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Michigan Going Lean and Green with Green Suppliers Network

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Times have been tough in Michigan over the past few years. As if ever-escalating vehicle manufacturer competition from Japan, Germany and Korea wasn't enough, soaring fuel prices earlier this year followed by a global credit crisis have seemingly brought the state to its knees. If any place was ever in need of a "make-over," Michigan is certainly a likely candidate. That's why the Green Suppliers Network is so interesting.

The Green Suppliers Network came to my attention through a video, [Green Suppliers Network: A Community of Practice](#), produced by the [Michigan Department of Environmental Quality](#) and made by documentary filmmaker [Girbe Eefsting](#). The department's goal in producing this video was to "introduce lean and green practices to small and medium sized manufacturers." While the video focuses on partnerships between brand managers like Eaton and Steelcase and their suppliers, there is tremendous application to private label retailers and THEIR suppliers, or even retail channel masters and their smaller brand suppliers.

In RSR's benchmark study on sustainability, "[What Can Green Do For You?](#)" retailers clearly identified the supply chain as an important candidate for green initiatives and the need to demonstrate green initiatives to the customer. In fact, it they identified it as the biggest opportunity beyond store energy reduction that operating in a more ecologically conscious manner could afford. In our report on private label merchandise, "[PLM Squared: Product Lifecycle Management Powers Private Label Merchandise](#)" retailers identified finding and keeping dependable partners as a top-three business challenge. The Lean and Green Suppliers Network appear to answer all these needs, and more.

The Green Suppliers Network has four driving principles: Making a profit, improving environmental performance, competing globally and meeting customers' needs. Many of the techniques involved are reminiscent of W. Edwards Deming, the American whose ideas still drive Japanese manufacturers like Toyota (the ironies of Deming's prominence everywhere BUT his home country is pounded into the heads of every graduate student in America). Continuous improvement, working in teams, taking heed of the recommendations of workers in the field and on the factory floor are core Deming tenets, and time has proven those tenets lead to greater profits, quality and efficiency. Suppliers who actually value the input of their workers are likely more trustworthy than those who don't.

At RSR we talk a lot about the paradox of global supply satisfying local demand, but the Green Suppliers Network has turned that concept on its head. Instead, it talks about local supply satisfying global demand. Lean manufacturing tenets ultimately drive reduced energy and material costs. Sourcing locally also reduces energy costs. We know that initiatives are underway to source more of the food we eat closer to the point of demand to reduce its carbon footprint. It would be great if we could do the same with non-food products.

Both our presidential candidates have talked about putting America back to work with "green collar jobs." On the surface, it sounds like these are all scientific, sophisticated jobs. In fact, as we can see from this [video](#), factory workers can ALSO be green collar workers. The excitement these workers feel is palpable. Americans are incredibly competitive. They/we love to compete. It's satisfying to see them juiced by their jobs, knowing they are making a difference and seeing a light at the end of a long, dark and rusty tunnel.

We're not naive enough to think that one video will slow down the juggernaut that is China, India or other global manufacturing sources. But we're also excited to see an opportunity for local suppliers to get back in the game. We hope this video gets wide airplay, and also hope US Retailers will see the opportunity to invest locally as well as globally. We love a two-sided

paradox: global supply to satisfy local demand AND local supply satisfying global demand. With a struggling economy, and a seemingly drunk and disorderly stock market, it would be really nice for the United States to get back in the business of actually MAKING things again.

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