Sourcemap Livelihoods Toolkit

HOW SUPPLY CHAIN MAPPING + TRACEABILITY ENABLE SOCIAL IMPACT

PRIVATE SECTOR ADVANTAGE

One key goal of responsible sourcing is ensuring that standards of living are met at every tier of a supply chain. For this reason traditional approaches are based on international aid and economic development, with their project-based monitoring and evaluation practices. But unlike these public-sector activities, the private sector has control over the money flowing into and the goods flowing out of a supply chain. That means there are systemic solutions built into every supply chain that can enable continuous monitoring and evaluation of producer quality of life, so long as the supply chains are mapped and traceable. This is a brief outline of how supply chain mapping and traceability can be rapidly and efficiently deployed to assess and monitor continuous improvement in quality of life across supply chains, and especially in distributed sourcing networks such as for the smallholder farmers that supply much of the coffee, cocoa and palm oil in the world.

“Traceability is a paradigm shift in livelihoods monitoring since it provides precise data on household incomes - no more self-reporting”

SUPPLY CHAIN MAPPING

Before livelihoods monitoring can begin companies need a clear picture of their end-to-end supply chain, along with a high-level understanding of where to prioritize livelihoods engagement. This is accomplished in a matter of weeks through a secure supplier portal: suppliers are invited and receive Requests for Information on the raw material origins, and intermediate processing facilities through which all materials (or services) are procured. As the results are compiled into an overall dashboard of the supply chain, Sourcemap integrates best-available social risk heat map data and ranks each supplier in terms of criticality (importance to the business) and risk (likelihood of problems). Armed with comprehensive ranking of the supply chain, a manufacturer or a brand can quickly prioritize portions of the supply chain for traceability.

TRACEABILITY

Once only possible only for highly industrialized supply chains like fresh food and pharmaceuticals, today batch-level traceability can reach every tier of even the most complex and remote supply chains. Witness the certified cocoa sector, in which traders routinely track every bag of cocoa as it’s sold from a smallholder farmer, through two or three tiers of intermediaries, on to an exporter and a factory. The advantages to traceability for business are clear - predictable supply, improved quality, elimination of fraud, logistics and distribution efficiencies - to name a few. Traceability is also the foundation of a paradigm shift in livelihoods
monitoring and evaluation since it's the first time that buyers can understand how much each household is earning. Whether it's a worker in a textile mill or a smallholder farmer, traceability allows brands to understand how much volume is being produced by how many workers. Add automated pattern matching and insights driven by machine learning and it's possible to cast out fraud and understand in great detail where the biggest risks and opportunities lie.

DRIVING IMPACT

When livelihoods monitoring is a byproduct of traceability, it's built into business-as-usual. Depending on the sector, it might be necessary to monitor other key community resources such as the availability of healthcare facilities, schooling, and clean water, or training programs in safe workplace practices. Then, with a clear understanding of which communities and households your purchasing spend is directed towards, it's easy to select the suppliers and communities to work with for maximum impact. With a rigorous monitoring and evaluation program in place driven by traceability, you'll be able to observe improvements in salaries, hours, gender representation, and any other key performance indicators that major stakeholders want to see.

GET STARTED TODAY

Supply chain mapping and traceability are soon going to become necessary to operate any supply chain to the highest standards. Don't be left behind: the first adopters of livelihoods monitoring and evaluation are poised to gain an edge in the marketplace for customers and for talent, not to mention for suppliers. Reach out to use to learn more and see how Sourcemap's software and program management services can help you tackle improving worker livelihoods at any tier of your supply chain.