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# De-risk and resilience strategies

Strategies & tips for deeper engagement with social enterprises and Australian disability enterprises (ADEs)



## Key Tips

# Strategy #1: Take an all of organisation approach to planning

*Adopt a top-down, bottom-up approach to planning and delivery so that creating social value – through social procurement or otherwise - becomes everyone's responsibility*

- Develop a social procurement strategy or action plan that sets out what you want to achieve and how you will achieve it – this should include both clear social and financial goals
- Provide all levels across the organisation the opportunity to contribute to the development of your social procurement action plan / strategy
- As part of the planning approach, undertake an audit on existing spend to highlight any social enterprises already in your supply chain and where you can do more
- Upskill the entire organisation around social procurement and social value creation and empower them to identify opportunities
- Get buy-in and endorsement from the executive on the need for a social procurement / social value plan
- Identify a 'champion' at the executive level to lead change, hold people to account and set an example

## Strategy #2: Embed outcomes into your strategy

*Responsible buyers look beyond the items and prices – they consider the impact on people, place and planet throughout the entire process. Organisations leading in this space have shifted the conversation from one about spend and hours to one about the outcomes that are happening for people and the flow-on effects into communities.*

### Key Tips

- Make an explicit commitment to the delivery of social procurement through a clear and executive-endorsed plan
- Articulate the outcomes, or changes, you want to see take place as a result of your buying decisions
- Put in place a framework to measure and track progress towards your outcomes (See Impact Measurement 101 for more details).

## Strategy #3: Rethink your risk management framework

*Updating your company-wide risk management framework to incorporate those associated with social procurement (and social value more broadly) will help identify early on any risks associated with specific purchase and develop risk mitigation strategies as you would with any business-related decision*

### Key Tips

- Consider each social procurement objective / decision through the lens of your company wide appetite for risk
- Zone your risks – innovation requires high-risk appetite and a ‘safe-to-fail’ environment. Consider ‘zoning’ certain social procurement activities as safe spaces for appropriately scaled innovation and risk
- Engage suppliers in your risk management process, by collaborating with them to identify risks and develop mitigation plans
- Conduct scenario planning exercises to prepare for a range of potential disruptions and test the effectiveness of your resilience strategies
- Updating your company-wide risk management framework to incorporate those associated with social procurement (and social value more broadly) will help identify early on any risks associated with specific purchase and develop risk mitigation strategies as you would with any business-related decision

## Strategy #4: Support your procurement team

*From a buyer perspective, procurement staff need a 'value framework' that recognises social value and is more nuanced than traditional price comparison. They need to know it's safe to recommend a supplier that isn't the cheapest option or even the best 'value for money' in a commercial sense, if there is a greater social value involved.*

### Key Tips

- Provide clear guidance around the social and financial goals of procurement
- Incorporate a weighting for 'social impact' into buying decision-making framework – this could be aligned with specific outcomes
- Upskill your buying team around the different business model underpinning social enterprises and ADEs including how they create social value.
- For example: Potential higher costs of working with an employment-focused social enterprise need to be considered in line with other potential costs such as costs for the buyer's business from running a separate inclusive employment program

## Strategy #5: adopt an 'agile-thinking' approach to planning

*Agility is the ability to quickly reorient the organization toward valuable opportunities. To achieve agility in planning, companies should combine elements that promote both stability and dynamism. Stability elements include setting clear strategic priorities and defining closely related objectives. Dynamic elements include continuous improvement and regularly revisiting budgetary items as new opportunities arise*

### Key Tips

- Embed your goals related to social procurement into your broader strategy for the organisation
- Include flexibility clauses in your supplier contracts – this will enable your supply chain to adapt sooner to changing social and economic conditions
- Build contingency into your planning for social procurement and prepare alternative sources to mitigate disruptions and ensure business continuity during emergencies.
- Talk to people about their skills and capabilities rather than making assumptions about what needs can and cannot be met through social procurement
- Embed a culture of continuous improvement around how you approach your social procurement strategy, reflecting on outcomes and making changes accordingly

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