



Social Purchasing:

Creating Social Value from Existing Purchasing...

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Agenda...

1) The Evolving Context

2) Social Purchasing

What

Why

How

3) Conclusion

Former Context

Quarterly Financials

Annual Budget

Compete

Shareholders

Silos

Profits

Avoid Risk

Decide – Announce - Defend

React

Inputs

Emerging Context

Blended Value ROI

Shared Values

Collaborate

Stakeholders

Opportunities

Share

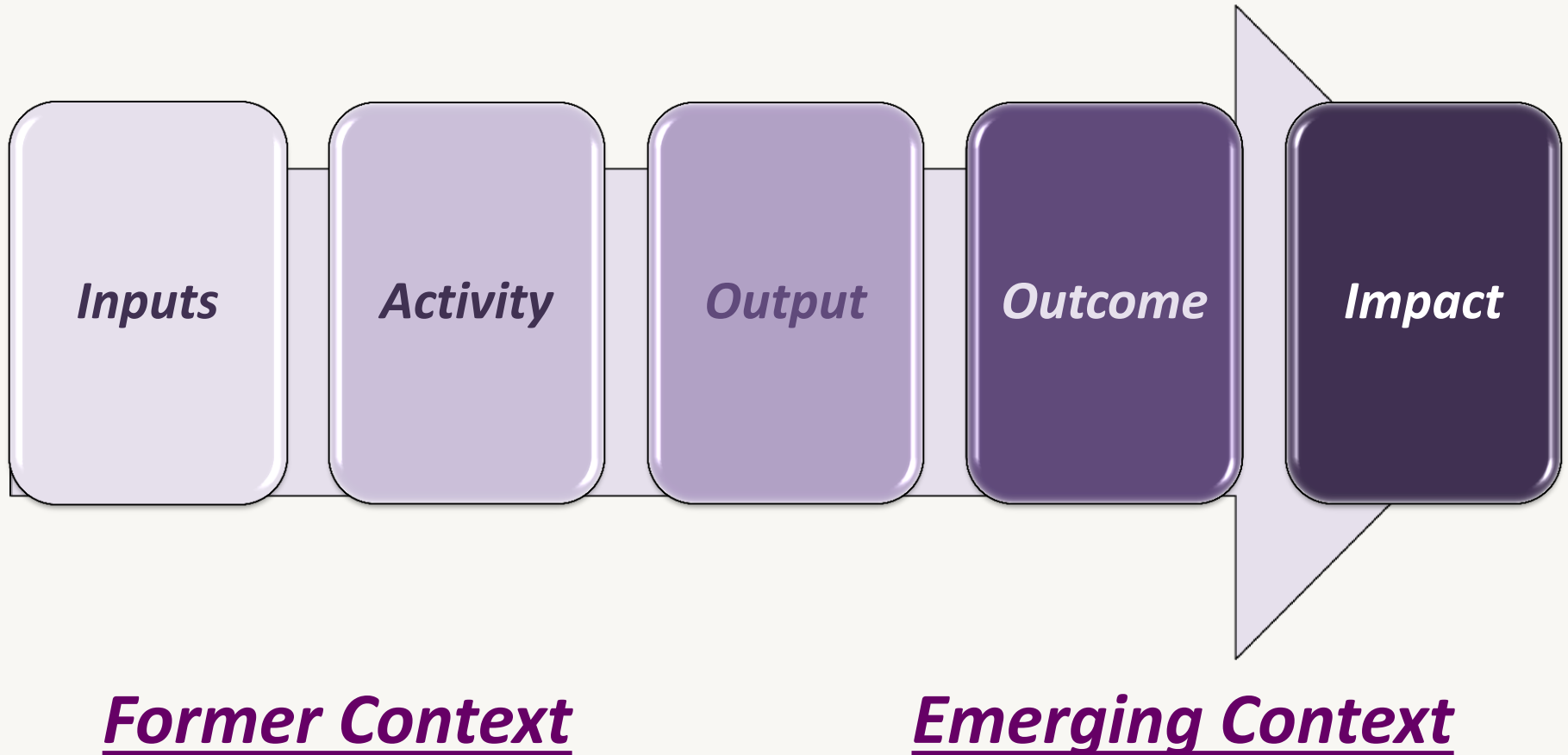
Development

Co-Creation

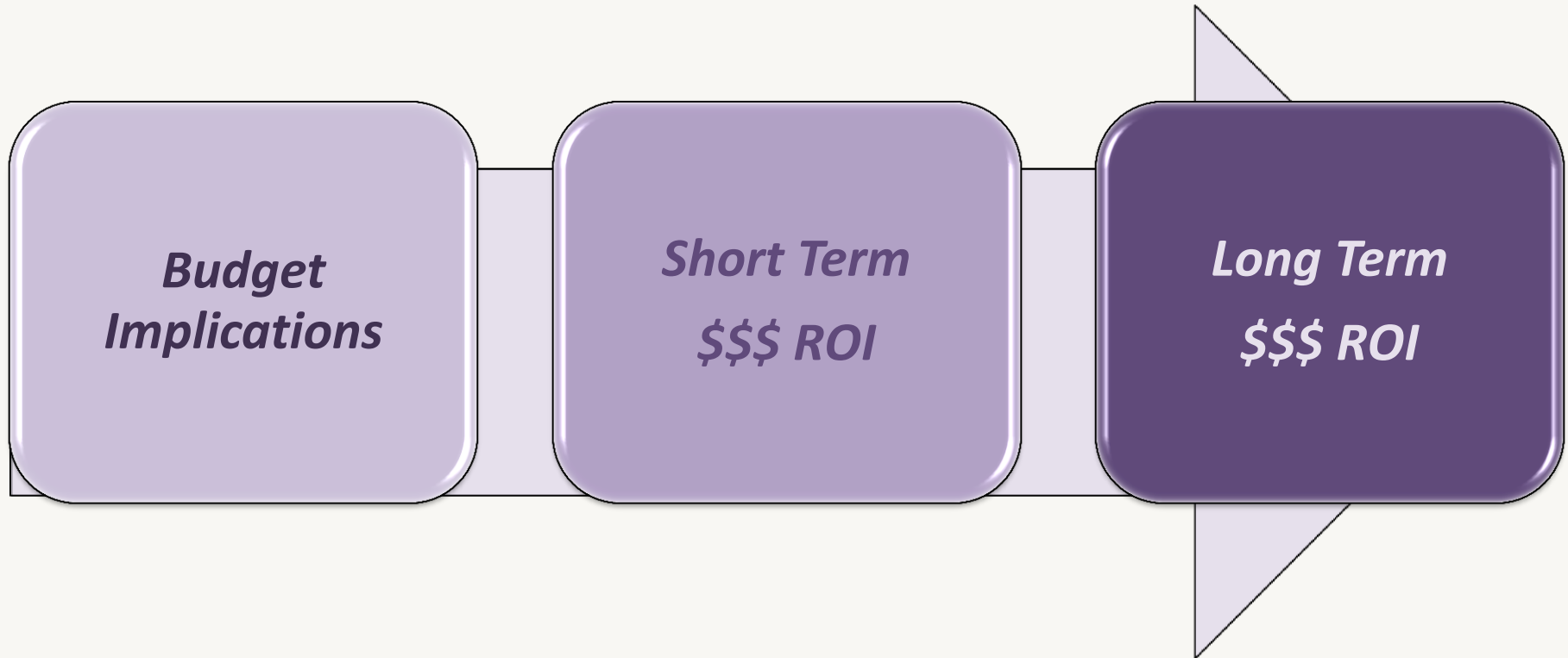
Prevent

Impact

Social Evaluation Framework



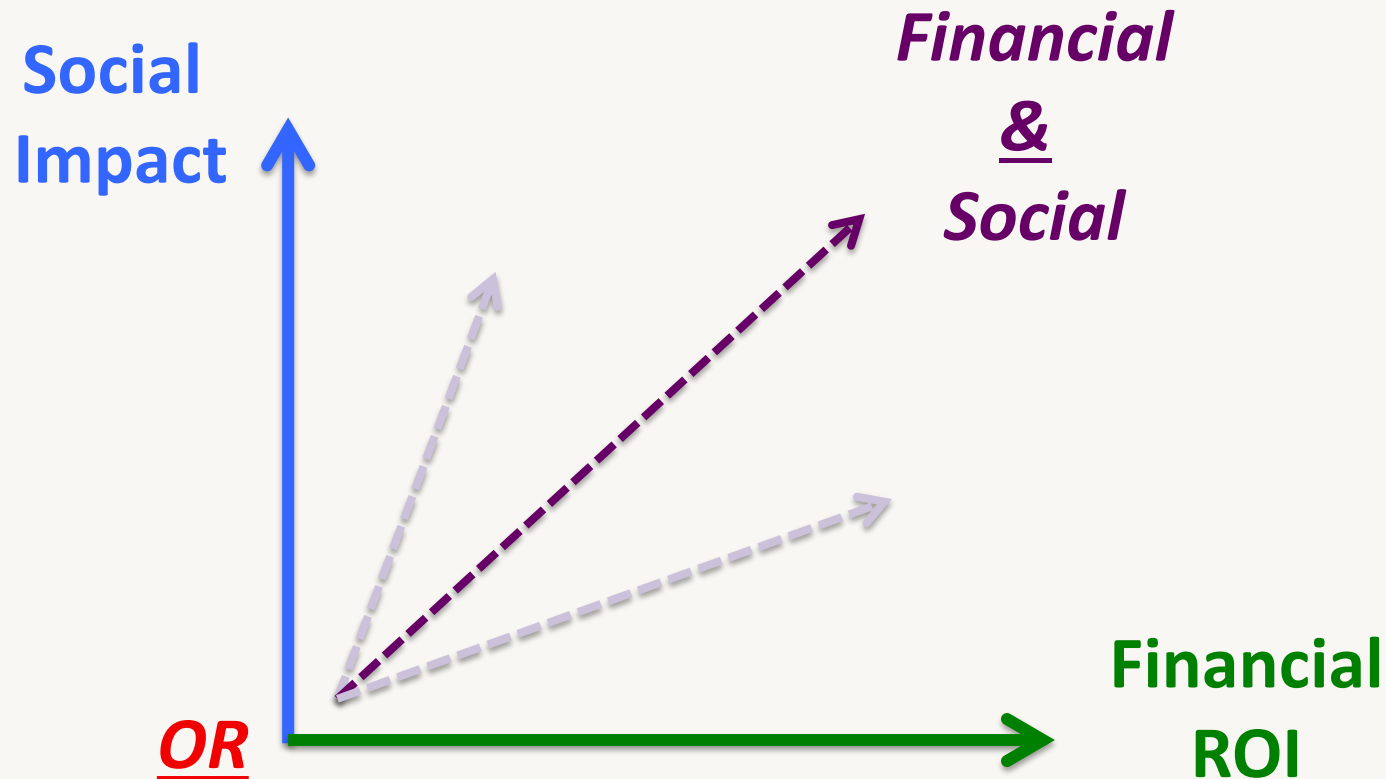
Financial Evaluation Framework



Former Context

Emerging Context

Emerging Blended Value Business Context



Purchasing Reflects Shifting Context



***1850 – 1970
Business Only Analysis***

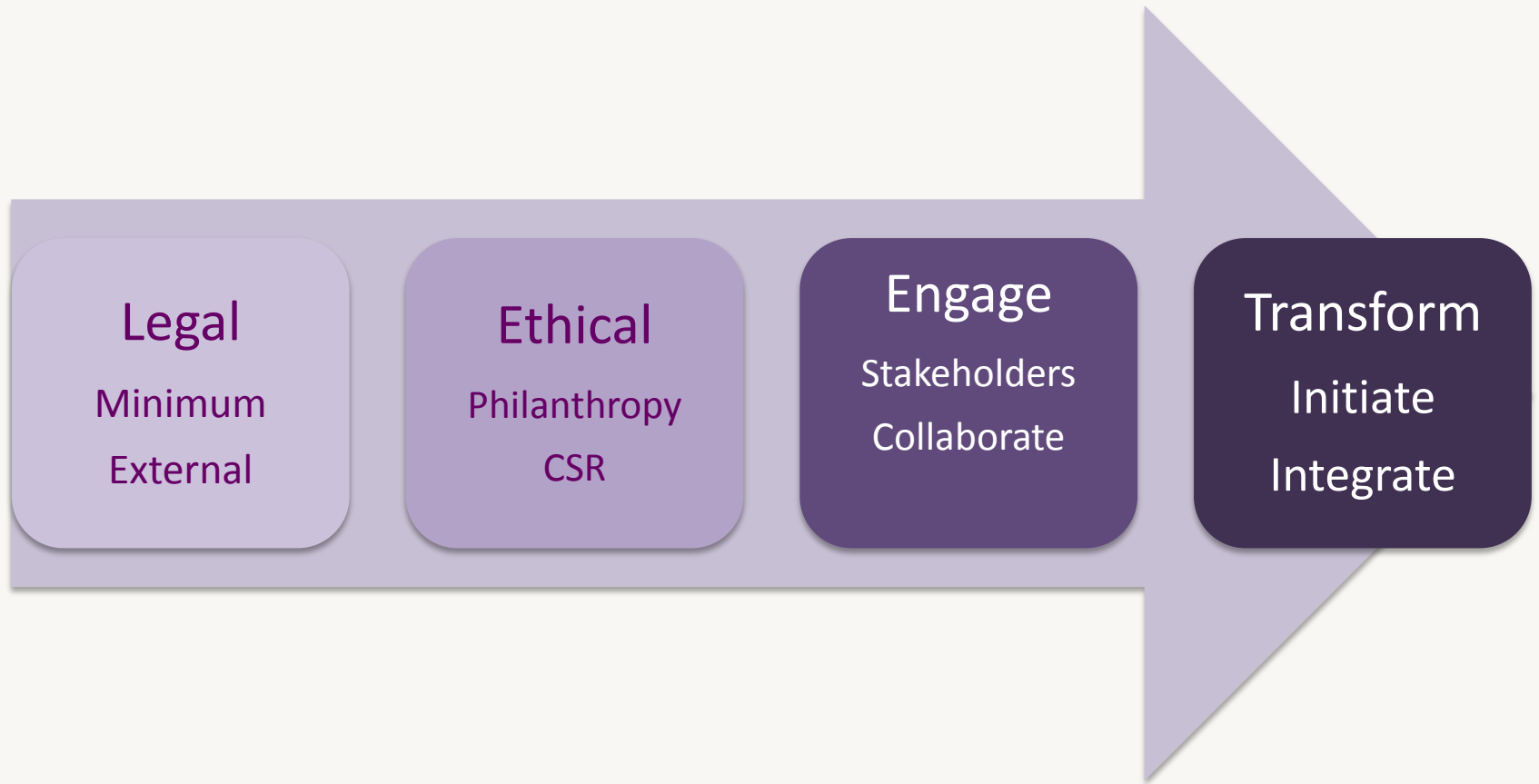


***1970 – 2000
Added
“Green” to
Create
Sustainable***



2000... Added “Social” to Define Sustainable

Progression of Social Purchasing



Former Context

Emerging Context

Social Purchasing

Why?

Persistent Social Issues...

Such as Lord Selkirk Park –

- 68 percent live below the poverty line.
- Two-thirds are Aboriginal
- More than a third are nine-years-old or younger.
- Unemployment rate is 18.7 percent.
- Median household income is \$15,552



SOLUTION:

Use Existing Purchasing to Create Social Impact...

Social Purchasing is Integrating a Social Value into Existing Purchasing

How?



Social Purchasing Strategy

1) Leadership to a New Paradigm

“Champions”

Knowledge & Engagement

Facilitate New Business Relationships

2) Select Social Impact Goals

Community Economic Development

Poverty Reduction

Social Inclusion

“Targeted” Employment and Training

3) Support Purchasing Policy Changes

Design Social Value Evaluation Criteria

Implement: RFP language, Unbundle, etc.

Adjust “Rewards” / HR Policy for Purchasers

4) Measure Impacts

Share & Scale

Social Purchasing Internal Implementation

- 1) Assess Social Purchasing Readiness*
- 2) Draft Social Purchase Strategy*
- 3) Set Targeted Commitments*
- 4) Ready, Set, GO! (Pilot)*
- 5) Integrate Social Purchasing into Planning and Practices*
- 6) Reporting Systems*
- 7) Continuous Improvement and Scale*

An Example:

GOAL: Purchasing from Social Enterprises that provide training & create employment opportunities for marginalized community members

(Social Enterprise is a business operated by non-profit with blended purpose of generating income from sales and achieving a social value...)

STRATEGY: Increase Social Enterprise Access to Existing Contracts

Social Enterprises Offer a Full Array of Business Services

- Catering
- Office Cleaning
- Building Maintenance
- Manufacturing
- Temporary Labour Services
- Recycling
- Health Care
- Car Washing
- Landscaping



Some Social Enterprises Examples...

- BUILD
- Manitoba Green Retrofit
- Inner City Renovations
- Diversity Foods
- Neechi Foods
- Inner City Renovation
- Mother Earth
 - Electronics recycling
- West End Commons
 - Space rentals; community kitchen.



Possible Changes to Current Purchasing Practices to Enhance Social Enterprise Opportunities

- *Identify Direct Contract Opportunities*
- *Use Social Impact Values Within The Scoring System*
- *Simplify The RFP Process*
- *Unbundle Current Contract Into Smaller Pieces*
- *Require Community Benefit Agreements On Large Projects And Contracts*
- *Evaluate And Score Social Values In The Supply Chain Of Major Contractors*

EXAMPLE of Implementation: RFP Evaluation Criteria

1) Define the Product or Service:

--Price Range

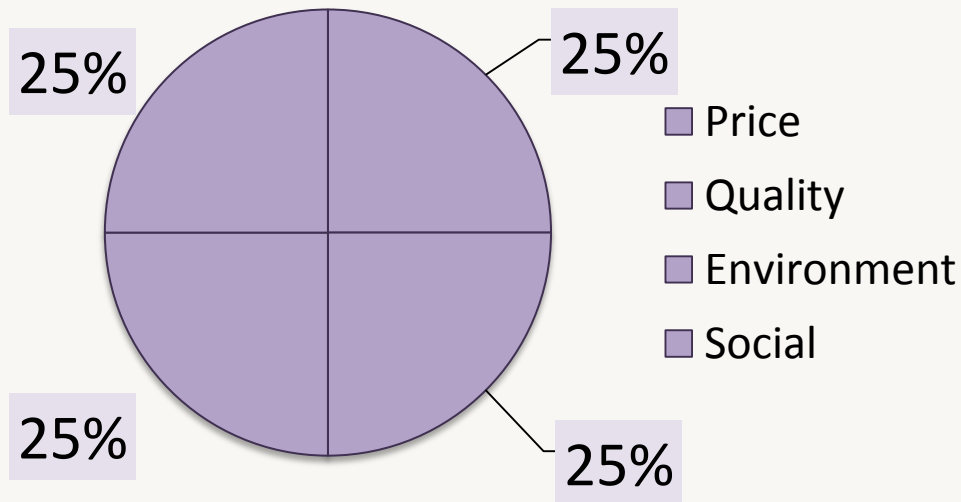
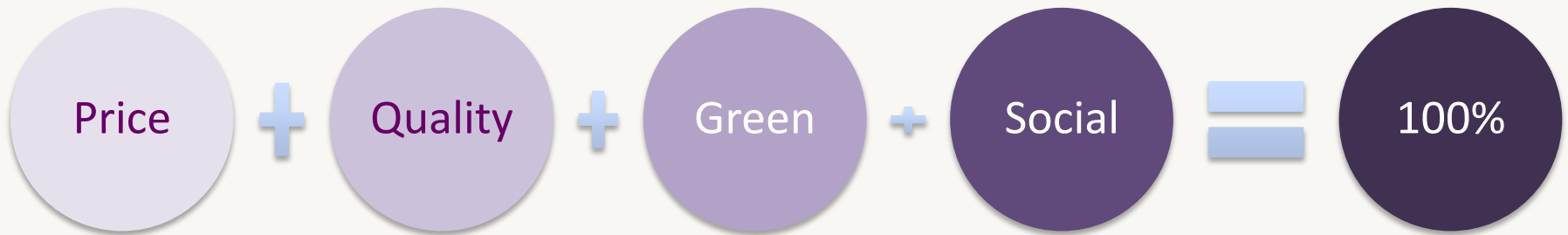
--Quality Specifications

2) Determine the Environmental Criteria

3) Determine Social Impact Objectives

*4) Establish the Scoring Percentages for Each:
Price / Quality / Environment / Social*

***Establish the Evaluation Percentages
Based on Goals for Each Purchase
Score Accordingly...***



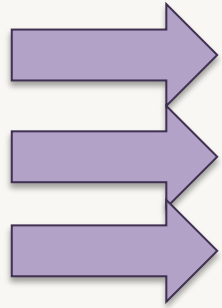
Conclusion:

*“Shared value is creating social and economic opportunities. Improving societal problems with **a business model.**” Michael Porter, Harvard Business School*

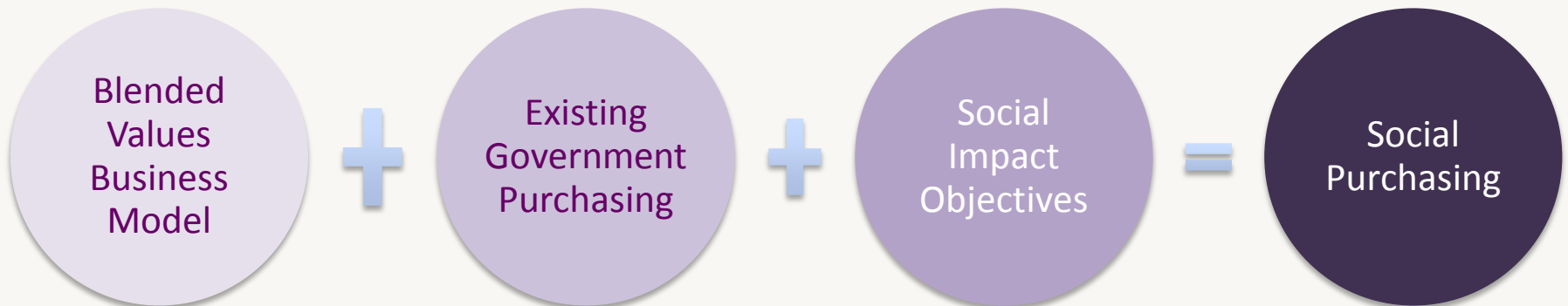
*“I’m interested in how **governments can help steward** markets so that markets reward businesses that do the right thing ...”
Peter Holbrook, CEO, SEUK*

*“**The supply chain** is the common denominator in all businesses...The expanded role of responsibility for supply professionals [is] **to be inclusive of social values..**”
Larry Berglund, CEO, Consultant and Author*

Social Purchasing integrates



***Blended Values Business Model
Existing Government Purchasing
Social Impact Objectives***





BUY SOCIAL CANADA 

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