

# *Retail Therapy 2003: reducing waste through supply chain partnerships*



This is an

**excellent idea**

with very

**tangible results**

Keith McIntosh,  
Health, Safety and Environmental Manager,  
Manchester United PLC

# Introduction

In 2002, Envirowise launched a pilot scheme, working with retailers and their supply chains to identify areas where they could improve their environmental efficiency and maximise profit margins. The results of the pilot retail supply chain forum were staggering - potential savings exceeding £1.9 million were identified in just a few months and by December 2003, £2.34 million had actually been achieved.

By popular demand, Envirowise relaunched the scheme in 2003 in partnership with the British Retail Consortium and Action Energy. The aim was to repeat the outstanding achievements of the pilot forum, extending the benefits and savings to other retailers and their suppliers. The Right Honourable Margaret Beckett MP formally launched 'Retail Therapy' in February 2003 at London's Haberdashers' Hall. To date, the seven major retailers and their 87 suppliers who signed up to the second retail supply chain forum (the Forum) have identified potential savings exceeding £2 million/year. Many of the companies involved are successfully working towards integrating resource efficiency and waste minimisation into their corporate social responsibility and business strategies.

## How does Retail Therapy work?

The principles behind Retail Therapy are simple. Envirowise works with host companies, which invite their key suppliers to join them in a partnership to improve business efficiency through minimising waste and maximising cost savings. In addition, Action Energy provides invaluable support and advice on energy-related issues.

All companies are invited to take up the offer of a free *FastTrack* visit or Action Energy site survey. These on-site reviews by expert advisors identify ways to increase performance, minimise resource use, minimise waste and save money. All companies are also invited to attend up to three workshops delivered by specialist trainers. These workshops cover the main environmental and cost issues facing industry - waste and water minimisation, packaging, cleaner design, energy and green purchasing.

Three factors contribute to the success of Retail Therapy:

- Envirowise provides an independent forum for companies to partner with their suppliers, and gives them the tools and the knowledge to take action.
- The Forum encourages and equips companies to work together and inventively to find solutions to problems, such as improved packaging design, re-use of packaging, recovery and re-use of raw materials, and more efficient use of utilities.
- Envirowise involvement helps keep the all-important momentum going and stops progress slipping by the wayside.

## Why are environmental issues relevant in the supply chain?

Environmental issues are not only relevant to retailers and the supply chain, but also make sound business sense. The Forum helped participants understand the importance of:

- **Compliance with legislation** - there is a risk of adverse publicity from pollution incidents and poor practices.
- **Security of supply** - good relationships minimise the risk of a break in the supply chain.
- **Market opportunities** - suppliers responding to consumer pressures gain competitive advantage.
- **Benefit versus cost** - other benefits to consider are improvements to quality, delivery, design and environmental performance. Companies prepared to invest will see substantial long-term gains in competitiveness and profitability.

## Host organisations

The Body Shop International plc  
Boots Group PLC  
Center Parcs Ltd  
Halfords Limited  
Manchester United PLC  
Safeway  
WHSmith PLC



# Boots extends partnership links to new suppliers

**Boots the Chemist** is one of the best-known retail names in the UK, providing health and beauty products. As well as being a major retailer, Boots has international sales and marketing operations and also manufactures its own products. Caring for the environment is an integral part of the Boots heritage and the company is convinced that this necessitates engaging with its suppliers. Boots was one of the first hosts to sign up to the pilot Forum in 2002, and this year Boots has continued to mentor 11 new suppliers under Retail Therapy 2003.

We were really **pleased with our suppliers' performance** in the pilot project. This year they have done **even better, identifying savings of almost £350 000 -** and that's fantastic.

**Robert Brown, Technical Consultant,**  
**Product Quality and Development Centre, Boots Group PLC**



## Benchmarking proves essence of action for Lainebridge Industries Ltd

Lainebridge Industries Ltd specialises in providing home fragrance products, such as candles, pot pourri and room spray. Following the systematic approach to reducing waste endorsed by the Forum's workshops, the company estimates that it could save £10 000/year by making simple and effective changes to its operations. Key actions include measuring water and energy use on a monthly basis, to establish a base-line and annual profile. Returning any goods damaged in transit to suppliers for reprocessing and segregating the site's cardboard waste for recycling will halve the number of skip uplifts and reduce waste disposal costs. Plans to compact remaining solid wastes will further reduce costs.

**Being involved in the Forum allowed me to allocate some specific time and effort to areas of environmental concern. We have proved that real monetary savings can be made through low-cost and no-cost changes.**

Lee Tickle, Quality, Health, Safety & Environment Manager, Lainebridge Industries Ltd

# Manchester United champions partnership approach

**Manchester United PLC** is the company behind one of the world's most famous football clubs. As a member of the first ever Business in the Community Corporate Responsibility Index and FTSE4Good index, which identifies companies with a good record of corporate social responsibility, Manchester United is proud to be working towards environmental sustainability, developing positive partnerships with stakeholders, including suppliers, and upholding and supporting universal human rights. Eager to join this year's Forum, Manchester United is an enthusiastic supporter of the 20 suppliers it recruited to the programme.

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## Deva Disposable Products strips out packaging from catering products

Deva Disposable Products Ltd, based in Chester, supplies catering products, such as serviettes, plastic forks and refuse sacks, for 25 food kiosks at the Old Trafford stadium. The company has taken significant steps to reduce ancillary packaging of disposable catering items and to reduce the unnecessary use of disposable items by match day visitors. Working in partnership with Manchester United, the company has equipped each food kiosk with a fork dispenser and serviette dispenser, thereby eliminating single-item packaging and reducing the number of items used overall. As a result, the total amount of catering waste has also been reduced, which has clear benefits for the stadium too.

**We are much more focused and aware of the products we buy and how we promote these to our customers - we now realise product packaging adds a cost to our business and we are taking steps to reduce it.**

Julian Speed, Managing Director, Deva Disposable Products Ltd

## Pillans & Waddies links with customers and suppliers to head off waste

Pillans & Waddies is part of the ormolu group and specialises in printing for the financial and commercial marketplace. The group employs around 450 staff and has operational sites in Manchester, Edinburgh and Livingston, with offices in major cities across the UK.

The site in Manchester (formerly Trafford Press) prints the match day programme for Manchester United and is located close to the football stadium. The company has a good track record in environmental improvements, and has already implemented a carton recycling operation, re-using cartons up to six times.

By attending all of the training workshops and requesting a *FastTrack* visit, the company has made more efficient use of paper, and reduced solid waste and energy consumption. For example, by buying in made-to-measure paper for specific runs, rather than using a standard paper size, the site has reduced paper waste by 5 - 7.5%, saving around £50 000/year.

Future plans for the company are ambitious, but are certainly achievable. By working in partnership with paper suppliers and all of its customers, Pillans & Waddies will continue to promote the use of paper and supplies from sustainable sources, which will bring about tangible benefits to both the company and its customers, and reduce its impact on the environment. Pillans & Waddies already has two operational sites approved to ISO 14001.

**Our company is evolving, we are changing and growing. The Forum proved a catalyst for us - it helped us to think of different ways to make our business more efficient, improve our local environment, and save money.**

Michael Gardner, Director, ormolu group

the



### TG Baker (Sound) tackles the small ideas to reduce bills

TG Baker (Sound) Ltd designed, supplied, installed and now maintains the public address voice alarm system for Manchester United at its Old Trafford football stadium. As a result of the Forum, the company has made a number of changes to housekeeping practices in its Manchester-based office. For example, electronic equipment is turned off when not in use, heating controls and radiator thermostats are set to appropriate levels, and an external security light is now fitted with a timer. These small ideas collectively have reduced energy bills, with savings approaching £1 000/year.

**A key driver for getting involved with the Forum was to write an environmental policy. We are also much more aware of where we can improve our practices in the office and make savings.**

Jason Longworth, Regional Manager, TG Baker (Sound) Ltd



# Center Parcs forges partnership links with new suppliers

Center Parcs Ltd revolutionised the holiday market in the UK by offering short-break holidays on a year-round basis. Concern for the environment is fundamental to the company's whole philosophy and plays a major role even before a site is selected for a Center Parcs village. It doesn't stop when the village construction is complete either. Center Parcs scrutinises the impact it has on the environment, as well any impact its suppliers may have when carrying out any business activities on its behalf. Center Parcs was one of the first hosts to sign up to the pilot Forum in 2002, and this year has continued to mentor nine new suppliers.

Through this initiative we can support and mentor our suppliers to work towards the concept that **Center Parcs is a sustainable business within a sustainable environment,** and we are looking to our **suppliers to do the same.**

Simon Drury, UK Environment Manager,

Center Parcs Ltd



## Somerset Entertainment purges packaging waste

Somerset Entertainment is a Canadian-owned wholesaler and distributor of relaxation music. The company imports CDs and tapes, and distributes products to its UK customers from Essex. Following the launch event of the Forum at Center Parcs, the company was quick to see the potential to reduce transit packaging waste and save money. Relabelling outer cases rather than repacking CDs and tapes into new boxes proved a simple and agreeable solution for most customers, and is now standard practice for the company. In addition, by ensuring that third-party distributors backhaul empty cases, the company can re-use this packaging for outgoing orders. Somerset Entertainment no longer purchases new packaging cases for a range of its music products and could save as much as £5 000/year.

**This is an excellent thought-provoking initiative. We have made savings on packaging costs, but in the longer term, the Forum has started a new thought process in our organisation.**

Terry Corti, Financial Controller, Somerset Entertainment

# WHSmith shares information opportunities with its supply

**WHSmith PLC** is one of the UK's leading retail groups incorporating market-leading companies in retail, publishing and news distribution. The UK retail business sells books, stationery, news and entertainment in 677 stores throughout the UK and includes an online business, WHS Direct, which serves customers on the Internet worldwide.

WHSmith attaches great importance to corporate responsibility. In practice, this means having a positive impact on the environment, the workplace, the marketplace and the community. To be successful, WHSmith believes that the right values must become an integral part of every aspect of its business, and this means engaging with suppliers in a positive partnership approach. WHSmith is convinced that the 13 suppliers involved in the Forum will benefit from the generation of new ideas - both in the short term and the long term.



**WHSmith is committed to responsible management of its supply chain and this includes environmental issues.**

**Taking part in Retail Therapy 2003 helped us to engage with our suppliers and share information and opportunities.**

**Envirowise is a professional organisation - the Forum worked well, as they were able to provide plenty of practical advice.**

Leann Llewellyn, Corporate Responsibility Manager, WHSmith PLC

## Forum helps John Dickinson stay ahead in stationery business

John Dickinson Stationery Limited, based in Cambridge, manufactures paper stationery for WHSmith. Standardisation of raw materials and a reduction in packaging have helped the company to stay ahead of the deflationary curve that the industry is experiencing. For example, simply by switching to larger pallets, the company has increased pallet fill and now uses fewer pallets overall. John Dickinson has already identified staggering cost savings of £57 000/year as a result of actions taken so far, and expects to realise further savings in the order of £22 500/year through minor changes to product make-up and manufacturing methods.

**The Forum has significantly changed the way we look at our product development and forced us to question almost everything we do with regard to product make-up. If an action doesn't really add value to our customer, we no longer undertake it.**

Graeme Hargreaves, Retail Business Sales Manager, John Dickinson Stationery Limited

## Oasis Art & Craft Products reflects on the partnership benefits

Oasis Art & Craft Products manufactures and assembles arts and crafts materials at its site in Kidderminster. The company has taken a pragmatic approach to reducing waste and tackles one area at a time. Its first initiative concentrated on packaging waste. Baling and recycling cardboard waste has halved the number of skip uplifts on the site and saved around £12 000/year. Energy use has also come under scrutiny. A programme to install lighting controls in offices and corridors and fit heat reflective film on windows has made noticeable differences to both the office environment and the energy bills. Future areas for action include water conservation projects for toilets and taps - and the company is confident that it hasn't finished with waste reduction yet.



**The Forum gave us good ideas - being involved helped us recognise where to make improvements in our own business.**

Richard Stapleton, Production Development Manager, Oasis Art & Craft Products

# and chain

## Partnership helps David and Charles with future energy solutions

David and Charles is a publishing and book club company, based in Newton Abbot, Devon. The company, which employs around 150 staff, is planning to incorporate new energy efficient measures during site refurbishment later this year. For example: all new PCs will have flat screens; new lighting will be energy efficient and be fitted with controls that detect movement; and electronic equipment will be fitted with timers. Together, these initiatives are expected to reduce energy bills by 15%, realising savings approaching £2 500/year.

**Being part of the Forum helped us to define what we want to do in the future and get good, concrete ideas on how and where to make future savings.**

David Stooks, Distribution and Facilities Manager, David and Charles



# Safeway mentors key suppliers as part of continuous environmental improvement

Safeway is one of the leading grocery retailers in the UK, with annual sales of around £9 billion. It has some 90 000 employees and 480 stores nationwide, attracting around eight million shoppers every week. The company has a strong moral commitment to the environment, which goes well beyond what customers see in stores. For example, Safeway is a leader in packaging recovery, having backhauled a growing range of re-usable and recyclable materials from its stores for the past 30 years. As part of the company's commitment to continuous environmental improvement, eight of its key suppliers took part in the Forum.

**We are delighted to have been involved in this Forum.**

**Environmental sustainability and supply chain partnerships are an important part of Safeway's strategic direction.**

**This Forum gives us the opportunity to marry the two effectively.**

Nicola Ellen, Strategy Manager CSR, Safeway



## BT Rolatruc cuts office overheads

BT Rolatruc Ltd manufactures a wide range of mechanical handling equipment. The company has its head office in Slough, Berkshire, and employs over 400 field-based engineers across the UK for Safeway and other clients. Communication with field staff is crucial for the smooth running of the company, but can be costly in terms of paper and office resources. From small beginnings, the company has already saved about £3 000/year, simply by reviewing office practices. Paper and other waste, which was collected periodically by various waste disposal companies, is now transported to an accredited combined heat and power station, where it is converted into fuel briquettes and used to generate energy. Encouraged by the savings so far, the company plans to reduce paper use at source. It is currently switching from paper-based documents to electronic communications, which has scope for even greater savings.

**Our company is certified to ISO 14001, so we feel we are already efficient in most of our activities. However, we can always learn more and benefit from the experience of others - this is why we joined the Forum.**

Grant Taylor, Assistant Quality Manager, BT Rolatruc Ltd

# Halfords drives environmental supply chain

**Halfords Limited** is a major retailer of car parts, cycles and accessories in the UK, offering over 12 000 product lines sourced from around the world. The company has more than 400 stores and for the last ten years has played a key role in the move to out-of-town retailing. Halfords supply chain management team has successfully mentored 23 suppliers, providing encouragement, support and practical solutions to help reduce waste and costs in the supply chain.

Halfords has gained an **improved understanding of environmental issues,** and has helped to join up thinking on these issues across our supply chain. Our suppliers have identified some **fantastic results within short timescales.**

Halfords' commitment to social and environmental improvements is on-going and we aim to **continue learning from Envirowise** and other parties involved in the Forum.

Angela Mee, Supply Chain Development Manager, Halfords Limited



# initiatives through the

## Castrol pulls the plug on water leaks

Based in Cheshire, the Castrol Oil Plant employs around 80 staff on-site and operates 16-hours-a-day, five-days-a-week. Following the Forum's water minimisation workshop, the company reviewed its water management practices on-site - the results were astounding. An inefficient boiler was identified: installing condensate return eliminated the unnecessary use of 500 m<sup>3</sup>/week of drinking water. A leaking pipe was also detected and mended, saving an additional 990 m<sup>3</sup>/week of non-potable water. Cost savings were immediate and are estimated at approximately £35 000/year.



**The Forum provided an excellent opportunity to share ideas and best practice with other companies. We were made aware of environmental and energy issues that often get overlooked.**

**Paul Mason, Manufacturing Team Leader, Castrol**

## Quality of thinking changes quality of the environment for Summit Accessories

Summit Accessories Ltd specialises in the automotive aftermarket, and produces replacement parts and car accessories for Halfords. As an established business with more than 30 years' trading, the company had little reason to question the efficiency of its day-to-day operations. With the benefit of a fresh pair of eyes, the Forum stimulated Summit Accessories to review its product packaging. The company investigated ideas to re-use cardboard boxes, convert waste card into filler material to replace bubble-wrap, and reduce the overall amount of packaging purchased. Being more aware of energy use has also led to changes in practices. Simple actions to switch off lights and computer monitors in the office have encouraged factory operators to switch off more costly machinery, such as compressors and vehicle chargers, when it is not in use. Overall savings from these actions could amount to as much as £5 500/year.

**Being involved in the Forum has helped us focus on a number of important issues, such as packaging and energy. We now look at spending with a view to saving.**

**Dominick Brophy, General Manager, Summit Accessories Ltd**

## Autoglym buys in bulk to reduce waste

Autoglym is based in Hertfordshire and manufactures car polishes and related chemical products. The nature of the business means that many different chemicals are delivered to the company for processing. An initial simple idea, to purchase chemicals in bulk, has already resulted in fewer waste intermediate bulk containers (IBCs) and drums, saving an estimated £30 000/year. A trial to crush any remaining plastic containers is in progress, to reduce disposal costs even further. Savings have been immediately reinvested in much needed, latest technology filling equipment, which should realise long-term environmental benefits by reducing product waste.

**The good ideas helped us to reconsider areas of our business with a view to making them better.**

**Paul Phillips, Production Director, Autoglym**

## Process improvements shine through partnership for Turtle Wax

Turtle Wax Ltd, based in Lancashire, specialises in the manufacture of car polishes and waxes. As a direct result of attending the training workshops and participating in the Forum, the company has set up a number of investigative projects to trial process improvements, which it hopes will also result in environmental benefits and cost savings. The aim of one project is to reduce the amount of product and water lost during cleaning operations. Initial analysis revealed that process improvement could reduce product loss by up to 40%, water consumption by 50% and effluent charges by 40%. On this basis, provisional savings could be in the order of £66 000/year, giving capital payback for plant and equipment within a year. This saving would be used to fund further projects.



**We have learned a lot and will continue to work on a number of initiatives in the future.**

**Chris Day, Quality and Environmental Systems Manager, Turtle Wax Ltd**

# The Body Shop sees long-term benefits from partnership

**The Body Shop International plc** is a values-driven, high-quality skin and body care retailer, operating in some 50 countries, with over 1 900 outlets. The company's campaigns against human rights abuses, well-known position in favour of animal and environmental protection, and its commitment to challenge the stereotypes of beauty perpetuated by the cosmetics industry, have won the support of generations of consumers. The company continues to lead the way for businesses to use their voice for social and environmental change. The Body Shop and key suppliers that took part in the Forum have identified a number of tangible cost benefits and environmental efficiency improvements.



The Body Shop has been **delighted to participate in Retail Therapy 2003.** This initiative supports our approach to working **in partnership with our suppliers** to meet customer expectations and **achieve long-term sustainable change.**

Nicky Amos, Head of Corporate Responsibility,  
The Body Shop International plc

## Nampak Plastics Europe teams up to contain waste

Nampak Plastics Europe is one of Europe's largest manufacturers of generic and custom-designed rigid plastic containers for the automotive, agrichemical, food and drink, general chemical, and health and beauty markets, in sizes ranging from 5 ml to 25 litre capacity. Nampak operates from sites across Europe supplemented by in-plant (or 'hole in the wall') operations for major packaging users. The manufacturing site at Llantrisant in Wales supplies The Body Shop with packaging for many of its cosmetic and body care products. An internal team was established to focus on resource efficiency, to ensure that it is optimised for The Body Shop and all its customers. A recent *FastTrack* visit, conducted by a specialist Envirowise advisor, helped to highlight further key areas with potential to make cost savings, including improving waste management on-site, setting up returnable packaging systems with customers, and investing in energy efficient equipment. Nampak has been encouraged by the findings.

**As a continuous process, we look at where waste occurs within our site. This exercise has helped to identify further areas that we can make improvements at Llantrisant in future years and potentially roll out what we have learnt to the whole business.**

Steven Jones, Site Manager, Nampak Plastics Europe



# Cost savings

Results to date are encouraging for the host companies and their suppliers. Since the project began in February 2003, savings of over £2 million/year have been identified (see Table 1), with over 60% attributable to improving raw material use. Fig 1 highlights the merits of giving priority to waste prevention, reduction, re-use and recycling when taking action.

Over two-thirds of the cost-saving initiatives required no or minimal investment (ie less than £2 000) and 84% of initiatives recouped investment within a year. The average payback period was just two months.

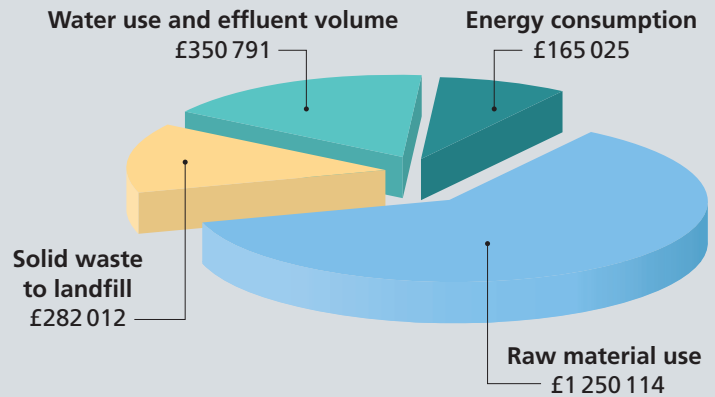


Fig 1 Cost savings for the Forum highlight the benefits of improving raw material use

Table 1 Summary of cost benefits resulting from Retail Therapy 2003 to date\*

Initiative	Savings (£)	Capital costs (£)	Payback (months)
<b>Raw material use</b>	<b>1 250 114</b>	<b>110 000</b>	<b>1-2</b>
<i>Examples for the companies:</i>			
<ul style="list-style-type: none"> <li>■ Buying liquid chemicals in bulk</li> <li>■ Switching to returnable packaging</li> <li>■ Using incoming packaging from suppliers for outgoing orders</li> <li>■ Re-using mugs - no plastic cups</li> <li>■ Rationalising raw material use</li> <li>■ Standardising raw materials for branded products</li> <li>■ Returning parts for repeat jobs</li> <li>■ Reviewing use of sealers/tapes</li> </ul>			
<b>Solid waste to landfill</b>	<b>282 012</b>	<b>64 500</b>	<b>2-3</b>
<i>Examples for the companies:</i>			
<ul style="list-style-type: none"> <li>■ Segregating and recycling waste</li> <li>■ Rationalising and re-using incoming packaging</li> <li>■ Installing a baler for paper</li> <li>■ Crushing/baling plastic drums</li> <li>■ Shredding paper for animal bedding</li> </ul>			
<b>Water use and effluent volume</b>	<b>350 791</b>	<b>170 000</b>	<b>5-6</b>
<i>Examples for the companies:</i>			
<ul style="list-style-type: none"> <li>■ Installing percussion taps</li> <li>■ Installing flow regulators</li> <li>■ Installing urinal flush control</li> <li>■ Improving operation of effluent treatment plant</li> <li>■ Harvesting grey water for use in processes</li> </ul>			
<b>Energy consumption</b>	<b>165 025</b>	<b>36</b>	<b>Immediate</b>
<i>Examples for the companies:</i>			
<ul style="list-style-type: none"> <li>■ Group purchasing of energy</li> <li>■ 'Switching off' campaigns</li> <li>■ Installing energy efficient lighting and controls</li> <li>■ Developing awareness of energy efficiency</li> <li>■ Reviewing vehicle fuel costs</li> </ul>			
<b>TOTAL</b>	<b>£2 047 942</b>	<b>£344 536</b>	

\*A full economic analysis is not available for all the cost-saving initiatives identified during the project.

# Environmental benefits

Although cost savings are an important measure of the success of the retail supply chain partnership approach, participants have also improved their environmental and business performance. Key benefits include:

- reduced raw materials use;
- reduced water use and effluent volume;
- reduced energy consumption;
- reduced packaging and other solid waste;
- improved process control;
- increased environmental awareness;
- improved workplace environment;
- improved waste segregation and recycling;
- development of an environmental policy.

## Retail Therapy - the next generation

**Envirowise is a Government programme that offers free, independent and practical advice. It is ready to help your business. Take action now!**

- Register on the Envirowise website at [www.envirowise.gov.uk](http://www.envirowise.gov.uk) for information about the retail sector.
- Call the Environment and Energy Helpline free on **0800 585794** for more information on waste minimisation and supply chain partnerships.
- Ask whether your business can have a **FastTrack visit**. Call the Helpline or visit the website for more information.
- Set up your own supply chain partnership forum. Simply order the free Good Practice Guide (**GG362**) *Practical tools to help retailers manage a supply chain partnership*. This guide contains practical advice and information, as well as a toolkit on CD-ROM, providing you with presentation slides, speakers' notes and handouts - all that you need to launch your own forum.



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Envirowise - Practical Environmental Advice for Business - is a Government programme that offers free, independent and practical advice to UK businesses to reduce waste at source and increase profits. It is managed by Momenta, an operating division of AEA Technology plc, and Technology Transfer and Innovation Ltd. This publication was prepared with assistance from Enviromentor Ltd.



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