

February 2021

Why Transparency Matters to Us All?

The Pandemic Has Sharpened Boardroom Focus.

Recent months have shown us the importance of supply chains. In a year of few highlights, the ability for supermarkets to keep shelves stocked and for other vital services to keep going has been heartening. However, conversations are changing as we look to a post-pandemic world. One of these is around sustainability, and it's interesting to note that even now 65% of business leaders identify sustainability as an even bigger priority post COVID-19.

What was already on the boardroom agenda has become more important. Equally as important is the fact that 83% of business leaders believe supply chains and associated technologies can support sustainability objectives. There is consumer pull too with 70% of consumers now believing trust in a brand is more important than in the past. Knowing how a product is sourced and brought to market is critical to this.

Vertical Sector Initiative

Several vertical sector initiatives are also steering us in this direction. For example, a study found that eight out of 10 sourcing executives in the fashion industry plan to publish their companies' level of transparency on at least tier two level by 2025 in the form of supplier lists.

Here's an example of best practice we can draw on. Emma Bonar in UK, has established 69b Boutique, the "first store dedicated to a better fashion industry" with a vision to bring together socially and environmentally responsible designers. Brands it works with must adhere to a strict policy on transparency and accountability with a commitment to sustainable fashion. In her words, "Our customers rely on us to know where the products that they're buying are coming from."

Data Has Never Been More Important

Each organization works in a different sector with its own individual challenges, but they all share common objectives such as establishing transparency in their supply chains.

With the introduction of digital identity technologies, it becomes possible to provide traceable identities for every product, enabling

transparency from raw materials to end product and beyond. This means moving beyond just focusing on tier one suppliers to suppliers throughout the chain to ultimately empower people as well as products to build a more sustainable planet. In doing so, this offers consumers the highest standards of visibility, safety, education and authenticity possible, while giving businesses complete control over their supply chains.

Transparency is a 'Win-Win'

Not only are governments, NGOs and consumers calling for more transparency throughout the global supply chain, but organizations have a vested interest in delivering supply chain transparency. As well as the reputational cost of failing to meet these demands, researchers at the MIT Sloan School of Management found that consumers may be willing to pay up to 10% more for products from companies that provide greater supply chain transparency.

The hope is that 2021 will mark a return to near normality. Organizations will emerge fitter and stronger, having learned some of the lessons of the pandemic and turning these to good use to reimagine their supply chains for the better.

Excerpts: <https://futureofsourcing.com/why-transparency-matters-to-us-all?>