

In this issue of Premium Procurement Bulletin...

- Will Apple leave Corning Glass for a More Durable Alternative?
- [Case Study] How Orange Leaf Bypassed Expensive POS with Mobile App
- Should States Pump the Brakes on Sound Cannons?
- [Case Study] H&M's Ethical Supply Chain: What Other Retailers Can Learn

Will Apple leave Corning Glass for a More Durable Alternative?

Consumers rarely notice the glass on their phone until they crack it. Yet companies are constantly aware of the thousands of hours they'll spend on support and customer service for the same issue – regardless of the device's warranty. Finding a durable alternative screen option is beneficial for all parties.

It's no surprise that Apple, one of the top smartphone makers, may find it hard to see through the cracks in its glass screens. Will Apple leave Corning Glass for a more durable alternative? Read on to find out if there's any truth behind the rumor.

Apple and Corning Glass



Image via [Flickr](#) by Lars Plougmann

Apple's relationship with Corning Glass began with the iPhone's prototype. At the time, Steve Jobs refused to [settle for a plastic screen](#) and courted Corning for its durable Gorilla Glass product, which Apple has now used on its smartphones and tablets since 2006.

Since then, Corning has made three versions of Gorilla Glass – each came with its own challenges for Apple and consumers. Needless to say, the glass and the partnership aren't unbreakable.

Rumors From the Glass Mill



Image via [Flickr](#) by Doug Kline

Around the same time Apple started using Gorilla, another glass-gearred tech company that had opened up shop. GT Advanced Technologies (GTAT), a manufacturer of the lesser known sapphire material produced through the company's patented ASF® furnace, is now a top contender for Apple's future screens.

According to [Forbes](#), "In November 2013, Apple announced a \$578 million deal with GT Advanced Technologies wherein GTAT would supply sapphire substrate, or sapphire glass, to Apple. Since then there has been speculation over the application of sapphire glass in iPhone and iWatch."

It's estimated that Apple accounts for around 16 percent of Corning's Gorilla Glass sales – meaning Apple's departure would hardly leave a scratch; conversely, Apple's investment in GTAT's sapphire could strengthen the fledgling company.

The Strength in Sapphire



Image via [Flickr](#) by dominicotine

Until now, the sapphire material's [main applications](#) were in LED lights; however, the company notes that the product can be used in everything from electronics devices to aerospace and defense machinery.

Sapphire material is, by nature, harder than glass – second only after diamond. Sapphire's main defense against screen shattering is in its scratch resistance. Experts say scratches weaken a device's screen overtime, which can spider-web the screen when it is eventually dropped.

Sapphire is Still in the Blue



Image via [Flickr](#) by Janitors

Apple hasn't publicly given the green light on any sapphire applications just yet. The strength of the sapphire material, and Apple's interest, doesn't necessarily mean we'll see sapphire smartphones on the market. Although, it's important to note that Apple has used sapphire for the iPhone's camera lens since 2012.

The secret to Apple's investment may be in sapphire's range. Apple already has a [patent for a sapphire laminate](#) that overlays glass to prevent the scratches that cause vulnerabilities.

It's safe to say, the fusion-process coating was likely Apple's first step in securing a durable screen for the iWatch. Apple's investment in GTAT could simply be the progress of its patent.

Which screen option looks like a better bet to you? Share your thoughts with us.

[Case Study] How Orange Leaf Bypassed Expensive POS with Mobile App

With the recent boom of frozen yogurt shops, numerous chains and independent stores have opened throughout the world. Typically the stores offer self-serve yogurt machines, where customers can choose from a variety of flavors and toppings, and then pay by the ounce. Orange Leaf is one of these frozen yogurt shops, but is revolutionizing the way customers pay for their yogurt.

Growth and Development



Image via [Flickr](#) by Michael Cote

[Orange Leaf](#) is one of the fastest-growing yogurt chains throughout the country, with more than 300 locations. "Entrepreneur" named it one of the top three new franchises as it continues to gain local popularity in each store location. It started in Oklahoma, and has expanded to include locations in Australia, as well as other locations abroad. Executives have also been looking at options in Canada, South America, Asia, and the Middle East, just to name a few.

Ounce Back Program



Image via [Flickr](#) by Cooking Cinderella

Other yogurt shops will typically offer some kind of loyalty program, where customers receive free or discounted items when they purchase a certain number of ounces. Orange Leaf has taken this to the next level by integrating a payment option into their mobile application. The app provides customers with a way to earn rewards and pay for their yogurt so they can get in and out of the store quickly. This is especially appealing to a younger demographic of people, who are typically faster to embrace technological advancements. However, the ease of use helps it appeal to a wide market.

A Work in Progress



Image via [Flickr](#) by The Pug Father

The payment aspect of the mobile app has been under construction for six months while the finance and IT teams worked with [FIS](#) and Paydiant to integrate their current POS system into the application. As they work to improve the app's functionality, there will be some required software upgrades, but it will work with the current hardware systems so stores won't have to spend a lot on upgrading and replacing hardware. That was crucial to the Orange Leaf team, who wanted to avoid high costs to implement this new payment option.

Pilot Sites



Image via [Flickr](#) by Steve Snodgrass

After completing construction on the app, Orange Leaf plans to roll it out in two pilot locations. One key advantage of this mobile payment option is that customers can move quickly through the store and pay for their treats. Instead, the control is completely in their hands, providing a way to find a location, view store hours, check the status on various rewards, and complete the checkout process, all from a smartphone. In addition, the [IT department](#) is looking at options to send mobile coupons and other savings options to customers as well.

How it Works



Image via [Flickr](#) by James Bowe

When customers use the mobile payment app, it will bring up a QR code on the screen that transmits payment information into Orange Leaf's payment system. It maintains strict security and encryption processes to make sure that each person's private banking or credit card information stays protected. Orange Leaf is able to save money on expensive hardware while improving the customer experience in the store.

This model is an excellent resource for other similar businesses in the marketplace. Expect to see more mobile payment options offered as this becomes the preferred method to pay for goods or services.

Should States Pump the Brakes on Sound Cannons?

With sound cannons on the streets, speeding may no longer sound like a good idea. Several states are considering introducing sound cannons to their roads, but are these interposing devices worth the risk?

Sound cannons can send interrupting noises to drivers who speed – typically within construction zones. However, this use is largely untested. Officials are divided on whether this tool would harm or help drivers. Read on to learn how sound cannons could affect the future of transport.

Sound Cannon Technology



Image via [Flickr](#) by Commander, U.S. 7th Fleet

Long Range Acoustic Devices (LRADs), known by their street name "sound cannons," emit high intensity noises across a large area up to 2.5 kHz. The devices can be portable or a larger, mounted structure. The produced sound can be concentrated into a loud, high frequency one, making it ideal for targeting and disturbing groups of people via its piercing tones.

Uses for Sound Cannons



Image via [Flickr](http://underclassrising.net/) by <http://underclassrising.net/>

In the past, sound cannons have been used to deter protestors as a form of sonic weaponry. The tool has also been used by military groups and other government organizations. Notably, sound cannons help maritime crews ward off [pirate invasions](#).

States Proposing Sound Cannons on Streets



Image via [Flickr](#) by DucDigital

The Missouri Department of Transportation (MDoT) will begin placing these devices near roadways and construction sites to alert drivers to their current speed. Missouri is the first state to introduce this type of speeding prevention.

According to a report by [Gizmodo](#), the noise from the sound cannon will penetrate the cab of the speeding vehicle only. The sound will be loud enough to override any sounds within the car in an effort to capture the driver's attention.

Currently, no other states are pursuing sound cannons for highway transportation aids.

Potential Risks Associated With Sound Cannons



Image via [Flickr](#) by sflaw

Critics worry that sound cannons may actually further distract and unsettle already reckless drivers. Since the volume of sound emitted from these cannons is usually harsh and disorienting, it could unnecessarily jolt drivers causing them to swerve outside their lane.

[The Verge](#) notes, "LRAD's sirens can reach up to 153 decibels, more than enough to potentially cause hearing damage. This is a technology that's been deployed in war zones, after all. Missouri's DOT reportedly insists the tool will only be used at safe levels, but it's easy to see how motorists could become disoriented and wind up in an accident. The element of surprise is an unwelcome one on the road, and that has many drivers crying foul about Missouri's plans."

The implications for larger vehicles and their operators could be devastating. Drivers of semi-trucks and other shipping vehicles, as well as those around them, could be in grave danger if

they're caught in the crossfire of these sound cannons. Although speeding could result in loss of driver control, so too could abrupt noises.

There is no word yet on exactly what above-limit speeds will trigger the sound cannons, which leads to concern over possible distractions for even minor offenders.

Do you think these cannons should be used to deter speeders and other reckless drivers? Share your thoughts with us.

[Case Study] H&M's Ethical Supply Chain: What Other Retailers Can Learn

The [Rana Plaza tragedy in Bangladesh](#) serves as a warning to many fashion stores and clothing manufacturers — or at least it should. Far too few clothing producers know how or where their clothes are really made. H&M, in stark contrast, is both ethical and sustainable, and stands as an inspiration for competitors.

Working Pride



Image via [Flickr](#) by Dominic Alves

H&M has been under fire in recent years for unethical practices. Unlike other companies who immediately went on the defense, the Swedish-based company took the opportunity to learn from their mistakes. By heightening their criteria, increasing their work pride, and taking a proactive measure, they are now ranked as one of the [most ethical apparel companies in the world](#).

Total Accountability



Image via [Flickr](#) by Dave Fayram

Ethisphere, which is behind the recognition, scores industries by very high standards. H&M received high marks in ethics and compliance; reputation, innovation, and leadership; governance; corporate responsibility and citizenship; and its overall culture of professional ethics.

The company also shows its willingness to hold itself accountable in other ways. For example, it happily signed a European driven pact that promised to improve the safety of garment factories in Bangladesh. Many [popular apparel companies](#) are still under scrutiny because of their refusal to do so.

Employing Auditors



Image via [Flickr](#) by Alquiler de Coches

H&M has 850 Asian suppliers. It is proud that it has suppliers in Bangladesh, even after the Rana Plaza disaster. Another way it holds itself to exemplary standards is through auditing. The company has a roster of auditors, who check out not just the suppliers, but also the conditions in which they work.

Sustainability vs. Luxury



Image via [Flickr](#) by Elvert Barnes

Too many apparel companies see sustainability as a luxury. They feel that to offer sustainable clothing, they have to charge exorbitant amounts of money. H&M does not follow that philosophy, although that makes many buyers mistakenly believe that they must use sweatshops to produce their clothing.

Budget Apparel vs. Cheap Labor



Image via [Flickr](#) by Harsha K R

The converse is actually true. H&M does not believe that affordable clothing is a byproduct of cheap labor. H&M does not exploit its workers in the interest of cheap apparel.

Lobbying for Better Pay



Image via [Flickr](#) by epSos .de

On the contrary, H&M takes an active stance in the fight for better treatment and fairer pay. The company actually lobbies the powers-that-be in both Cambodia and Bangladesh to [increase their minimum wage](#). They have also created a plan designed to pay a much fairer living wage to nearly one million textile workers.

Listening to Customer Concerns



Image via [Flickr](#) by Renato Ganoza

H&M's customers are increasingly against the idea of cheap labor, even if it means cheap clothes. The company has always listened to that rhetoric and continues to do so. It refuses to exploit workers just to make more money.

Using Sustainable Materials



Image via [Flickr](#) by Mike Beauregard

H&M has plans in the works to create clothing that is actually [recycled from used materials](#) and garments. It will use organic cotton, recycled polyester, and bamboo. In fact, H&M is the largest user and proponent of organic cotton. It further intends to use only sustainable sources and to stop using any toxic chemicals.

These changes are not difficult, nor will they bankrupt the company. If other apparel giants follow these guidelines, the risk of a repeated tragedy will decrease.

Related Procurement Events

Certified International Procurement Professional (CIPP)

17-19 November 2014 – Singapore

23-27 November 2014 – Dubai, UAE

8-10 December 2014 – Hong Kong

<http://www.ethanhathaway.com/training/certified-international-procurement-professional-cipp>