

A Special Topics Course for MBA – Fall 2008

GBSA 594: "Sustainable global supply chains"

Course Guide & Syllabus

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Text: Required Text(s):
You should select
Either
Harvard Business Review on Corporate Responsibility. Harvard Business School Press. (HBR CSR)

Or ***Harvard Business Review on Business and the Environment.*** Harvard Business School Press. (HBR B&E)

Course readings:
Selected references will be posted on the CE6 course site

Class Schedule: Thursday, 7:00 - 9:50 pm, SCMI Conference Room

Office Hours: I typically have office hours available between 10-5, so please schedule an appointment via email to luz.williams@sandiego.edu.

Rationale:

The increasing globalization of suppliers and customers has increased concern with the issues of sustainable and responsible management across global supply chains. In this course we explore the main risks, opportunities and practices we now see in global supply chain management from both conceptual and practical perspectives on sustainable practice. We will look at how organizations as varied as Intuit, Wal-Mart, Starbucks, US Marine Corps and other corporations address and apply responsible and sustainable supply chain strategies.

Students on this course will engage in applied studies and learn from academics and practitioners about the current challenges in this critical business arena.

No prior knowledge of supply chain management is needed.

Preamble

“There is no conflict between profit and social responsibility”

Peter Drucker, Wall Street Journal, 1975

Profit is a regulator of the life of a business, but it is not the only one; other human and moral factors must also be considered which, in the long term, are at least equally important for the life of a business.

Pope John Paul II, Centesimus annus, 1991

The day is not far off when the economic problem will take the back seat where it belongs, and the arena of the heart and the head will be occupied or reoccupied, by our real problems — the problems of life and of human relations, of creation and behavior and religion.

John Maynard Keynes: First Annual Report of the Arts Council (1945-1946)

Future market success will often depend on an individual company’s (or entire value chains) ability to simultaneously satisfy not just the traditional bottom line of profitability but also two emergent bottom lines: one focusing on environmental quality, the other on social justice.

John Elkington, Cannibals with Forks, 1997

...products on average contain only 5% of the raw materials involved in the process of making and delivering them...

McDonough & Braungart, Cradle to Cradle, 2002

What is Social Responsibility?

The American Society for Quality defines ‘social responsibility’ as people and organizations behaving and conducting business ethically and with sensitivity towards social, cultural, economic and environmental issues. Striving for social responsibility helps individuals, organizations and governments have a positive impact on development, business and society.

Why is Social Responsibility important?

Smart business decisions are not just a matter of counting short term dollars and cents. Wise decision-makers look at the future impact of today’s choices – on people, on the community and on the opinions of customers. While business results, investment, free enterprise and other traditional economic forces continue to drive U.S. industry, organizations’ reputations and their ability to compete effectively around the world depend on them integrating social responsibility efforts into business leader decision-making and enterprise performance.

<http://www.asq.org/social-responsibility/about/faq.html>

Course Introduction:

Environmental and social issues have been largely treated as peripheral concerns to business. However, for a variety of reasons, companies are now fusing social mission with competitive strategy. A form of “new capitalism” is emerging where environmental and social performance across the extended enterprise is embedded in the competitive strategy of the organization. Organizations are now evaluating themselves using the ‘triple bottom line’ (Elkington, 1997). The triple bottom line is concerned with creating a profit at the same time considering the long-term issues of society and the environment. This wider perspective requires that organizations consider the value added to looking at the total cost of ownership of the products and process that they use in their organizations.

This course is structured as an in-depth analysis into the nature of the sustainable business and will provide students with an understanding of Corporate Social Responsibility (CSR) in the organization, operation and development of global operations and supply networks (‘the extended enterprise.’)

There are many challenges to an organization which desires to be sustainable and socially responsible. These challenges include, but are not limited to, sustainable design, ‘green operations’, sustainable procurement, responsible sourcing and ‘green logistics’. In addition, the formal and informal networks across and between organizations (from innovation through destruction of the process or product) are core processes that need to be carefully evaluated to bring about a culture of corporate and social responsibility.

Learning Objectives:

This course will provide students with tools for social innovation in management processes.

At completion of this course, students will be able to:

1. Synthesize various central concepts and theories of *corporate social responsibility* as the basis for analyzing and evaluating the implications for the management of supply chains and the extended enterprise.
2. Evaluate the effects that *supply chains* may have on the environment. Draw on case examples and research from a range of global industries.
3. Develop the skills used in *systems thinking* so students will be able to evaluate the total environmental cost of ownership (TECO).

Other references:

Cannibals with Forks John Elkington, 1997 Capstone Paperback

Cradle to Cradle. William McDonough & Michael Braungart. 2002. North Point Press.

The Triple Bottom Line. Andrew Savitz with Karl Weber. 2006. Jossey-Bass

Natural Capitalism. Paul Hawken, Amory Lovins, L. Hunter Lovins. 1999. Little, Brown & Company

Other resources:

A range of web links and a course portal via Blackboard CE6 will be provided. There is a Harvard Business School (HBS) course site providing a range of cases and references for this course.

Course structure

Section Themes	Aims and behaviors	Indicative Reading
<p>ONE</p> <p>Strategy & Context: CSR and sustainability in the extended enterprise</p>	<ul style="list-style-type: none"> • Identify critical concerns for business in developing a comprehensive CSR agenda. • Explore the dilemmas of human rights, social responsibility and environmental imperatives. • Examine the implications for Global Sourcing and Supply Chain. • Gain an awareness of the Resource, knowledge and relational based views of strategy • Understand the implications of supply chain vs. organizational competition for scarce resources. <p>Case study preparation: “Cradle to cradle design at Herman Miller: Moving toward environmental sustainability” (HBS case download)</p>	<p>“Serving the world’s poor, profitably”</p> <p>C.K. Prahalad & Allen Hammond (HBR CSR reader)</p> <p>“What’s a business for?”</p> <p>Charles Handy (HBR CSR reader)</p> <p>“Future roles of business in society: the expanding boundaries of corporate social responsibility and a compelling case for partnership”</p> <p>Alyson Warhurst (Futures – CE6)</p> <p><i>The sustainability sweet spot”</i></p> <p>Savitz & Weber, Triple Bottom Line (text)</p> <p><i>Stern Review – Economics of Climate Change</i> (CE6)</p>
<p>TWO</p> <p>Design for Environment</p>	<ul style="list-style-type: none"> • Gain an awareness of Life cycle approaches to design. • Consider the characteristics of the design chain (the collaborative value network for innovation) • Distinguish between ‘traditional’ and eco-effective design 	<p><i>“A road map for natural capitalism”</i></p> <p>Amory Lovins., L Hunter Lovins & Paul Hawken (HBR B&E Reader)</p> <p><i>Cradle to Cradle</i></p> <p>William McDonough & Michael Braungart</p> <p>“Life cycle technology”. Chapter</p>

	<p>Read the WalMart case on the HBS site in preparation for this session)</p>	<p>8 in <i>Cannibals with Forks</i>. John Elkington.</p>
<p>THREE & FOUR</p> <p>Green Supply Chain Management - Tools and Processes to achieve sustainable and cost-competitive Supply Chains</p> <p>(Frank Baeker)</p>	<p>As "green" has turned into a mainstream trend, governments and corporations have launched a plethora of initiatives to do their part. But apart from reputation and regulation, what are the main drivers that will re-shape today's supply chains into sustainable ones?</p> <p>Learn how to enhance a supply chain's competitive advantage by improving resource efficiency, ensuring environmental compliance across trading partners and introducing new products and services that are sustainable from both an environmental and financial perspective.</p> <p>Case study preparation: "Starbucks Corporation building a sustainable supply chain" (HBS case download)</p>	
<p>FIVE</p> <p>The sustainable supply chain operations</p>	<ul style="list-style-type: none"> • Gain an overview of global supply chain trends • Map and analyze critical SC operations resources and assets • Identify 'green operations' <p>Case preparation: "McDonald's Corporation: Managing a sustainable supply chain" (HBS case download)</p>	<p>"Lean and green." Richard Florida, CMR (download from HBR)</p> <p>"Sustainability at Hewlett-Packard: From Theory to practice." Case study - (download from HBR)</p> <p>Beyond greening"</p> <p>Stuart L Hart (HBR B&E Reader)</p> <p>"A guide to carbon-efficient supply chain" IOMA Report</p> <p>Starbucks Annual Report 2005 (CE6)</p>
<p>SIX</p> <p>Responsible sourcing & outsourcing</p> <p>Reverse Logistics</p>	<ul style="list-style-type: none"> • Utilize a responsible sourcing matrix for evaluating sourcing & outsourcing decisions • Discuss high profile CSR case incidents in outsourcing 	<p>"The ethical supply chain"</p> <p>Steve New (CE6)</p> <p>"Responsible supply chain management. Ethical sourcing in practice." S Lillywhite. (CE6)</p>

	<p>Case study preparation: “Amanco: Developing the Sustainability Scorecard” (HBS case download)</p>	<p>“Recycling for profit: The new green business frontier”</p> <p>David Biddle (HBR B&E Reader)</p>
<p>SEVEN</p> <p>Measurement</p>	<ul style="list-style-type: none"> • Performance management – the Environmental scorecard • Conduct a simple <i>total environmental cost of ownership</i> analysis. 	<p>“Sustainability’s accountants” Chapter 4 in <i>Cannibals with Forks</i>, John Elkington.</p> <p>“Tunneling through the cost barrier” Chapter 6 in <i>Natural Capitalism</i>, Hawken et al</p> <p>Tables A1 and A2 in Zhu et al, “Confirmation of a measurement model for green supply chain management practice implementation” (CE6)</p>
<p>EIGHT</p> <p>Risk Management</p>	<ul style="list-style-type: none"> • Undertake a critical risk analysis • Identify risk mitigation for sustainable and responsible supply chains 	

Assessment

Assessment for this course will consist of two elements:

Class participation: Discussions and student led activities will constitute an important aspect of the pedagogy for this course. Being prepared and participating in assigned tasks and activities is a core element of the grade. You will be given clear guidance and instruction on the expectations for this element of the course assessment. (Assessment of participation will include presentation of assigned readings, case study analysis and presentation and submission of briefing notes.)

400 points available

Team or Individual Project: This will be finalized through discussion and agreement. A number of potential options exist:

1. You will be organized into a team and required to produce a short presentation and a 3000 word report relating to sustainability issues in global supply chains. The topic and brief will be determined by week three.

600 Points available

OR

2. As a class, you are to work with your professor on a research project which will include survey or telephone interviews with SCMI Board members and Alumni related to their sustainability efforts and challenges in their supply chains – the output of which could be the basis for a 2500+ word *academic* paper which will be submitted for review to a major international conference (EurOMA 2009).

600 Points available

Grades are based on the following:

93.0-100%	A
90.0-92.99	A-
87.0-89.99	B+
83.0-86.99	B
80.0-82.99	B-
77.0-79.99	C+
73.0-76.99	C
70.0-72.99	C-
etc.	

DISABILITY SERVICES

Students with disabilities who believe that they may need accommodations in this course are encouraged to contact Disability Services in Serra Hall 300 (619 260-4655) as soon as possible to better ensure that such accommodations are implemented in a timely fashion.

ACADEMIC INTEGRITY

USD's policy on academic integrity is expressly integrated into this course. Any deviation from the standards of this policy may result in a grade of "F" for the course. Because most of the work in this course must be your own, any unauthorized assistance will be considered a violation of the academic integrity policy. If you have questions about the propriety of your work or other participants' conduct concerning this course, I am readily available to offer an interpretation of this policy.

Appendix

The six Principles of Responsible Management Education are:

Principle 1. Purpose: We will develop the capabilities of students to be future generators of sustainable value for business and society at large and to work for an inclusive and sustainable global economy.

Principle 2. Values: We will incorporate into our academic activities and curricula the values of global social responsibility as portrayed in international initiatives such as the United Nations Global Compact.

Principle 3. Method: We will create educational frameworks, materials, processes and environments that enable effective learning experiences for responsible leadership.

Principle 4. Research: We will engage in conceptual and empirical research that advances our understanding about the role, dynamics, and impact of corporations in the creation of sustainable social, environmental and economic value.

Principle 5. Partnership: We will interact with managers of business corporations to extend our knowledge of their challenges in meeting social and environmental responsibilities and to explore jointly effective approaches to meeting these challenges.

Principle 6. Dialog: We will facilitate and support dialog and debate among educators, business, government, consumers, media, civil society organizations and other interested groups and stakeholders on critical issues related to global social responsibility and sustainability.