

Minute

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SUBJECT: "Making Retail More Sustainable" Seminar on 14 Apr 2005

This short note records some of the discussion following the Sustainable Manufacturing Seminar series on "Making Retail More Sustainable" given by Mike Barry on 14 Apr 2005 in the seminar room of the Institute for Manufacturing. The slides of the presentation may be found at <http://www.ifm.eng.cam.ac.uk/sustainability>. The opinions expressed below attempt to represent the discussion, but should not be taken as representing the opinion of any individual at the seminar.

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Dealing with Suppliers

The question of whether to use UK or overseas suppliers was discussed. It was noted that M&S have shifted from 90% UK suppliers to 90% overseas suppliers over the past decade. It was commented that if that without shifting overseas M&S may have been out of business because UK suppliers maybe c. 3x more expensive. Today M&S is not chasing the cheapest way of supplying its goods, and is still perceived as over-priced, but is at least not so far from Tesco/Walmart and is using trust to differentiate.

The question of whether to use exclusive suppliers was discussed. It was noted that long-term relationships with dedicated suppliers helps to pass on standards and build trust, but at the danger of stagnation. An appropriate model is likely to be a balance of a core of long term exclusive suppliers and a smaller outer group of suppliers that rapidly change.

Motivation for Sustainability

It was asked whether there was a danger that consumers would see M&S's investment in sustainability as a selfish way to promote its own interest and therefore reject it. It was commented that, of UK consumers, there is a group of 20% who do not care about sustainability at all, a group of 2% who do not approve of big business in any form, a group of 10% that care about sustainability and wish to think about the impact of each individual purchase they make and a majority of about 70% who wish to live responsibly but want it made easy for them, perhaps to the extent of choosing a retailer who will make the right choices for them rather than worrying about each product. The latter 70% are of long term interest to business, but with them businesses must be wary about promoting their sustainability as there is a consumer perception that sustainability implies more expensive.

International

It was noted that the talk had focussed on the UK and views on the international situation were sought. It was suggested that, while there were individual retailers in other countries doing excellent work, the UK retail sector as a whole was the most advanced

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in this area. M&S did not promote its sustainability in its other markets, although those markets sell the same products and the businesses are audited for the way they are run.

Teaching

It was asked whether there was sufficient knowledge and demand to start a course in this area. The response was that the course would be welcomed by this group but may not get much wider support. The course would need to cover two areas; first, the technologies required to be sustainable and second, how to deal with all the trust issues and shades of grey to build a consensus between pressure groups, industry, consumers and the government. There was thought not to be a well developed body of knowledge on the latter.

Packaging

It was noted that half of customers believe there is too much packaging, but they still want the functions provided by the packaging. Examples were given about the challenges M&S had faced in eliminating PVC and the problems with introducing new more environmentally benign materials which often don't perform well with the basic requirements (for example PLA fibre is more benign, but melts at low ironing temperatures).