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Sustainable Procurement:

Best Practices for Implementation in an Organization

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Executive Summary

Sustainability is an increasing trend among organizations particularly in the entertainment industry. As a result, Live Nation, the world's largest entertainment company in the world, is looking to join the growing number of organizations in the entertainment industry moving towards increased sustainability. Live Nation is looking to implement different sustainability initiatives, one of them being sustainable procurement.

The purpose of this report is to develop a sustainable procurement framework of best practices that Live Nation can implement. To find the best practices for sustainable procurement, three research objectives of the study were developed:

1. Identify prominent practices in sustainable procurement.
2. Understand sustainability goals and objectives of Live Nation.
3. Group and filter successful or recurring themes, practices or tools.

Together, these objectives will help produce a framework of best practices for implementation of sustainable procurement that Live Nation can follow.

Objectives were met through analysing academic and organizational documents, consultation with Live Nation's Sustainability Manager, and systematic sorting, grouping and filtering of information.

The key findings resulted in four broadly established themes. The four broad themes identified were: People and Leadership, Policy and Procurement Process, Measurement and Results, and External Engagement. Through these four themes, the best practices were developed under each theme and useful tools were integrated to help achieve the best practices. The practices and tools within these four areas are what Live Nation must implement in order to have a successful sustainable procurement system.

For successful implementation of sustainable procurement initiatives, Live Nation should adhere to the best practices identified in the research. To make this transition as straightforward, feasible and effective as possible Live Nation should first implement the "Better" process and take an initial focus on "greening" their cleaning supplies. If Live Nation decides to partake in the "Best" procurement process, significant changes in organizational norms will be necessary alongside strong upper management commitment.

Pursuing sustainable procurement will assist Live Nation in achieving their sustainability objectives, and most importantly, ensure they remain competitive within their industry.

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1.0 Introduction

All products and services purchased have social, environmental and economic implications. This presents a unique opportunity for organizations who wish to increase their awareness and control the impacts associated with their purchasing decisions. This ideology in practice is known as "sustainable procurement", and is defined as,

> A process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst minimizing damage to the environment (APCC, 2007).

As a practice, sustainable procurement is still relatively new, as the idea can be traced back to the 1990s at the Rio Earth Summit (1992). Since, the concept of sustainable procurement was first implemented in Europe, and from there spread through other areas of the world (Department of Sustainability, 2013). Businesses are able to use their purchasing power to produce a positive future for society and the planet (SPLC, 2014). Multiple studies have found there to be numerous advantages to sustainable procurement, most significantly including cost reductions, risk reductions, and revenue growth (PWC, 2010).

Live Nation is the world's largest live entertainment company (Live Nation, 2017). With 530 million fans across 37 countries, Live Nation is producing an event somewhere in the world every 20 minutes. Live Nation is looking to join the growing number of organizations in the entertainment industry moving towards increased sustainability.

Through this research, Live Nation will hope to gain a better understanding of the short and long-term benefits to sustainable procurement such as potential cost savings, reducing potential regulatory risk, reducing employee injury, and protecting the environment while returning a higher return on investment and also increasing their brand image.

1.1 Purpose

The purpose of this study was to develop a sustainable procurement framework of best practices that Live Nation can implement. The research will be accomplished using document analysis of academic literature and organizational documents. The overall purpose will be achieved through the following objectives:

1. Identify prominent practices in sustainable procurement.
2. Determine and assess the sustainability goals and objectives of Live Nation.
3. Group and filter successful or recurring themes, practices or tools.

2.0 Context

2.1 Key Concepts

When incorporating sustainable ethics into procurement systems, there are a number of key concepts that must be considered. Sustainable procurement is distinguished from "environmental" or "green procurement" because it not only takes environmental issues into consideration but also acknowledges economic and social issues (Department of Sustainability, 2013). "Value for money" back is one of the main goals of sustainable procurement systems. This is defined not only by the prices of products and services, but also the benefits and costs of alternative solutions (Commonwealth Procurement Rules, 2010). Conventional procurement contrasts sustainable procurement as the basis of its emphasis is placed on lowering initial upfront costs and fails to value non-financial benefits. Any design of the procurement processes should conduct a wider assessment of the whole supply-chain (Chaturvedi & Martínez-de-Albéniz, 2011; Stringer, Sang & Croppenstedt, 2009).

2.2 Why Implement Sustainable Procurement?

Sustainable procurement is becoming a global trend (Department of Sustainability, 2013; Thaler, 2012). This trend is the main driver for other organizations to adopt the practice themselves (Department of Sustainability, 2013; Thaler, 2012). Sustainable procurement practices were previously considered as a voluntary initiative, but is being increasingly required by a growing number of countries (Department of Sustainability, 2013). Sustainable procurement initiatives are often regarded as going beyond social compliance, considering both environmental and social

issues. P&G developed a Sustainability Scorecard in 2011 that was used as an example of a "social audit" (Thaler, 2012).

Implementing sustainable procurement can benefit an organization in a number of ways. Many global organizations such as IBM and Interface have already implemented sustainable procurement systems (Innovation, Science and Economic Development Canada, 2015). Key business drivers have been identified for the organizations, including: "brand recognition, risk management, cost, and innovation" (Innovation, Science and Economic Development Canada, 2015). Direct benefits for organizations include increased financial savings as a result of lowered operating, maintenance and disposal costs (Department of Sustainability, 2013; Zhu, Geng & Sarkis, 2013). For suppliers, sustainable procurement can stimulate market expansion and encourage the competition of cost-effective prices and innovation (Blome, Hollos & Paulraj, 2014).

These benefits extend to not only the organizations pursuing sustainable procurement, but also to the environment and communities. A sustainable procurement system benefits the community by eliminating adverse environmental and social impacts such as: toxic chemicals, wasted resources, air pollution, and GHG emissions (Department of Sustainability, 2013). Sustainable procurement also promotes diversity, safety, health and equality in the community as well as a greener and cleaner economy (Department of Sustainability, 2013; Kaye and Worrel, 2012). Furthermore, the potential job opportunities it can provide a community with is significant (Brammer and Walker, 2011).

2.3 Current Barriers

Organizations may face significant challenges when introducing sustainable procurement systems. It was noted that procurement practitioners lack sufficient understanding of sustainable procurement, and do not comprehend the fundamental elements required for successful implementation (Mensah & Ameyaw, 2012; Hemmingsen, 2013). Another barrier to implementing sustainable procurement is justifying the potential cost. When first implementing sustainable procurement, financial concerns include higher initial purchasing costs. The absence of internal management structures is also identified as one of the factors preventing implementation of sustainable procurement (The Prince of Wales, 2004). Furthermore, although some sustainability-driven organizations have come up with sustainable procurement guidelines, there is still a challenge of consistency between guidelines and real-world practices (Hemmingsen, 2013). In

light of these challenges, clear guidelines to simplify and guide procurement decisions are necessary.

2.4 Implementation Guidelines

There are many aspects of a business that need to be aligned in order for sustainable procurement to be implemented successfully (McClintock, 2015). Currently, public sustainable procurement is leading private sustainable procurement. While there is a gap in the research as to what key differences may be, there are lessons from the public procurement system that can be applied in this context. In Malaysia for example, public procurement and private procurement have no significant differences (McMurray, 2014). It is possible to draw from public procurement policies to influence private procurement policies. The public sector's sustainable procurement strategy, such as the one introduced for the City of Peel by Gary Wilde in 2007, includes essential elements of the process that can be adopted for private organizations (Wilde, 2007). Drawing from both Gary Wilde and The Institute for Public Procurement (NIGP, 2012), five elements have been identified in order for an organization to be successful in the implementation of sustainable procurement: people and leadership, policy and communication, procurement process, supplier engagement, and measuring results.

2.4.1 People and Leadership

According to McClintock (2015), in order for an organization to implement sustainable procurement effectively, the roles and responsibilities of staff needs to be clearly defined and supported from senior leadership as this is essential to the establishment of a successful sustainable procurement policy. This is a top-down approach as employees will be more likely to come on board with the implementation of sustainable procurement if senior management leads the implementation (McClintock, 2015). Brammer and Walker interviewed a Swedish procurer, which supported such conclusions:

> The top management has not issued explicit directives regarding sustainable development. Thus, people in charge of procurement do not have a clear "mandate" to introduce. Hence, in order to get a higher focus on overall sustainability, top management might have to become more dedicated to the so-called "triple bottom line" concept. (Brammer and Walker, 2011)

This highlights the importance of senior leadership within an organization making sustainable procurement a priority and effectively leading the vision within the organization. Such clarity in roles and responsibilities holds employees accountable, which is essential when it comes to long-term purchasing strategies (Brammer and Walker, 2011).

2.4.2 Policy and Communication

After senior leadership mandates sustainable procurement as an essential part of the business, it is the responsibility of the organization to effectively communicate the mission to the employees (McClintock, D., 2015). The Organization for Economic Co-operation and Development (OECD) proposed that sustainability objectives should be within the organization's procurement policy, strategies, procedures and processes. This means that the organization has identified the sustainable objectives that are to be achieved through the procurement process. Communication within the organization regarding sustainable procurement is important because it engages stakeholders regarding sustainability issues and how it influences their everyday choices at work (Environment Policy Committee, 2002).

2.4.3 Procurement Process

Sean McCarthy (2014) argued that there needs to be a developed process that communicates the sustainability needs of an organization. Some examples that can be used to determine if a contract has incorporated sustainability criteria are: use of energy efficient appliances, use of recycled content materials, existence of environmental management systems, no child labour, and no or minimal use of hazardous materials (NIGP, 2012). Establishing a professional procurement process is beneficial for an organization as: it saves time by ensuring that an organization finds the right solution efficiently; certifies that an organization pays the right price (not necessarily just the lowest); helps determine the most sustainable option in the market; and ensures that an organization reduces risk by not overlooking any missed steps during the procurement process (Purchasing Insight Ltd, n.d.).

2.4.4 Supplier engagement

Engaging suppliers is important as they are direct stakeholders in the procurement process. The City of Cambridge has a sustainability policy where the city agrees to communicate their needs with their suppliers as it is an important step to realizing their sustainability

goals (City of Cambridge, 2012). This is applicable to organizational need as one will be able to set targets for suppliers and communicate the organization's goals and targets for sustainability.

Complacency is a challenge in supplier management and both organizations must continuously engage each other to avoid this. Key Performance Indicators (KPI) can be used to avoid complacency by assessing how much an existing supplier has improved in comparison to when they first started (Chaffee, 2013). The Sustainable Purchasing Leadership Council (SPLC) explains that organizations can identify high performers and reward suppliers that work with them to improve the environmental impact of their organization (Kelly, 2015). One way to do this is by having a supplier's code of conduct. One of the gaps in the research is the elements that make up a successful supplier code of conduct.

2.4.5 Measuring results

According to the OECD, governments should regularly review its sustainable procurement strategy to determine performance and to continuously improve the strategy and process (OECD, 2016). This requires organizations to improve constantly which will minimize sustainability impacts and risks (Green Plus, 2016). Tools that are used in this process can include internal or external audits of the procurement process (OECD, 2015). Measuring results of a sustainable procurement strategy can also be achieved through the development of an impact measurement tool that monitors an organization's Key Performance Indicators (KPI) in contracts which in turn will have the ability to accumulate these to feedback the results compared to corporate objectives (Action Sustainability, 2015). Determining the success of a sustainable procurement strategy is assessed through cost reduction/savings, minimized supplier risk, and environmental benefits (Bruel, 2013).

2.5 Supplier Code of Conduct and Questionnaire

A supplier code of conduct and questionnaires are tools that aid in making procurement decisions. Organizations currently implementing sustainable procurement practices include: BMO, Cascades, BBC, TD Bank, Maersk Group, and MillerCoors. BMO is an example of a company that developed a supplier code of conduct as well as a supplier questionnaire in order to determine how ethical and responsible their potential suppliers are (BMO, n.d.). When finding the best practices for sustainable

procurement strategies that can be easily implemented, adopting a supplier code of conduct and questionnaire is a strategy Live Nation can easily implement in the short-term. Findings during the research established that organizations have started to develop sustainable procurement policies such as supplier code of conduct, sustainable procurement questionnaires, and specific procurement policies to keep up with the demand of corporate sustainability. These sustainable procurement practices benefit the suppliers, purchasers, and the community. Item examples that an organization should include in their questionnaire to their suppliers are: environmental management practices, compliance with environmental legislation, their products Life-Cycle Assessment (LCA)/environmental impact, procurement practices, social responsibility policies, and labour practices (Chaffee, 2013). These items in the questionnaire give organizations an evaluation of where their suppliers are in regards to their environment, social, and ethical values.

2.6 Gaps in Best Practices

Documentation exists regarding how organizations should organize themselves, and general guidelines on the principles and practices, but gaps in best practices exist. While documentation on important aspects of sustainable procurement is available, research on the specific best practices for sustainable procurement is still needed. There are existing examples of implementation in the literature. However, there is a gap in the area of follow-up knowledge. Another gap is that most of the knowledge is theoretical, and therefore, there has been few cases of documented practical application of sustainable procurement.

3.0 Methodology

Research will be composed of inductive document analysis.

3.1 Document analysis

Peer reviewed literature was found using online resources such as: Scopus, Primo, and Google Scholar. Other web-based sources such as websites and government and business reports were also utilized. The following are the primary keywords used when searching for data: sustainable, responsible, procurement, triple bottom line, best practices, business case, analysis, critique. These keywords helped ensure consistency and efficiency during the research process.

Because the areas of supply chain management and procurement cover a very large scope, for the purposes of this project, “procurement” was defined as the process of obtaining goods and services

until the point of acquisition. This was due to initial research that showed an emphasis on supplier relationships as an integral part of sustainable procurement strategies (PWC, 2010). Additionally, research included procurement strategies of both public and private organizations. This was necessary as most of the academic literature available on the topic examines public organizations.

When completing document analysis, each researcher focused on only one of the five fundamental sustainable procurement aspects identified previously. This effectively allowed researchers to more efficiently review available literature, and develop in depth expertise that otherwise would have been challenging. Findings were organized into chart form, under the main headings of: area of research, research question/objective/problem addressed in the article, method used/research site or domain/data gathered, results/findings/conclusions of article, overall assessment of this article, and lastly, themes and practices in the reading.

The sustainability objectives of Live Nation were determined through informal conversations that took place with Lucy August-Perna (Sustainability Manager), and Kevin Appler (Darien Lake Amphitheatre Manager). Although this was not done through "document analysis", these findings should be considered part of the information gathering stage.

3.2 Research Analysis

As aligned with the objective of determining best practices in sustainable procurement, the priority of analysing findings was to derive these practices. Through initial research, many sustainable procurement activities and practices were identified. These practices were then compiled and listed on a spreadsheet, under each of the five sustainable procurement aspects to which they are most relevant.

The activities and practices identified covered an array of purposes and scopes, indicating that further sorting and refinement was necessary. With the intention of representing this data in a "user friendly" manner, three main categories were created: Practices, Sub-Practices, and Tools. This enabled all of the practices and activities to be sorted specifically by scope, and purpose. And finally, repetitive and similar points were either amalgamated, or removed in order to ensure only the most important information was succinctly captured. Figure 1 shows the filtering process. The final results provided the foundation for the "how to" guide created for Live Nation on sustainable procurement.

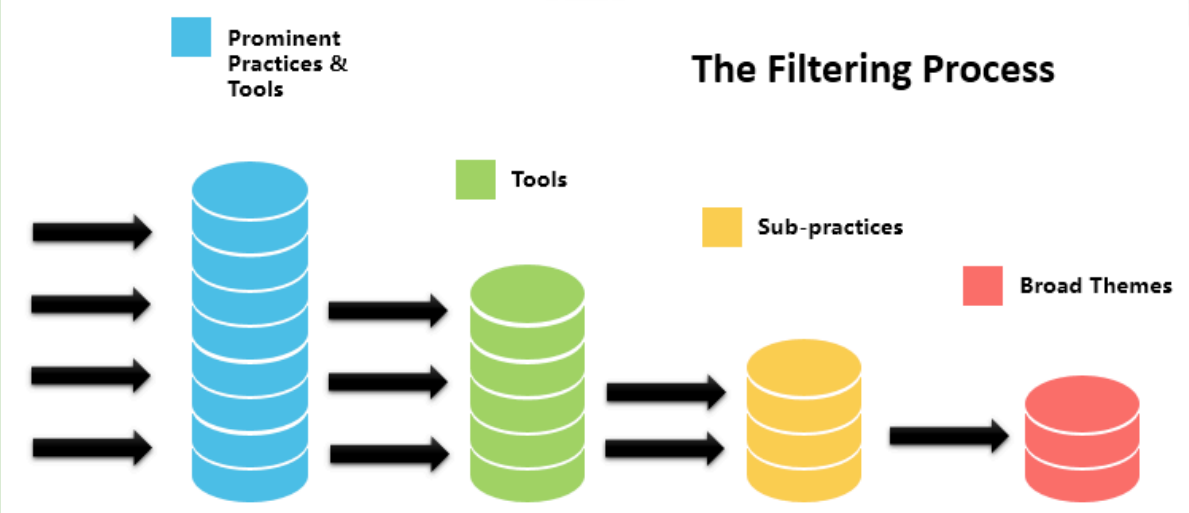


Figure 1: The Filtering Process

4.0 Results and Discussion

The focus of the project was to identify the best practices and fundamental process of implementing sustainable procurement. Finding the best practices and processes of sustainable procurement enabled the assembly of a practical guide for Live Nation to use when implementing the practices themselves.

4.1 Identification of Prominent Practices

The first objective of this research was to identify prominent practices in sustainable procurement. This objective has been met by using document analysis of academic and organizational documents. Through the research process, five fundamental aspects of the sustainable procurement process were identified: Policy Communication, Supplier Engagement, Measuring Results, Procurement Process, and People and Leadership. Categorised by these five aspects, the prominent practices and tools are outlined below in Appendix B.

4.2 Goals and Objectives of Live Nation

The second objective was to understand the sustainability goals and objectives of Live Nation. Through discussion with Live Nation's Sustainability Manager, it was discovered that Live Nation does not have any specific sustainability goals at this time. However, it was found that Live Nation held more interest in activities that had short implementation time, a return on investment, allowed

them to stay competitive with other organizations in the industry and that added value with respect to their public image and brand.

It was found that sustainable procurement would be an excellent starting place for Live Nation, because it can align with almost any sustainability goal, and can be scaled in such a way as to make it relatively easy to start. Moreover, mitigating risk, preventative measures cost less to implement than fixing a problem after it occurs. Sustainable procurement helps the organization keep up with changing standards and regulations, which future proofs the products Live Nation purchases. This allows Live Nation to stay competitive within the industry. Additionally, consumers are beginning to expect organizations to consider social and environmental implications of their operations and business decisions. Therefore, sustainable procurement is one of the ways organizations can improve their public image and brand.

4.3 Group and Filter Successful Practices

The third objective was to group, filter, and sort successful or recurring themes, practices and tools. After compiling a list of tools and best practices, systematic sorting, grouping and filtering of information resulted in the following broad themes identified in Table 1. The practices identified in Appendix B displays the important practices for the corresponding broad theme and useful tools that were identified for Live Nation to choose from. Useful tools that effectively help Live Nation implement these practices are identified below as well.

Table 1: Broad Themes, Practices and Useful Tools of Sustainable Procurement

Broad Theme	Practice	Useful tools
People and Leadership	Employee Communication	• Meeting discussions • Human resources communication • Coworker interactions • Supervisor/coworker written instructions • In-house newsletters • The authorities' intranet • Employee training and resources • Product/service pilot tests • Educational materials
	Corporate Commitment	• Active leader/manager to champion initiatives • Communication with internal

		(employees) external (suppliers) stakeholders
Policy and Procurement Process	Strategy Enhancement	N/A
	Operation Enhancement	
	Policy	
	Managing Suppliers	
Measurement and Results	Setting Targets	• KPIs
	Performance Assessment	• Life-cycle approach • Value measurement aspects • Compliance • Addressing risk • KPI
External Engagement	Public Communication	• Marketing activities with the public • Publish policies online
	Supplier Communication	• Seminars • Supplier training • Educational materials • Publish policies online • Supplier questionnaires/surveys • Face-to-face communication

4.3.1 People and Leadership

An organization needs to communicate with employees and have corporate commitment to successfully implement sustainable procurement. Within corporate commitment, sub-practices were also identified; these included senior leadership commitment, procurement team training on sustainable procurement issues and forming a leadership team that would champion sustainable procurement through the organization as shown in Appendix B. To be successful in the theme of corporate commitment, tools were also identified: having an active leader in a managerial position, preferably senior management to champion initiatives, and to communicate with internal and external stakeholders. The sustainability leader needs to determine and mitigate any potential risks of the new sustainable procurement strategy and communicate the strategy effectively to employees, customers and suppliers.

According to Székely and Knirsch (2005), it is of critical importance to have senior leadership on board with sustainable procurement initiatives. Senior leadership cooperation implies serious commitment to a project, and employees will take the initiative more seriously (Brammer and Walker, 2011). This also holds senior leadership accountable for showing results (McClintock, 2015). This is important because without clear guidelines and pressure from management, employees may not feel a sense of urgency to pursue new initiatives (Székely and Knirsch, 2005; Brammer and Walker, 2011).

Under employee communication, there were many tools identified that would achieve this practice under the people and leadership theme. Recommended tools include: meetings, discussions, seminars, human resources communications, co-worker interactions, written instruction from supervisors, in-house newsletters, intranet, employee training and resources, and educational materials (Canary, et al., 2013). Organizations themselves are able to choose what communication methods work within their corporate culture.

It is significant to effectively communicate organization policies when senior management is leading a new initiative (McClintock, 2015). Communication is important because internal and external stakeholders need to be made aware of new policies, in order to execute them effectively (Environment Policy Committee, 2002). For example, short communications for employees could be executed using an in-house newsletter (European Commission, 2008). However, introducing new initiatives may need more explanation (Székely and Knirsch, 2005). In that case, seminars could be used because there is two-way communication (European Commission, 2008).

4.3.2 Policy and Procurement Process

An effective policy and procurement process includes the following broad practices; strategy enhancement, operation enhancement, policy and managing suppliers. Within the practice of strategy enhancement, sub-practices outline the incremental aspects necessary for achievement. The sub-practices discovered were: developing corporate plans for sustainable procurement, creating and updating procurement strategies for continuous improvement, and proposing an integrative framework suppliers (Purchasing Insights, n.d; Rönnbäck, 2012). In order to achieve the practice of operational enhancement, the sub-practices found were: identifying the best possible method of production, updating the production line, finding new options for raw materials, energy

and technologies, monitoring practice operation and implementation, and keeping files up to date (EFP, 2011; Purchasing Insights, n.d; Rönnbäck, 2012). Therefore, having an effective policy and procurement process requires enhancing an organization's strategy and operation as well as updating their policy and managing suppliers.

Having clear standards for operating procedures and keeping supplier relationships well-managed are key factors for an organization when implementing sustainable procurement systems. The University of Western Ontario (2017) has a procurement policy that outlines the need for the assessment of the goods and services through a range of sustainability criteria as a strategy for continuous improvement. In the case for Live Nation, no useful tools were identified under this theme.

4.3.3 Measurement and Results

Measurement and results is an important theme regarding sustainable procurement as self-assessments are critical for continuous improvement. Rönnbäck explains that this "allows the organisation to clearly discern its strengths and areas in which improvements can be made" (2012). This is important because it identifies areas of weakness in an organization's procurement process. From there, planned improvement actions can be executed and monitored.

The practice of setting targets is significant if an organization wants to successfully implement sustainable procurement within their supply-chain. This is explained as "measurements are important to directly controlling behavior and indirectly to performance" and "a few key measurements will go a long way toward keeping an organization on track towards achieving its supply chain improvement objectives" (mThink, 2000). An example of setting targets in sustainable procurement can be exemplified through North Western Universities Purchasing Consortium's (NWUPC) Sustainable Procurement Strategy as 18 sustainable procurement targets were established and monitored so they can keep track of their progress (NWU, 2014). Key Performance Indicators (KPI) for sustainable procurement were established, measured, and reviewed often for North Western Universities (NWU, 2014). Therefore, setting targets are important for an organization as one can gauge how much their organization has progressed since implementing sustainable initiatives in their procurement process.

There are many reasons an organization would need to assess their performance throughout the procurement process. First, risks are identified before it becomes a problematic situation. To explain, it is impossible to reduce procurement risks to zero, but through continuous performance assessments, organizations can take sufficient action to minimize risks and prevent them from happening (Supply Chain-Mechanic, n.d.). Therefore, performance assessments throughout the procurement process is vital as organizations can be proactive in identifying and reducing potential problematic risks. In addition, having performance assessments help an organization identify what type of benefits they have gained from implementing sustainable procurement. This is shown through the HEC/EcoVadis 2013 Report as 133 large multinational Organizations across 24 countries could measure their cost reductions, minimized risks, environmental benefits, external awards on sustainability, improved credibility, and increased brand value (Bruel, 2013). Thus, performance assessments are a key practice when implementing sustainable procurement as organizations such as Live Nation can see the progress that they have made specifically regarding cost savings, risk reductions, and environmental benefits. Useful tools to assess performance includes: life-cycle approach, value measurement aspects, compliance, addressing risk, and KPI's.

4.3.4 External Engagement

External engagement is the final broad theme in Table 1. Two components of external engagement are public communication and supplier communication. Useful tools that can be used while engaging the public include marketing activities (European Commission, 2008), and online presentations of relevant policies (Western University, 2010). In order to engage with suppliers, three sub-practices were identified: understanding basic information of suppliers (Lee & Kim, 2011), maintaining frequency of communication (Brammer & Walker, 2012; Romanathan, Bentley & Pang, 2014), and building long-term collaborative relationships (Park, Shin & Chang, 2010). Useful tools that would help with supplier engagement include: seminars, supplier training, educational and policy materials via hardcopy and the internet, supplier questionnaires and surveys, and face-to-face meetings (Ramanathan, Bentley & Pang, 2014; Park, Shin & Chang, 2010).

As Walker and Brammer mentioned (2012), external engagement is positively related to environmental practices. Therefore, external engagement will positively impact Live Nation's sustainable procurement journey.

4.4 Good, Better, Best

For the purposes of Live Nation, sustainable procurement can be thought of in terms of three different tiers: Good, Better, and Best; ordered from easiest to implement and narrowest in scope, to hardest to implement and widest in scope. “Good” would comprise of sustainably procuring one single product (e.g. toilet paper). The “Better” tier is sustainably procuring a group of products (such as cleaning products). And lastly, “Best” is a complete overhaul of existing procurement practices and policies in order to integrate sustainable procurement in its entirety. These tiers of sustainable procurement were developed through turning the previously established best practices into processes for implementation, thereby creating a feasible starting point for Live Nation. There are advantages and disadvantages to each of the aforementioned tiers, which are outlined in Table 2.

Table 2: Comparison of Sustainable Procurement Tiers

Sustainable Procurement Tiers	**Benefits**	**Drawbacks**
Single Product (Good)	Very easy	Not efficient
Product Group (Better)	Efficient and effective	More difficult
Overall Procurement Strategy (Best)	Most effective and comprehensive	Most difficult

4.5 Implications of Results

The concrete application of results is to assist Live Nation in the development of a sustainable procurement strategy at the venue level. In addition, the findings of the research are useful for entertainment organizations in the industry looking to introduce sustainability into their current procurement practices. Successfully implementing sustainable procurement is a strong starting point for sustainable development. These procurement practices are applicable to any industry in general. The same fundamental aspects are necessary for all organizations interested in sustainable procurement. With regard to the implications, the research is consistent with the original definition of sustainable procurement, which refers to satisfying needs of goods, services, works, and utilities in a way that is simultaneously beneficial to the society, economy, and environment (APCC, 2017). Notably, sustainable procurement practices and sub-practices are identified for realizing efficient sustainable procurement, so that organizations can continuously make improvements.

The future of sustainable procurement is changing and adapting to the current business environment. Currently, sustainability issues within businesses are becoming more prominent as shareholders and customers alike are expecting organizations to consider social and environmental issues when making business decisions. Therefore, it is possible that sustainable procurement is becoming more prominent in the industry.

4.6 Limitations

The main limitation of this study was the limited number of sources available regarding sustainable procurement strategies for private organizations, specifically entertainment organizations similar to Live Nation. However, it is possible to draw from other industries and mirror positive attributes for the purposes of this study. Meanwhile, knowledge gaps exist when transferring effective practices of public sectors into feasible ones for private organizations.

Another limitation is that Live Nation does not yet have clearly established sustainability goals so it presents some challenges to tailor a guide specifically for them. Since there are no clearly established sustainability goals from Live Nation, there is also no planned budget for sustainability practices. With this limitation, it is difficult to develop an appropriate procurement strategy that Live Nation would be willing to invest in. However, this could also be a unique opportunity for Live Nation since the company might be a huge leader of sustainable development within the industry in the future.

5.0 Recommendations

Sustainable procurement is still relatively new within the private sector. As of yet there is no standard industry wide process of implementation established. For organizations looking to pursue sustainable procurement, we recommend that best practices identified in this paper are adhered to. Doing so will help ensure success regardless of the specific implementation process.

Live Nation should begin with sustainable procurement by seeking out the “easy wins”. For example, switching out goods already regularly purchased by venues with easily accessible greener alternatives (regular toilet paper for recycled). In order to maximise the impact of these “easy wins”, Live Nation should utilise the “Better” (product group) tier sustainable procurement process. This will ensure that multiple products are considered under one policy, which is straightforward,

feasible, and also very effective. In particular, “greening” the cleaning supplies purchased and utilised at venues represents a logical starting point for their first sustainable procurement effort.

Should Live Nation ever decide to move past “Better” level sustainable procurement they will need to make significant changes and preparations. Successful implementation of “best” level sustainable procurement would require a major shift of current organizational norms, and a considerable commitment from management. As unlikely as this is to happen, it should still be strived for. As a first step in this progression Live Nation should determine clear sustainability objectives. These overarching goals will provide clear guidance for Live Nation’s sustainable procurement strategy moving forward, which is especially necessary once the “easy wins” run out.

Lastly, Live Nation should utilise the many existing resources available to outline in great detail how to “green” different products and services. By integrating the useful information contained within these pre-existing documents with the implementation processes of best practices we have established Live Nation should be able to effectively and efficiently implement sustainable procurement for any product.

6.0 Conclusion

There is a growing number of organizations in the entertainment industry that are moving towards sustainable development. Live Nation wants to be a leader in their industry, which also means being a leader in sustainability.

The purpose of this study was to establish the best practices in sustainable procurement, represented in such a way as to allow straightforward implementation for Live Nation. It was found that sustainable procurement is not commonly practiced in the private sector. Because of this, it was both necessary to determine the sustainable procurement best practices and integrate them into processes.

In determining best practices, four prominent themes became apparent; people and leadership, policy and procurement process, measuring results, and external engagement. Essentially, these themes represent the most fundamental areas that must be included in order to successfully implement sustainable procurement. With the goals and objectives of Live Nation in mind, three tiers of sustainable procurement were created; Good (single product), Better (product group), and

Best (overall procurement strategy). These tiers are organized as three distinct processes, with the ultimate purpose of creating a feasible starting place and guiding the progress of Live Nation. In particular, Live Nation is recommended to begin by implementing the "Better" tier in order to maximize the effectiveness and efficiency of their first sustainable procurement undertaking.

This research will assist Live nation in developing a sustainable procurement strategy. The findings of the research can also assist other organizations looking to introduce sustainability into their own procurement practices. The best practices identified and tiered processes developed offer a feasible starting point for any organization.

There is great opportunity for further research into sustainable procurement in the private sector, especially as this practice moves from the niche to the mainstream in the future. In particular, developing and analysing case studies of companies successful in their efforts will provide value in helping to establish proven key aspects and processes. Ultimately this would allow for the creation of much needed standards.

7.0 Dissemination Plan

This project was presented in poster format on March 30th, 2017 at the University of Waterloo in the Environment 3 building. Deliverables for Live Nation include the three "Good", "Better", and "Best" PowerPoint slide decks as well as a general introduction to sustainable procurement PowerPoint presentation slide deck. These slides will be directly provided to the client as well as Jennifer Lynes who will be the contact for any future queries made by the client regarding this project.

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9.0 Appendices

Appendix A - Academic Integrity and Group Work Statement

Academic Integrity

The following student signed Checklist was developed by the Secretariat as a means of emphasizing the importance of attribution of referenced work and reducing plagiarism, and must be included for your individual or group assignments, where you have been asked to do so in the Assignment outlines. Please add lines as appropriate for names and signatures of all team members.

Academic Integrity-Assignment Checklist
Please read the checklist below following the completion of your assignment. Once you have verified these points, hand in this signed checklist with your assignment.
1. I/We have referenced and footnoted all ideas, words or other intellectual property from other sources used in the completion of this assignment.
2. I/We have included a proper bibliography, which includes acknowledgement of all sources used to complete this assignment.
3. This is the first time I/We have submitted this assignment or essay (either partially or entirely) for academic evaluation.
Signed: Alexandra, Elliott, Elizabeth, Jeremy, Wei Date: 2017/2/27
Print Name: Alexandra, Elliott, Elizabeth, Jeremy, Wei
UW-ID# 20463347, 20484131,20466195, 20418509, 20557194

Group Work

Any work submitted by a group of students should document that:
1. each member of the group has read the full content of the submission and is assured that the content is free of violations of academic integrity.
2. each student has identified his or her individual contribution to the work submitted such that if violations of academic integrity are identified, then the student primarily responsible for the violations may be identified. Note that in this case the remainder of the team will also be subject to disciplinary action, but the penalties for the extended team members may be less severe.
The following signed Checklist must be included for your group assignments. Please add lines as appropriate for names and signatures of all team members.

Group Work-Assignment Checklist
Please read the checklist below following the completion of your assignment. Once you have verified these points, hand in this signed checklist with your assignment.
1. I have read the full content of the submission and am assured that the content is free of violations of academic integrity.
2. I have identified, in a separate document available for viewing by the instructor, or others (e.g. Deans if requested), my own contribution to the work submitted.
Signed: Alexandra, Elliott, Elizabeth, Jeremy, Wei Date: 2017/02/27
Print Name: Alexandra, Elliott, Elizabeth, Jeremy, Wei

UW-ID# 20463347, 20484131,20466195, 20418509, 20557194

Appendix B - Descriptions of identified practices

Here is the table of specific descriptions of identified practices and tools:

Appendix B: Descriptions of identified practices and tools of sustainable procurement

Guide Categories	Practices and Tools	Descriptions/Definitions/Examples
Policy Communication	Meeting Discussions	Meetings are held and specified as a context for discussing details, background, and explanations of the policy.
	Human Resources Communication	The sharing of policy and practices with employees through different avenues.
	Coworker Interactions	The informal interactions between employees and coworkers.
	Supervisor/Coworker Written Instructions	Sharing policy and practices through written instructions provided by supervisors or coworkers
	Seminars	Seminars are held for communicating intentions to suppliers, well in advance of the actual procurement, providing the time and information to adjust to new requirements, including perhaps hosting seminars.
	In-house newsletters	A communication tool within the organization for sharing information.
	The authorities' intranet	Authorities exchange and share information within their intranet.
	Marketing activities with the public	Marketing activities aimed at the general public. Public authorities are in a strong position to “lead by example”, and to help encourage private consumers to think about the environmental consequences of what they buy.
	Supplier training	The trainings for supplier include strategies for developing effective management systems, and they cover the business benefits of promoting social and environmental responsibility.
	Employee training and resources	a) Building awareness of policies and sustainable procurement standards through information distribution and incorporation into routine employee trainings b)Developing employee sustainable procurement resources such as, but not limited to, standards, specifications, tools and best practices
	Product/service pilot tests	To conduct preliminary analysis before going ahead with a full-blown research study or experiment.

	Educational materials	Cooperating in gathering information for the purposes of tracking, reporting and evaluating sustainable procurement activities and making educational materials covering the information
	Publish policies online	This means to come up with e-version of the sustainable procurement policy that is convenient for tracking anytime.
Supplier Engagement	Sustainability questionnaire for suppliers	Suppliers identified as providing services that were a high priority in the risk assessment analysis will be contacted and asked to complete and return a sustainability questionnaire that will provide some basic information about supplier's current commitment to sustainability initiatives.
	Build long-term, collaborative relationships	Suppliers are integrated in the early stages of product development planning and design to develop from a transaction-based relationship to a long-term and collaborative relationship.
	Frequently exchange information (Supplier)	Organizations share critical, sensitive information related to operational and strategic issues; (b) exchange such information frequently, informally and/or in a timely manner;
	Use the internet - e-procurement system	The scope of e-business includes information exchange, commercial transactions and knowledge sharing between organisations.
	Governments actively promote (Active sustainability promotion of practices)	Governments actively promote e-business campaigns to get firms 'connected'.
	Monitoring practices and implementation	Organizations should closely monitor and stay abreast of events or changes that may affect both parties
	Keep on looking for new materials	Keep on looking for new materials to reduce carbon emission after identifying the best possible way of sourcing and transportation.
	Keep changing the production process to maintain low emission	A progressive step after identify the best possible method of production in-house or outsource.
	Search for new energy options	A practice for distribution collaboration after identifying the best possible logistics operators to realize carbon-free objectives.
	Update operation strategies	About general operations, organizations are supposed to develop corporate plans for SP and try to ensure all in-house and external operations are sustainable.

Measuring Results	Life-Cycle Approach	Use Life-cycle approach to examine goods associated with a commodity that allows costs associated with operating, maintaining and disposing of the goods
	Environmental Performance	Integrating environmental performance considerations into its centrally managed federal procurement instruments, policies, procedures and business tools, including supplier communication tools.
	Key Performance Indicators	1) By using a smart Key Performance Indicators (KPI) approach one can utilise the results of different methodologies across a number of different indicators that encompass the three dimensions of sustainable development (economic, social, and environmental)
	Value Measurement Aspects	Exp. Of VMA: Increase ROI through cost reduction, reducing capital cost through risk minimization, and increasing revenue through growth.
	Risk and Compliance **Didn't really find definition	Sustainable Procurement practices appear to be driven by three different types of factors: i) risk management and compliance, ii) external demands, in particular those of customers, iii) internal drivers, such as cost reduction or internal team motivation.
	External Demands **Didn't really find definition	Sustainable Procurement practices appear to be driven by three different types of factors: i) risk management and compliance, ii) external demands, in particular those of customers, iii) internal drivers, such as cost reduction or internal team motivation.
Procurement Process	Self-assessment (Internal) questionnaires	A self-assessment process "allows the organisation to clearly discern its strengths and areas in which improvements can be made and culminates in planned improvement actions which are then monitored for progress"
	Pre-qualification (External) supplier questionnaire	The pre-qualification supplier questionnaire ensures that the suppliers who make it through this step are aligned with your organization’s sustainability objectives and goals.
	Key Performance Indicators	Key performance indicators (KPIs) can measure or quantify how much existing suppliers have improved compared to when their contract started.
	Researching suppliers	Try to slim down potential suppliers to four or five candidates. Choosing the right suppliers is essential for your business. Don't try to save time by buying from the first supplier you find that may be suitable.
	Ongoing liaison	The contracting officer should keep clients informed and involved, and in order to develop responsive, creative and flexible procurement strategies, their departmental needs must be understood, as well as their specific technical requirement.
	Having clear standard operating procedures	Contracting officers should be very clear in communications. Written instructions accompanying each bid solicitation, for example, should be clear with no ambiguity, and be easily understood by all parties.

	Keeping files up to date	Contracting officers should keep files up to date for reasons of good management, access to information requests as well as for audit purposes. Current files should be kept up to date for anyone who may have to consult the file or assume responsibility for it at a later date.
	Supplier relationship management (SRM)	The strategic approach to basic relationship building with the companies and individuals that provide your enterprise with the base materials and services you need to deliver your product or service to your customers. SRM can help you build on existing – or repair previous – relationships to create win-win associations, and will often lead to improved value and communication, reduced waste, and improved innovation.
People and Leadership	Going Beyond Legal Compliance	For example: Companies can also contribute to building a sustainable society by proactively innovating products and services that are not only economically attractive and environmentally sound but that contribute to fulfilling a social need.
	Active leader/manager to champion initiatives	It always takes a leader to transform a company into a sustainable, socially responsible enterprise. This individual needs to be both a good leader and a good manager. His/her sustainability work starts by carefully examining all the factors that determine the sustainability performance of his/her company and its suppliers.
	Communication with internal (employees) external (suppliers) stakeholders	Key top managerial staff must be committed to this objective, and companies must ensure that sustainability values and vision are not only integrated into business strategy, policies and culture, but also communicated to all employees.
	Determine risks, potential threats	
	Set targets and review for continuous improvement	Improved overall performance can only be achieved by setting sustainable performance targets that are consistent with the company's operating principles and that measure, report and, if necessary, adapt performance to these targets over time.