



Intro to Social Procurement for Suppliers

Social procurement is procurement - but with impact.

You may have heard the term *social procurement*, but what exactly does it mean and how does it work? This practical guide is for organisations that are interested in engaging in social procurement and understanding its rationale and benefits. It is also designed to demystify the language surrounding social procurement.

A **Buyer** is an organisation that purchases products and services through a procurement function.

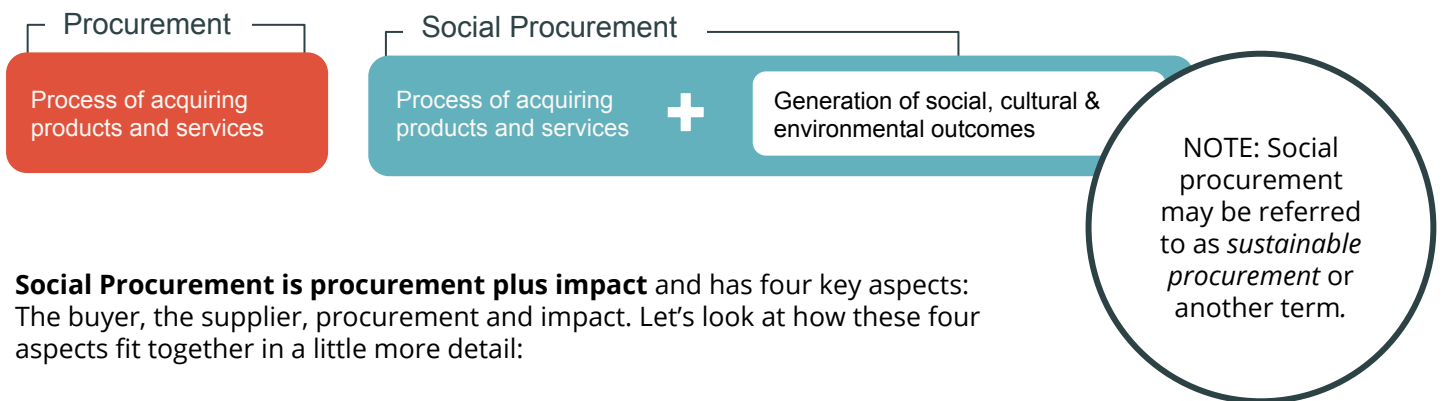
A **Supplier** is the organisation that is providing the products or services to a Buyer.

Impact is the positive social, cultural and/or environmental changes that happens as a result of an activity (in this case, procurement).

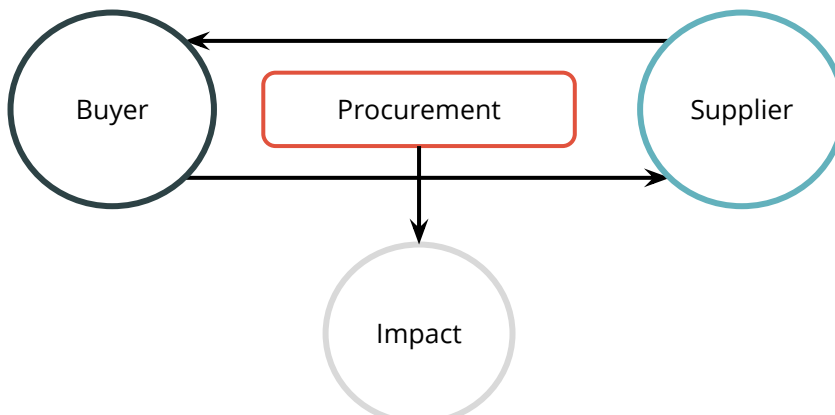
Procurement is the process of acquiring and delivering products, services and physical works. It is also often a business function within large organisations.

Social Procurement

Social Procurement is the intentional purchase of products and services that results in positive impact.



Social Procurement is procurement plus impact and has four key aspects: The buyer, the supplier, procurement and impact. Let's look at how these four aspects fit together in a little more detail:



Impact

The aspiration of social procurement is to incorporate **impact** into procurement and supply chains.

Working with impactful suppliers (such as social enterprises or Māori or Pasifika businesses) is a growing way to generate impact, as these suppliers already deliver impact through their work.

While impact is the difference between procurement and social procurement, there still needs to be a robust procurement process undertaken between a Buyer and a Supplier.

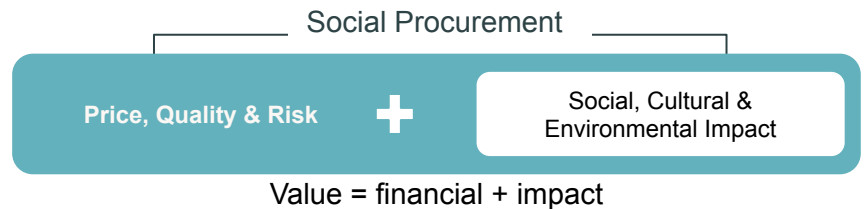
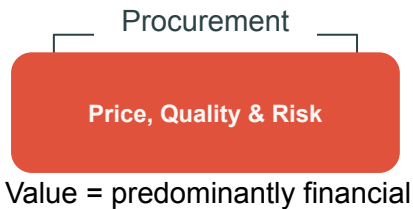
Impact is one of those terms that has many different names, but they mean the same thing.

The NZ Government speaks about impact using [Broader Outcomes](#).

The UN devised 17 global, social, cultural and environmental goals called the [Sustainable Development Goals](#), which is another way to think about impact.

Changing the value lens of procurement

In procurement, *value* has traditionally been defined across the five 'rights': quality, quantity, place, time and price. Increasingly, buyers are redefining value and looking for impact in addition to price, quality and risk considerations.



Social Procurement: Rationale & Benefits

For Buyers

- Generation of positive impact through supply chains.
- Credibility and progress in delivering sustainability aspirations.
- Improved staff and customer engagement.
- Clients demanding impact through procurement.
- Improved community connections.

For you as a Supplier

- Access to a large market: Business-to-business trade.
- Increased recognition of the value of impact giving a point of difference.
- Opportunities for more significantly-sized contracts leading to more sustainable revenue and financial longevity.
- Contracts and partners to scale and grow impact.

Social Procurement: A Global Movement

There is an international movement that seeks to do procurement differently. This is evidenced by changing supply chain management practices that are looking across a wide range of impact areas and global challenges such as modern slavery, carbon management and environmental footprinting.

Global supply chains are complex and changing behaviour takes time. However, the opportunity for greater positive impact is significant and can create meaningful change.

For Suppliers

Remember: Social procurement is still procurement - it's just valuing different things.

1. Impact is your point of difference...

...but you still have to compete on price, quality and risk factors, while delivering social, cultural or environmental impact in a meaningful way.

Capturing and reporting impact to buyers is a necessary part of social procurement.

2. Understanding procurement

Procurement is a diverse process and every organisation does it in a different way. It is not always include a tender and it is not always competitive. Social procurement adds complexity for buyers, so having an understanding of the procurement their process is important.

3. Alignment of priorities

Every buyer has different impact areas they priorities. Ensure your impact is aligned with any potential buyer's priorities and be clear when communicating your impact and the value you provide.

4. Patience is key

Buyers are engaged in and committed to social procurement to varying degrees. They may also be trialling different ways to approach social procurement so look at their priorities and respond appropriately to their weighting of social, cultural and environmental factors when responding to an opportunity.

Email hello@fwd.org.nz to request our practical Social Procurement Readiness Checklist for more information on how to prepare for procurement.

If you're interested in Supplier certification and being part of Ākina's social procurement programme **fwd:**, please visit: fwd.org.nz/fwd-for-suppliers

This guide was created as part of The Impact Initiative.

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