



First independent global index rates the purchasing practices of 65 leading brands and retailers

Over 60% of suppliers are not incentivised for being compliant to buyer codes of conduct



May 22, 2018 - Better Buying has today launched the Better Buying Purchasing Practices Index (BBPPI) and its first benchmark report designed to support industry efforts to improve purchasing practices in supply chains globally.

Better Buying uses data submitted anonymously by suppliers through its online platform to rate the purchasing practices of buyers within the apparel, footwear, and household textiles industries globally. Contrary to expectations, the outcomes of the benchmark report prove that the length of a relationship between buyers and suppliers does not have an impact on the nature of buying practices. This means that it doesn't matter whether buyers have had relationships with suppliers for one, five, or even 20 years – suppliers experience generally the same purchasing practices. Furthermore, the report shows that over 60% of the suppliers are not incentivised for being compliant to buyer codes of conduct, while it also indicates that incentives are essential to improving purchasing practices.

Marsha Dickson, Ph.D., Better Buying co-founder, said: "Current business practices are unsustainable and need to be overhauled if we expect companies to achieve financial, environmental, and social sustainability goals. Brands and retailers must provide their suppliers with predictable business, sufficient lead times, fair financial deals, and incentives for compliant factories. The BBPPI empowers suppliers to share concerns about poor supply chain management and the issues they face."



Doug Cahn, Better Buying co-founder, said: “The BBPPI supports brands and retailers, multi-stakeholder initiatives, investors, and other stakeholders looking to improve purchasing practices. Rather than assessing the policies and procedures of buying companies, it instead measures their impact on suppliers using confidential data-driven surveys.”

Better Buying, supported by C&A Foundation and Humanity United, is the first initiative to focus on empowering suppliers and amplifying their voice. The platform tracks and releases performance scores and analysis about purchasing practices, allowing trends to be uncovered. The benchmark report summarizes the results and key findings from the first cycle of BBPPI data collection carried out in Q4 2017. It includes ratings from 156 suppliers across 24 countries and measures the performance of 65 buyers. Buyer performance is measured against seven key categories of purchasing practices: Planning and Forecasting, Design and Development, Cost and Cost Negotiation, Sourcing and Order Placement, Payment and Terms, Management of the Purchasing Process, and CSR Harmonization.

The BBPPI finds room for all companies to improve, as well as evidence of good practice. Key findings published in the report include:

- The average overall Better Buying score for buyers was 2.5 out of 5 stars (scores were awarded using a 0 to 5-star rating system), meaning that the kinds of practices suppliers face result in significant challenges.
- In most cases, suppliers were paid on time and at the price agreed upon (4.5 out of 5 stars for Payment and Terms), while the worst performing category was Sourcing and Order Placement with an average of 0, meaning that suppliers were not rewarded for compliance to their codes of conduct and legal requirements and receive highly inconsistent order volumes from month to month.
- Buyers scored better where they had a direct relationship with the suppliers rating them compared with buyers using a third party, which is reflected in overall Better Buying scores, Cost and Cost Negotiation, and Management of the Purchasing Process categories.
- No significant correlation was found between the length of a buyer-supplier relationship and overall Better Buying scores, which implies that a long-term relationship does not improve purchasing practices.

Industry-wide transformation of purchasing practices demands leadership. Dickson: “By using information generated by Better Buying, brands and retailers will be able to identify how their buyers, product developers, and other company employees responsible for bringing products to market can improve their day-to-day business activities, thus helping their suppliers uphold better labor standards.”

The index report can be read here: [Purchasing Practices Index Report, Spring 2018](#)



END OF PRESS RELEASE - NOTES TO EDITORS

About Better Buying

Better Buying is an initiative that supports industry-wide transformation of buyer purchasing practices to ensure business relationships allow buyers and suppliers to achieve their financial, environmental, and social sustainability goals. Anonymous supplier ratings of buyer purchasing practices are aggregated, scored, and made available to the buyers and suppliers. Ratings are updated every six months and eventually made public along with buyer comments, and examples of best and improving practices. Detailed analytics reports, along with key recommendations are made available to buyers who have been rated a minimum of five times. Co-founded by Marsha Dickson, Ph.D. and Doug Cahn, Better Buying was launched during an 18-month feasibility study funded by C&A Foundation in 2015 and is currently a project of the University of Delaware.

www.betterbuying.org Twitter: @betterbuying

About Humanity United

Humanity United is a foundation dedicated to bringing new approaches to global problems that have long been considered intractable. We build, lead, and support efforts to change the systems that contribute to problems like human trafficking, mass atrocities, and violent conflict. HU is part of The Omidyar Group, a diverse collection of organizations, each guided by its own approach, but united by a common desire to catalyze social impact.

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About C&A Foundation

C&A Foundation is here to transform the fashion industry. We give our partners the financial support, expertise and networks so they can make the fashion industry work better for every person it touches. We do this because we believe that despite the vast and complex challenges we face, we can work together to make fashion a force for good.

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