Drinking Responsibly

The Role of Collaboration in Sustainable Supply Chain Management within the Beverage Industry

Background

- For many corporations, global supply chains contribute over 90% of their GHG emissions.
- Despite abundant sustainable supply chain management (SSCM) literature, companies face challenges integrating practices in collaboration with their supply chain, resulting in ineffective greenwashing campaigns.
- Thus, a crucial shift toward collaborative strategy is needed to address sustainability challenges within specific global supply chains.

Research Question

How does collaboration moderate sustainable supply chain management?

Methods

- Literature Review: exploring collaboration in SSCM practices, specifically within supplier sustainability performance assessments.
- Supplier Assessment Design: quantifying Tier 1 suppliers’ sustainability performance and identifying shared sustainability initiatives with Talking Rain.
- Assessment Administration: releasing the survey and communicating the intent to form collaborative relationships around sustainability initiatives.
- Post-Assessment Interviews: reflecting on the survey experience, sharing sustainability goals, and identifying feasible opportunities for collaboration.

Results

Understanding the nature and structure of supply chain relationships combined with assessing a firm’s collaborative capability, significantly influences the success of SSCM practices.

- The nature of relationships refers to their level of complexity, characterized as either...
  - Cooperative relationships prioritize information sharing over mutual resource allocation, being informal and minimal in SSCM.
  - Coordinative relationships, more formal and interdependent than cooperatives but less than collaboratives, involve sharing some resources and skills to achieve common objectives.
  - Collaborative relationships, ideal for complex and uncertain supply chains, feature blurred organizational boundaries and higher transactional costs due to increased resource sharing.

- The structure of relationships refers to actors’ capacity to collaborate and depends on structural characteristics such as organizational design, information sharing, trust, resource allocation, formality of agreement, etc.

- A firm’s collaborative capability as seen in Figure 1, helped to determine whether proactive collaboration would develop with the participating suppliers.

Figure 1. A firm’s collaborative capability (ability to leverage other actors’ resources) moderates sustainable supply chain management practices (Choi and Hwang, 2015).

Figure 2. Talking Rain Tier 1 Supplier Sustainability Performance Scorecard

Implications

- Understanding the nature, structure, and collaborative capabilities of those involved allows firms to form strategic relationships minimizing supply chain risks.
- Firms need to develop SSCM practices with the intention of developing collaborative supply chain relationships to extend beyond solely sharing information.
- Future research efforts should examine collaboration’s effect on other SSCM practices outside of supplier assessment reporting.

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