical supplier to see if the company would collect the used barrels for reuse. The supplier responded with a flat rejection: it did not have the resources to clean or recycle the barrels, and one small customer was not worth the investment. Not discouraged, plant managers began arranging for a new supplier who would pick up the used barrels. One plant manager knew of a company who provided pickup service, which expedited the entire process. Even so, managers were pleasantly surprised to find that they were able to identify and arrange for a new supplier within a week's time!

Pleased at the discovery that there is usually someone out there who is willing to accommodate the special needs of even a small company, Ratliff encourages other small companies to persevere: "Don't stop at your first rejection!" He recommends that companies keep switching vendors, be they product suppliers or recyclable haulers, until they find one who will meet their waste reduction needs.

For more information on Royal Crest's waste reduction program, contact Ace Ratliff, risk manager, Royal Crest Dairy (Denver, Colorado) at 303 777-2227.

SUPPLIER PARTNERSHIP ENVIRONMENT

Establishing a formal policy can help communicate the importance of environmental performance to suppliers. Seeing customer requests in writing can have a positive impact on achieving results.

SC JOHNSON WAX DEVELOPS SUPPLIER PARTNERSHIP

When SC Johnson Wax set its first worldwide environmental goals in 1991, it knew it couldn't reach them on its own. So, the company enlisted the full support of its supplier network. Working together, they've achieved some pretty impressive results. Since 1992, the company has saved more than \$120 million annually and reduced more than 400 million pounds of waste from its products through eco-efficient design and operations.

"Our sustainable progress since 1990 reflects the combined efforts of SC Johnson and our suppliers to reduce waste, risk, and cost in our products and processes, and which equate to a positive environmental value for our customers and consumers," says Cynthia Georgeson, director of corporate public affairs. "We work hard to solicit input from our suppliers and to share the success we've achieved. Together, our efforts have helped make an improvement through reduced waste, risk, and cost in people's lives."

SC Johnson, a global company with operations in 52 countries around the world, initiated its supplier partnership program in 1991. To kick it off, the company held a meeting with its top 70 supplier organizations from around the world. At the meeting, SC Johnson began a dialogue with its suppliers on how to achieve its newly established environmental goals together. Since that time, the company has integrated its supplier initiative into a program called Partners in Quality. Through this program, SC Johnson pledges to work closely with its suppliers and encourages them to examine their own environmental management programs to find room for improvement.

As part of this program, SC Johnson initiated environmental reviews of its suppliers and regularly audits their operations to ensure responsible management. The review involves making onsite visits to companies as well as distributing a

questionnaire to help track and review progress. The company also maintains momentum through newsletters charting the environmental progress brought about by its partnerships.

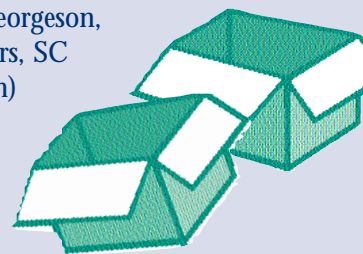
In 1994, the company held another meeting with its suppliers to assess progress made to date and begin the process of establishing future goals. "Input from our suppliers helps drive continued improvement in innovation and new technologies," adds Georgeson. "It helps generate more ownership and buy-in in our efforts and provides an incentive for our suppliers to participate."

The biggest barrier to success has been what SC Johnson calls "the green wall"—the thinking that environmental efforts are all cost and no gain. The company believes this is due largely to decades of experience when environmental benefits were never accounted for. Overcoming this hurdle involves continuously reminding suppliers where the company is heading and why and promoting the economic and environmental win-win of sustainable products and process decision-making.

"Total partnership is one of the real keys to success in any joint effort," according to Georgeson. "Don't just give lip service to it; practice what you preach. Also, make it clear that you are only one link in the chain. While you may have high expectations for your suppliers, keep in mind that you are also responding to high expectations from the regulatory and global community—and importantly from your customers and consumers."

Working closely with your suppliers can help your company reap some of the same benefits that SC Johnson has enjoyed. Between 1990 and 1996, SC Johnson achieved more than a 25 percent reduction in virgin packaging material use on a global basis. In addition, the company reduced its volatile organic compound use by 24 percent and cut manufacturing waste in half. During that period, production increased by more than 50 percent. All of this adds up to success, not to mention improved product quality, heightened productivity, and enhanced product innovation.

For more information about SC Johnson and their achievements, e-mail Cynthia Georgeson, director of corporate public affairs, SC Johnson Wax (Racine, Wisconsin) at <cageorge@scj.com>.



COMPANIES PROMOTE ENVIRONMENTAL LEADERSHIP

ROCHE VITAMINS FORTIFIES ITS ENVIRONMENTAL COMMITMENT

When Roche Vitamins Inc. shared its new environmental policy with supply vendors, its concern for the environment was contagious—as reflected by the suppliers' overwhelmingly positive response. In February 1997, Roche sent a letter recommending reasonable, environmentally beneficial goals for suppliers and seeking their commitment. More than 30 of Roche's critical suppliers responded to the letter enthusiastically, paving the way for a lasting relationship.



The largest hurdle cleared by Roche was obtaining the time and resources needed from the departments responsible for compiling the letter. Roche's Packaging and Design Department and Purchasing Department collaborated on the contents of the letter. In the letter, Roche requested that suppliers accomplish the following:

- Reduce packaging materials used in products, preferably by at least 20 percent by the end of 1998.
- Increase postconsumer and recycled-content materials in corrugated containers to 25 percent by the end of 1998.
- Use the highest percentage of postconsumer and recycled-content materials possible in other types of packaging.



Roche asked suppliers to reply to the letter within 30 days and state their acknowledgment and understanding of these goals. According to Ken Zinis, compliance advisor, "The suppliers welcomed Roche's effort, oftentimes describing their own programs and environmental policies." Roche organizes direct meetings and conversations about its policy with suppliers on a case-by-case basis. The company appreciates the opportunity to positively influence other companies and enjoys sharing its environmental philosophy. Although encouraging the adoption of environmental ideals is not always easy, Roche and its suppliers have reaped both positive financial and environmental benefits as a result of their efforts.



With continued annual mailings, Roche plans to solidify its partnership with its supply vendors and track their progress. The company regularly partakes in outreach to

other businesses and the community to share its positive experiences and challenges related to the company's environmental program. Roche advises and encourages other companies to set realistic goals and demonstrate preference toward vendors who commit to meet those goals.

In the future, Roche expects to gather examples of suppliers' environmental efforts and inquire about their environmental programs, which will enable Roche to quantify the impact of its relationship and encouragement. For information regarding Roche's supplier letter and environmental program, contact Ken Zinis, compliance advisor, Roche Vitamins Inc., (Belvidere, New Jersey) at <Kenneth.Zinis@roche.com> or 908 475-7307.

Ways Your Supplier Can Reduce Your Solid Waste

BY REDUCING OR ELIMINATING PACKAGING:

- Eliminate unnecessary secondary packaging such as extra bags, boxes, or filler.
- Pack products more efficiently to use less packaging or smaller containers.
- Supply products in bulk or concentrated form to reduce packaging.
- Replace standard packaging filler with reusable air-cushioned bags.

BY CHANGING DISTRIBUTION SYSTEMS:

- Send product information electronically rather than through paper catalogs.
- Establish electronic purchasing or billing systems.
- Supply inventory on a "just-in-time" basis to reduce expired inventory.
- Create a distribution system that backhauls reusable containers such as totes or pallets.
- Take back a pallet for each pallet left with supplies.

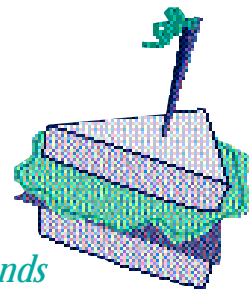
BY PURCHASING OR TAKING BACK MATERIALS FOR REUSE:

- Take back substandard or rejected products.
- Accept waste for reprocessing as feedstock in conformance with all sanitary code requirements.

BY SUPPLYING DURABLE PRODUCTS:

- Design products for long life.
- Provide warranties and extended service contracts for repair of products.

Minnesota Chamber of Commerce Watches Its Weight at Lunch



When employees of the Minnesota WasteWise program at the Minnesota Chamber of Commerce realized how many pounds they were “putting on” at their lunchtime meetings, they knew it was time for a change. They decided to put the organization on a diet of sorts to cut out the unnecessary “fat” and trim down their waste as much as possible.

Reducing food consumption had no part in this group’s recipe for success, however. Rather, the group worked with its caterers to greatly reduce the amount of packaging in which food is served.

The Minnesota Chamber of Commerce became interested in reducing its luncheon waste purely out of motivation to conserve resources. Staff noticed that the luncheons hosted by the organization several times a month were responsible for generating the majority of the nonrecyclable waste in the office. Meals were served in clam-style, single-serve, ridged polystyrene containers, which quickly piled up in the trash can. With disposal costs charged as a flat fee on top of rent, the organization stood to save no money in waste hauling charges or tipping fees by cutting the containers out of the waste stream. As Karen Flannery, Minnesota WasteWise program director, put it, however, “It was just a matter of principle and common sense.”

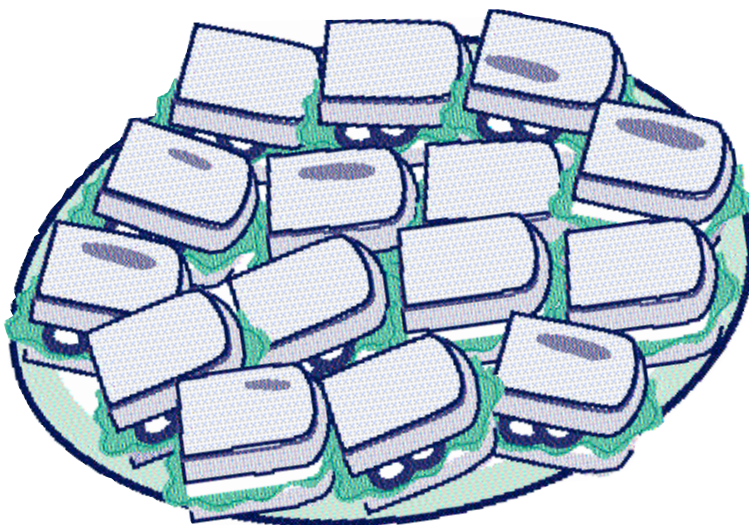
When Flannery approached the catering companies that regularly served the Minnesota Chamber of Commerce and requested that they reduce packaging used for lunches, the catering companies met her with mixed reactions. Some felt that most of their customers actually preferred individually packaged meals over a group buffet-style presentation and were reluctant to alter their service. One of the organization’s principal caterers—Atrium Catering of Minneapolis—however, needed little convincing to adjust its delivery style. According to Flannery, “The challenge was to change the caterer’s perception of customers’ demands.” Once she made it clear that reducing the amount of waste generated would accomplish the Minnesota Chamber of Commerce’s objectives and benefit the caterer by reducing its supply costs, Atrium Catering was sold on the idea.

Now, instead of delivering the lunches in 20 to 30 individual one-use boxes per meeting, Atrium Catering provides the food on two large reusable trays and serves chips out of a large bowl rather than small bags. This simple change has considerably slimmed down the office’s waste stream. Using trays in place of boxes for 40 weeks last year eliminated approximately 600 boxes, and the trays are so durable and versatile that staff members take them home to reuse for serving their own guests. As a result of the catering change,

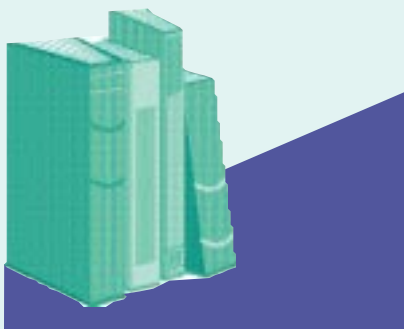
Flannery estimates the Minnesota Chamber of Commerce reduced its nonrecyclable luncheon waste by more than 50 percent. The buffet-style food service program has proven so successful that Atrium Catering now offers all of its customers the option to order their deliveries the “Minnesota WasteWise Way.”

What is perhaps most inspirational about this cooperative waste reduction program is that, contrary to what one might expect, the Minnesota Chamber of Commerce found its small size wasn’t a barrier to influencing its caterers. This is a hopeful sign for smaller WasteWise partner organizations that their size might not be of much consequence in affecting their suppliers’ openness to new ideas. As the Minnesota Chamber of Commerce learned, the real keys to influencing suppliers are establishing a good rapport and maintaining an open line of communication.

For more information on the Minnesota Chamber of Commerce’s success in working with its catering company to reduce waste, contact Karen Flannery, Minnesota WasteWise program director, Minnesota Chamber of Commerce (St. Paul, Minnesota) at 800 821-2230.



R e s o u r c e s



PUBLICATIONS

Selecting a Supplier, Hauler, and Materials Broker

This fact sheet provides organizations with guidelines and questions to ask in negotiating with suppliers to reduce their waste streams. Developed by Resource Recycling Systems, Inc.

Contact: Office of Waste Reduction Services, State of Michigan, Departments of Commerce and Natural Resources, P.O. Box 30004, Lansing, MI 48909; Phone: 517 335-1178.

Reduce/Reuse/Recycle: Are You Buying Trash? Save Money and Prevent Purchasing Waste

This fact sheet lists examples of waste prevention in which organizations have requested or required suppliers and contractors to reduce waste and save money. New York City Department of Sanitation, April 1994.

Contact: New York City Department of Sanitation, P.O. Box 156, Bowling Green Station, New York, NY 10274-0156; Phone: 212 837-8089.

Office Green Buying Guide

A guide to Green Seal environmental papers. Topics include steps to implementing a green purchasing program and products to have in a green office (recycled paper products, tissue, facsimile machines, computers, lighting, photocopiers, cleaning products, paints, inks, toner cartridges, reusable envelopes and bags, suppliers, vendors, recommended products). Green Seal Environmental Partners, 1996.

Contact: Green Seal Environmental Partners, 1730 Rhode Island Avenue, NW, Suite 1050, Washington, DC 20036-3101; Phone: 202 331-7337.

Greening the Supply Chain: Benchmarking Leadership Company Efforts to Improve Environmental Performance in the Supply Chain

This paper documents a study that identifies model business practices in the area of supply chain environmental management. Expectations for nonbusiness or external stakeholder groups regarding the environmental performance of leadership companies and their suppliers also are provided. May 1997.

Contact: Business and the Environment Program, Business for Social Responsibility Education Fund, 1030 15th Street, NW, Suite 1010, Washington, DC 20005.

"Let the Supplier Beware: How a New Breed of Supply Chain Management Practices is Changing Procurement"

This article explains how to work with supplier companies, gives examples of organizations that have developed environmental policies, and provides guidelines to consider when evaluating suppliers for environmental performance. *The Green Business Letter*, April 1997.

Contact: Tilden Press, Inc., 1519 Connecticut Avenue, NW, Washington, DC 20036.



INTERNET

"Purchasing for Waste Reduction"

This list of ideas was approved by professional procurement officers and is intended to help you jump start your waste prevention efforts and save money too. <www.ciwmb.ca.gov/mrt/wpw/wpbiz/fspurcha.htm>

"Questions to Ask Your Vendor"

A checklist to help businesses make well-informed purchasing decisions and write form letters to send to vendors announcing that purchasing environmentally preferable products is a priority with your organization. <www.epg.org/aa.ask.html>

"Publicizing Your Environmental Accomplishments"

Recommends simple ways to inform vendors, manufacturers, coworkers, in-town and on-location crew about your organization's environmental policies. Recommends conversions to use in communicating the impact of your environmental policies. <www.epg.org/Publicizing_Your_Green.html>

"Using Your Buying Power"

This Canadian web site recommends methods for improving office operations and suggests ways to adopt an office procurement policy that encourages the purchase of green products. <www.ns.doe.ca/udo/office/chap9.html>

"Green Procurement: Moving Environmental Quality Up the Supply Chain"

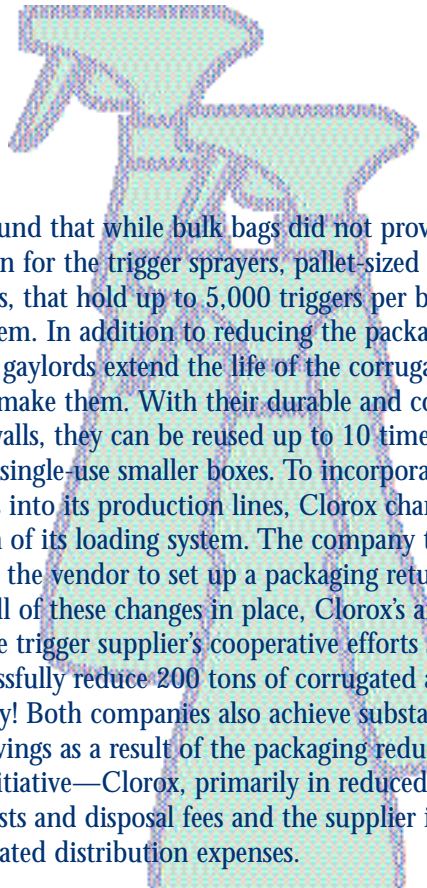
Gil Friend and Associates, a consulting group specializing in strategic environmental management including corporate environmental policy, EcoAuditing, and ecological reengineering, wrote this article explaining the steps an organization should take to initiate a supplier program. <www.eco-ops.com/eco-ops/nbl/nbl.3.20.html>

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Questions? Comments?
Contact us at 800 EPA-WISE (372-9473), or by e-mail at <ww@cais.net>. Or visit our web site at <www.epa.gov/wastewise>.

Clorox's Efforts Trigger Comprehensive Savings



In the competitive consumer products industry, where cost controls are vital to a company's competitiveness, **The Clorox Company** continually searches for ways to increase resource efficiency and reduce its production costs. For decades now, the company has worked with its suppliers to eliminate extraneous costs wherever possible. Motivated primarily by the need for cost control, Clorox has successfully implemented a comprehensive supplier waste reduction program. This program encompasses many aspects of the customer-supplier relationship from product packaging specifications and electronic communications to shipping and distribution methods.

During a recent evaluation of its operations, Clorox found that the trigger sprayers used on various cleaning products were packed too few to a box to effectively supply production lines. Not only was this "lag in production...costing the company precious resources in labor expenses," according to Clorox's Manager of Environmental Programs, Terry Bedell, the small boxes were piling up quickly and adding unnecessarily to the company's disposal costs. Clorox realized that the process of unloading the spray triggers was causing a significant resource inefficiency, and Clorox's operators did not hesitate to take action to institute change.

Backed by the notion that the most obvious solution to the problem lay in switching to a larger container, Clorox's procurement department asked the company's trigger supplier to consider using bulk containers in place of 500-count corrugated boxes. To gain the supplier's support, Clorox emphasized that the packaging change was an opportunity for mutual savings and made it clear that it reflected Clorox's needs. In light of its long-standing positive working relationship with Clorox, the supplier was receptive to the idea.

Before either company could move ahead with implementing the necessary packaging and procedural changes, each had to assess whether a switch to bulk shipments would be feasible given the limitations of the companies' operations and the product itself. The vendor conducted tests on the spray triggers to see if they could withstand shipment *en masse*. Meanwhile, Clorox evaluated how it might accommodate the spray triggers' new form of packaging into its own production lines.

The supplier found that while bulk bags did not provide enough protection for the trigger sprayers, pallet-sized bulk boxes, or gaylords, that hold up to 5,000 triggers per box would protect them. In addition to reducing the packaging-to-product ratio, gaylords extend the life of the corrugated material used to make them. With their durable and collapsible double walls, they can be reused up to 10 times, as compared to the single-use smaller boxes. To incorporate the pallet-sized boxes into its production lines, Clorox changed the configuration of its loading system. The company then coordinated with the vendor to set up a packaging return program. With all of these changes in place, Clorox's and

the trigger supplier's cooperative efforts successfully reduce 200 tons of corrugated annually! Both companies also achieve substantial savings as a result of the packaging reduction initiative—Clorox, primarily in reduced labor costs and disposal fees and the supplier in abated distribution expenses.

Clorox continues to search for new ways to increase resource efficiency in its operations. Bedell suggested that Clorox might next examine possibilities in its product specifications. Changing the weight and/or composition of the plastic caps used on product bottles, for example, could potentially yield cost benefits greater than or equal to those the company has already experienced.

According to Bedell, having strong working relationships with suppliers is integral to the company's success in initiating supplier waste reduction programs. Bedell found that vendors tend to be eager to accommodate needs of their long-time customers. The more successful they are at providing value to customers like Clorox, the better the chances that the customer will continue to purchase their products. "Another key point for partners interested in supplier reduction programs," Bedell stresses, "is to clearly let your suppliers know what your operations look like and what your needs are and to ensure that you communicate this information at the right level." In Clorox's case, the supplier invited Clorox's line personnel on site to visit their plant, and Clorox reciprocated by inviting the supplier's shipping and distribution personnel to their own facilities. This helped build a team attitude and fostered cooperative efforts.

" Another key point for partners interested in supplier reduction programs is to clearly let your suppliers know what your operations look like and what your needs are and to ensure that you communicate this information at the right level."

—Terry Bedell, manager of environmental programs, Clorox Company

SPOTLIGHT ON GOVERNMENT



Massachusetts Advises Environmental Purchasers

I*f you don't practice what you preach how can you encourage others to follow? This message rings true for many local and state governments that are beginning to look at environmental purchasing practices. How do you get started?*

While most governments are organized differently, all have one source for procuring goods and services — the purchasing department. There is no better way to get a state, locality, or tribe to work toward environmental purchasing than an executive order or policy requiring the purchasing department and employees to consider environmentally sound goods. Eric Friedman, environmental purchasing coordinator with WasteWise partner, the **Commonwealth of Massachusetts**, has been purchasing environmentally preferable products for the Commonwealth for the past 5 years. Out of his top 10 tips for governmental purchasing, he places an executive order or policy as number one. “Not only will a policy or order state what is expected by the government, but it also establishes upper-level support,” says Friedman.



Other Steps for Environmental Purchasing

Below are some of Friedman's other tips for successful environmental purchasing.

Involve the right people in the decision-making process. Make sure your team includes all the principal partners in your program: employees from purchasing, facilities, public works, environmental, and any other departments you deem necessary.

Talk with other states and localities. Check to see what your peers are doing. They can give you great advice as to what works and what doesn't.

Start off with what's easy. If you are putting a purchasing policy together, Friedman suggests that you start with easy prod-

ucts so that you can gain employees' trust. “We started with envelopes,” Friedman explains. “They were something that everyone uses and are easy to convert to a recycled product with no impact on performance or appearance. Once people knew that they [envelopes] were made from recycled-content material, it was easier to get them to use recycled paper and other products.”



It's not all or nothing. “Many programs suffer from this syndrome,” Friedman says. “Even if you only have one or two environmental products or practices, it's a start. The momentum will build, and, slowly but surely, you will see more and more success.”

Do your homework. Include all the requirements for the product or practice (or be willing to send out amendments). Friedman recalls one mistake in this area. “We forgot to include the American Petroleum Institute's specifications in our re-refined motor oil bid. Vendors called us right away to let us know of our mistake, and we quickly corrected it in an amendment we sent out a few days later.”

Establish pilot programs. Another way to gain the trust of your employees (and to try something different) is to establish a pilot program in a department or within a government.

Publish a guidebook. Give your employees as much information as possible. Also, the language of the guidebook needs to be instructive and not filled with “shoulds” and “wills.” Friedman says that by using such words as “reasonable” and “acceptable” you will gain more support for your program. Check out the Commonwealth's purchasing department web site at www.magnet.state.ma.us/osd/enviro/enviro.htm for more ideas on procurement guidebooks and fact sheets.



Keep information flowing. Nothing kills a program like lack of information. Keep researching new and upcoming products and practices and update your employees. Massachusetts conducts workshops, maintains a web site, and sponsors an annual vendor fair to spread the word.

For more information, contact Eric Friedman, environmental purchasing coordinator, Commonwealth of Massachusetts (Boston, Massachusetts) at 617 727-7500, Ext. 351.



ComEd Cuts Waste By Streamlining Purchasing Process

Are old supplies piling up and creating a disposal problem for you? While bulk purchasing can help reduce waste for some organizations, others receive more supplies than they can use on a regular basis. For Tom Hall, procurement specialist for WasteWise partner **Commonwealth Edison (ComEd)**, these problems created hefty disposal costs and increased administrative burdens. Hall established a “just-in-time” policy through a single supplier that enabled ComEd to obtain supplies as needed and reduce waste from materials that exceeded their shelf life. This policy, along with some other streamlining processes, has saved the company more than **\$500,000** since the project began.

Hall, who regularly purchases chemicals, lubricants, and lab supplies for ComEd, explains that before ComEd adopted its just-in-time policy with a single supplier for the laboratory, the company faced many difficulties in managing the supply chain. Formerly, it ordered materials from six suppliers, each of which required a separate invoice for every order. With ComEd’s 16 facilities placing orders for several items a day, the cost for processing the invoices and paper flow alone became a significant expense. In

addition, bulk orders produced waste from leftover supplies whose shelf life had expired.

Hall developed a pilot with one of the suppliers that alleviated ComEd’s burden. He negotiated with the supplier to designate several new methods to order supplies by phone, fax, or the Internet. The supplier created a web site that contained an online catalog, a complete list of stock, and online order forms. This system provided real-time data on the availability of particular items so ComEd could determine when it would receive the supplies. The supplier also agreed to fill the orders for next-day delivery as needed and send only one billing statement monthly to each facility.

According to Hall, the most important part of the contract, however, was establishing a third-party buying system so ComEd need only order through a single supplier. By establishing a third party buying system, the supplier became responsible for ordering materials and supplies from other companies and charging ComEd for its services. This policy relieved ComEd from its dependence on six different suppliers with separate invoicing and delivery systems. The supplier also agreed to adhere to a buy-back policy so that surplus materials would not be thrown away.

ComEd has expanded the pilot study to all of its 16 facilities. In order to make it a complete success, Hall notes that it is important for the supplier to commit to a firm price for a long-term contract. ComEd selected the supplier based on its willingness to meet ComEd’s needs and its strong performance on consistent pricing and delivery. Hall states, “It’s not only great for cutting waste and improving our bottom line. It ultimately reduces the end cost for our customers too!” For more information, please contact Tom Hall, supply manager, ComEd (Chicago, Illinois) at 630 663-5125.



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(5306W)
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