

Responsible Sourcing Case Study 1: The Phantom Supplier

Your compliance auditor notes several responsible sourcing deficiencies when visiting a trusted, low-price supplier. One deficiency that catches your attention is the discovery that the facility shipped far more product than it produced. After discussing the anomaly with the plant manager, you begin to suspect that the facility was sourcing finished product from phantom secondary suppliers. Because your company has been pushing responsible sourcing for 3 years as a condition of continued business you know this supplier has been making continual improvements despite their protests that their costs have increased but your purchase price points have not. To compensate you believe the supplier has outsourced their supply procurement to suppliers not beholden to responsible sourcing principles. Please describe the steps you would take to encourage compliance for this supplier by addressing the following questions:

1. Applying traceability principles, describe how you would conduct a further investigation of this supplier?
2. What additional records would you review to help determine the extent of their supplier conformance to responsible sourcing?
3. List several punitive actions to encourage compliance.
4. List several nonpunitive actions to encourage compliance.
5. Will you continue doing business with this supplier, why or why not?

Responsible Sourcing Case Study 2: A Plea for Help

After leading a responsible sourcing workshop for your suppliers, an anonymous tipster contacts you by email with information on worker welfare issues at her company. She provides a long list of grievances, but one that appears to be exceptionally problematic is the practice of garnishing wages from male workers to pay for sexual favors among top brass and visiting government and industry dignitaries. Taken together you decide to bring these behaviors to your VP for Procurement. Please develop an approach you think will have influence on this key executive by answering the following questions:

1. What evidence do you need to determine whether the complaint is legitimate vs. a disgruntled employee seeking revenge?
2. How much evidence is needed to disqualify this vendor from your supplier program?
3. How much will it cost your company to do a full investigation and follow up verify corrective actions?
4. How vulnerable is your brand reputation if you decide to ignore this complaint?
5. If your VPP fails to act on your concern, what do you do next?

Case Study 3: What's a Passing Grade?

Using the tools provided in this workshop you decide to develop a responsible sourcing audit checklist for your company. Given your vast knowledge of conditions in your supplier locations you know that many of your suppliers will do poorly on the audit. On the other hand, you also use some domestic suppliers that may perform quite well. As you debate whether to use a simple qualitative checklist verses a quantifiable checklist you need to decide how to use the collected data. Please address the following questions in your debate:

1. What are the pros and cons of a qualitative audit?
2. What are the pros and cons of a quantitative audit?
3. What type of checklist are you inclined to develop, a qualitative yes/no survey or a quantitative excellent to ugly survey?
4. Why did you choose this approach?
5. What criteria will you use to determine pass or fail?