

University of the West of England

Research and Development

Developing the CIPS Sustainability Index

Section 1 About the project

Summary

The CSI is an independent index underpinned by sound academic research that allows suppliers to obtain a score of their social, economic and environmental sustainability credentials. Additionally it provides buyers and suppliers benchmarking opportunities within category and business sector whilst providing efficiency gains and advice on how to improve to participating suppliers.

Project partners

Our Project partners were the Chartered Institute of Purchasing and Supply (CIPS) who are the world's largest purchasing professional body with over 100,000 members worldwide and PRGX inc. who are headquartered in Atlanta, Georgia and the world's leading provider of recovery audit services.

Section 2 The results

The problem

Many organisations have developed their own policies and processes in an aim to be recognised as a sustainable business. One key element of this activity is for an organisation to understand the sustainability credentials of its supply base. This is both from a pure sustainability standpoint, i.e. wanting to use suppliers where possible who have the same values in this area as themselves, but also as part of their business risk strategy. It is now well recognised that suppliers who are seen as having a low level of many sustainability elements can pose a significant risk to the profitability and reputation of their customers. However understanding their suppliers' sustainability credentials has proved challenging for most Public and Private organizations due to the lack of expertise, difficulty quantifying results and swamping suppliers with duplicate and/or inappropriate questions



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Profile

- HEI
- 30,000 students from 140 countries
- 3500 staff
- 600+ courses

Category supported by



Finalist's case study

The approach

Based on sound academic research, strong involvement from procurement leaders in the public and private sectors along with the independence and robust critique from CIPS we aim to create an index (the CSI) that will provide all purchasing organisations in the UK with a comprehensive assessment of their suppliers' sustainability credentials.

We planned to take this from the idea/concept stage through to a fully launched business over a 2 years period. This was made up of 1 years initial research by UWE, 1 years product and supporting software development by UWE, CIPS and PRGX supported by industry mentors including the purchasing managers from Exeter, UWE, Gloucester, Reading and Brunel universities, the DoE, DWP and Mod from central govt. Bristol City Council, as well as BP, Centrica, Arup, DAS, Office Depot and Tarmac from the private sector. We also developed knowledge partners who critiqued our work and provided access to supporting documentation including Carbon Trust, IEMA, BiTC, and more recently EAUC.

Our goals

To launch the CSI mid 2013 and within 12 months have at least 20 buying organizations and 500 registered suppliers.

To extend the CSI to other geographies during 2014 /15.

Obstacles and solutions

Obstacle

- Getting partnership agreement agreed by all 3 parties
- Getting buyers to prioritise supplier sustainability measurement
- Needed peer review from sustainability specialist organizations
- Very small businesses struggling with SME developed questions
- Establishing cost effective audit and assessment team
- Initial supplier approach email had poor response
- How to only ask each supplier appropriate questions
- Arriving at Financial risk calculation

Solution

- Perseverance
- Link directly to supplier risk
- Developed Knowledge Partner Concept
- Developed Micro business question set
- Established & trained team in Pune, India
- Ensure it is sent from Procurement Head
- Developed question allocation matrix
- Use leading Industry specialist score

Performance and results

Since its launch last year the CSI has already become a leading sustainability independent index for the public and private sector in the UK. It has pushed the supplier sustainability agenda within many organisations and in turn has challenged participating suppliers to work on areas identified as needing improvement. Following a pilot phase during the second half of 2013 it has now over 100 participating buying organisations, over 750 registered suppliers and has a first year revenue projection of £500,000. In addition it has been launched in Ireland and will be launched in the USA and Australia early in 2015. Resulting supplier scores are already changing behaviour within the areas they are identified as in the lower quartile of their peers amongst many of the participating suppliers as well as proving the basis for a six monthly CIPS Sustainability Review published globally.

Finalist's case study

Section 3 The future

Lessons learned

1. Treat any 'roadblocks' you encounter within your Institution as a challenge to be overcome not a reason to abandon your project.
2. Choose your partners carefully and take time to understand their culture, structure and what will work for them in terms of desired outcomes.
3. Not all suppliers/organisations are the same. We developed differing question sets, marking schema, advice for large, small and micro businesses.

Sharing our project

We have given presentations on CSI to over 200 University Purchasing and Finance groups either directly, through webinars (inc. EAUC) and at conferences. A key part of this is to help them understand the link between sustainability and supplier risk. In addition we have extensively used the CIPS to disseminate to their 100,000 worldwide membership. It is already replicated in Ireland with no change to the question sets or underlying methodology and as shown below the replication in Australia and North America is well under way. Also we have spoken at a number of Supplier days on the growing importance of Sustainability measurement within the Procurement world.

What has it meant to your institution to be a Green Gown Award finalist?

UWE Bristol, Vice-Chancellor Professor Steve West said, "At UWE Bristol we are committed to achieving our vision of being recognised as one of the most sustainable universities in the country. To win a prestigious award in this category would be further acknowledgement by our peers of how our groundbreaking interdisciplinary teaching and learning and research are supporting the national sustainability agenda."

Further information

CSI web site – www.cips-sustainabilityindex.com UWE lead- Prof. Andrew Douglas,
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