

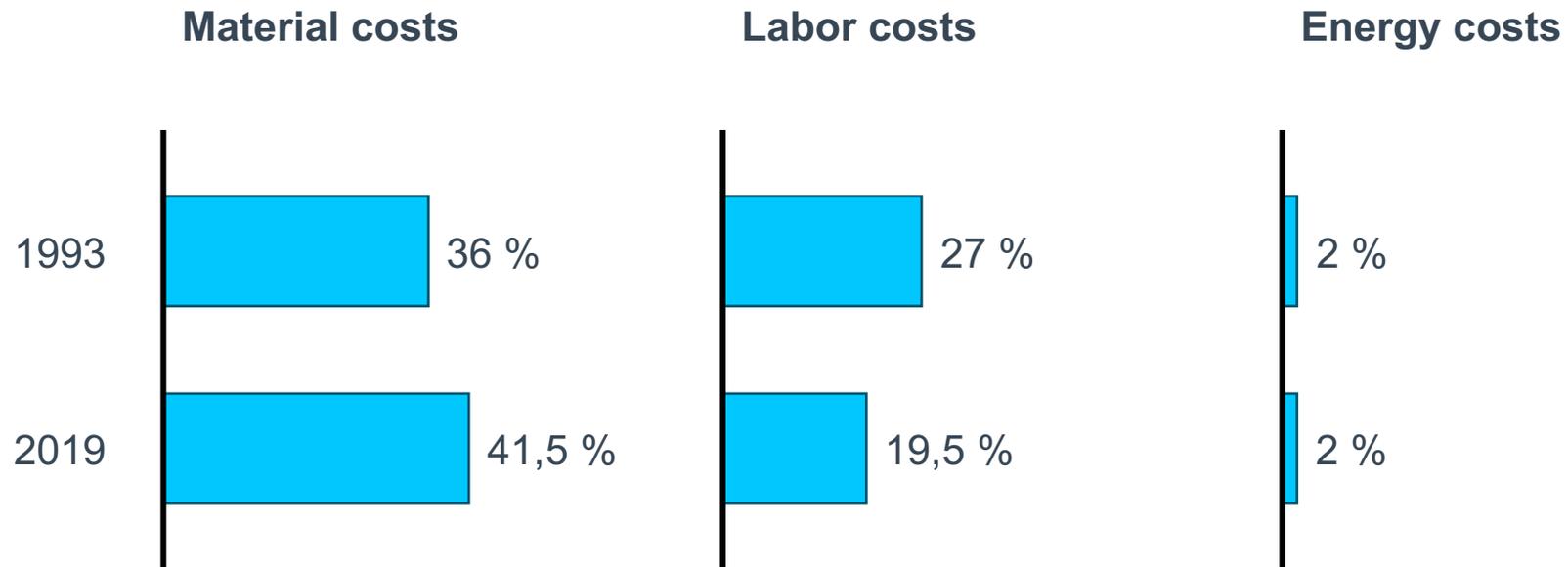
CIRCULAR SOURCING

Circular economy can help purchasing departments reduce costs, reduce emissions, secure supplies and save resources

GATE C

MATERIALS COST FOR INDUSTRIAL COMPANIES IS INCREASING...

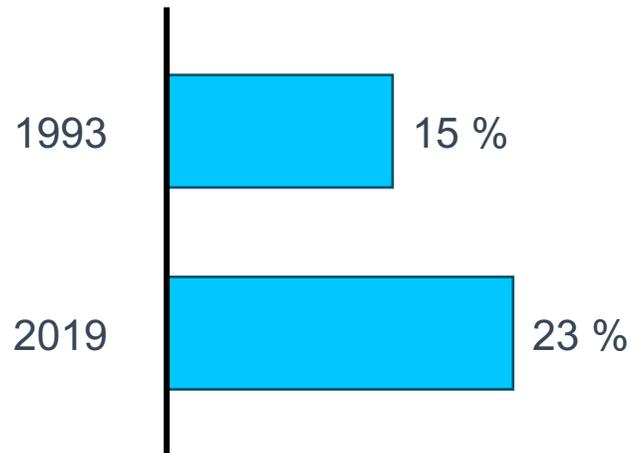
Evolution of the production cost structure of German manufacturing SMEs
in percentage



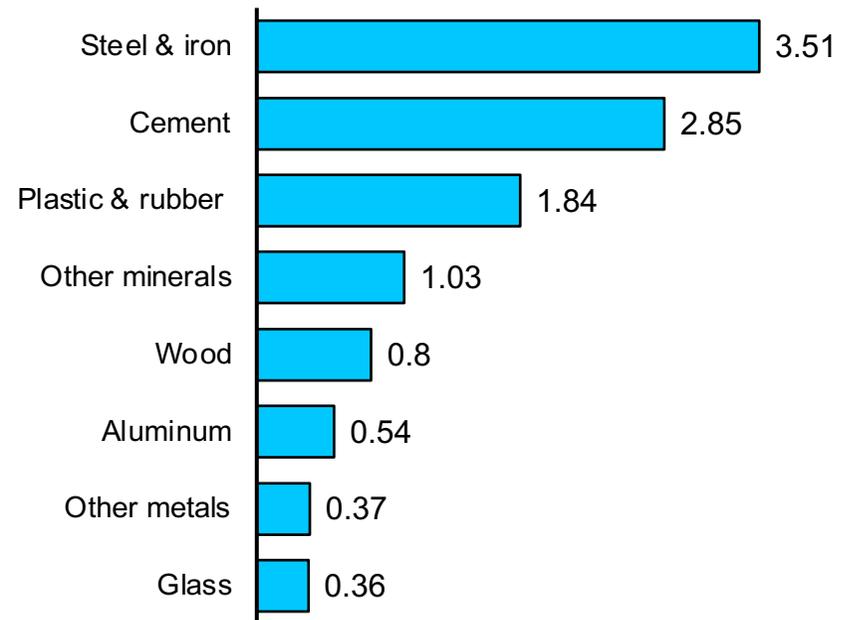
Source: Federal Statistical Office of Germany

... WHILE MATERIAL PRODUCTION IS RESPONSIBLE FOR MORE THAN 20% OF GREENHOUSE GAS EMISSIONS

Evolution of the share of material production in greenhouse gas emissions
in percentage



Contribution of major materials to overall greenhouse gas emissions
in gigatonnes equivalent CO₂



Source: Hertwich, E.G. Increased carbon footprint of materials production driven by rise in investments. *Nat. Geosci.* 14, 151–155 (2021).

YET EXISTING SOURCING STRATEGIES OFTEN FAIL TO ADDRESS MATERIAL EFFICIENCY

Main sourcing strategies

Exercise Power

- Consolidate number of suppliers
- Aggregate volume across units
- Redistribute volume among suppliers

- Compare “total” costs
- Model “should-costs”
- Renegotiate prices
- Hold an online auction

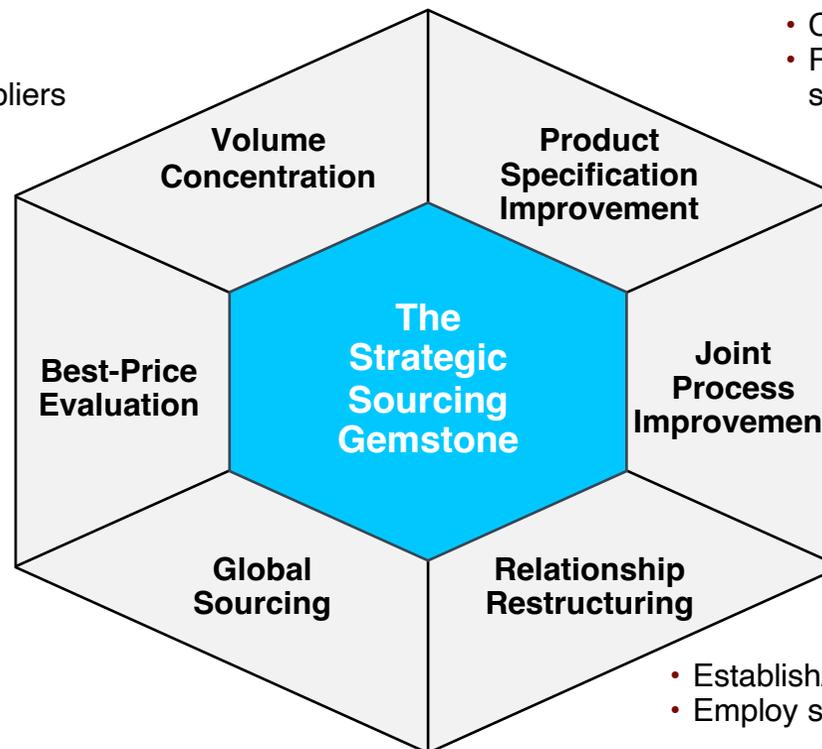
- Expand geographic supply base
- Develop new suppliers

Create Advantage

- Conduct product value analysis
- Rationalize / standardize specifications

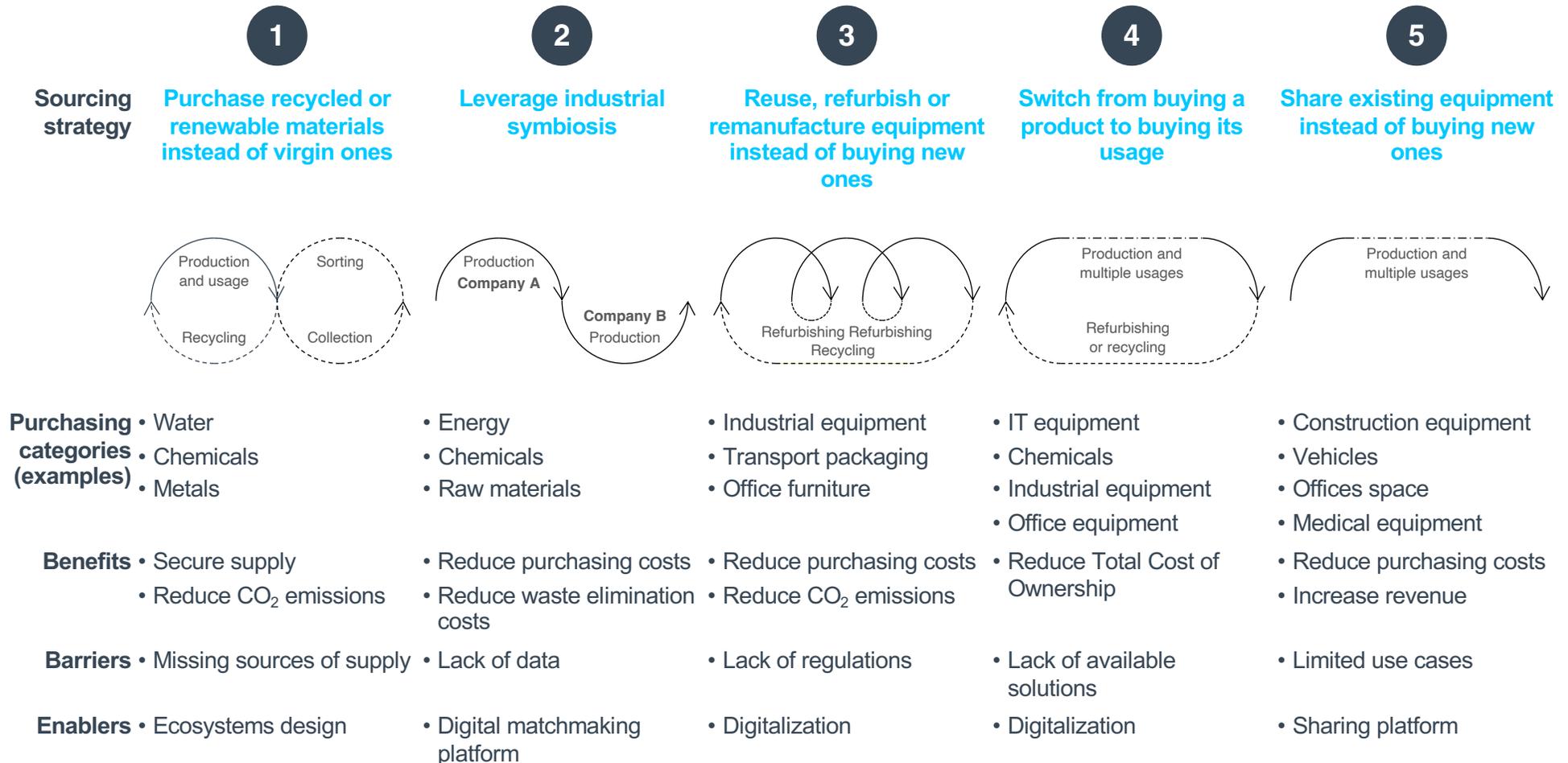
- Reengineer joint processes
- Support supplier operations improvement

- Establish/develop key suppliers
- Employ strategic alliances/partnering



TO IMPROVE MATERIAL EFFICIENCY, PURCHASING DEPARTMENTS SHOULD LEVERAGE CIRCULAR SOURCING STRATEGIES

Circular sourcing strategies



TO HELP OUR CLIENTS LEVERAGE CIRCULAR SOURCING STRATEGIES, WE PROVIDE A SET OF SERVICES



Training

We deliver training on circular sourcing strategies. We leverage more than 100 examples and cases studies.



Workshop

We facilitate half-day workshops with category managers to identify circular sourcing opportunities and quick wins.

We use the Circular sourcing deck, a cards deck that review circular sourcing strategies.



Opportunity study

For given purchasing categories, we help our clients identify, qualify and experiment relevant circular sourcing strategies.

WE HELPED MORE THAN 30 CLIENTS TO DISCOVER AND QUALIFY CIRCULAR SOURCING STRATEGIES

Customer	Description	Impact	Scope
	For a construction group, we organised a one-day training on circular sourcing strategies.	We trained 30 purchasers.	
	For a Region Pays de la Loire, we organised a half a day seminar on circular sourcing strategies.	We raised awareness of more than 250 public and private purchasers.	
	For a consumer-packaged goods manufacturer, we facilitated a workshop with 15 purchasers.	Our customer launched 3 innovation projects for new sustainable packaging.	
	For an industrial manufacturer, we facilitate an online workshop with 10 category managers.	We identified several cost reduction opportunities for chemicals and office equipment.	
	For a global chemical company, purchasing 8 billion € annually, we reviewed the existing sourcing strategies for industrial equipment.	We identified several strategies that reduced the TCO of several equipment by more than 20%.	



**We are a consulting firm helping
businesses to capture the value of the
circular economy**

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