ABSTRACT
Sustainability isn’t the burden on the profitability as many Organizations believe. In fact becoming environment-friendly can lower your costs and increase firms profitability. In future, only the organizations that make sustainability a goal will achieve competitive advantage. This means rethinking business models as well as products, technologies and processes. To make progress on environmental issues, Peter Senge says, organizations must understand that they’re part of a larger system. Organizations take piece meal approach to sustainability. They demand that suppliers replace materials with greener ones. Companies should pursue broader structural change. This means identifying opportunities that span the supply chain and reinventing of manufacturing process. The result is greener supply chain that requires less capital, has lower operating costs and provides competitive advantage. The present study shows how working with their suppliers by systematically monitoring, measuring and communicating the benefits of cleaner and more socially responsible business how these three companies are starting to turn supply chain sustainability into a driver of competitive advantage. One is India’s largest coconut buyer, another is a leading beer producer and the third the country’s first ethical-clothing brand. What connects the three is that each has inculcated sustainability right through their supply chain. Each one of them have linked the first with the last step through engagements that do right by the people, the business and the planet.

Keywords: Sustainability; Sustainable Development; Supply Chain

INTRODUCTION
We are living in a world where volatility and uncertainty have become the new Normal. There is change of government in countries like Tunisia, Egypt and Yemen. Once powerful countries in Europe are now fighting bankruptcy. Companies that were synonymous with their product categories just a few years ago are now no longer in existence. The dynamic and fast changing nature or world today is best described by VUCA, a term coined by the US army war college. VUCA stands for Volatility,
Uncertainty, Complexity and Ambiguity. Nicholas Taleb, Lebanese American scholar introduced the concept of black swans-events that are difficult to predict because they are low probability outliers so the past provides no reliable precedent. And yet these black swan events have a huge impact. Think of September 11 terrorist attacks, rise of internet, the mystery of missing M380 Malaysian airways. We live now in a VUCA world surrounded by black swans. This is the New Normal. However, even in this unpredictably changing world, there are few important underlying megatrends that will shape our future. The three megatrends are:

1. Digitization
2. Rise of the developing world
3. Sustainability

The present work focuses on sustainability.

Sustainability: Sustainability is the third megatrend which is the changing relationship between humanity and the planet we inhabit. Scientific evidence has proven beyond any doubt that today we are living beyond our means. Living beyond our means not just in a financial sense but also in an environmental sense. Today, according to the third wild life Fund, we are consuming the resources of 1.5 planets. The human population took more than 250,000 years to reach the 1 billion mark in the 1800s. It took a century more to reach 2 billion in 1927. It then took 32 years to reach 3 billion around 1960 and only 50 years since then to add another 4 billion to reach 7 billion in 2011. By 2050, there will be another 2.3 billion more people on earth sharing the same space today. Almost all them will be in the developing world.

If the developing world consumed in the future at the rate the developed world consumes today, we would need some where between 3-5 planets. Obviously that is not sustainable.

Sustainable development: Sustainable development ensures the well-being of individual by integrating social development, economic development, and environmental conservation and protection. The most frequently used definition of sustainable development is ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs.’ The meaning of needs is something that is necessary for the organism to live a healthy life. It is necessary for the sustainable development that the policies and technologies should be green so that environmental ability meets present and future generation in equal manner. It was coined in 1987 by the United Nations-appointed World Commission on Environment and Development, also known as the Brundtland Commission after its chair, former Norwegian Prime Minister Gro Harlem Brundtland.

Supply chain sustainability: is a business issue affecting an organization’s supply chain or logistics network in terms of environmental, risk, and waste costs. Sustainability in the supply chain is increasingly seen among organizations as essential to delivering long-term profitability and has replaced monetary cost, value, and speed as the dominant topic of discussion among purchasing and supply professionals.

OBJECTIVES OF THE STUDY

The study is made with following objectives in mind:

1. To find out, how infusing sustainability in supply chain helps organizations in optimizing profits
2. To understand the relationship between supply chain sustainability and triple bottom lines.
3. To study the process of sustainability in supply chain in the three organizations

RESEARCH METHODOLOGY

Primary data is collected through respondents of Marico, SAB Miller and Ethicus.
Secondary data is being collected through various sources such as magazines, journals, websites.

LIMITATIONS OF THE STUDY

1. Only three companies were considered.
2. The study is restricted only to the supply chain aspect of business.

REVIEW OF LITERATURE

The concept of corporate sustainability started to emerge only in the end of the twentieth century, before which maximization of profits remained the sole aim of most corporate house. Today, with rapid information sharing, increased awareness among the public, escalating media attention, pressure from governments, NGOs, social activists, environmentalists and civil society, corporations find it difficult to do destructive and unethical practices without attracting negative feedback (Patro, 2010). Stricter legislations and compliance regimes, and the mounting pressure from various stakeholders have driven companies to conduct their businesses in a way that is both sustainable and inclusive.

As pointed out by Agarwal (2008), the concept of corporate sustainability gains all the more importance in a developing country like India that cannot depend on just governments efforts or funding from global agencies to attain sustainable development. It also needs intervention by the multinational corporations and local firms for moving towards the path of sustainable development.

More and more business houses in India are now moving towards a path that leads to sustainable development. This is evident from the increasing number of CSR activities, sustainability reports, corporate sustainability awards etc. in India. Firms are slowly beginning to realize that they cannot exist in vacuum and that their profits cannot multiply without accepting responsibility towards its people, the planet and the unborn future. Their outlook towards sustainability has changed from that of „charity and dependence to empowerment and partnership’ (Agarwal, 2008). All this is happening not only because of the pressure created by various stakeholders but also because firms understand that there are a number of opportunities that sustainable pathways can present. For instance, innovative ideas can lead businesses to amalgamate climate change mitigation efforts with the development of novel and efficient products, services, and processes (Pandey, 2010). Such efforts can help businesses to gain competitive edge and build reputation in the industry (Agarwal, 2008; Orlitzky et al., 2011). Many other advantages, such as boost in employee confidence and cost savings etc. can be attributed to sustainability practices in the organization.

Min and Galle (2001) note that many buying firms get involved in sustainable purchasing in a reactive manner in that they do so just to avoid violations of regulatory laws. Rao (2002) notes that adoption of SSCM practices is encouraged by government and market forces. Zhu and Sarkis (2004) also mention competitive and regulatory pressures as drivers of SSCM. Pagell et al. (2004) and Shi et al. (2012) mention about proactive and reactive strategies for sustainability. They note that while proactive strategies relate to pollution prevention rather than pollution control, reactive strategies essentially react to regulations by doing the minimum required by law and customer requirements on environmental concerns. Zhu et al. (2005) note that Chinese manufacturing firms have increased their environmental awareness due to regulatory, competitive, and marketing pressures and drivers with regulatory factors being the most important among them all.

According to Peters et al. (2011), sustainability strategies can be differentiated into compliance and proactive strategies. While compliance strategies reactively follow existing rules, norms and standards, proactive strategies in supply chains lead to voluntary adoption of SSCM practices. Green et al. (2012b) note that in addition to customer requirements, environmental legislations and regulations have been identified as drivers of the adoption of SSCM practices. Krause et al. (2009) and Walker and Jones (2012) note that some firms are driven from within by top management to adopt SSCM practices as part of their business strategy while others are coerced to do so and respond reactively to outside influences such as supplier and customer pressures and regulations.
From the discussion above, it is clear that firms may adopt SSCM practices voluntarily, without any external pressure, or they may be compelled to comply with regulations or adopt SSCM practices under pressure from customers and competitors.

**Present Study**

1. **Marico From Copra to Coconut:** Marico is the largest buyer of copra in India—about 100,000 tonnes a year—and is striving to meet steadily growing demand for its popular range of Parachute coconut oils, reliable, resilient and sustainable in-bound raw material chains are a lynchpin for a crisis-free future. The difficult years spent to “broad-base supply” has evidently borne fruits for the company feted for its supply chain innovations. The recent unveiling of a pilot collection centre near Madurai in Tamil Nadu—where farmers can troop in with their ‘raw’ coconuts—is a milestone. Earlier, Marico would buy only copra—coconuts sun-dried by its vendors. This migration from copra to coconut is significant.

After an effort spanning two decades to dis-intermediate its copra supply chain—ridding it of exploitative structures and agents—and infuse it with technology platforms for quick, transparent transactions, FMCG major Marico is nearing its holy grail: the enviable situation of dealing with the smallest possible vendor—a marginal farmer with a few coconut palms in his backyard.

**One-Stop Shop**

This collection centre, one of the thousands it has, has machines to de-husk, de-shell and dry coconuts. Farmers disinclined or unable to convert their coconuts to copra can sell their produce here. The Madurai centre is a turning point in streamlining the supply chain and establishing a relationship with the smallest farmer possible, without engaging in contract farming. Marico has suffered during two bull runs in copra—in 2003-05 and in 2008-09—as middlemen salted away copra in warehouses. From Rs 18,000 a tonne in 2001-02, the price peaked at Rs 52,000 a tonne in 2005. To break this stranglehold, Marico set a goal of reaching out to the largest possible mass of people willing to sell. The idea was farmers don’t usually hoard. Their aim, always, is to sell their produce as quickly as possible and invest in the next crop.

In the early years, Marico sourced its copra from terminal markets of Kerala—a beehive of agents and unions. There was the transporter, who doubled up as trading facilitator; traders undertook fumigation, drying and sorting; a workers’ union also sorted; another union filled copra into sacks, and stitched and loaded them; and yet another union stacked the sacks in trucks. All these activities cost around Rs 500 a tonne and gunny bags cost another Rs 300 per tonne.

Knowing that sourcing from terminal markets couldn’t go on, Marico diversified into buying directly from individual traders, who moved truckloads of copra directly to its factory. Simultaneously, the company started developing a sourcing base in Tamil Nadu to de-risk itself from Kerala. In 2002, with of reverse auctions, price discovery and a feel of the quantity available became much easier. T his prompted a month-long blockage by Kerala traders. Another tactic adopted by angry traders, to break and discredit the auction system, was to offer copra at lower prices than those accepted by Marico, after auction hours. Marico buyers, however, refused to renege on the high prices contracted.

Traders even complained to top management that the company was incurring losses by buying copra at higher prices. However Marico had decided it would not go for offline buying .They set up a transparent system and ensured the process never violated.

A web-based system was also crafted. Marico set up its first copra collection centre in Perambra, Kerala. It was another significant step in broad basing supplies and also enabled Marico to rehabilitate smaller agents as centre heads, paying them Rs 150 a tonne as commission. Today, over 50% of copra procurement by Marico is through its centre’s; the rest comes from normal trade.

2. **SABMiller Farmer’s Trust:** Until 2005, SABMiller procured barley, either in the open market or imported. It wanted to reduce its dependence on imports, but the local produce was not up to its mark.
A similar quandary in Africa a few years ago had led SABMiller to tweak its business model there. It partnered local farmers to grow barley and created a new beer brand. It stabilized barley supply for itself and improved the living standards of barley farmers. So, in 2005, SABMiller started Saanjhi Unnati, or partners in progress, in India: a programme with farmers, aimed at securing a long-term, reliable source of malt quality barley. To start with, SABMiller set up three centres in three tehsils (blocks)—Sri Madhopur, Chomu and Jobner in Rajasthan—involving 1,574 farmers. At these centre’s, farmers could sell their produce to the company in cash, they could buy seeds at subsidized rates, they could buy other inputs like fertilisers and pesticides, they could seek farming advice.

Farmers used to perceive barley as an unstable crop because of price volatility at the Chomu mandi. Saanjhi Unnati improved the quality of barley (seeds) and helped improve yields by 40-50% and farmers got a ready buyer. Today, about 48% of the barley needs of the company’s 10 breweries across nine states is met via Saanjhi Unnati. Another 14% is bought via traders, 37% from maltsters (entities that process barley) and 1% is imported.

In Chomu district of Rajasthan, pre-fixed prices brought greater stability for the small section of farmers growing barley—a 125-day a year crop. Farmers were not able to make the right choices, due to limited resources, on crop rotation and what to grow in the no barley season. Aided by Saanjhi Unnati centres, farmers in Rajasthan now alternate barley with groundnut and those in Haryana with paddy. The programme benefits 10,000 farmers who grow 50,000 tonnes of barley for SABMiller India. The number of centre’s has increased to 32, covering Rajasthan, Haryana, Punjab, Uttarakhand and Madhya Pradesh.

Prepped up by Saanjhi Unnati’s success, SABMiller India has started prodding farmers to grow varieties of barley that are more suited for beer. In five to seven years, SAB Miller India expect to meet all barley needs from Saanjhi Unnati.

3. Ethicus : Tradition And Modernity: Run by the husband–wife team of Mani Chinnaswamy and Vijayalakshmi Nachiar from Pollachi in Tamil Nadu, Appachi has put together a remarkable, integrated chain for ethical fabrics, branded Ethicus. The chain starts by organising marginal organic cotton farmers of Kabini in Karnataka, and extends to interventions in ginning, spinning, weaving and retailing. The project, while focused on tradition, infuses modern techniques in design, branding, positioning and marketing. It has begun to stir the stagnancy and despondence that handlooms had receded into.

From Handholding..

Building India’s first ethical organic-fabric brand has been a tempestuousendeavour for Chinnaswamy. He witnessed tribal farmers in the Kabini region struggling with sustenance. He handheld them through the process of growing organic cotton—providing seeds and other inputs, freeing them from agent-moneylenders, certifying cotton and finally buying. He also ran projects on water, sanitation and education in the villages. Project Appachi started with 50 acres. Soon, Chinnaswamy was sitting on 20 metric tonnes of organic cotton and no buyer. He had already paid farmers 23% premium over market price. It was extra-long staple specialty cotton; and because of the small value and tonnage, he couldn’t even export it. Chinnaswamy was left with no alternative but to convert the cotton to yarn at some of the mills he knew. Now, he was sitting on mounds of quality yarn. Pushed to a wall, they decided weaving their own sarees.

The duos began exploring the intricacies of weaving and were hit by a story similar to that of exploited marginal farmers. Individual weavers, working on looms at home, were reeling under the viles of ‘master weaver-agents’ appointed by larger retailer-buyers. Master weavers gave yarn to weavers and a poor price. This left weavers with no alternative but to weave loose sarees, and salt away yarn for themselves. This impacted quality, diminished patronage from consumers for handloom, and led to general distrust and decline.
He gave yarn to weavers in north India, but they delivered sarees after six months. Appachi got into weaving. The duo started looking in their backyard, in Tamil Nadu, and found looms were going out of business. A search led them to Chennimalai, once a thriving loom town with 40,000 looms. They picked up 42 looms from a stack of 2,000 old, dismantled looms piled up in a warehouse. Appachi now has its own weaving centre in Pollachi. As a tribute to the skills of its workers, every piece of clothing sold by Appachi has a tag with a name and picture of the weaver.

To Positioning

The seed-to-saree cycle takes a year to complete, but this year Appachi broke even. Much of the focus is now on branding and positioning. The idea is to go beyond certification, which most organic products are limited to, and engage consumers. Chinnaswamy organises the ‘cotton trail’, which takes buyers from the Kabini Elephant corridor, around which his cotton is grown, through the process of manufacture across Tamil Nadu, ending at the foothills of Anamalai Tiger Reserve, near Pollachi, where a product is woven and finished. Chinnamasamy explains that while organic-cotton fabrics cannot go mass, they can move out of the present small niche. It already has experts like Rajeshwari Sheth of Anveshan—a brand and innovation network that works with PepsiCo, Samsung and Unilever, among others—trying to take Ethicas to market.

Appachi Project

Covers 1,200 organic-cotton farmers across 1,875 acres. Prices fixed every Saturday; farmers have a say through a price-fixing committee. Electronic weigh scales have eliminated 8-10% wastage. Premium for Grade A cotton, for contamination-free produce, even to farmers whose farms are in transition to organic. Now operates through the sole APMC yard where organic cotton is traded.

ANALYSIS AND CONCLUSIONS

- Organizations can reach out to the bottom of pyramid and contribute to inclusive growth
- It can protect itself from price fluctuations by having control over supply chain
- It creates social capital
- Improves the image of the organization
- Helps organizations achieve triple bottom lines in today’s Business environment.

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