



This cross-functional exercise contributes to 'understanding your current purchasing practices', a key first step in the 'process for improving purchasing practices'.



Solidaridad



Responsible Purchasing Practices (RPP)

Procurement Cycle Mapping Exercise

Purpose of the exercise

Build a shared understanding of each stage of the purchasing process. Recognise what works well and where problems occur. Identify discrepancies between policy and reality. Begin discussing potential impacts.

This collaborative workshop exercise – ideally held in-person – supports communication across functions. It is a prompt for open honest reflection on current ways of working. Combined with supplier feedback, these insights will feed into your purchasing practices risk assessment.

Who should participate

Invite individuals from functions that influence supplier relationships, such as:

- Buying / commercial / sourcing
- Design / product development
- Planning / technical
- CSR / sustainability
- Finance / legal (optional but useful for broader context)

During the session

Create a safe space to listen and learn from each other. Capture notes for future use. Bring copies of the **Common Framework** – as a handy reference for responsible purchasing practices.

Use the questions on the following pages as prompts to discuss each stage of the procurement cycle.

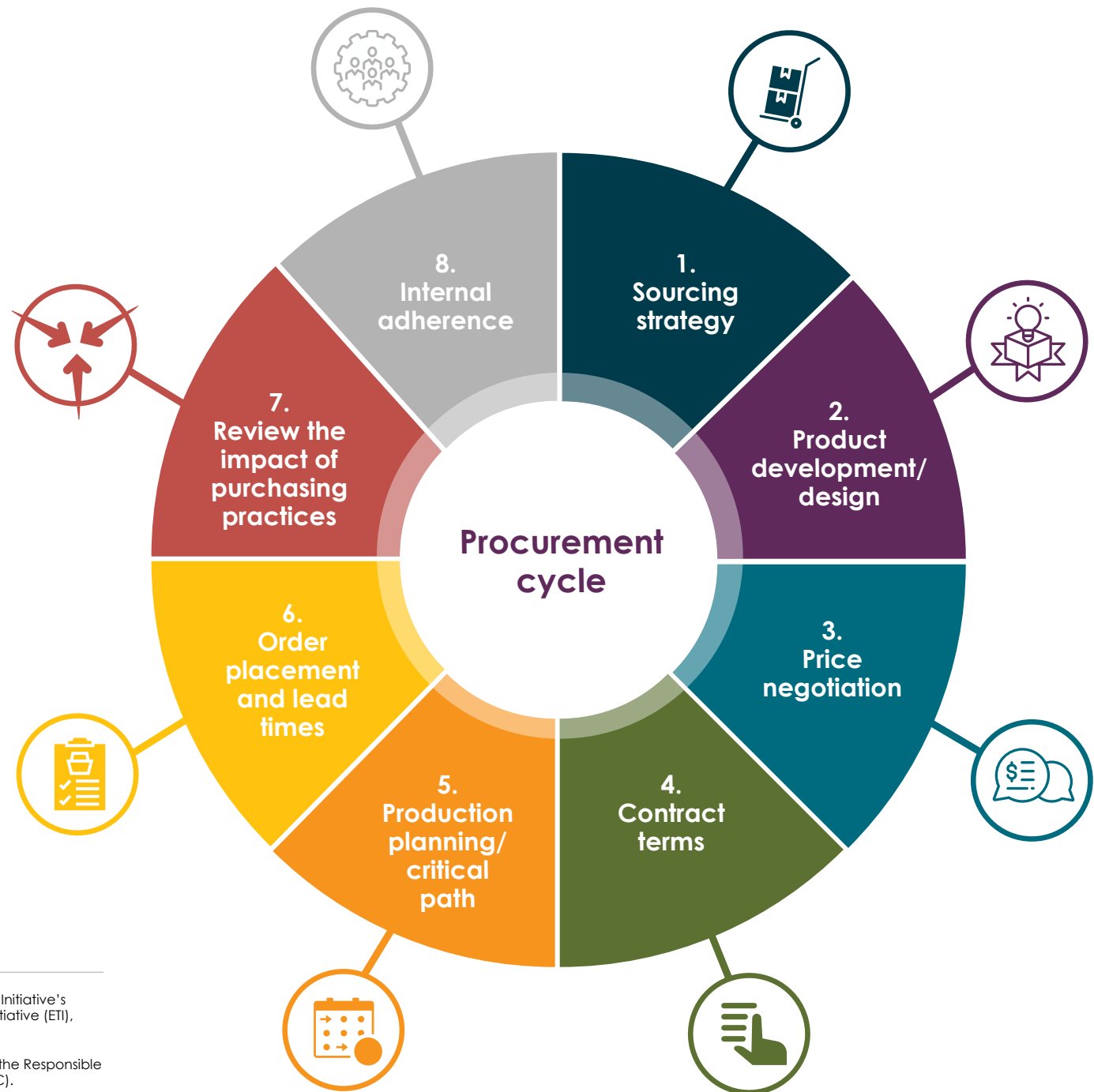


This resource was developed as part of the Responsible Purchasing Practices Learning and Implementation Community (LIC). The IP is jointly held by the Ethical Trading Initiative, Ethical Trade Norway, Partnership for Sustainable Textiles, Fair Wear and Solidaridad. The LIC was funded by the Initiative for Global Solidarity (IGS) implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (supported by the German Federal Ministry for Economic Cooperation and Development) and the Sustainable Textile Initiative: Together for Change (STITCH) (supported by the Dutch Government). Image credits: ILO Better Work

Procurement cycle

For each stage of the procurement cycle, consider:

- How does this work in practice, day to day?
- Who is responsible and who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).



This diagram is adapted from one found in the Joint Ethical Trading Initiative's 'Guide to Buying Responsibly', developed by The Ethical Trading Initiative (ETI), Ethical Trade Norway and Ethical Trade Denmark.

The exercise is adapted from an Ethical Trade Norway resource for the Responsible Purchasing Practices Learning and Implementation Community (LIC).

Questions to consider, for each stage of the procurement cycle



1. Sourcing strategy

- How does it work?
 - How are suppliers selected/de-selected?
 - How is supplier performance managed?
 - Labour standards performance?
 - Are incentives meaningful, in business terms?
 - What happens when you stop working with a supplier?
- Who is responsible and who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).



2. Product development/design

- How does it work?
 - How are samples requested and approved?
 - How do suppliers get feedback on samples?
 - Who pays for samples?
 - How do you give product specs to supplier?
 - Do suppliers get a chance to discuss spec feasibility?
 - Do you track sampling hit rate? (i.e. how many styles developed/sampled go into production)
 - If so, are there efforts to improve?
- Who is responsible and who is involved?
- Do things usually go to plan? (e.g. timelines for sampling?)
- What are the possible impacts? (e.g. on suppliers and workers).



3. Price negotiation

- How does it work?
 - How is costing built up?
 - How are prices negotiated and agreed?
 - Do suppliers give production cost info, or is pricing led by buyer targets?
 - Do costing calculations factor in labour costs specifically?
 - If you are involved in price negotiations, have you had any brand/company specific training?
- Who is responsible and who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).



4. Contract terms

- How does it work?
 - What agreements/ contracts do you have with suppliers?
 - What are the terms e.g. length of payment terms, penalties?
 - Is on-time payment to suppliers monitored?
 - How are penalties monitored for fairness?
 - Are your code of conduct and T&Cs consistent/aligned?
- Who is responsible and who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).

Questions to consider, for each stage of the procurement cycle - continued



5. Production planning/ critical path

- How does it work?
 - How/when are forecasts/order estimates communicated and updated?
 - How are styles signed off?
 - How are timelines for planning/ approvals agreed?
 - Do suppliers get the information they need, before having to buy materials/ accessories for that order?
 - Do you ever cancel/change PO's after raw materials have been bought?
 - If so, what happens to the materials?
 - Who asks for/signs off these cancelations or late changes?
- Who is responsible and who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).



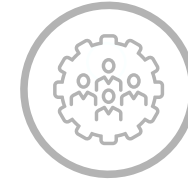
6. Order placement and lead times

- How does it work?
 - Are lead times sufficient for responsible production? (e.g. no excessive overtime?)
 - Do you receive feedback from suppliers about this?
 - What do you do if an order is increased in volume, or pulled forward to an earlier delivery date, or there is late change to spec?
 - Do you discuss possible impact with supplier?
 - Do you know the capacity of the factories, to be able to understand the impact of that change?
- Who is responsible and who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).



7. Review the impact of purchasing practices

- How does it work?
 - Do you ask your suppliers for feedback on the impacts of your purchasing practices?
 - If so, how is this received and integrated?
 - If not, do you have a system for feedback from suppliers on other issues?
 - Do suppliers bring complaints to you directly? (e.g. to a buyer?)
 - If so, do you know what to do next?
- Who is responsible and who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).



8. Internal adherence

- How does it work?
 - How are product teams/ buyers incentivised/ rewarded?
 - How is internal adherence to planning/ approvals/ order deadlines tracked, monitored & rewarded?
 - If a supplier penalty is applied, is the root cause checked first? (e.g. was there a late spec change?)
 - Have you had training on responsible purchasing practices?
 - If so, what does that involve?
- Who is responsible? Who is involved?
- Do things usually go to plan?
- What are the possible impacts? (e.g. on suppliers and workers).