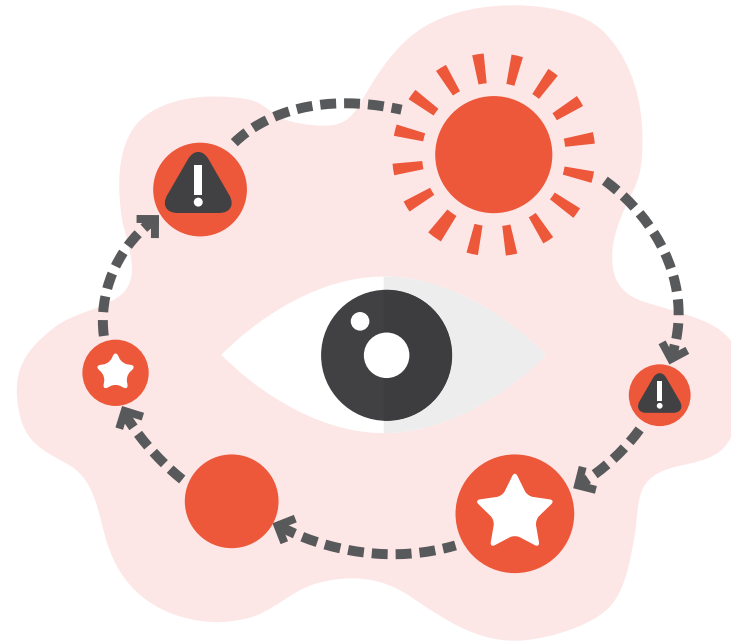


PR.6

Develop a value chain vision

Requires dialogue

In this activity you will develop a vision of a sustainable value chain using the information you have gathered to date about the value chain.



INPUTS

- Key stakeholders, from the activity *PR.3 Build the right external partnerships*.
- Sustainability hotspots, from the activity *PR.4 Identify sustainability hotspots across the value chain*.
- General opportunities and threats, from the activity *PR.5 Identify the general opportunities and threats across the value chain*.

OUTPUTS

- A vision of a sustainable value chain, used in the activity *PR.8 Plan and implement engagement activities*.

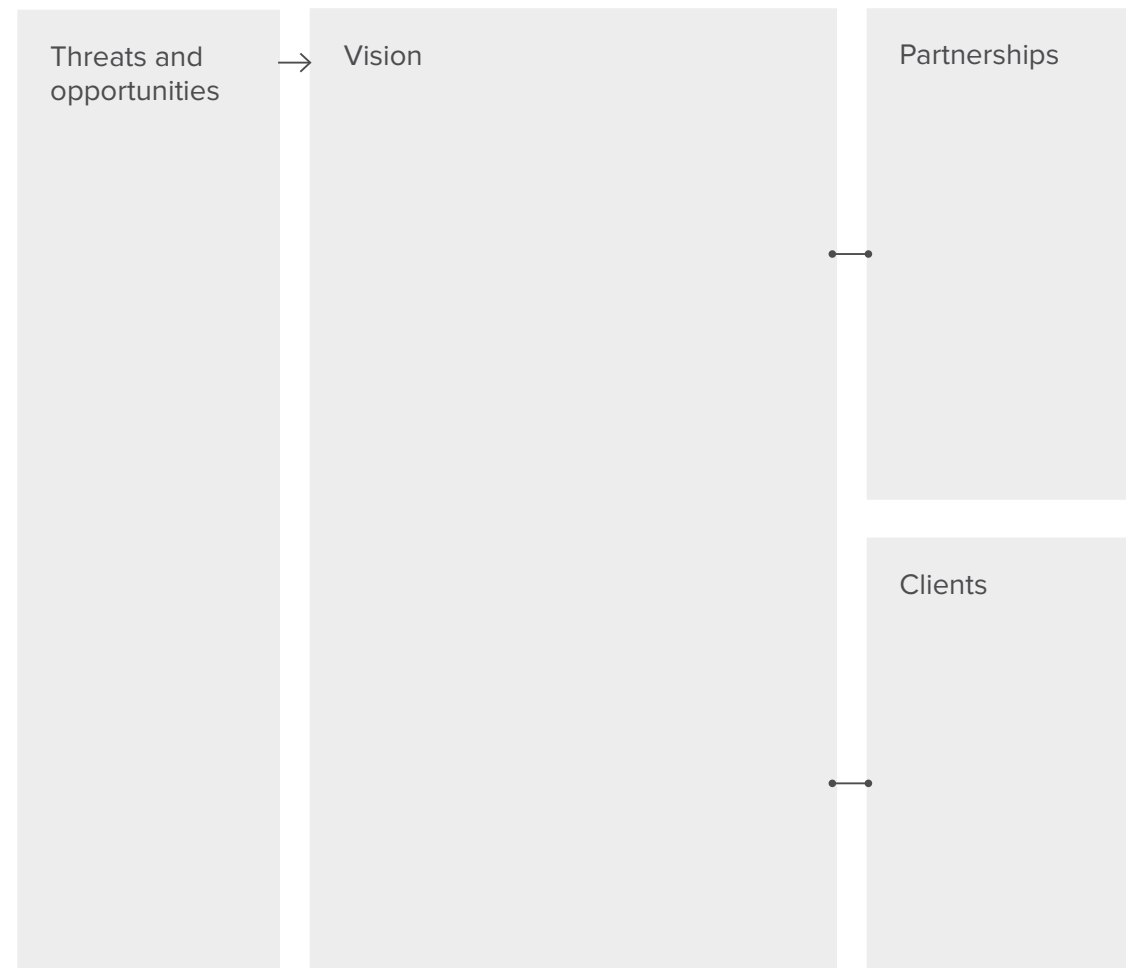
PR.6 Developing a value chain vision

The value of developing a value chain vision is that it will provide the 'big picture' that can be used to guide your activities with companies within this value chain. On a practical level it will help you to decide who you need to be working with (partnerships), and who you should target first with your services (clients). The value chain vision does not need to be detailed but should outline how the sustainability hotspots, threats and opportunities can be addressed.

HOW TO GO ABOUT IT

1. Review the sustainability hotspots and the significant threats and opportunities that you identified using *Life Cycle Thinking and PESTEL templates*.
2. Try to envision a situation in 5-10 years' time in which the sustainability hotspots and threats for the value chain have been resolved (or drastically reduced) and the opportunities have been realised.
3. Write a brief description of the situation that exists in this future state, mentioning each of the major threats and opportunities that have been addressed.
4. Review your draft value chain vision with colleagues before finalising.

Template of Value Chain Vision



Value chain vision

Project _____

Date _____

Version _____

Threats and opportunities

What are the key threats and opportunities?



Vision

What do you envision for the value chain?

Partnerships

Who could you partner with to achieve this vision?

Clients

Which potential client companies would be inspired by this vision?

Used during activities

PR.6

PR.6 Developing a value chain vision

LEARNING CASE STUDY OF VALUE CHAIN VISION

Threats and opportunities

- Fishing activity
- Energy intensity of the production phase
- Significant fish loss and waste
- International fishing companies obtaining licenses to fish in the region
- Concerns about overfishing and the impact of by-catch on the marine eco-system associated with purse seine and long line fishing methods
- Increasing consumer awareness of the unsustainable nature of current tuna fishing practices leading to consumer-led campaigns for improved sustainability practices within fishing and fish processing industry.
- Reports of slavery-like conditions on board tuna fishing vessels, with links to human trafficking.

Vision

The tuna processing industry is successful and profitable, there are strong local and international markets.

The issues of overfishing and 'by-catch' have been resolved through changes in fishing practices that have reduced the overall quantity of fish caught and the risk of catching protected species, such as sharks and dolphins. Local markets for many other types of non-protected species have been established, providing financial benefits to the fishermen who are able to sell a wider variety of fish.

Waste in the value chain has been drastically reduced through better value chain communication mechanisms and improved cold storage infrastructure. This has benefitted the local tuna processing companies, who gain more revenue per tonne of fish purchased, and the European retailers have a more secure supply of high quality canned tuna.

Worker protection has been improved through better monitoring of working conditions on-board fishing vessels and processing factories.

Partnerships

- Fisher people
- Fisheries Agency
- Department of Industry
- Food retailers
- Local government

Clients

- Tuna processing companies

PR.6 Developing a value chain vision

TIPS & TRICKS

INSPIRATION FOR VISION

To help formulate the vision you could also look at the visions for the future and long term priorities described in your country's policy documents. For example, you might find that the industrial development policy in your country place a high priority on transitioning from export of basic raw materials, to more sophisticated products/ processed goods. The RECPnet Vision Statement (see references for further details) also provides some suggestions about the types of sustainability issues that are important to address at a global level.

SHARING VISION WITH CLIENTS

The value chain vision will be useful when developing strategy options for the companies you work with later in the process. Whether or not you decide to share this vision of a sustainable value chain with your client companies is up to you. Some companies will be interested to see how their role within the 'big picture' for the value chain but others will not. Either way, it may be useful to discuss the vision you have developed with one or two sector experts that they can provide some feedback and critical review.

BACKGROUND INFORMATION

References and resources

Developing a vision for a sustainable value chain:

Davos Declaration on Promotion of Resource Efficient and Cleaner Production (RECP) in Developing and Transition Countries. Available from: https://www.unido.org/fileadmin/user_media_upgrade/What_we_do/Topics/Resource-efficient_low-carbon_production/Global_Network_Conference_on_RECP_-_Declaration.pdf

→ Further information in the Agri-food, Chemicals and Metals Supplements

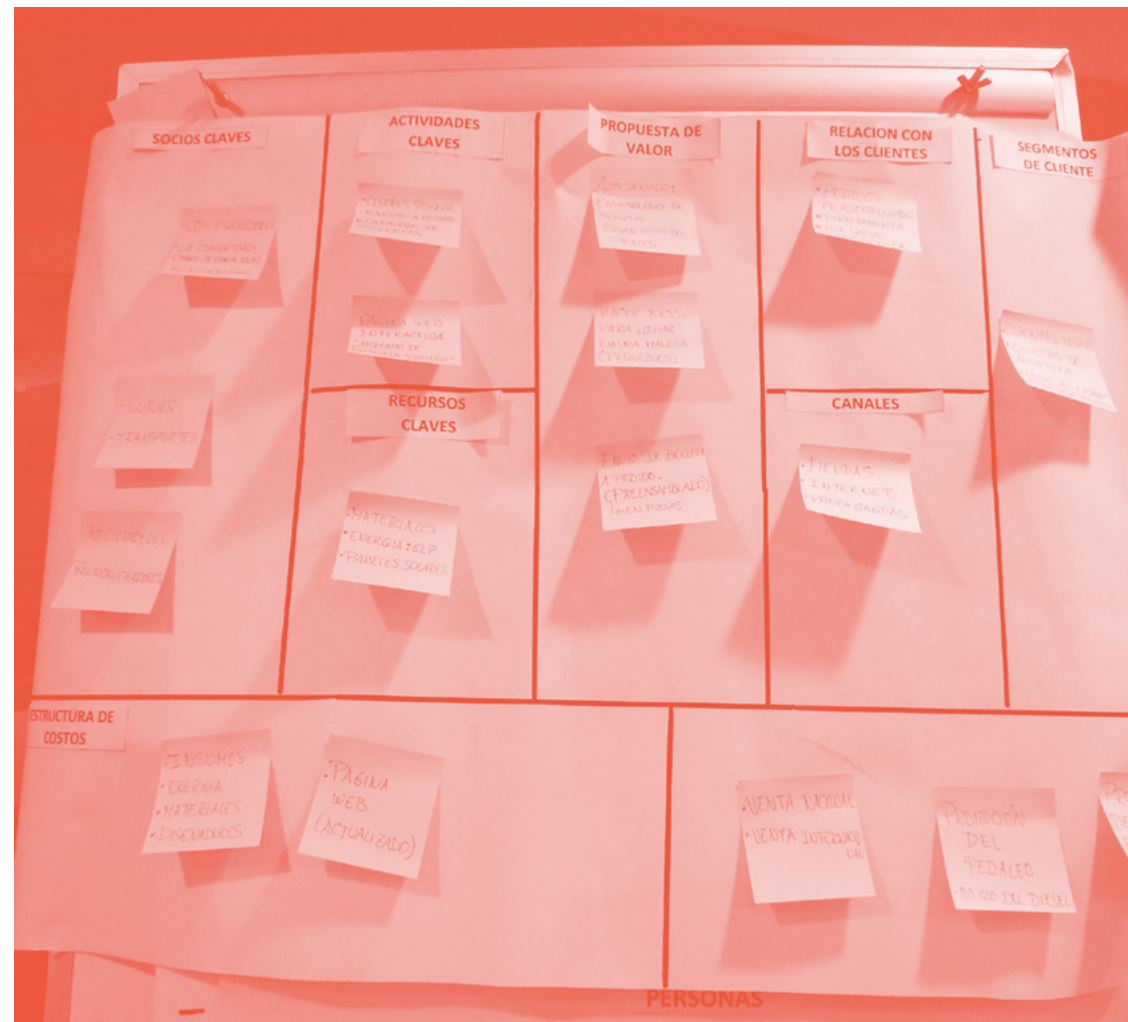
PR.6 Developing a value chain vision

LEARNING CASE STUDY

All products from fruits and vegetables are sustainably sourced and processed.

Consumers are aware that their purchases have a direct positive effect on working condition, health and safety issues and wages of farmers and factory workers. The satisfaction is high among consumers and they are willing to pay a premium price for a sustainable product. There are continuous initiatives to improve the sustainability of the value chain through better agricultural practices, increased productivity, higher product quality, and enhanced food safety. The supply chain is transparent, disclosing information regarding origin of raw materials and relevant environmental and social aspects of the products and processes (such as use of chemicals and nutritional value) to the consumer.

The industry is able to meet the demand of a growing international market for healthy food through implementation of sustainable practices across the whole value chain. There is a strong cooperation between value chain stakeholders including private and public sectors, supporting a sustainable growth of the industry.



PR.6 Developing a value chain vision

LEARNING CASE STUDY OF VALUE CHAIN VISION

Threats and opportunities

- Limited regional availability in high quality cotton and synthetic fibre feedstock and high prices.
- Competition from low-cost regional and international companies putting pressure on the market share of domestic companies.
- Women workplace participation in region is low since affordable day-care not available.
- Consumers are becoming increasingly more aware of the risks associated with the chemicals used by the textile industry and want to ensure that the products they buy are sustainably sourced and manufactured responsibly.
- Large international companies (Brands) are requiring suppliers in their supply chain to adopt best environmental practices and eliminate hazardous chemicals from the life cycle (e.g. ecolabels, social accountability, restricted chemicals list, etc.). The Zero Discharge of Hazardous Waste is one such value chain initiative.

Vision

The textile industry is successful, profitable and growing strong in both domestic and international markets.

The overuse of agrochemicals in the cultivation of cotton for the production of cotton-based textiles and the corresponding impacts on environmental degradation and farmer health have been resolved through a switch to organic farming and best practice-based crop protection while providing fair wages and good working practices for the farmers.

All chemicals used for the production of textiles that are on Restricted Substances Lists have been eliminated and the criteria specified by the ZDHC initiative regarding permitted concentrations in wastewater have been achieved through cooperation between chemical suppliers, textile equipment manufacturers, international brands and wet textile manufacturers. Residual sludge from wastewater treatment is safely disposed of, such as in adequate cement kilns.

Cooperation between textile manufacturers, washing machines, and detergent suppliers have led to a significant decrease in water, electricity and detergent use for the cleaning of clothes.

The waste generated by textile products, especially garments, at the end of life has been significantly reduced through the introduction of new business models and technologies focusing on the collection and chemical recycling of synthetic fibres and using other waste sources as raw materials for textile production.

Partnerships

- Chemical suppliers
- Textile equipment manufacturers
- International brands
- Wet textile manufacturers

Clients

- Consumers
- Retailers
- International brands
- Garment companies
- Distributors

PR.6 Developing a value chain vision

Introducing TipTop Textiles Co.

At this point of the eco-innovation process, you have gathered all the necessary information on the target value chain and are ready to engage a company to offer your services as an eco-innovation service provider. From this point onwards in the supplement, we will use the hypothetical company TipTop Textiles Co. as a learning case study to provide practical examples of implementation of the eco-innovation methodology and selected templates at a company within the chemicals value chain.

You already provided Resource Efficient Cleaner Production (RECP) services to a local wet textile processing company, TipTop Textiles Co., and are therefore in a good position to acquire their business to provide eco-innovation services.

The family run medium sized company (120 employees) produces textiles for various purposes. The company only processes orders received from domestic and international customers with the domestic market constituting 85% of total sales.

The company manufactures synthetic fibre on-site from polymer chips and processes it into both polyester yarn for fabric manufacturing. The company also uses cotton yarn, which it receives from its suppliers. The natural and synthetic yarns are further processed to finished fabrics via different production steps including weaving or knitting, pre-treatment, dyeing and printing (optional steps), as well as finishing.

The textile products are a mixture of polyester, cotton, and polycotton based-materials. The main products are textiles for corporate wear (e.g. suits for hotels) and school uniforms. Clothes for babies/toddlers, T-shirts for young adults, and apparel for the tourism industry make up the rest of the sales.

The production steps at the company are: polyester fibre, yarn and thread production; warping, weaving or knitting; and textile finishing. Textile finishing is an energy and chemical intensive process including: singeing, desizing, washing, bleaching, dyeing and printing, and final finishing.

The company also manufactures ink for the printing phase. They have a local chemicals distributor supplying the required feedstock for the ink (pigments, solvent, additives, etc.). All the manufactured ink is produced and used internally (they started small as a family owned business manufacturing their own inks). They formulate the inks and dyestuffs in dedicated batch processing reactors.

The majority of the company's employees is involved in the production. In addition, there is the CEO, production manager, sales manager, purchasing manager, finance manager, IT support, environment and health officer, and R&D lab used for developing new inks and textile materials, as well as for quality control.

PR.6 Developing a value chain vision

LEARNING CASE STUDY OF VALUE CHAIN VISION

