

ESG ADVISORY

# Realize + Optimize + Innovate Maximizing ROI from Sustainable Supply Chain Initiatives

With many companies and private equity funds continuing to boost budgets to support sustainability initiatives from compliance to major decarbonization efforts, the question should no longer be should we invest, but rather how do we maximize return on our investment?

This shift requires a move beyond resource allocation for well-intentioned causes to an emphasis on innovative investment that reduces barriers to business and maximizes operational potential. Innovation is critical in supply chain functions where customer pressures and appetite for sustainable and responsible sourcing is increasing against the backdrop of cost, quality and security of supply.

Here, we find that those companies that embrace sustainable supply chain activities by realizing risk, optimizing operations and inspiring innovation are far better positioned to capture real, sustained value.

## **Realize Risk**

- Returns from sustainable supply chain investment begin by identifying potential risks and untapped opportunities.
- Assess your existing networks for vulnerabilities that open your organization to financial, reputational and operational disruption, ranging from regulatory fines to customer backlash, and ensure you're not missing out on trends in market and customer preferences.
- Develop a comprehensive yet practical risk mitigation plan. Revaluate those mitigation plans as sourcing strategies take shape, including nearshoring, offshoring, supplier consolidation.

## **Uptimize Operations**

- In supply chains, sustainability should equate to efficiency and co-benefits.
- · Streamlining logistics reduces your GHG emissions profile, rethinking packaging conserves resources, diversifying partners increases resiliency.
- Operational efficiencies lead to reduced costs and disruption - all of which, maximizes your profitability.

### **Inspire Innovation**

- Build new frameworks for partnership and value chain collaboration, align governance and partner expectations, choose enabling technologies to ease management burdens and deliver a new narrative within your industry.
- Integration spurs innovation. Pursue sustainability initiatives that support broader corporate goals to ensure that investment becomes a driver of top line growth.
- Leverage creative sustainable supply chain solutions to access new markets and unlock revenue potential.

For more than 40 years, Alvarez and Marsal (A&M) has set the standard for how companies should tackle complex business challenges, boost operating performance and maximize value. When you are ready to turn your sustainability efforts into smart financial investment, call us.

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