



PROCUREMENT BULLETIN

June 2016 Issue

In this issue of Premium Procurement Bulletin...

- [Case Study] Whole Foods Market Plans to Add Solar Panels to 100 Locations
- Fresh Produce and the Problem of Listeria
- [Case Study] Toyota Applies Lessons Learned From 2011 Earthquake
- World Cup Rio: Where Brazil Went Wrong

[Case Study] Whole Foods Market Plans to Add Solar Panels to 100 Locations

Whole Foods Market is committed to providing customers with healthy and organic food options. Now, Whole Foods is adding sustainability to its mission by adding solar panels to 100 store locations. Take a look at what Whole Foods wants to accomplish with this initiative and what other businesses can learn from it.

Situation: Whole Foods' Environmental Stewardship Mission



Image via [Flickr](#) by miamism

Whole Foods is passionate about healthy food that is organic and ethically sourced. Since the company's first store opened in 1980, its mission has focused on sourcing and selling these types of food. However, the company also puts the planet before profits. Eco-friendly initiatives are at the core of Whole Foods' values.



PROCUREMENT BULLETIN

June 2016 Issue

All Whole Foods stores do things a little differently, but each location constantly looks for ways to reduce, reuse, and recycle. For instance, many stores implement composting, rainwater collection systems, extensive recycling programs, minimal product packaging, and alternative energy sources.

Whole Foods recently announced a deal with SolarCity to install solar panels on up to 100 store locations. This is yet another green initiative that supports [Whole Foods' environmental stewardship mission](#). Twenty-five stores already use some form of solar power.

Approach: SolarCity Will Provide Whole Foods With Solar Power Services



Image via [Flickr](#) by JeepersMedia

In partnership with SolarCity and other alternative energy companies, [Whole Foods will install rooftop solar panels](#) at up to 100 store locations and distribution centers across the United States. Whole Foods has not disclosed the specific locations that will receive solar panels in 2016. SolarCity said in a statement it will provide solar power services to stores in New York and New Jersey.

SolarCity, one of the top solar power providers in the United States, aims to help Whole Foods offset the need for power from the traditional power grid. Solar City plans to customize panel designs for each Whole Foods store based on the roof incline and the amount of direct sunlight each store receives. Ultimately, these solar panels will save Whole Foods money and help advance the company's eco-friendly initiative.

Impact and Advantage

Implementing solar panels will help Whole Foods reduce its environmental impact in yet another way. Whole Foods' environmentally friendly approach is something customers appreciate and that the company strives to achieve. Whole Foods' products often cost more than products at



PROCUREMENT BULLETIN

June 2016 Issue

traditional grocery stores, but many customers don't mind paying a little extra for their food when they know it's organic and comes from a company that cares about the planet.

At one point, some analysts thought Whole Foods was destined to go out of business because of higher product costs, but the company has proven that customers think about the greater cost of food when shopping for products. When Whole Foods takes a new step to improve the environment, customers show their support.

Whole Foods is a smart example of a business that cares about the environment. Other businesses shouldn't be afraid to implement green practices just because of the initial costs, since Whole Foods has demonstrated that many customers go out of their way to support businesses with an environmentally friendly mission.

PROCUREMENT BULLETIN

June 2016 Issue

Fresh Produce and the Problem of Listeria

Several *Listeria monocytogenes* outbreaks have already been reported in 2016. This growing problem is plaguing the food industry, particularly when it comes to pre-washed salad and fresh-cut vegetable products. For instance, one of the biggest *Listeria* outbreaks happened at an Ohio Dole processing plant in January 2016. Thousands of products were recalled, but several people got sick. Learn more about this health issue and what the food industry is doing to handle it.

Listeria Is Difficult to Control



Image via [Flickr](#) by jpalinsad360

The food industry has procedures in place to control and [prevent Listeria](#) and other food contamination at processing plants, but outbreaks still happen. This is because *Listeria* is particularly hard to control. It can adapt to survive in a variety of environments, and it colonizes quickly on most surfaces. The organism is also transient and can find its way into plants on shoes, boxes, and even dust. *Listeria* hides in cold, damp places and has a long incubation period.

Listeria is a prevalent problem in fruit and vegetable supply chain facilities because of the temperature controls. *Listeria* thrives in refrigerated environments. Bagged salads are particularly prone to *Listeria* because several vegetables are blended together in these bags, increasing the number of items that could have come in contact with the organism. This scenario took place at the Dole processing facility in Ohio.

PROCUREMENT BULLETIN

June 2016 Issue

Dangers of Listeria for Humans

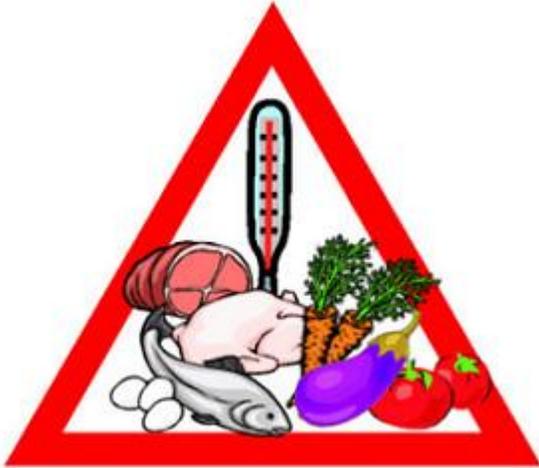


Image via [Flickr](#) by Alachua County

People can get sick from Listeria after consuming a small amount of the organism. However, it can then take as long as three weeks before they detect symptoms. This time lapse makes it hard to detect Listeria outbreaks before multiple people get infected.

According to [Food Safety News](#), 10 percent of people carry Listeria in their digestive tracts without symptoms. People who become ill can experience life-threatening symptoms, such as sepsis and shock. People with compromised immune systems, such as infants and the elderly, have the greatest risk of contracting Listeria.

Prevention and Detection of Listeria

Food processing and manufacturing facilities must adhere to strict sanitation and testing procedures to prevent Listeria and other food contamination problems. First, all equipment must be washed rigorously before any food comes into contact with any surface. Then, tests must be conducted to ensure the food surfaces are truly contaminant free.

Produce processing facilities frequently use large amounts of water to clean fruits and vegetables in hydro coolers. When facilities do not have large enough drains and are not cleaned properly, Listeria can thrive. The refrigeration complicates the problem further. That's why all surfaces must be tested for Listeria. Finished products should also go through testing to prevent Listeria from reaching consumers.

Even though Listeria is affecting supply chains more frequently, consumers shouldn't get overly worried. Procedures are in place to detect the bacteria and prevent it from reaching consumers.



PROCUREMENT BULLETIN

June 2016 Issue

When Listeria does make it to grocery store shelves, consumers are notified of the problem quickly so they know to watch out for symptoms of the disease. Improved Listeria detection tests are being developed to better control the Listeria phenomenon.

Listeria outbreaks are also problematic for the companies involved because they must recall products and suffer damage to their reputations. Businesses try to avoid Listeria outbreaks at all costs for the good of the company and the consumer.

PROCUREMENT BULLETIN

June 2016 Issue

[Case Study] Toyota Applies Lessons Learned From 2011 Earthquake

In 2011, automakers in Japan faced months of production setbacks due to a massive earthquake. When it happened again in April 2016, Toyota was better prepared and is already bouncing back. The company is still losing money because of the quake, but losses aren't as bad as they were in 2011. Take a look at what Toyota learned from the first quake and what disaster plans it put in place to keep production happening this time around.

Situation: Toyota Wanted to Be Better Prepared for Disasters



Image via [Flickr](#) by JeepersMedia

After the 2011 earthquake in Japan, Toyota knew it had to be [better prepared to handle a disaster](#) the next time it happened. The automaker assessed several areas of its business and supply chain to look for ways to improve processes.

In 2013, Toyota conducted a survey of its suppliers in Japan to pinpoint problem areas that could cause production delays in the event of a disaster. Then the automaker implemented a new database called Rescue. This database stores information about Toyota's suppliers and parts. When one supplier goes down, the database allows Toyota to reallocate production and avoid major bottlenecks. After the 2016 earthquake, the database was a lifesaver.

PROCUREMENT BULLETIN

June 2016 Issue



Image via [Flickr](#) by myun2

Approach: Toyota Quickly Responds to Production Delays

When the earthquakes happened in April 2016, Toyota initially stopped almost all production in affected areas of Japan, but the company was back up and running in under two weeks. Some factories were only [shut down for five days](#). That's a huge improvement over the 2011 earthquakes, when Toyota took more than six months to resume normal operations after the quake.

As auto research analyst [Takaki Nakanishi](#) explains, "I think 3-11 helped everything ... [Toyota has] a new supply chain management system built in." The automaker also spent money on reinforcing some of its existing factories, diversifying its parts manufacturing and business operations, and training employees and suppliers to act more quickly during a disaster.

Toyota suppliers quickly recovered molds from factories and ordered substitute parts to prevent major delays in its production line after the earthquake in 2016. One Toyota supplier even contracted a competitor to produce new parts until normal operations could be reestablished.

Impact and Advantage

The damage that resulted from the April 2016 earthquake in Japan was less severe than the March 2011 disaster, but Toyota dealt with similar issues both times. In both cases, factories were damaged and some suppliers were cut off. Fortunately, the company's disaster recovery plans enabled operations to continue to run despite the earthquake.

Other automakers have also learned from Toyota's quick action. It's important for a global business to prepare for disaster because no area is immune. Earthquakes, tornadoes, hurricanes, tsunamis, and other natural disasters can cripple any operation in a matter of hours.



PROCUREMENT BULLETIN

June 2016 Issue

When one section of a supply chain stops working, the entire operation suffers. A disaster plan enables businesses to work around problems quickly and avoid major supply chain delays. Toyota offers an impressive example of how to prepare and enact a disaster plan.

PROCUREMENT BULLETIN

June 2016 Issue

World Cup Rio: Where Brazil Went Wrong

The world is watching Brazil as it rushes to put the finishing touches on its FIFA World Cup 2014 accommodations. Businesses could learn a thing or two from this world cup crunch. It's the perfect metaphor for the grand opening of a storefront or even a product launch.

Where did Rio go wrong? Read on for the latest blunders from Brazil, plus our assessment on how you can avoid similar mistakes with your company.

Deadlines and Infrastructure



Image via [Flickr](#) by Leonardo Veras1

Brazil is experiencing a bottleneck effect when it comes to infrastructure. Too many projects are being pushed through to a narrow deadline. Although the opening match is on June 12, 2014, and construction has been ongoing for years, the country has struggled to keep up with the demand.

The construction scrimmage regards [12 stadiums](#) and massive work to transportation systems, including roadways and airports. A deal seven years in the making may not seem like a tight deadline, but resources, labor force, and corruption have contributed to delays. Many of the issues were the result of starting too many projects at once.

Goal-Worthy Strategy: Focus on the biggest problem first. When it comes to the bottleneck effect, trying to push a bunch of projects through a pinhole ends up slowing the construction process overall. Officials might have learned more from their mistakes if they had less to focus on in the early stages. The same goes for any business.

In the midst of a major overhaul, you may be tempted to look at the overall project instead of focusing attention on each part. While it's possible to work on multiple aspects at once, it isn't always advisable in the early stages.

PROCUREMENT BULLETIN

June 2016 Issue

Lack of Skilled Workforce



Image via [Flickr](#) by lwpkommunikacio

Tight project deadlines have increased the demand for skilled construction workers. Unfortunately, most of them are already hard at work, hammering out only about 20 percent of the projects. It's estimated that around 80 percent of the world cup projects have been delayed due to lack of capable workers.

With goals looming, officials have made hasty decisions in taking on untrained producers, which could – in effect – delay the projects even more.

According to the [Huffington Post](#), in May 2013, "A worker at a World Cup stadium in Brazil died Thursday in an electrical accident, temporarily interrupting construction at one of the most-delayed venues only five weeks before the soccer tournament." This worker was the eighth to pass away in a string of accidents that have plagued the site.

Goal-Worthy Strategy: If you must hire unskilled workers to push a product to launch, at the very least implement an accelerated training program. Adequate training is especially necessary for front-line staff members who will ultimately represent your product. Developing a training program with corresponding materials will get your staff up-to-speed quickly and consistently.



PROCUREMENT BULLETIN

June 2016 Issue

Reliance on Quick Fixes



Image via [Flickr](#) by tFidelis

It's likely that some large-scale projects, previously anticipated for completion by June 2014, won't make the cut – including the new airport terminal that was meant to usher tourists to FIFA in style. [Reuters reports](#) that Brazil will instead use quick fixes such as a pre-fab canvas terminal.

Goal-Worthy Strategy: Officials should have instead taken a more modest approach to infrastructure. Instead of thinking and spending big (over \$14.5 billion), Brazil could have cut corners from the start to present a more finished look – even if it couldn't be five-star.

Has your company ever experienced anything like these FIFA failures? Share your strategies for success in the comments below.



PROCUREMENT BULLETIN

June 2016 Issue

Related Procurement Events

Successful Project Management

- 9-13 May 2016-Kuala Lumpur, Malaysia
- 22-26 August 2016-Singapore
- 26-30 September 2016-Kuala Lumpur, Malaysia
- 6-10 November 2016-Dubai, UAE
- 5-9 December 2016-Singapore

Download the full details:

<http://www.ethanhathaway.com/training/successful-project-management/>

Certified Enterprise Risk Management Specialist (CERMS)

- 1-30 July 2016-Online
- 10-11 August 2016-Bangkok, Thailand
- 1-31 October 2016-Online
- 10-11 November 2016-Singapore
- 14-15 November 2016-Kuala Lumpur, Malaysia
- 7-8 December 2016-Hong Kong

Download the full details:

<http://www.ethanhathaway.com/training/enterprise-risk-management/>

Certified International Procurement Professional (CIPP)

- 25-27 July 2016-London, UK
- 15-17 August 2016-Singapore
- 26-28 September 2016-Jakarta, Indonesia
- 24-26 October 2016-London, UK
- 13-15 November 2016-Dubai, UAE
- 28-30 November 2016-Singapore
- 12-14 December 2016-Hong Kong

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Certified International Supply Chain Professionals (CISP)

- 20-22 July 2016-London, UK
- 10-12 August 2016-Singapore
- 21-23 September 2016-Jakarta, Indonesia
- 19-21 October 2016-London, UK
- 23-25 November 2016-Singapore
- 7-9 December 2016-Hong Kong

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