From Reactive to Proactive: How Suppliers Can Advance Environmental Sustainability by Engaging Customers

The typical narrative around sustainable purchasing is that buyers establish criteria and goals, and then engage suppliers after they have decided what they want. But what if the paradigm was reversed? What if a supplier could switch from reacting to customer demand for more sustainable products and services, to proactively helping solve customer problems associated with sustainable purchasing?

This case study will describe one company’s efforts to do just that. It will detail Office Depot’s 15 year journey to customer-centric sustainability - a journey that started reactively but ended proactively - not just for the company and its customers, but potentially for an entire marketplace. The lessons learned may inform all types of collaborations between suppliers and buyers, across many product and service categories.

Reactive Beginnings: Recycled Products Catalog in 1999

Office Depot’s reactive efforts to support environmental sustainability efforts of its customers began in 1999 when a major public sector customer asked for a tool to make it easier for them to buy recycled products. Since catalogs were the main method of choosing office products at that time, the Recycled Products catalog was born. This catalog featured the few hundred products in Office Depot's assortment that contained 10% or more post-consumer recycled content. The catalog was used by thousands of purchasers, mainly in the Western United States.

First Green Book and eco-label in 2003

Because of the active sourcing efforts by Office Depot buyers, by 2003, the assortment eligible for the Recycled Products Catalog had grown significantly. So had the awareness that institutional buyers in the U.S. were not only interested in eco-attributes, such as ‘recycled content’ but also third party eco-labels, such as GreenSeal. As such Office Depot pursued an office products industry-first by obtaining GreenSeal certification for its top-selling recycled paper, EnviroCopy. This now eco-labelled paper was featured in the company’s first Green Book catalog of environmentally preferable products – a catalog that formed the foundation of many proactive sustainability programs in the years ahead. Obtaining the first ecolabel also precipitated more active pursuit of third party ecolabels for thousands of additional products in the ensuing years.
Commitment to ‘sell greener’ as formal environmental strategy, 2006

By 2006, after three years of showcasing the Green Book as the company’s primary tool for engaging customers in greener purchasing, Office Depot announced a formal environmental strategy to “buy greener, be greener and sell greener”. This strategy, announced in the company’s Corporate Citizenship Report was supported by a series of green initiatives across functional areas. Performance was tracked in a quantitative dashboard which was independently reviewed by PwC. The baseline metric for ‘sell greener’ was $1.05 Billion in North American sales of products in the Green Book in 2005.

As clear evidence of the goal to proactively ‘sell greener’ Office Depot also publicly presented its first award for greener purchasing. The inaugural recipient was Southwest Airlines, who Office Depot recognized for the airline’s extensive purchasing of remanufactured toner cartridges and recycled paper.

The philosophy behind the awards program was that if Office Depot proactively and publicly recognized purchasers for greener purchasing they would be more likely to seek greener products in the future, and that other purchasers would be likely to follow. There was much immediate evidence of this based on customer feedback and engagement after the awards events that started in 2006 and continued almost annually thereafter.
Buy Green site and search for common environmental attributes, 2008

While the Green Book continued as a primary tool for customer education and engagement on greener purchasing, by 2008 it was clear there was increased market interest in green shopping online. Reacting to this market demand, Office Depot created one of the world’s first online storefronts for greener shopping, originally launched as officedepot.com/buygreen. This site featured over 4,000 products with eco-attributes and included a detailed exploration of the question ‘what is green?’ by product category. Importantly, the site also had improved search functionality for products with eco-attributes such as recycled content, remanufactured, rechargeable and refillable.

Small Steps to Buying Greener Seminar Series, 2009

In 2009, Office Depot stepped up its proactive efforts to engage a wide range of B2B customers, not just those with a propensity for greener purchasing. It launched a free seminar series with high profile guest lecturers, and invited customers and prospective customers to half day educational sessions across the country. The free seminars were held in cities where market propensity for greener purchasing was high (for example Seattle, San Francisco and New York) and many cities where mainstream interest was low (for example Cincinnati and Atlanta. Over two thousand individuals, mainly institutional purchasers were engaged through this educational series.
Shades of Green and Green Business Review, 2010

The seminar series content and online guide to buying green on the website also introduced the concept of 'shades of green' - something that became a foundation for much future work by Office Depot. The idea also became a method to proactively engage mainstream buyers in making greener choices. The philosophical premise was that it is much easier to nudge buyers just starting to buy 'slightly greener' than expecting them to immediately switch to the products at the highest environmental standards.

The idea for shades of green arose after Office Depot analyzed over 40 environmentally preferable purchasing policies of major institutional buyers, and found the environmental specifications for the same products to be widely divergent. For example in the 2008 version of the LEED rating system, the US Green Building Council considered paper to be ‘green’ if it had 10% post-consumer recycled (PCR) content. The Federal Government by contrast specified 30% PCR as the minimum threshold. And the State of Washington mandated 100% PCR content.

Rather than trying to decide which of the USGBC, Federal Government or State of Washington were correct, Office Depot accepted that they were all correct. The first step was to establish a rating system for paper and then other office product categories, designating items as ‘light green’ if it had at least one meaningful eco-attribute or ecolabel; ‘mid green’ if it had a high degree of at least one meaningful eco-attribute or eco-label and ‘dark green’ if it had the highest level of at least one eco-attribute or ecolabel. The system also had a fourth rating for items which had eco-attributes that were so pervasive in their category that they could be deemed ‘industry environmental norms’. The shades of green based system was first developed in house by Office Depot and then vetted and improved over many months in 2008 and 2009 with input from numerous external stakeholders.

The system then formed the foundation for greener spend reports and greener alternatives tools that the company created to proactively help customers understand their green spend behavior. These reports were first piloted in 2010 and have then proactively delivered to thousands of customers. A consultative approach is used by Office Depot to engage customers to make greener purchasing decisions.
Lessons Learned for Suppliers: If there is no definition for green in your categories, help create the definition by developing a point of view, engaging expert stakeholders and then get involved in cross-sector collaborations.

If there is no standard for ‘green’ or environmentally sustainable in a product category, suppliers have three main options: rely on ecolabels / standard development processes that may cover a portion of the categories they sell; avoid thinking about how to proactively identify and sell greener products; or create their own standard and have it vetted by expert stakeholder input. Since there was no third party sanctioned effort to standardize the definition of ‘greener’ office products, Office Depot chose the third option and created its own rating system. The risk of being accused of green-washing was avoided because expert stakeholders had been engaged, the rating system was transparently available to any who asked, and because it became clear to anyone who read it that Office Depot had done their homework, and created simplicity after working through complexity.

In the long run, the ideal approach is to collaborate to create industry standard definitions methods. Internally developed approaches can then serve as valuable input into cross sector solutions.

GreenerOffice Brand Identity & Global Green Product Range by 2011

The shades of green philosophy also formed part of a new global brand identity and product range. All products in this range had a consistent visual identity to simply shoppability and most featured a nutritional label describing the products exact eco-attributes and ecolabels. Marketing and packaging teams were also provided concrete brand guidelines to avoid green-washing, and maintain consistency of design, tone of voice, and approach to green selling.

Comprehensive definition of ‘greener’ and $2 Billion in sales by 2012

Based on the new tools and proactive sales efforts, by 2012 Office Depot had quadrupled its assortment of products with eco-attributes or ecolabels, proactively encouraged many suppliers and customers to seek greener options, and doubled its sales of greener products to over $2 Billion in North America.
Recognizing customers more publicly for purchasing leadership, 2012

Office Depot expanded the scope and scale of its Greener Purchasing Awards by hosting a high profile event at its Global HQ to celebrate its 7th annual Leadership in Greener Purchasing Awards. This event recognized customers with high green spend in their industry segment, attracted major buyers from across the country and reinforced the value of recognizing leadership to drive further interest in greener purchasing. This press release and video below (link) provides further details on the awards & event.

Tenth & final Green Book, with Greener Purchasing Program in 2014

In 2014, Office Depot announced that it would be publishing its tenth and final Green Book catalog, dedicated future efforts to improved green shopping functionality online. The 2014 Green Book included a comprehensive Greener Purchasing Program that leveraged the range of tools developed over the years, and packaged them into a clear methodology for greener purchasing.
As shown in the table of contents below, the Office Depot Greener Purchasing program helps take a customer through five main phases of thinking about greener purchasing: from Analyzing Spend to Defining Priorities, Switching to Greener, Measuring Results and Recognizing Leadership. This methodology is proactively being rolled out with a large number of Office Depot customers.

![Greener Purchasing Program Table of Contents](image)

**Future: continued proactivity, expansion to social and economic sustainability, and cross sector collaboration in SPLC**

The past 15 years for Office Depot have been about moving from reactive to proactive in terms of selling greener as a supplier, and doing so independently. The future will be about bringing unique online and offline tools and functionality to support purchasers who want to advance sustainability in all its dimensions – from environmental to social to economic.

It is also about moving from independently developing approaches to a focus on collaboratively developing approaches and solutions with a much wider set of stakeholders. This will be achieved through Office Depot’s involvement in SPLC and discussions with government entities and non-profits. But most importantly it will be achieved by continuing the long heritage of customer centric sustainability, and proactively working with Office Depot customers around the world who want to jointly advance sustainability with a proactive and can-do attitude to this task: customers like Montgomery County Community College, who are a perfect example of the Office Depot’s shift from reactive to proactive.

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**Lessons Learned for Suppliers:** Customer-centric sustainability is a proactive strategy any supplier can pursue – the important thing is to be slightly (but not too far ahead) of the market.

Customers with a propensity for sustainability often struggle when trying to engage their suppliers. Anticipating customer needs and helping create demand for more sustainable products, reporting tools and consulting services allows competitive differentiation and greater loyalty over the long term.