

Green is the new black



The use of mobile phones, tablets, email, portals and the cloud is moving us ever closer to paperless systems

It is time to stop skirting around the issue of environmental destruction and address the real culprits: manufacturers and supply chains that are full of waste. For far too long, a large percentage of companies have refused, unless forced through legislation, to put real commitment into becoming truly environmentally friendly.

Even the many implementations of lean have often been a euphemism for getting rid of people and in fact many companies have committed what I call corporate anorexia and have cut themselves so thin that they do not have the strength or capability to grow the business. Perhaps if they opened their eyes to the cost saving benefits of waste reduction and competitive advantages of lead-time reduction, they would consider changing their business strategy and adopt a business model that gives them real competitive advantage and improves their corporate image. I believe that the distinction between many products today is lessening and the future competitive edge will not be product vs product, but supply chain vs supply chain.

The principals of ERP, supply chain management, lean and Six Sigma are a powerful combination from a business viewpoint. In terms of the environment, however, they are vital tools, that, if applied effectively, could have an

enormous positive impact. The basic principal that sits behind lean is the elimination of waste. This is, of course, extremely complementary to conservation and environmental issues.

As companies apply these principals within an integrated model, we are seeing the emergence of small factories with less inventory, which take up less space and energy to keep in operation. The microtisation and customisation of many products and the development of 3D printing and drone technology are all adding to the reduction of waste. Better demand and supply planning will also result in less inventory, obsolescence and waste of materials, thereby ultimately consuming less of the world's natural resources.



Companies need to reduce their packaging waste and become more environmentally friendly

The use of mobile phones, tablets, email, portals and the cloud is moving us ever closer to paperless systems and the reduction of paper consumption. Payment on consumption or production processes are continuing to evolve and expand throughout the extended supply chain, which again reduces buffer inventories and the paperwork requirements for purchase orders, invoices and goods receipt notes.

In order for our world to gain from business excellence, manufacturing and supply chain companies must recognise the need to embrace and integrate the concepts of ERP, Lean and Six Sigma – see Figure 1 – and transform their business processes and culture before it is too late not just for the company, but also for the world's environment. 

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Figure 1

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