

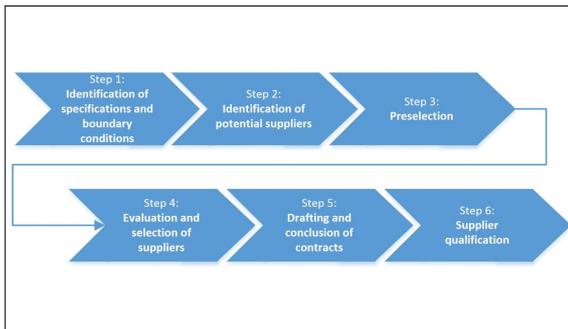


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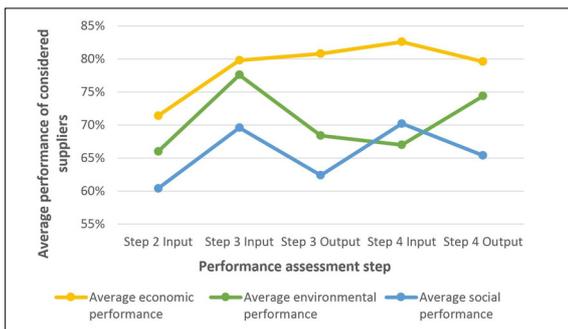
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Subject Area	Supply Chain Management
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Sustainable sourcing

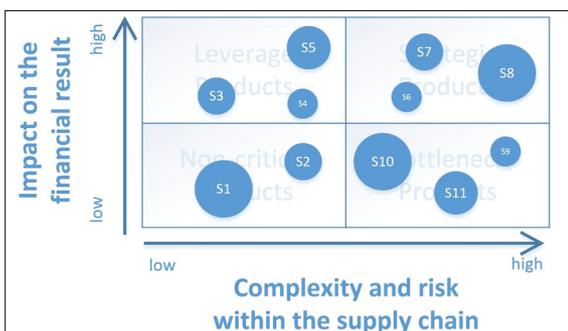
Including sustainability aspects in the supplier selection and supplier assessment



The generic supplier selection process as a starting point
Personal illustration based on Fröhlich et al. (2014, p.7)



Assumed development of sustainability performance of all considered suppliers in the supplier selection
personal illustration



Several suppliers in a classic supplier risk matrix, supplemented with corresponding sustainability risk (dot size)
Personal illustration based on Schuh et al. (2014, p. 190)

Initial Situation: Schindler Group is internationally active in the construction and maintenance of elevators and escalators. Schindler has committed itself to Corporate Social Responsibility, meaning that Schindler's business activities must not only focus on economic profit, but shall have a positive impact on society and contribute to the preservation of the environment. In order to fulfil this obligation, sustainability aspects should be considered in all business aspects. This also affects procurement activities.

The aim of this work is to include sustainability aspects in the sourcing process. The focus here is on the supplier selection process, which is to be adapted to the extended requirements of sustainability. To do so, a concept was developed for assessing the performance of suppliers with regard to their sustainability.

Approach: Starting from a recognized definition of sustainability, it was analysed how the sustainability performance of suppliers can be assessed and how a generic supplier selection process must be modified to integrate sustainability. In addition, the organizational prerequisites for the successful integration of sustainability into a company were examined. All this was done with the help of relevant literature and by analysing best practice examples.

The newly gained insights were transferred to the existing processes at Schindler. A delta-analysis from ideal world to real world revealed fields of action concerning process design and organizational prerequisites at Schindler.

Result: The most important result is a concept on how to assess the suppliers' sustainability performance including social and ecological criteria.

This concept supports the supplier selection process as well as the continuous review of the existing supply base. On an organizational level, prerequisites were identified to make the best use of the results.

Transferring the results to Schindler showed that quite some adjustments in Schindler's supplier selection process are required to systematically integrate the supplier sustainability assessment. An enhanced supplier selection process takes these extensive requirements into account.

Additionally, the examination of existing and necessary organizational requirements reveals open points to be addressed by Schindler. This is a prerequisite to successfully implement the new sustainable supplier selection process.