

### Navigating Sustainability: Overcoming Challenges in Adopting Green Practices within Business Procurement



# Introduction

#### SUSTAINABILITY

Development that "[meets] the needs of the present without compromising the ability of future generations to meet their own needs"

**Brundtland** Commission



## **Navigating Challenges in Green Production**

• Triple Bottom Line Approach:

Businesses must integrate societal, economic, and environmental considerations [1]

- Sustainable Procurement: Assessing environmental impact, resource efficiency, and pollution [2]
- Supplier Collaboration: Given supply chains emit more emissions than individual entities [3]
- Material Availability: Minimize Costs and Ensure Material Availability through Proactive Adoption [4]
- Related UN Sustainability Goals:



[1] Rinalducci, Simone Nulli; 2023

[2] Backsæther, Mathias; 2023

[3] Oyewobi, Luqman Oyekunle and Jimoh, Richard Ajayi; 2022)

[4] Fredershausen, Anna-Christina et al. (2022)

#### WHAT ARE THE BARRIERS FOR SUSTAINABLE PURCHASING?

How can businesses effectively navigate these barriers and achieve sustainable procurement?



## **N O**

Analysis



### **Illuminating Internal Barriers**

	Description	Impact Assessment	
Knowledge and Information Gap	Limited internal expertise hampers sustainable procurement decisions [1]	Inefficient procurement practices, limited awareness concerning the urgency of sustainable changes [1]	
Financial Constraints	Inability to afford investment for sustainable development due to high costs & Uncertainties in ROI [2]	Higher operational costs, missed opportunities for competitive advantage through sustainability, potential reputational damage [2]	
Organizational Barriers	Resistance to change and short-term focus can impede the adoption of sustainable procurement practices [3], [1]	Delayed implementation of sustainable initiatives, reduced competitiveness in the long run, potential loss of market share to more sustainable competitors	

[1] Vejaratnam, Navarani et al.; 2020

[2] Zhang, Abraham et al.; 2022

[3] Lacroix\_Richard Nikolas



### **Addressing External Challenges in Sustainability**

	Description	Impact Assessment	
Regulatory Insufficiency	Lack of supportive regulations can limit the company's ability to enforce sustainable practices [1]	Increased legal and compliance risks, potential penalties for non-compliance [2]	
Customer Pressure	Dependence on customer preferences for sustainable products can impact market competitiveness and profitability [3]	Risk of losing customers to more sustainable competitors, potential revenue loss [1]	

[1] Ghadge, A, Choudhary, S and Caldwell, N.; 2016[2] Vejaratnam, Navarani et al.; 2020).

[3] Timmermans, Nard; 2022



#### Key Insights Enhancing Sustainable Procurement Practices

Employment Strategies	hiring experts	educating staff	replacing employees	[1]
Implementation Strategies	learning-by-doing	working with consultants	collaborating with universities	[2]
Supplier Commitments	fostering a shared commitment	mandates carbon neutrality in contracts	Educating and incentivizing supplier	[1] [3]

[1] Zhang, Abraham et al.; 2022[2] Gong, Yu et al.; 2018[3] Vejaratnam, Navarani et al.; 2020





# Conclusion



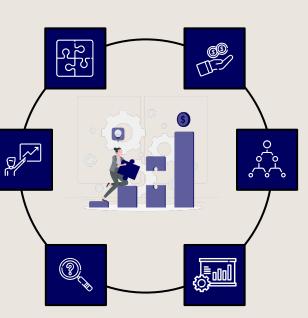
#### **Conclusion** Elevating Performance: Sustainable Procurement Excellence

#### Limitations

limited resources, complex chains, cultural disparities

Strategic Approach Drive economic benefits, Building a sustainable future

**Continued Exploration** Research & implement practices for long-term success



#### **Cost Reduction**

Utilize eco-friendly materials & processes for significant savings

Supplier Risk Minimization Diversified supply chains mitigate shortages & disruptions.

#### **Case Studies**

Learn from decarbonization pioneers for invaluable insights



## THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT.

**Peter Drucker** 



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