

INTERACTIVE EXERCISE 2.1

Causes

Patagonia—the outdoor equipment and clothing company used as an example in this section—has a home page filled with interesting cause-related interactive elements.

Visit <http://www.patagonia.com>.

Patagonia's website also boasts an interactive map that documents the construction of various products. Visit the interactive site at <http://bit.ly/sdex1J>.

themselves. It is important to keep in mind the six criteria by which successful supply chains can be measured. Melnyk, Davis, Spekman, and Sandor have identified the criteria for a successful outcome-driven supply chain as:

- Cost: minimize cost while ensuring customer service
- Responsiveness: respond to changes in demand in a timely fashion
- Security: protect against external threats to the supply chain
- Sustainability: minimize environmental impact
- Resilience: be able to identify and react quickly to supply chain risks and disruptions
- Innovation: provide new products and new ways of distributing them that meet customer needs

Melnyk and colleagues point out that these criteria are not mutually exclusive. The management challenge is to balance all six of them in creating the most effective possible supply chain on both the supplier-facing and the customer-facing sides.¹²

If this were not already sufficiently challenging, writer Steve New adds that customers, especially ultimate consumers (who are environmentally concerned consumers), are demanding supply chain transparency to ensure that products are sourced in a way that corresponds with their values. They want products that are made from sustainably harvested materials, produced in factories that do not use child labor and meet at least minimum labor standards, and are manufactured and transported in a way that minimizes environmental impact.¹³

Outdoor equipment and clothing supplier Patagonia has a web page that allows consumers to track the “footprint” of a specific product. As of this writing, there are 16 products that can be tracked with the option to obtain further information. In the case of its Chacabuco backpack, shown in Figure 2.4, the



click over the boxes to view product stories

Chacabuco Pack

[View Details](#) [Chacabuco Pack](#)



The Good

It's an excellent pack, thoughtfully designed, well made, tough and durable (which is good for the environment because it won't have to be replaced soon).

The Bad

We wanted to be able to price the Chacabuco Pack competitively in a crowded market, but using recycled materials, which are costly, would have put us out of range. So the Chacabuco Pack embodies no environmental innovation. The nylon is virgin, its polyurethane coating solvent- rather than water-based and, like all our packs and rainwear, it has a DWR (durable water repellent) surface water-repellent that involves the use of PFOA. The pack is not recyclable.

What We Think

We're proud of the pack's design and performance but not of its conventional environmental footprint. We hope to switch to recycled nylon in the future.

FIGURE 2.4 A Transparent Supply Chain

Source: Patagonia, <http://www.patagonia.com/us/footprint/index.jsp>.

company's website provides information about the plant in South Korea that weaves the fabric for the backpack and the plant in Vietnam where the backpacks are constructed. Patagonia's website uses a Flash page to present content in a way that corresponds with both its traditional corporate values and the compelling visuals present in other areas of its website. Other firms are using verification codes that link to pages on their sites where similar content is available. Still others are experimenting with RFID technology (discussed later in this chapter) to make content available on mobile phones at the point of purchase. For more details on transparent supply chains and the technologies that support them, see New's online article.¹⁴