

### **Integration of life cycle management in purchasing – a promising key to combining efficiency, economic and environmental improvements**

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Suppliers have a direct impact on the performance of most aspects in a company: A good supplier performance with respect to timely delivery in the agreed quality at a low price is a key element in all business concepts. With an increased environmental awareness of public and private consumers, environmental aspects of the whole value chain must be included in order to ensure the market position or build up a brand with a good environmental reputation.

Many companies, however, find it difficult to integrate environmental, social and ethical aspects in purchasing. The experiences at Berendsen – one of the leading European textile service companies – were investigated in an industrial research project performed in cooperation between Berendsen, dk-TEKNIK ENERGY & ENVIRONMENT, Technical University of Denmark and Roskilde University.

Traditionally, Berendsen evaluated their suppliers by a questionnaire sent to all suppliers of importance. The initial research phase showed that collection and handling of the information from suppliers caused some practical problems and, accordingly, also frustration:

- Very time consuming paper work
- Large costs for sending out questionnaires and administration
- Difficulties in integration of environmental, social and ethical aspects with typical business values at Berendsen
- Ambiguous results
- Suppliers did not receive feedback – hence they are not motivated

The conclusion within Berendsen was that there was a need to make a holistic evaluation of suppliers to ensure that all aspects were evaluated. A second conclusion was that there was a need for a tool that can handle questionnaires with individual weighting of questions and categories.

Berendsen decided to include the following aspects in the holistic approach and thus defined a set of questions and criteria for different supplier types e.g. textile suppliers, chemical suppliers and suppliers of transportation services.

- Financial situation
- Management and business ethics
- Logistics
- Products, product quality and environment
- Service and support
- Price

As there were no tools on the market that could fulfil the needs, a concept for such a tool was developed within the frames of the industrial research project. Recently dk-TEKNIK ENERGY & ENVIRONMENT invested in the project and realised the concept as an Internet based tool called supplier-e-valuation. The presentation will include experiences and examples from Berendsen and present how Berendsen have started implementing the new tool.