



PROCUREMENT BULLETIN

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[Case Study] Target's Sustainability Goals Start With the Store's Supply Chain

For more than five decades, Target has made strides to increase sustainability throughout its chain of operations. Learn how Target's new climate policy will change its business practices and how the retailer's sustainability goals could affect its complex supply chain.

Situation: Target Seeks to Improve Sustainability and Drive Profits



Image via [Flickr](#) by JeepersMedia

Target is no newcomer to developing environmentally friendly business practices, as the retailer made the connection between improving sustainability and driving profits long ago. The company's role as the top corporate solar installer in the U.S. in 2016 and its vocal support of the Paris Agreement in 2017 are just two of its most recent sustainability initiatives.

As [Target chairman and CEO](#) Brian Cornell stated, "Target has long been committed to making our business more sustainable, which leads to a stronger, cleaner supply chain and operations, and a healthier environment for our team members and guests." To build on its past while continuing to move forward, the retailer sought additional strategies for promoting sustainability, streamlining its supply chain, and boosting profits in 2017.

Approach: Target Announces a Cleaner Supply Chain



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In October 2017, Target announced an innovative climate policy, along with key short- and long-term goals. To establish these objectives, the retailer drew from [Science Based Targets](#), an initiative that encourages businesses to rely on science-based research when developing sustainability targets.

Target's new climate goals include four main components. First, by 2025, the retailer aims to reduce both direct and indirect greenhouse gas emissions at least a quarter below its 2015 levels. Target aims to do this by investing in solar and wind power and improving the efficiency of in-store lighting and HVAC systems. Second, by 2022, the retailer plans to [eliminate 2 million metric tons of emissions](#) produced annually in its own brand manufacturing facilities. Target intends to do this by participating in clean production programs and improving both water and energy efficiency.

Third, by the end of 2018, the retailer intends to launch an additional sustainability goal related to its manufacturing and distribution processes. Finally, in the coming years, Target has also pledged to transition its operations in the U.S. to 100 percent renewable energy.

Impact and Advantage

Target's ambitious goals could affect supply chains in a number of ways. To meet its objectives, the retailer intends to invest in low-carbon transportation options, which could lead to additional innovation in the electric vehicle arena. Target also aims to reassess the impact of its raw material sourcing practices and deploy mitigation plans as necessary.

The retailer's continued emphasis on renewable energy and improved water and energy efficiency may also cause its partners to adopt more sustainable practices. Although these results won't have an immediate effect, Target's annual Corporate Responsibility Report will aid partners and competitors alike in assessing the results of Target's 2017 climate policy.

As one of the five largest retailers in the U.S., Target's initiatives have the potential to make a substantial impact. Once Target successfully implements these changes and publishes their results, key players throughout global retail supply chains should be prepared to adapt their procurement, transportation, and logistics policies to meet similar sustainability benchmarks.

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Will Amazon's Hub Streamline Deliveries to Apartment Buildings?

After achieving success with its locker delivery system designed for convenience stores and supermarkets, Amazon recently launched the Hub, intended for secure deliveries to customers in apartment buildings. Learn how Hub by Amazon works and find out how this service streamlines last-mile logistics.

Hub by Amazon Offers Superior Security for Deliveries



Image via [Flickr](#) by Atomic Taco

Delivery security issues can occur with customers living in a range of residential settings, especially when they aren't available to receive deliveries directly. Many of those who live in apartment and condominium buildings rely on building staff members to receive and store deliveries, which can create an additional layer of potential security issues. Those who live in housing complexes without mailroom services may struggle to receive deliveries at all.

The Hub, which Amazon launched in mid-2017, addresses these security issues head on. Modeled on Amazon Lockers, which provides areas for secure package deliveries in public spaces, the Hub receives and stores deliveries in the lobbies of apartment buildings and housing complexes.

The Hub doesn't require the recipient or any building staff members to be present for delivery. The driver simply places the delivery in an available locker, and the recipient can use a unique code to retrieve the package from the Hub.

Customers Can Look Forward to Improved Convenience



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Unlike housing complex offices, which often have limited hours, the Hub is open around the clock. Once they receive their Hub codes, which are automatically generated upon delivery, customers can retrieve their packages at any time.

Although Amazon designed the Hub with its own deliveries in mind, the locker system can receive and store packages from virtually any carrier. This flexibility makes the Hub even more functional, potentially propelling it to become an essential item for housing complexes around the U.S.

Hub by Amazon comes at a cost, as building owners must [pay \\$10,000 to \\$20,000 for system installation](#). Some housing complexes may charge residents for use of the Hub, while others may cover the cost and offer the system as an amenity. Many building managers and customers alike will find that the added convenience and security that Amazon's locker system provides is worth the price.

The Hub Streamlines Last-Mile Logistics

There are several challenging aspects of last-mile logistics that Hub by Amazon addresses quite well. First, it enables drivers to make deliveries at any time of day, without relying on either the customer or a building staff person to receive the delivery. This aspect allows drivers to improve delivery efficiency, as it applies fewer scheduling restrictions and eliminates the need to reschedule deliveries in the event that a recipient isn't present.

Even more importantly, the Hub gives Amazon [much greater control over last-mile logistics](#), as this new feature effectively serves as the final piece of the delivery chain puzzle. The Hub also gives Amazon the potential to create even further disruptions in the delivery and last-mile logistics arenas, since it can accept deliveries from a variety of other providers.

As the Hub permeates the market, last-mile logistics providers and e-commerce retailers should watch closely to assess the myriad ways that Amazon continues to improve and streamline supply chains.

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[Case Study] XPO Logistics Launches Interactive Last-Mile Logistics Technology

As the largest last-mile logistics provider for heavy goods in North America, XPO Logistics already has a key role in powering innovation in this sector. With its latest technology launch and large-scale expansion, the provider aims to drive substantial growth. Learn more about XPO Logistics' interactive technology and find out how it could change last-mile logistics for heavy goods across the continent.

Situation: XPO Logistics Aims to Improve the Delivery Experience for Heavy Goods Consumers



Image via [Flickr](#) by Transport Pixels

All last-mile logistics providers aim to provide seamless service for retailers and generate high satisfaction ratings from customers, but XPO Logistics' specialization in heavy goods has led to unique challenges. Few last-mile providers require customers to participate actively in deliveries, as drivers can typically leave packages on customers' doorsteps. However, the vast majority of heavy goods deliveries demand customer presence and participation, which requires additional coordination efforts.

When customers lack delivery details or need to adjust delivery schedules, they inadvertently create delay. These scheduling issues can affect last-mile efficiency, impact retailer profits, and reduce customer satisfaction. To improve its services to furniture, appliance, and other heavy goods retailers and customers, XPO Logistics has taken steps to pioneer innovative last-mile technology.



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Approach: XPO Logistics Expands and Launches Interactive Last-Mile Technology

XPO Logistics intends to roll out its interactive last-mile technology to consumers who purchase heavy goods through both e-commerce and traditional channels. The software will enable consumers to manage deliveries in real time, reschedule deliveries quickly, opt in to traffic alerts, and receive notifications via their preferred channel. As [XPO Logistics Chief Information Officer](#) Mario Harik explains, this technology gives consumers a personalized experience that they can manage electronically. Ultimately, this new offering from XPO Logistics will give consumers better understanding of their deliveries and more control over their schedules, resulting in greater satisfaction.

In addition to its innovative technology launch, XPO Logistics aims to expand substantially in 2018. By the end of the year, the provider plans to double its footprint in North America, bringing its [total number of service hubs to 85](#). At the end of 2018, XPO Logistics' last-mile services are projected to potentially reach 90 percent of the population in the U.S. Not only will this expansion enable the logistics provider to serve nearly all American consumers, but it will also help the company increase its overall efficiency.

Impact and Advantage

XPO Logistics' dual-edged launch and expansion is likely to give the last-mile logistics provider a substantial boost in the heavy goods sector. The provider's initiative to offer improved last-mile services to e-commerce retailers has already begun to prove profitable. For 2017 Q3, [XPO Logistics reported a record profit](#), with 47 percent growth for its heavy goods business.

If the provider's interactive technology platform generates the anticipated increase in efficiency and customer satisfaction, its larger footprint will allow the firm to continue to expand its services throughout the U.S. As e-commerce retailers take advantage of the provider's new technology and expanded footprint, XPO Logistics could lead the last-mile logistics sector more effectively than ever in years to come.

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How 2degrees, Asda, and The Co-op Are Driving a Sustainable Food Supply Chain

In October 2017, major British supermarket chains Asda and The Co-operative Group announced a partnership with sustainable supply chain platform 2degrees. Discover how the partnership stands to benefit all three parties and learn how this collaborative platform could revolutionize the food supply chain.

How Asda and The Co-op Plan to Work With 2degrees



Image via [Flickr](#) by eastleighbusman

On its surface, 2degrees' partnership with Asda and The Co-op is relatively simple. 2degrees aims to [use its digital platform](#) to provide supplier sustainability data that both Asda and The Co-op need. Suppliers that work with these supermarket giants will submit current data pertaining to waste, water usage, and energy consumption directly to 2degrees. The Sustain & Save Exchange (SSE) platform will then aggregate the data and deliver it to Asda and The Co-op as needed.

How This Partnership Will Streamline the Food Supply Chain

By providing all available sustainability data to a single outlet, suppliers can eliminate the need to field numerous vendor requests or to collect and provide data on demand. This partnership effectively helps suppliers avoid duplicating their efforts, which enables them to focus on manufacturing and delivery rather than on data collection.

Ultimately, all three partners intend for the collaboration to help them improve their sustainability. As Sarah Wakefield, [food sustainability manager for The Co-op](#), states: "The Co-op is committed to a better way of doing business, and we believe that collaborating on data



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collections means our suppliers can focus on what matters most — making great quality products with the lowest environmental impact possible.”

Though this partnership has started on a somewhat limited scale of two major supermarket chains and a handful of mutual suppliers, it has the potential to make a big impact on the food supply chain. In fact, suppliers have already reported improved efficiency and reduced costs, while Asda has benefited from streamlined data collection and identified [over €100 million in cost savings](#).

How Collaborative Platforms Could Lead to Positive Change in the Food Supply Chain

While this collaboration helps supermarket giants streamline their sustainability initiatives, it also helps both small and large suppliers improve their business practices. Smaller suppliers may not have the resources to address numerous requests for data while also growing their businesses in a sustainable manner. The SSE platform enables them to do both.

With the [Manufacture 2030 platform](#), another initiative pioneered by 2degrees, suppliers and retailers can do even more. This platform helps companies throughout the food supply chain to assess costs, reduce risks, implement best practices, and improve sustainability. Through this platform, suppliers can connect with one another and work together to pursue sustainable goals. With environmentally friendly models at their fingertips, it's easier than ever for suppliers to assess how sustainable improvements will benefit their business, their vendors, and the entire food supply chain.

These digital initiatives from 2degrees may be new, but they have the potential to make a positive impact on the food supply chain. By making data easy to provide and access and opening channels of communication, 2degrees' platforms can help supermarket giants and small suppliers alike achieve more sustainable practices.



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Related Procurement Events

Certified Procurement & Purchasing Specialists (CPPS)

- 2nd April-31st May 2018 - Online Distance Learning
- 2nd July-31st August 2018 - Online Distance Learning
- 8th October-30th November 2018 - Online Distance Learning
- 23-26 October 2018 - London, UK
- 13-16 November 2018 - Hong Kong
- 4-7 December 2018 - Singapore
- 9-12 December 2018 - Dubai, UAE

Download the full details: <https://www.ethanhathaway.com/training/certified-procurement-purchasing-professional-specialist-cpps/>

Certified Master Procurement & Purchasing Specialist (CMPPS)™ [formerly CCPO] Training Course

- 26-28 November 2018 - London, UK

Download the full details: <https://www.ethanhathaway.com/training/certified-chief-procurement-officer-ccpo/>

Certified Supply Chain Management Professional (CSCMP)™ Training Course

- 29-31 October 2018 - London, UK
- 19-21 November 2018 - Hong Kong
- 10-12 December 2018 - Singapore
- 16-18 December 2018 – Dubai, UAE

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