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[Case Study] Ocean Spray Realizes Benefits of Cutting Carbon Emissions

Many businesses have come to realize the benefits of lowering their carbon emissions. Not only is this practice good for the environment, but many companies also see increased profits as a result of their efforts. Ocean Spray Cranberries, for instance, cut delivery-related emissions by 20 percent and costs by 40 percent. Take a look at how Ocean Spray made these changes and what inspired the company to take them on.

Ocean Spray Participates in the EDF's Climate Corps Fellowship Program



Image via [Flickr](#) by avlxyz

Ocean Spray had the opportunity to participate in the Environmental Defense Fund's (EDF) Climate Corps program, in which an outside researcher analyzes a company's logistics network and looks for optimization opportunities. During its time in the green freight fellowship program, Ocean Spray received insight on sustainability from research fellow Eric Chappell.

This is just one example of Ocean Spray's continual work to improve processes while lowering its carbon footprint, both part of the company culture. [Keli Sanford](#), Ocean Spray's Logistics Manager, said, "Ocean Spray has long sought to capture efficiencies, drive down costs, and reduce the carbon impact of our complex distribution network... we knew that the Climate Corps

program would underscore the important work that has already been done, while bringing fresh ideas and thinking into the process."

Ocean Spray Switches Distribution to Rail



Image via [Flickr](#) by RogerGoun

In addition to small logistics changes to improve sustainability, Ocean Spray has also transformed its distribution channels. Ocean Spray is one of the largest produce juice drink companies in North America. In 2011, Ocean Spray opened a new distribution center in Florida to meet growing demand for its products in the Southeast. This reduced the number of trucks that Ocean Spray needed to distribute its products, which led to a reduction in carbon emissions.

After opening its new distribution center, Ocean Spray also discovered from its logistics provider, Wheels Clipper, that another juice company was moving empty rail cars along the CSX railroad as back haul. This presented an opportunity for Ocean Spray to partner in its distribution route. Most of Ocean Spray's product was coming from New Jersey by freight truck. To be a good partner, Ocean Spray had to triple the size of its shipments to accommodate the larger rail cars.

It took one year for Ocean Spray to shift 80 percent of its freight distribution to rail, but this move ultimately [saved the company 40 percent](#) on transportation costs. During this time, the company also saw a 68 percent reduction in carbon emissions.

Ocean Spray can teach other businesses a lot as the result of its success. Even though changing its distribution route to rail saved money, it also had the potential downside of working with a juice drink competitor. Ocean Spray made the smart move anyway, due to the amount of money and emissions it would be able to save. Other companies should follow this lead by analyzing their supply chains and continually looking for areas that need improvement. Like Ocean Spray, businesses in many sectors will find enhancements that can lead to both minor and major changes.

Slavery in the Supply Chain: Driving Awareness

Slavery might seem like an issue of the past, but it's still present in many communities today. If you eat fruits and vegetables, wear cotton clothing, use a cellphone, or eat chocolate, you might be contributing inadvertently to slavery. In recent years, consumers have driven companies to improve environmental practices and transparency in their supply chains. Now, many organizations are trying to rally consumers to support the elimination of slavery in supply chains, too.

Slavery in the Supply Chain



Image via [Flickr](#) by nevil zaveri

Forced labor is a [form of slavery](#) still practiced in many parts of the world. It's particularly common in third-world countries where people will work in exchange for a place to live and food to eat. Companies that buy products from countries that allow forced labor are only fueling the slavery issue.

There are numerous documented cases of forced labor and other forms of slavery. It's important to bring awareness of these supply chain situations to show companies that consumers care, since only then will reform really happen. Here are two scenarios engaged in enlightening consumers about supply chain slavery.

Sumangali Clothing Slavery



Image via [Flickr](#) by Tareq Salahuddin

Five garment factories and spinning mills in southern India practice forced labor. Here, young women from lower class families in Sumangali are recruited to work and are then treated as prisoners. The pay is far below minimum wage, and workers are required to live in hostels with little privacy and few rights. Workers are only allowed short phone calls with family and must have a guard present for in-person visitations, just like in a prison. Big clothing brands in the UK, such as Bennari Amman, SP Apparel, SCM, Eastman, and Prem Group reportedly still use [products produced by Sumangali clothing slavery](#).

Uzbek Cotton Slavery

The Uzbek government operates one of the largest forced labor systems in the world. Here, citizens are forced to harvest cotton, or they face a penalty. Daewoo International Corp. continues to use Uzbek cotton in its products. The [Uzbek Cotton Slavery Campaign](#) asks concerned consumers to write to Daewoo and ask for reform in its supply chain.

California Proposes Slave Labor Warning Labels



Image via [Flickr](#) by calinjurylawyer

California lawyers propose placing warning labels on products where slavery was involved in the supply chain. The goal is to present a moral dilemma to consumers and make them think twice about buying products that support slavery. In the long term, California's supply chain

transparency law aims to encourage companies to eliminate the temptation of using slave labor to save money.

If the supply chain transparency law is passed, companies with revenues over \$100 million will be required to include slave labor warnings on their products. Many big brands, like Nestle and Costco Wholesale Corp. have been sued by the lawyers trying to push for slave labor warning labels. Attorney [Niall McCarthy](#) said, "These lawsuits are vehicles for forcing business ethics ... You cannot ignore human suffering to make a buck."

Consumers have significant power to stop slavery in supply chains by supporting only companies that do not participate in the practice. That's why California lawyers want to add slave labor warnings on products. Bringing awareness to the issue of slavery has the potential to bring an end to the practice altogether.

[Case Study] Ford Makes Big Strides Towards Self-Driving Vehicles

Ford might not have been the first automaker to test autonomous cars on the road, but the company is making major strides now. The automaker plans to add 20 more Ford Fusion Hybrid cars to its autonomous fleet in 2016, which would triple the number of cars currently being tested on the road. Ford has test vehicles on the road in California, Arizona, and Michigan through Ford Smart Mobility. Learn how Ford plans to stay ahead in the autonomous vehicle market.

Ford's Autonomous Vehicle Plan



Image via [Flickr](#) by mariordo59

Ford has a 10-year plan for autonomous vehicle development. Part of that plan involves participating in the California Autonomous Vehicle Tester Program. Ford's Research and Innovation Center is located in Palo Alto, where scientists and researchers work to develop sensors, cameras, and other technology needed for these autonomous vehicles.

Ford's goal is to make autonomous vehicles available to all drivers. Many autonomous safety features, such as parallel park assist and lane changing sensors, are already available on many cars. In the future, experts predict that due to advanced sensors and cameras, cars will be completely autonomous with no need for a driver at all.

Ford will introduce its [third generation autonomous vehicle platform](#) in 2016. The biggest change is that these vehicles use two advanced LiDAR sensors from Velodyne, halving the number of sensors that the second generation vehicles required.

Challenges of Autonomous Cars in the Snow



Image via [Flickr](#) by rabiem22

One of the biggest setbacks that the autonomous car industry faces is snow. Even for an experienced driver, it isn't easy to drive or maintain control in icy conditions where the lane markers aren't visible. It makes sense that autonomous vehicles would struggle in the snow, too. Ford, however, is the first automaker to make strides in this area. The company continually conducts tests when snow falls on the roads in Michigan.

Human drivers have to use landmarks, such as road signage and buildings, to determine the direction of the roads when snow falls. Autonomous vehicles will have to do the same, which means that sensors must have more precision than ever before, along with highly detailed and regularly updated maps. Competitors in the space realize these setbacks, which prompted automakers BMW, Daimler, and Volkswagen [partnered to purchase Nokia maps](#).

How Ford Plans to Stay Ahead



Image via [Flickr](#) by automobileitalia

As more and more automakers develop and test autonomous vehicles, Ford must make moves to stay ahead. The company does this by forging relationships with universities and technology companies for research purposes. For instance, Ford currently works with the University of California-Berkeley, Stanford University, and Carnegie Mellon University. Stanford alone is planning 13 projects in 2016 to test Ford Smart Mobility. Ford also partners with several technology companies to develop sensors and cameras for its autonomous vehicles.

Ford Vice President [Ken Washington](#) said, "Having a strong presence in Silicon Valley allows us to further accelerate our research on a wide range of technologies and apply our insights to create real-world mobility solutions." Only time will tell if Ford remains a leader, but the company is doing all it can to be a major competitor in the autonomous vehicle industry.

Implications of the Automotive Sales Rebound on the Supply Chain

Automotive sales are on the rebound, as forecasts show that new car sales in the U.S. could exceed 15 million in 2016. Additionally, automakers are launching approximately 500 new car models on the market this year. This situation puts a lot of pressure on the auto parts supply chain industry. Some worry that supply won't be able to meet demand and that it will jeopardize the automotive market's recovery.

Conditions in the Automotive Industry



Image via [Flickr](#) by CC-BY-CarImages

Since the 2008 economic recession in the U.S., new car sales have been low. It's no surprise that consumers would want to save money and buy used vehicles or wait to buy a new car altogether. Now that economic conditions are improving in the U.S. as a whole, however, new car sales are up in a big way.

The problem is that auto parts suppliers consolidated operations during the recession. This reduced their capacity to make parts. Three major auto parts factories in Detroit even filed for bankruptcy as a result of the [36 percent drop in sales](#) between 2007 and 2009. It is going to take some time for the auto parts industry to expand and exceed previous production capacity.

Nissan Americas' research and development head [Carla Bailo](#) said, "Everyone has parts shortages ... The supply chain is one of our biggest threats. Everyone cut back and is now ramping up. We can't get up to speed as quickly as in the past."



Image via [Flickr](#) by JeepersMedia

A New Type of Consumer

Automakers are getting frustrated with suppliers because they can't wait for auto parts to be manufactured. At the same time, auto parts suppliers are hesitant to increase capacity because they don't want to get into the same situation they encountered before. After all, some analysts predict that another recession is on the horizon.

Many consumers have also changed the way they view their cars and transportation needs as a whole. Writing for [Forbes](#), Micheline Maynard states that consumers have "declared their independence from their automobiles." Millions of consumers have turned to public transportation, biking, and ride sharing, which reduces their need for automobiles. Automakers haven't yet convinced consumers that they still need personal vehicles to get around in an efficient manner.

The Future of Auto Sales

The good news is that the auto parts industry has a healthier approach to supply and demand than it did in the past. The companies that survived the recession can better plan for the ups and downs of the economy without expanding business to a point they can't support if conditions change drastically again.

Ford president [Joe Hinrich](#) said that the automaker "is adding shifts at plants, increasing capacity by 400,000 vehicles last year and preparing to add another 200,000 this year to meet demand." Instead of opening new factories to meet demands, Ford is adding shifts, which can be slowed if necessary.

The auto industry as a whole is recovering from the recession, but suppliers and automakers alike are taking a smarter approach to the way that they do business. They can't afford to take another hit like they did in 2008, since that could jeopardize their recovery.

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