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SAPICS CONFERENCE

Century City Conference

Centre, Cape Town,

South Africa



PROFESSIONAL BODY FOR
**SUPPLY CHAIN
MANAGEMENT**

Compliance vs. Sustainability

**A balancing act for Supply
Chain?**

Dr. Faith Mashele (MBA, MCIPS, PhD)

Chartered Procurement and Supply Professional



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The Leading Event in Africa for Supply Chain Professionals

Speaker biography

Dr. Faith Mashele (MBA, MCIPS, PhD)

Financial Director: Expenditure for Tshwane University of Technology (TUT)

Dr. Faith is a Chartered Procurement & Supply Chain Professional with vast experience that spans across Private and Public Sector. She is a GIBS MBA graduate and holds a PhD in Business Science from Wits University. Dr. Faith joined TUT in 2018, where she leads the University's dynamic Supply Chain portfolio. She is the inaugural Chair of the Ethics and Integrity Committee for the African Institute For Supply Chain Research (AISCR)



Overview

- Session objective
- Supply Chain – why it matters
- Value Proposition
- PESTEL framework
- To comply or not to comply?
- South Africa as an area of research
- Published research study
- Recommendations

Session Objective

Compliance vs. Delivery: A balancing act for Supply Chain?

The aim of this session is to answer the following topical question: -
Are organisations able to comply to set rules, policies and regulations while delivering on sustainable development targets?

**Compliance
vs.
Delivery**



**Supply Chain
rules,
regulations &
policies**

Supply Chain: Why it matters



- ✓ An imperative driver for financial performance
- ✓ Instrumental in the delivery of large strategic projects and dynamic services
- ✓ Influence business outcomes and improved customer service
- ✓ Contribute to sustainable and meaningful impact to society
- ✓ Sustainable supply chains operate in economically viable environments and reduce impact to natural resources

Value proposition: Trusted Advisor to Business



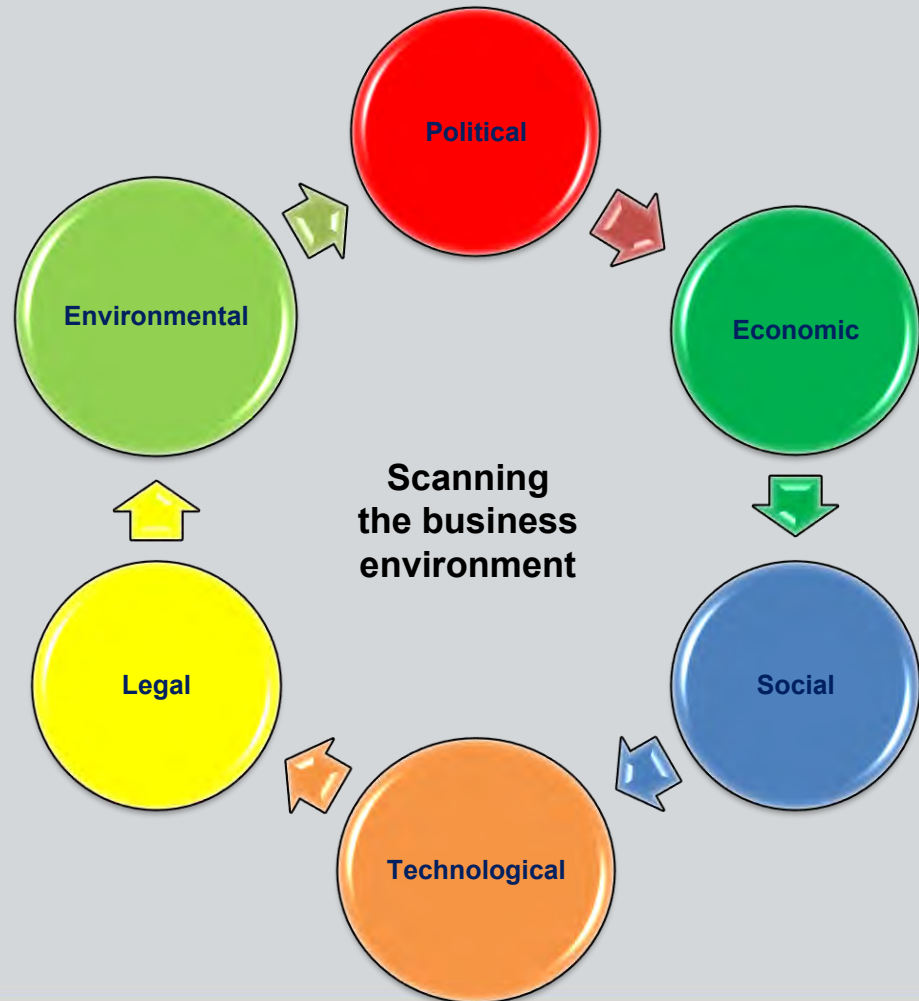
Pestle

Framework

Harvard professor

Francis Aguilar (1967)

Recognise
interdependence and
connection between
factors



To comply or not to comply?

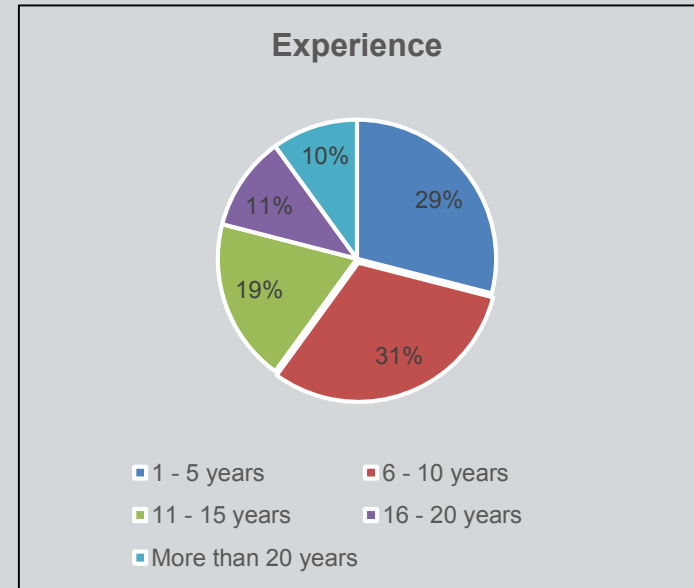
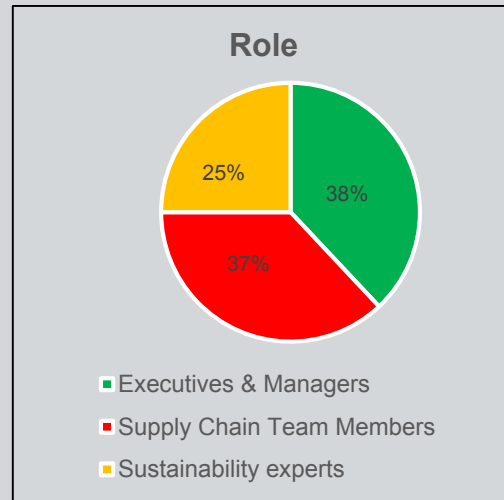
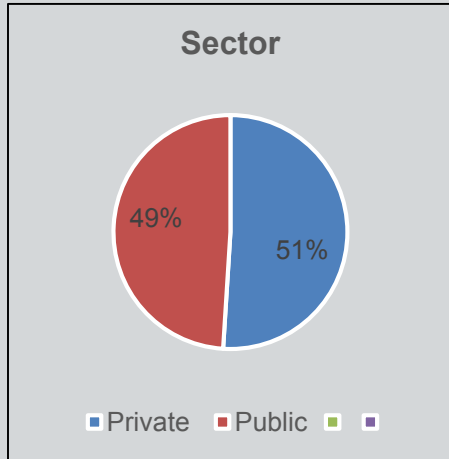
- Disposition to focus on stringent rules
- Rules may inhibit transformation
- An enabling environment can foster opportunities for economic development
- Complexity in decision making
- Shift from traditional focus of selection based on lowest price to sustainability

South African Context



- One of the largest developing economies
 - Pivotal hub for financial resources in Africa
 - Most robust inclusive program through B-BBEE
- 2014/2015 FY Spend on goods and services**
- Estimated at R1,1 trillion
 - About 30% of GDP

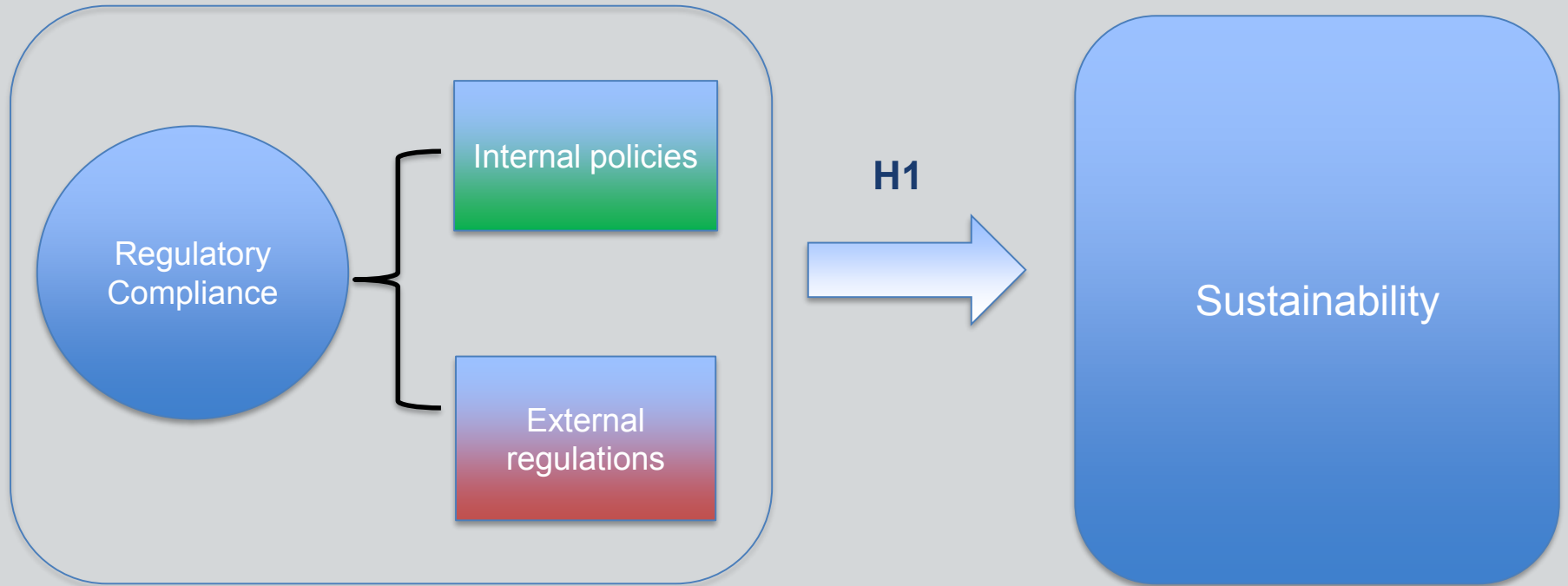
The relationship between sustainability and supply chain compliance in SA



(Source: Mashele, 2016)

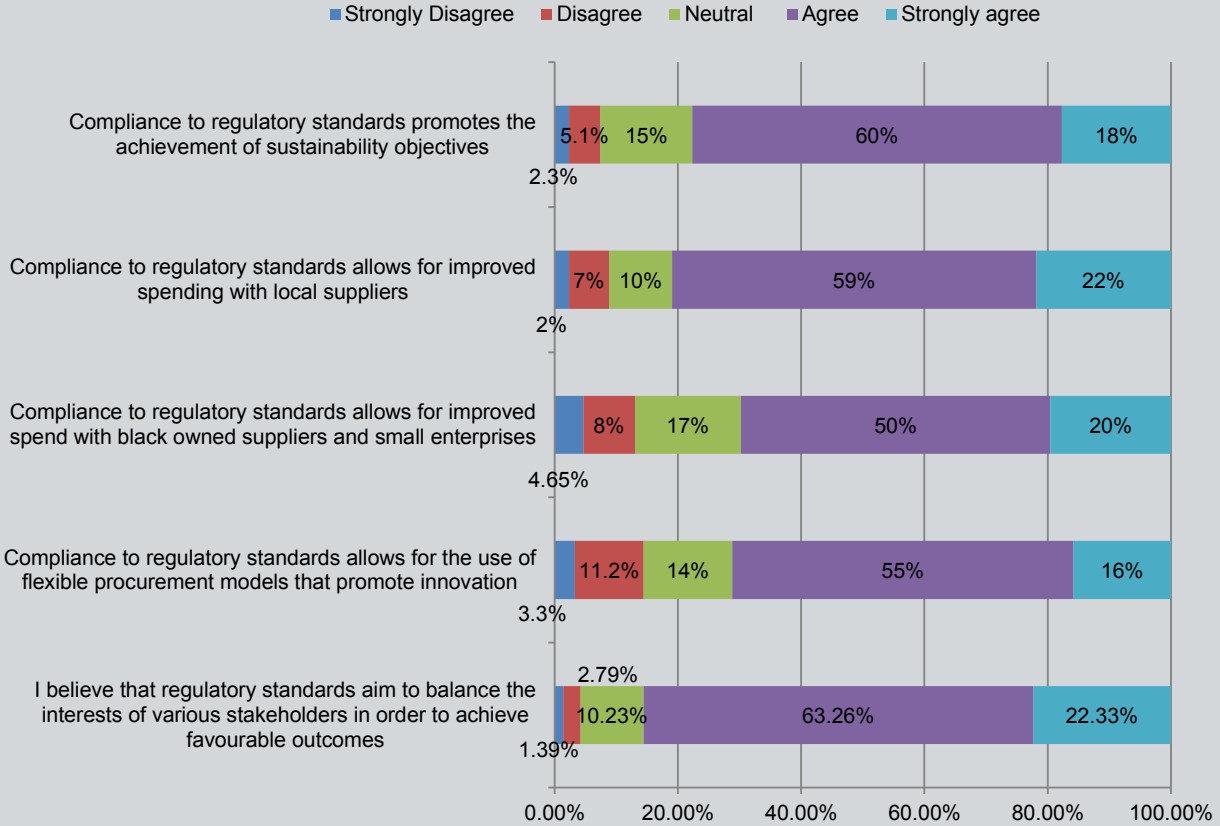
247 practitioners

The relationship between sustainability and supply chain compliance in SA



(Source: Mashele, 2016)


Sustainability and Supply Chain Compliance: Research Results



Sustainability and Supply Chain Compliance: Research Results

- ✓ SC compliance influences the adoption of sustainability
- ✓ Regulation provides opportunities for economic development
- ✓ Private sector is flexible to innovative approaches
- ✓ Internal policies can drive better SC practices
- ✓ Policies can be adapted to resonate with business environment and culture

Supply Chains can deliver and influence sustainable development objectives



Significant positive
relationship
between SC
compliance and
sustainability

(Mashele, 2016)

Are organisations
able to balance
competing
stakeholder
interests?



Internal and external policies
promote SC sustainability
practices

Recommendations for Sustainable Supply Chains

- ✓ Decision making supported by SC expertise through skills and training
- ✓ Align, interpret SC standards to guide stakeholders
- ✓ Specific to organisational context
- ✓ Inclusive and flexible SC strategies to promote SMMEs
- ✓ Creating shared value through collaboration and partnerships

**Organisations which have well run Supply Chains
– with good governance structures and contribute
to sustainability, inspire stakeholder confidence**

Thank you

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